

Right to Dream Limited
Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2021

Brebners

Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Right to Dream Limited

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Right to Dream Limited

Company Information

Directors	L Mansour D Dickinson T A Vernon K A Siddiqui M Mansour C Vernon
Registered office	130 Shaftesbury Avenue 2nd Floor London W1D 5EU
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue W1D 5AR

Right to Dream Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

Fair review of the business

The company is principally engaged in the management of its subsidiaries, who are engaged in the operation of a professional football club, the development of professional football players and the education of disadvantaged young people.

Right to Dream Limited Group combines elite football development, innovative educational provision and a tailored character development programme through their Academy in Ghana, club FC Nordsjaelland A/S in Denmark and foundations in USA and the UK. The group's operations have been largely stable.

FC Nordsjaelland A/S was placed 5th in the Danish Superliga for 2020/2021, after finishing 6th in the previous season. The increase in total revenue was a result of increased transfer sales compared to 2020 by 17%, in addition to the sale of players in the year, conditional income from previous player transfer has also increased in the year. While TV revenue has decreased in the year by 12% due to lower league position in the second half of 2021, matchday income increased by 251% from 2020 as COVID-19 restrictions in Denmark were relaxed during the year, no longer limiting the attendance on matchdays. All other forms of revenue, including Sponsorship and other revenue showed smaller decreases in 2021 compared to 2020. The reduction in these incomes was linked to a "late" COVID-19 effect on Sponsorships. The club continues to develop the talent of players through the cooperation of football academies in Farum and Ghana.

Right to Dream Academy in Ghana is involved in football education and training and offers educational pathways. These include opportunities in the UK or US within professional football.

In 2013, Right to Dream Academy in Ghana established the Girl's Programme providing quality and transformative football, education, mentorship, and international exposure which challenges traditional gender roles and creates opportunities for talented young women.

The results and profile of the group's operations in Ghana continue an upward trajectory. In Denmark results have been positive through better margin on revenue. The overall cost base of the group is stable, and all indications point to revenues outperforming cautious projections.

Right to Dream Limited

Strategic Report for the Year Ended 31 December 2021

Trading Performance

The group's turnover for the year ended 31 December 2021 was £25.2m compared to £23.2m in 2020, an increase of £2.0m.

The rise in turnover arises from increased player transfer and matchday revenue, offset by a reduction in TV and sponsorship income. In the year ended 31 December 2021, the total received for player transfers increased by 17%.

Direct costs have decreased by 29% from 2020 due to decreased expenditure related to player transfers. Amounts spent on player transfers have decreased by 49% from 2020 because of a sell-on clause to a former club of a player sold in 2020. Matchday costs and costs on Sponsorships have increased due to recovery of the Matchdays and hospitality revenue returning to pre COVID-19 levels. The rise in matchday costs of 21% is lower than the increased revenue of 251%, due to efficiencies of scale.

The decrease in player transfer costs have resulted in the gross profit margin increasing with a gross profit margin of 74% compared to 59% in 2020.

Employment costs have increased by 26% in 2021, the increase is a result of new contracts being signed by key players and increased number of staff. The increase in staff is seen as an investment in future activities and growth.

Overall general admin expenses have increased by 40% in the current year. The increase is due to investment in future activities and growth, as well as a loss of £246k being made on foreign currency compared to a gain of £401k in 2020.

Consequently, the group made a loss after tax of £523k, an increase on the loss in 2020 of £257k. The increase in loss is as a result of a provision of £1.9m being recognised in the accounts, for an amount the directors do not deem to be recoverable.

At 31 December 2021 the consolidated Statement of Financial Position showed total net assets of £11.3m (£8.5m in 2020) and in terms of liquidity, current assets exceeded current liabilities by £11.3m.

During the year additional share capital was subscribed of an amount of £4.0m.

Right to Dream Limited

Strategic Report for the Year Ended 31 December 2021

Future outlook

The directors expect to continue the investments in staff to provide a stronger foundation for growing revenues.

The group expects the income due from player transfers to reduce in 2022. There is also an expectation that Sponsorship and Matchday income will increase in the future once the global pandemic has been fully resolved in Denmark. There is already a positive development in sponsorship agreements being renewed and new agreements signed.

Additional share capital has been subscribed to post year end for a total of £6m.

