

Football Capital Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2018

Football Capital Limited

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Football Capital Limited

Company Information

Directors	Mr Stefano Castagna Mr Marco Busiello Mr Andrea Cerroni
Registered office	11 St James's Place London SW1A 1NP
Accountants	Charter Tax Consulting Ltd 11 St. James's Place London SW1A 1NP

Football Capital Limited

Directors' Report for the Year Ended 30 June 2018

The directors present their report and the unaudited financial statements for the year ended 30 June 2018.

Directors' of the company

The directors, who held office during the year, were as follows:

Mr Stefano Castagna

Mr Marco Busiello

Mr Andrea Cerroni

Principal activity

The principal activity of the company is management of football players and sport marketing consultancy

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company currently has net liabilities and expects to meet its financial obligations as it has support from the Group of which the Company is part of. The Company and the Group's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Group should be able to continue to operate as a going concern. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 3 October 2019 and signed on its behalf by:

.....
Mr Stefano Castagna
Director

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Football Capital Limited
for the Year Ended 30 June 2018**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Football Capital Limited for the year ended 30 June 2018 set out on pages 4 to 18 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Football Capital Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Football Capital Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Football Capital Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Football Capital Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Football Capital Limited. You consider that Football Capital Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Football Capital Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Charter Tax Consulting Ltd
11 St. James's Place
London
SW1A 1NP

3 October 2019

Football Capital Limited

Income Statement for the Year Ended 30 June 2018

	Note	2018 £	2017 £
Revenue	<u>3</u>	327,462	655,127
Cost of sales		<u>(88,359)</u>	<u>(177,673)</u>
Gross profit		239,103	477,454
Administrative expenses		(1,276,367)	(1,319,073)
Other operating income		18,429	23,115
Other losses		<u>(7,031)</u>	<u>(3,502)</u>
Operating loss		(1,025,866)	(822,006)
Finance costs		<u>354,702</u>	<u>(399,136)</u>
Loss before tax		<u>(671,164)</u>	<u>(1,221,142)</u>
Loss for the year		<u><u>(671,164)</u></u>	<u><u>(1,221,142)</u></u>

The above results were derived from continuing operations.

The notes on pages 10 to 18 form an integral part of these financial statements.

Football Capital Limited

Statement of Comprehensive Income for the Year Ended 30 June 2018

	2018 £	2017 £
Loss for the year	<u>(671,164)</u>	<u>(1,221,142)</u>
Total comprehensive income for the year	<u><u>(671,164)</u></u>	<u><u>(1,221,142)</u></u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Football Capital Limited
(Registration number: 08996413)
Statement of Financial Position as at 30 June 2018

	Note	30 June 2018 £	30 June 2017 £
Assets			
Non-current assets			
Property, plant and equipment	<u>7</u>	5,678	8,067
Investments in subsidiaries, joint ventures and associates		126,083	118,681
		<u>131,761</u>	<u>126,748</u>
Current assets			
Trade and other receivables	<u>10</u>	1,674,393	1,607,690
Cash and cash equivalents	<u>11</u>	2,706	139,399
		<u>1,677,099</u>	<u>1,747,089</u>
Total assets		<u><u>1,808,860</u></u>	<u><u>1,873,837</u></u>
Equity and liabilities			
Equity			
Share capital	<u>12</u>	(1,000)	(1,000)
Retained earnings		3,964,401	3,293,237
Total equity		3,963,401	3,292,237
Current liabilities			
Trade and other payables	<u>13</u>	(5,772,261)	(5,166,074)
Total equity and liabilities		<u><u>(1,808,860)</u></u>	<u><u>(1,873,837)</u></u>

For the financial year ending 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 3 October 2019 and signed on its behalf by:

The notes on pages 10 to 18 form an integral part of these financial statements.
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Football Capital Limited

(Registration number: 08996413)

Statement of Financial Position as at 30 June 2018

.....
Mr Stefano Castagna
Director

The notes on pages 10 to 18 form an integral part of these financial statements.
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Football Capital Limited

Statement of Changes in Equity for the Year Ended 30 June 2018

	Share capital £	Retained earnings £	Total £
At 1 July 2017	1,000	(3,293,237)	(3,292,237)
Loss for the year	-	(671,164)	(671,164)
Total comprehensive income	-	(671,164)	(671,164)
At 30 June 2018	1,000	(3,964,401)	(3,963,401)
	Share capital £	Retained earnings £	Total £
At 1 July 2016	1,000	(2,072,095)	(2,071,095)
Loss for the year	-	(1,221,142)	(1,221,142)
Total comprehensive income	-	(1,221,142)	(1,221,142)
At 30 June 2017	1,000	(3,293,237)	(3,292,237)

The notes on pages 10 to 18 form an integral part of these financial statements.