At the time of the approval of the financial statements, all restrictions in Denmark related to the COVID-19 pandemic have been removed.

Financial KPIs

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£000	25,230	23,229
Gross Profit	£000	18,571	13,878
Profit/(Loss) after tax (£)	£000	(853)	(257)

Non-financial KPIs

There are a number of non-financial KPIs monitored by the Board but none are considered key.

Principal risks and uncertainties

The company and group's principal financial instruments comprise bank balances and contractual revenue. The main purpose of these instruments is to finance the group's operations.

Due to the nature of the financial instruments used by the group there is exposure to price risk on future contracts for sponsorship and player sales revenues. The group's approach to managing other risks applicable to the financial instruments concerned is detailed below.

In respect of bank balances the liquidity risk is managed by maintaining a positive balance in cash flow estimates based on contracted revenues and utilising budgets and forecasts for non-planned spending decisions, as well as conservative estimations of non-contractual revenue.

Credit risk revenue is managed by ensuring invoicing and payment chasing are under a strict review process and credit checks are undertaken on new customers and clients.

Approved by the Board on 22 December 2022 and signed on its behalf by:

.....
T A Vernon
Director

Right to Dream Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their report and the for the year ended 31 December 2021.

Directors of the company

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

L Mansour

D Dickinson

T A Vernon

K A Siddiqui

M Mansour

C Vernon

Dividends

No interim dividends were paid in the year (2020: £Nil) and no final dividend is proposed.

Disclosure of information in the strategic report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management and exposure.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 22 December 2022 and signed on its behalf by:

.....
T A Vernon
Director

Right to Dream Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Right to Dream Limited

Independent Auditor's Report to the Members of Right to Dream Limited

Opinion

We have audited the financial statements of Right to Dream Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Right to Dream Limited

Independent Auditor's Report to the Members of Right to Dream Limited

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and UK corporate taxation laws, environmental legislation, health and safety legislation, anti-bribery legislation and data protection legislation. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

Right to Dream Limited

Independent Auditor's Report to the Members of Right to Dream Limited

We understood how the Group is complying with relevant legislation by making enquiries of management and those responsible for legal and compliance procedures. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The primary responsibility for the detection and prevention of fraud rests with those responsible for governance and management. The further removed non-compliance with laws and regulations is from the events reflected in the financial statements, the less likely the auditor will become aware of it.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission, misrepresentation or forgery.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Martin Widdowson (Senior Statutory Auditor)

For and on behalf of

Brebners, Statutory Auditor

130 Shaftesbury Avenue

W1D 5AR

22 December 2022

Right to Dream Limited

Consolidated Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	25,230,166	23,229,466
Cost of sales		<u>(6,659,058)</u>	<u>(9,351,645)</u>
Gross profit		18,571,108	13,877,821
Administrative expenses		<u>(18,447,576)</u>	<u>(13,173,533)</u>
Operating profit	<u>4</u>	123,532	704,288
Other interest receivable and similar income	<u>5</u>	2,691	3,435
Interest payable and similar expenses	<u>6</u>	<u>(204,996)</u>	<u>(628,150)</u>
		<u>(202,305)</u>	<u>(624,715)</u>
(Loss)/profit before tax		(78,773)	79,573
Taxation	<u>10</u>	<u>(774,207)</u>	<u>(337,063)</u>
Loss for the financial year		(852,980)	(257,490)
Profit/(loss) attributable to:			
Owners of the company		(927,283)	(288,730)
Non controlling interests		<u>74,303</u>	<u>31,240</u>
		(852,980)	(257,490)

Right to Dream Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £	2020 £
Loss for the year	(852,980)	(257,490)
Foreign currency translation gains/(losses)	(263,891)	88,840
Total comprehensive income for the year	(1,116,871)	(168,650)
Total comprehensive income attributable to:		
Owners of the company	(1,191,174)	(199,890)
Non controlling interests	74,303	31,240
	(1,116,871)	(168,650)

Right to Dream Limited

Consolidated Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>11</u>	5,085,452	6,677,715
Tangible assets	<u>12</u>	1,311,516	638,679
Investments	<u>13</u>	10,267	4,261
		<u>6,407,235</u>	<u>7,320,655</u>
Current assets			
Stocks	<u>14</u>	74,789	70,562
Debtors	<u>15</u>	20,276,617	17,360,642
Cash at bank and in hand		3,003,039	2,622,969
		<u>23,354,445</u>	<u>20,054,173</u>
Creditors: Amounts falling due within one year	<u>17</u>	(12,059,420)	(11,622,626)
Net current assets		<u>11,295,025</u>	<u>8,431,547</u>
Total assets less current liabilities		17,702,260	15,752,202
Creditors: Amounts falling due after more than one year	<u>17</u>	(6,304,502)	(7,219,030)
Provisions for liabilities		(62,026)	(58,908)
Net assets		<u>11,335,732</u>	<u>8,474,264</u>
Capital and reserves			
Called up share capital	<u>20</u>	4,585	4,584
Share premium reserve	<u>21</u>	6,551,416	2,551,416
Capital contribution reserve	<u>21</u>	2,137,866	2,137,866
Profit and loss account	<u>21</u>	2,362,801	3,575,637
Equity attributable to owners of the company		<u>11,056,668</u>	<u>8,269,503</u>
Non controlling interests		<u>279,064</u>	<u>204,761</u>
Shareholders' funds		<u>11,335,732</u>	<u>8,474,264</u>

Approved and authorised by the Board on 22 December 2022 and signed on its behalf by:

.....
T A Vernon
Director

Right to Dream Limited

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>11</u>	361,736	452,169
Investments	<u>13</u>	1,405,065	1,404,965
		<u>1,766,801</u>	<u>1,857,134</u>
Current assets			
Debtors	<u>15</u>	7,437,711	8,617,473
Cash at bank and in hand		131,140	244,851
		<u>7,568,851</u>	<u>8,862,324</u>
Creditors: Amounts falling due within one year	<u>17</u>	(5,805,638)	(8,466,726)
Net current assets		<u>1,763,213</u>	<u>395,598</u>
Total assets less current liabilities		3,530,014	2,252,732
Creditors: Amounts falling due after more than one year	<u>17</u>	-	(47,850)
Net assets		<u><u>3,530,014</u></u>	<u><u>2,204,882</u></u>
Capital and reserves			
Called up share capital	<u>20</u>	4,585	4,584
Share premium reserve	<u>21</u>	6,551,416	2,551,416
Capital contribution reserve	<u>21</u>	652,578	652,578
Profit and loss account	<u>21</u>	(3,678,565)	(1,003,696)
Total equity		<u><u>3,530,014</u></u>	<u><u>2,204,882</u></u>

Approved and authorised by the Board on 22 December 2022 and signed on its behalf by:

.....
T A Vernon
Director

Company registration number: 09914944

Right to Dream Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2021 Equity attributable to the parent company

	Share capital £	Share premium £	Capital contribution reserve £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
At 1 January 2021 as previously stated	4,584	2,551,416	2,137,866	3,575,637	8,269,503	204,761	8,474,264
(Loss)/profit for the year	-	-	-	(927,283)	(927,283)	74,303	(852,980)
Other comprehensive income	-	-	-	(263,891)	(263,891)	-	(263,891)
Total comprehensive income	-	-	-	(1,191,174)	(1,191,174)	74,303	(1,116,871)
New share capital subscribed	1	4,000,000	-	-	4,000,001	-	4,000,001
Purchase of own share capital	-	-	-	(21,662)	(21,662)	-	(21,662)
At 31 December 2021	4,585	6,551,416	2,137,866	2,362,801	11,056,668	279,064	11,335,732
At 1 January 2020	1,000	-	2,137,866	4,951,926	7,090,792	173,521	7,264,313
Prior period adjustment	-	-	-	(1,176,399)	(1,176,399)	-	(1,176,399)
At 1 January 2020 (As restated)	1,000	-	2,137,866	3,775,527	5,914,393	173,521	6,087,914
(Loss)/profit for the year	-	-	-	(288,730)	(288,730)	31,240	(257,490)
Other comprehensive income	-	-	-	88,840	88,840	-	88,840
Total comprehensive income	-	-	-	(199,890)	(199,890)	31,240	(168,650)
New share capital subscribed	3,584	2,551,416	-	-	2,555,000	-	2,555,000
At 31 December 2020	4,584	2,551,416	2,137,866	3,575,637	8,269,503	204,761	8,474,264

The notes on pages 255 to 336 form an integral part of these financial statements.