Football Capital Limited

Statement of Cash Flows for the Year Ended 30 June 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the year		(671,164)	(1,221,142)
Adjustments to cash flows from non-cash items			
Depreciation, amortisation and impairment		2,389	14,045
Changes in fair value of investments		7,031	3,502
Loss on disposal of property plant and equipment		-	7,008
Finance income	<u>4</u>	(18,429)	(23,115)
Finance costs	<u>4</u>	(354,702)	399,136
		(1,034,875)	(820,566)
Working capital adjustments			
Increase in trade and other receivables	<u>10</u>	(66,703)	(538,590)
Increase/(decrease) in trade and other payables	<u>13</u>	606,187	(445,602)
Net cash flow from operating activities		(495,391)	(1,804,758)
Cash flows from investing activities			
Interest received	<u>4</u>	18,429	23,115
Acquisition of subsidiaries		(14,433)	(79,582)
Acquisitions of property plant and equipment		-	(8,287)
Proceeds from sale of property plant and equipment		-	(7,008)
Net cash flows from investing activities		3,996	(71,762)
Cash flows from financing activities			
Foreign exchange (gains) / losses	<u>4</u>	354,702	(399,136)
Net decrease in cash and cash equivalents		(136,693)	(2,275,656)
Cash and cash equivalents at 1 July		139,399	2,415,055
Cash and cash equivalents at 30 June		<u>2,706</u>	<u>139,399</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

11 St James's Place
London
SW1A 1NP
United Kingdom

These financial statements were authorised for issue by the Board on 3 October 2019.

2 Accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company currently has net liabilities and expects to meet its financial obligations as it has support from the Group of which the Company is part of. The Company and the Group's forecasts and projections, taking account of reasonably possible changes in trading performance show that the Group should be able to continue to operate as a going concern. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Exemption from preparing group accounts

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small sized group.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 July 2017 have had a material effect on the financial statements.

None of the standards, interpretations and amendments which are effective for periods beginning after 1 July 2017 and which have not been adopted early, are expected to have a material effect on the financial statements.

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

Revenue recognition

Recognition

The company earns revenue from the provision of services relating to the management of football players and commission income generated from the sale of the football players. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	33% Straight Line
Land and buildings	20% Straight Line

Intangible assets

Intangible assets relate to image rights contracts and are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on intangible assets over the life of the contract on a straight-line basis.

Investments

Investments in subsidiaries are carried at cost, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018 £	2017 £
Rendering of services	305,360	505,127
Other revenue	22,102	150,000
	<u>327,462</u>	<u>655,127</u>

4 Finance income and costs

	2018 £	2017 £
Finance costs		
Foreign exchange gains/(losses)	<u>354,702</u>	<u>(399,136)</u>

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	291,125	202,064
Social security costs	42,040	147,731
	<u>333,165</u>	<u>349,795</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Directors	<u>3</u>	<u>3</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	<u>291,125</u>	<u>192,089</u>

In respect of the highest paid director:

	2018	2017
	£	£
Remuneration	291,125	147,089

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

7 Property, plant and equipment

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 July 2017	2,800	5,487	8,287
At 30 June 2018	2,800	5,487	8,287
Depreciation			
At 1 July 2017	-	220	220
Charge for the year	560	1,829	2,389
At 30 June 2018	560	2,049	2,609
Carrying amount			
At 30 June 2018	2,240	3,438	5,678
At 30 June 2017	2,800	5,267	8,067

8 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 1 July 2017	15,552	15,552
Disposals	(15,552)	(15,552)
At 30 June 2018	-	-
Amortisation		
At 1 July 2017	15,552	15,552
Amortisation eliminated on disposals	(15,552)	(15,552)
At 30 June 2018	-	-
Carrying amount		
At 30 June 2018	-	-
At 30 June 2017	-	-

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

9 Investments

Subsidiaries	£
Cost or valuation	
At 1 July 2017	118,681
Revaluation	(7,031)
Additions	<u>14,433</u>
At 30 June 2018	<u>126,083</u>
Carrying amount	
At 30 June 2018	<u><u>126,083</u></u>
At 30 June 2017	<u><u>118,681</u></u>