Right to Dream Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2021	4,584	2,551,416	652,578	(1,003,696)	2,204,882
Loss for the year	-	-	-	(2,674,869)	(2,674,869)
New share capital subscribed	1	4,000,000	-	-	4,000,001
At 31 December 2021	4,585	6,551,416	652,578	(3,678,565)	3,530,014
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2020	1,000	-	652,578	(484,406)	169,172
Loss for the year	-	-	-	(519,290)	(519,290)
Total comprehensive income	-	-	-	(519,290)	(519,290)
New share capital subscribed	3,584	2,551,416	-	-	2,555,000
At 31 December 2020	4,584	2,551,416	652,578	(519,290)	2,204,882

The notes on pages 17 to 38 form an integral part of these financial statements.

Right to Dream Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2021

Cash flows from operating activities	Note	2021 £	2020 £
Loss for the year		(852,980)	(257,490)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	1,778,195	2,042,215
Changes in fair value of investments		(6,007)	-
Loss on disposal of tangible assets		-	152,023
Finance income		(2,691)	(3,435)
Finance costs		204,996	628,151
Income tax expense	<u>10</u>	774,207	337,063
Foreign exchange gains/(losses)		(555,175)	(54,220)
		1,340,545	2,844,307
Working capital adjustments			
(Increase)/decrease in stocks		(4,227)	28,134
(Increase)/decrease in trade and other debtors		(2,816,680)	(7,547,431)
Increase/(decrease) in trade and other payables		66,351	4,783,952
Cash generated from operations		(1,414,011)	108,962
Income taxes paid		(564,839)	(673,014)
Net cash flow from operating activities		(1,978,850)	(564,052)
Cash flows from investing activities			
Interest received		2,691	3,435
Acquisitions of tangible assets		(899,735)	(86,917)
Acquisition of intangible assets	<u>11</u>	(102,396)	(817,228)
Purchase of own shares		(21,662)	-
Net cash flows from investing activities		(1,021,102)	(900,710)
Cash flows from financing activities			
Interest paid		(204,996)	(628,151)
Proceeds from issue of ordinary shares, net of issue costs		4,000,000	2,555,000
Proceeds from bank borrowing draw downs		-	6,648,213
Finance lease payments		(139,156)	(72,625)
Repayment of other borrowing		(275,826)	(4,590,612)
Net cash flows from financing activities		3,380,022	3,911,825
Net increase in cash and cash equivalents		380,070	2,447,063

Cash and cash equivalents at 1 January	2,622,969	175,906
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	<u>3,003,039</u>	<u>2,622,969</u>

and notes on pages 47 to 38 form an integral part of these financial statements.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

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

The address of its registered office is :
130 Shaftesbury Avenue
2nd Floor
London
W1D 5EU

The principal place of business is:
FC Nordsjaelland A/S
Farum Park 2
DK3520-Farum
Denmark

The principal activity of the company is that of an investment holding company. The principal activity of the group is that of the operation of a professional football club, the development of professional football players and the education of disadvantaged young people.

2 Accounting policies

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.

No income statement is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial period of £2,674,869 (2020: £519,290).

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Summary of disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosure exemptions available under FRS 102:

- (a) No cash flow statement has been presented for the company
- (b) Disclosures in respect of financial instruments of the company have not been prepared.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December each year.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Minority interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Going concern

The consolidated statement of financial position at 31 December 2021 showed net assets amounting to £11,335,732.

The football season in Denmark returned to normal pre COVID-19 operations during the first half of 2021, with matchday attendances and revenues recovering to levels pre-pandemic. Since May 2020, matches have been played and the TV-broadcasting has continued.

The group did not see any noticeable effect on the transfer market in the summer 2021 transfer window. No player sales were made in the January 2022 transfer window but sell-on bonuses on former players have been completed. Income was received from the sale of players in the summer 2022 transfer window, with expectations of further transfer income in the future.

The period subsequent to 31 December 2021 has been consistent with expectations. New sponsorship partners have been signed. The group expect renewals of sponsorship agreements to be back to normal after the COVID-19 pandemic.

The group has also been able to receive all expected amounts in respect of historic player transfers. Some clubs deferred payment to the group but the amounts due were all received in full. The group has been executing an investment plan to increase the capacity in staff for future growth. Therefore, it is expected that the number of employees and staff costs will continue to increase during 2022.

In May 2023 an additional academy to the Right to Dream family will be opened in Cairo, Egypt. The operations of this academy will not have significant impact on costs and income, except for time spent on integrating this academy. In the future there will be a close cooperation between the current academies and the new academy in Egypt. It is expected that the first players to arrive to FC Nordsjaelland will be in 2027.

The group's management accounts to October 2022 show the group is meeting it's budget in 2022 and is able to generate sufficient working capital to meet its obligations as they fall due. The group has received £6m in additional funding post year-end through the issue of new shares to the majority shareholders.

The group has prepared cashflow forecasts and budgets and considered the position for a period of at least twelve months from the approval of the financial statements to ensure the group has sufficient working capital.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis when preparing the financial statements.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Judgements

Other than those involving estimations there are no judgements that management have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue from sponsorships and TV contracts over the period to which the contract relates. Transfer fee income is recognised once a legally binding contract is in place and stadium match-day revenue is recognised as arising.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

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	Straight line over 3-10 years

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Separately acquired rights and licences are shown at historical cost.

Acquired rights and licences acquired in a business combination are recognised at fair value at the acquisition date.

Acquired rights and licences acquired have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill and licences	Over 10 years
Acquired rights	over the life of the contract

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

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 change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors 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 the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

Where there are a number of similar obligations, for example where a warranty provision has been given, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Leases

Assets held under hire purchase contracts are capitalised at the lesser of fair value or present value of minimum lease payments in the statement of financial position. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. A corresponding liability is recognised at the same value in the statement of financial position. The asset is then depreciated over its useful life.

The minimum lease payments are apportioned between the finance charge recognised in the income statement and the reduction of the outstanding liability using the effective interest method. The finance charge in each period is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Long term debts with an interest rate that is considered to be less than the market rate are initially measured at the present value of the future payments discounted at an applicable market rate of interest.

Long term debts are subsequently remeasured at amortised cost, using the effective interest rate method.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

3 Turnover

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

	2021 £	2020 £
Football revenue	25,230,166	23,229,466

The analysis of the group's turnover for the year by geographical market is as follows:

	2021 £	2020 £
UK	300,000	334,679
Denmark	24,930,166	22,894,787
	25,230,166	23,229,466

4 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	185,143	268,265
Amortisation expense	1,593,052	1,773,950
Foreign exchange losses/(gains)	242,927	(400,841)
Loss on disposal of acquired rights	-	152,023

5 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	2,245	2,103
Other finance income	446	1,332
	2,691	3,435

6 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	123,574	45,989
Interest expense on other finance liabilities	81,422	582,161
	204,996	628,150

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	10,011,234	7,942,061
Social security costs	59,985	30,879
Pension costs, defined contribution scheme	144,813	130,413
	<u>10,216,032</u>	<u>8,103,353</u>

The average number of persons employed by the group during the year, analysed by category was as follows:

	2021 No.	2020 No.
Playing staff	85	44
Administration and management	36	8
Football Support Staff	22	62
	<u>143</u>	<u>114</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	-	42,275

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Auditor's remuneration

	2021 £	2020 £
Audit of the financial statements - parent company	<u>19,500</u>	<u>19,500</u>
Non audit fees paid to auditor		
Taxation compliance services	<u>5,100</u>	<u>4,075</u>

	2021 £	2020 £
Audit of the subsidiary undertakings	22,207	16,460
Non-audit fees paid to the subsidiary auditor	<u>23,155</u>	<u>18,320</u>
	<u>45,362</u>	<u>34,780</u>

10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	-	(36,668)
Foreign tax charge	<u>872,033</u>	<u>593,364</u>
Total current income tax	872,033	556,696
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(97,826)</u>	<u>(219,633)</u>
Tax expense in the income statement	774,207	337,063

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2020 higher than standard rate of corporation tax of 19%).

The differences are reconciled below:

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

	2021 £	2020 £
(Loss)/profit before tax	(78,773)	79,573
Corporation tax at standard rate	(14,967)	15,119
UK effect of disallowed expenses	651,760	198,165
UK effect of tax losses	42,529	303,141
Foreign tax adjustments	87,765	56,272
UK deferred tax movement on trading losses carried forward	(97,826)	(219,634)
Other timing differences	104,946	(16,000)
Total tax charge	774,207	337,063

The rate of taxation payable by the subsidiary undertakings is 22%.