Details of the subsidiaries as at 30 June 2018 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2018	2017
Football Capital SRL	Football management	player Italy	100%	100%
Football Capital SRL	Football management	player Uruguay	90%	90%
Football Capital Gestao Desportiva LTDA	Football management	player Brazil	100%	90%
Football Capital Asia Limited (Hong Kong)	Football management	player China	85%	85%
Football Capital SA	Football management	player Switzerland	100%	100%

10 Trade and other receivables

	30 June 2018 £	30 June 2017 £
Trade receivables	9,626	-
Receivables from related parties	1,366,547	1,324,513
Accrued income	-	50,639
Other receivables	<u>298,220</u>	<u>232,538</u>
	<u>1,674,393</u>	<u>1,607,690</u>
	<u><u>1,674,393</u></u>	<u><u>1,607,690</u></u>

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

11 Cash and cash equivalents

	30 June 2018	30 June 2017
	£	£
Cash at bank	2,706	139,399

12 Share capital

Allotted, called up and fully paid shares

	30 June 2018		30 June 2017	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

13 Trade and other payables

	30 June 2018	30 June 2017
	£	£
Trade payables	184,535	156,493
Accrued expenses	4,510	23,743
Amounts due to related parties	5,169,138	4,799,581
Other payables	414,078	186,257
	5,772,261	5,166,074

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note.

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

14 Related party transactions

The company's parent and the ultimate parent is Football Capital WW Limited, a company incorporated in Jersey.

Summary of transactions with parent entities

During the period the company received a loan from the parent of £38,837 (2017: £4,751,445). The company made repayments to its parent of £83,536 (2017: £nil). The loan with the parent is in USD and therefore the loan was revalued at the year end by £361,880 (2017: £nil).

Summary of transactions with subsidiaries

During the period the company made loans to its subsidiaries of £68,119 (2017: £379,546). The company received repayments from its subsidiaries of £56,377 (2017: £21,932). The loans with the subsidiaries are made in EUR and USD and therefore the loans were revalued at the year end by £3,818 (2017: £46,789). Interest was charged on the loans of £34,110 (2017: £23,791). During the period the company received loans from its subsidiaries of £760,671 (2017: £167,903). The company made repayments to its subsidiaries of £nil (2017: £120,443). The loans from the subsidiaries are made in CHF, EUR and USD and therefore the loans were revalued at the year end by £3,563 (2017: £nil). Interest was charged on the loans of £11,586 (2017: £992).

Loans to related parties

	Subsidiary £
2018	
At start of period	1,324,513
Advanced	68,119
Repaid	(60,195)
Interest charged	34,110
	<hr/>
At end of period	<u>1,366,547</u>
	Subsidiary £
2017	
At start of period	896,319
Advanced	426,335
Repaid	(21,932)
Interest charged	23,791
	<hr/>
At end of period	<u>1,324,513</u>

Terms of loans to related parties

The loans were made to the subsidiaries in GBP, EUR and USD and will be repaid in GBP, EUR and USD. Interest is charged on the loan at a rate of 2% above LIBOR.

Football Capital Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2018

Loans from related parties

	Parent £	Subsidiary £
2018		
At start of period	4,751,445	48,452
Advanced	38,837	764,234
Repaid	(445,416)	-
Interest charged	-	11,586
	<u>4,344,866</u>	<u>824,272</u>
At end of period	<u>4,344,866</u>	<u>824,272</u>
	Parent £	Subsidiary £
2017		
Advanced	4,751,445	167,903
Repaid	-	(120,443)
Interest charged	-	992
	<u>4,751,445</u>	<u>48,452</u>
At end of period	<u>4,751,445</u>	<u>48,452</u>

Terms of loans from related parties

The loan was made from the parent in USD and will be repaid in USD. The loan is interest free and it is repayable on demand.

The loans were made from the subsidiaries in CHF, EUR and USD and will be repaid in CHF, EUR and USD. Interest is charged on the loan at a rate of 2% above LIBOR.

15 Non adjusting events after the financial period

At the year end Football Capital Ltd were in legal dispute with a football player they formerly managed in regards to a breach of contract. There were amounts owed by the football player of £141,500.

On 10 August 2018, the dispute was settled and it was agreed that Football Capital Ltd would receive compensation of £313,814 in respect of the breach of contract and amounts owed by the football player.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.