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2021		
Accelerated Capital Allowances	52,257	-
Unrealised foreign exchange	-	(62,026)
NTLR losses	47,038	-
	99,295	(62,026)
2020		
Accelerated Capital Allowances		53,514
Unrealised foreign exchange		(148,171)
NTLR losses		35,749
		(58,908)

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Intangible assets

Group

	Goodwill £	Acquired rights £	Licences £	Total £
Cost or valuation				
At 1 January 2021	9,342,755	3,376,887	904,331	13,623,973
Additions	-	102,396	-	102,396
Disposals	-	(701,266)	-	(701,266)
Foreign exchange movements	-	(645,540)	-	(645,540)
At 31 December 2021	9,342,755	2,132,477	904,331	12,379,563
Amortisation				
At 1 January 2021	4,671,375	1,822,721	452,162	6,946,258
Amortisation charge	934,275	568,343	90,433	1,593,051
Amortisation eliminated on disposals	-	(701,266)	-	(701,266)
Foreign exchange movements	-	(543,932)	-	(543,932)
At 31 December 2021	5,605,650	1,145,866	542,595	7,294,111
Carrying amount				
At 31 December 2021	3,737,105	986,611	361,736	5,085,452
At 31 December 2020	4,671,380	1,554,166	452,169	6,677,715

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Company

	Licenses £	Total £
Cost or valuation		
At 1 January 2021	904,331	904,331
At 31 December 2021	904,331	904,331
Amortisation		
At 1 January 2021	452,162	452,162
Amortisation charge	90,433	90,433
At 31 December 2021	542,595	542,595
Carrying amount		
At 31 December 2021	361,736	361,736
At 31 December 2020	452,169	452,169

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

12 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2021	2,206,747	2,206,747
Additions	899,735	899,735
Disposals	(33,466)	(33,466)
Foreign exchange movements	(144,272)	(144,272)
At 31 December 2021	2,928,744	2,928,744
Depreciation		
At 1 January 2021	1,568,068	1,568,068
Charge for the period	185,143	185,143
Eliminated on disposal	(33,466)	(33,466)
Foreign exchange movements	(102,517)	(102,517)
At 31 December 2021	1,617,228	1,617,228
Carrying amount		
At 31 December 2021	1,311,516	1,311,516
At 31 December 2020	638,679	638,679

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

13 Investments

Group

	2021 £	2020 £
Investments in associates	10,267	4,261

Associates

£

Cost

At 1 January 2021	4,261
Revaluation	6,006
At 31 December 2021	10,267

Provision

Carrying amount

At 31 December 2021	10,267
At 31 December 2020	4,261

Company

	2021 £	2020 £
Investments in subsidiaries	1,405,065	1,404,965

Subsidiaries

£

Cost or valuation

At 1 January 2021	1,404,965
Additions	100
At 31 December 2021	1,405,065

Carrying amount

At 31 December 2021	1,405,065
At 31 December 2020	1,404,965

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
*Pathways Holding DK ApS	Farum Park 2, 3520 Farum	Ordinary	100%	100%
F.C. Nordsjælland A/S	Farum Park 2, 3520 Farum	Ordinary	97.4%	97.4%
Right To Dream Services Limited	130 Shaftesbury Avenue London W1D 5EU	Ordinary	100%	0%

* = Direct holding

14 Stocks

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Stocks	74,789	70,562	-	-

15 Debtors

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Trade debtors		18,998,817	14,597,618	300,000	-
Amounts owed by group undertakings		-	-	6,743,973	6,687,875
Other debtors		879,608	2,485,073	180,762	1,857,181
Prepayments		298,897	277,951	165,938	-
Deferred tax assets	10	99,295	-	47,038	35,749
Corporation tax asset		-	-	-	36,668
		20,276,617	17,360,642	7,437,711	8,617,473

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

16 Cash and cash equivalents

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Cash at bank	3,003,039	2,622,969	131,140	244,851

17 Creditors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Due within one year				
Bank loans	776,696	-	-	-
Finance lease obligations	107,385	126,946	-	-
Trade creditors	6,274,563	5,741,178	4,596	-
Amounts due to group undertakings	-	-	5,574,944	7,951,162
Social security and other taxes	-	1,436,388	-	-
Other payables	2,202	297,703	-	268,976
Accruals	3,172,701	3,163,451	22,900	43,390
Corporation tax liability	870,239	564,694	-	-
Deferred income	855,634	292,266	203,198	203,198
	12,059,420	11,622,626	5,805,638	8,466,726
Due after one year				
Bank loans	5,436,870	6,648,213	-	-
Other non-current financial liabilities	628,340	211,940	-	47,850
Finance lease obligations	239,292	358,877	-	-
	6,304,502	7,219,030	-	47,850

Finance lease obligations are secured on the assets concerned.

The bank loan relates to a 55,000,000 Danish krone loan and interest is payable every 6 months at 1.25% + CIBOR. An amount of 6,875,000 Danish krone is due for repayment within one year.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

18 Analysis of changes in net debt

Group

	At 1 January 2021	Other non cash changes	Cash Flows	At 31 December 2021
Cash and cash equivalents				
Cash	<u>2,622,696</u>	<u>-</u>	<u>380,343</u>	<u>3,003,039</u>
Borrowings				
Shareholder loans	(275,826)	-	275,826	-
Bank borrowings	(6,648,213)	434,647	-	(6,213,566)
Finance lease liabilities	(485,823)	24,260	114,896	(346,667)
	<u>(7,409,862)</u>	<u>458,907</u>	<u>390,722</u>	<u>(6,560,223)</u>

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

19 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £144,813 (2020 - £130,146).

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary 'A' shares shares of £0.10 each	35,294	3,529.40	35,292	3,529.20
Ordinary 'B1' shares shares of £0.10 each	7,792	779.20	7,792	779.20
Ordinary 'B2' shares shares of £0.10 each	2,750	275.00	2,750	275.00
Ordinary 'C1' shares shares of £0.10 each	1	0.10	1	0.10
Ordinary 'C2' shares shares of £0.10 each	1	0.10	1	0.10
Ordinary 'C3' shares shares of £0.10 each	1	0.10	1	0.10
	45,839	4,585	45,837	4,584

During the year 2 ordinary 'A' shares of £0.10 each were issued for a total consideration of £4,000,000. The excess over par value was credited to the share premium account.

Each class of share capital has separate rights in respect of participation in dividends, the return of capital and voting rights in accordance with the company's Articles of Association.

21 Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Other reserves - This reserves records capital contributions from shareholders.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

22 Commitments, guarantees and contingencies

The total of future minimum lease payments under operating leases not recognised in the statement of financial position is as follows:

	2021 £	2020 £
Within 12 months	228,207	309,686

The amount of non-cancellable operating lease payments recognised as an expense during the year was £341,142 (2020 - £387,434).

23 Related party transactions

Summary of transactions with all subsidiaries

In accordance with FRS102 paragraph 33.1A, exemption is taken not to disclose transactions in the year or amounts falling due between undertakings where 100% of the voting rights are controlled within the group.

Summary of transactions with other related parties

At 31 December 2021 an amount of £Nil (2020: £316,825) was due to the shareholders. The finance cost for the year amounted to £28,156 (2020: £549,688).

At 31 December 2021 an amount of £300,000 (2020: £nil) was due from a company under the significant influence of a director. Also during the year fees of £300,000 (2020: £nil) in respect of management services were provided to the group.

During the year fees of £Nil (2020: £12,000) were paid to a company under the significant influence of a director. Also during the year consultancy fees in respect of advisory services amounting to £24,000 (2020: £24,000) were paid to a director.

At 31 December 2021 an amount of £1,914,117 (2020: £1,788,000) was due from a company under the control of a director. This is not considered to be recoverable and a provision has been made against this amount in 2021.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Compensation paid to key management personnel

	2021 £	2020 £
Remuneration	437,589	215,990
Pension contributions	24,900	18,344
	462,489	234,334

24 Parent and ultimate parent undertaking

The immediate and ultimate parent undertaking is Man Sports (Cayman) Limited, incorporated in the Cayman Islands. The registered address of Man Sports (Cayman) Limited is PO Box 309, Ugland House, Grand Cayman, KY1 - 1104, Cayman Islands.

The entity with ultimate control is Mr M. Mansour.

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.