

Right to Dream Limited
Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2022

Brebners

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

Right to Dream Limited

Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u> to <u>4</u>
Directors' Report	<u>5</u>
Statement of Directors' Responsibilities	<u>6</u>
Independent Auditor's Report	<u>7</u> to <u>9</u>
Consolidated Income Statement	<u>10</u>
Consolidated Statement of Comprehensive Income	<u>11</u>
Consolidated Statement of Financial Position	<u>12</u>
Statement of Financial Position	<u>13</u>
Consolidated Statement of Changes in Equity	<u>14</u>
Statement of Changes in Equity	<u>15</u>
Consolidated Statement of Cash Flows	<u>16</u>
Notes to the Financial Statements	<u>17</u> to <u>35</u>

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 2022

The directors present their strategic report for the year ended 31 December 2022.

Fair review of the business

The company is principally engaged in the management of its subsidiaries, who are themselves 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 Right to Dream Academy in Ghana is involved in football education and training, mentorships and offers educational pathways for talented young men and women. The group's operations have been largely stable.

FC Nordsjaelland A/S was placed 2nd in the Danish Superliga for 2022/2023, after finishing 9th in 2021/2022. The decrease in total revenue was a result of decreased transfer sales (comprises 51% (2021: 76%) of total revenue for the year) compared to 2021 by 57%. Conditional income from previous player transfers increased in the year. TV revenue has increased in the year by 43% due to a better league position in the second half of 2022, with the club in 1st place at 31 December 2022. Matchday income increased by 98% from 2021. All other forms of revenue, including sponsorship and other revenue also showed smaller increases in 2022 compared to 2021. The club continues to develop the talent of players through the cooperation of football academies in Farum and Ghana.

The year ended 31 December 2022 showed a loss in the group's operations as the investments in competencies continue an upward trajectory. One of the main drivers of this loss was FC Nordsjaelland A/S actively rejecting offers on key players to keep momentum in the performance in the Danish Superliga. Furthermore, the parent company received 74% less funding income in the year but its administrative expenses increased by 94% due to high cost international expansion projects.

The overall cost base of the group has a continuous upward trajectory. However, should the group want to reduce the losses being made, the transfer income can be increased significantly by accepting the continuous offers received for key players.

Right to Dream Limited

Strategic Report for the Year Ended 31 December 2022

Trading Performance

The group's turnover for the year ended 31 December 2022 was £16.0m compared to £25.2m in 2021, a decrease of £9.2m. Direct costs have increased by 17% from 2021 despite decreased expenditure related to player transfers. Amounts spent on player transfers have decreased by 12% from 2021 because of a sell-on clause to a former club of a player sold in 2021. Matchday costs and costs on sponsorships have increased due to increased activity due to better league position and partly recovery of revenue returning to pre COVID-19 levels. The decrease in player transfer costs have resulted in the gross profit margin decreasing with a gross profit margin of 51% compared to 74% in 2021.

Employment costs have increased by 29% in 2022, 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 29% in the current year. The increase is due to investment in future activities and growth, as well as a loss of £459k being made on foreign currency compared to a loss of £246k in 2021. Consequently, the group made a loss after tax of £12,418k, an increase on the loss in 2021 of £1,052k.

At 31 December 2022 the consolidated Statement of Financial Position showed total net assets of £4.9m (£11.3m in 2021) and in terms of liquidity, current assets exceeded current liabilities by £635k.

During the year additional share capital was subscribed of an amount of £6.0m.

Financial KPIs

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

	Unit	2022	2021
Turnover	£000	15,989	25,230
Gross Profit	£000	8,171	18,571
Profit/(Loss) after tax (£)	£000	12,418	(853)

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.

Right to Dream Limited

Strategic Report for the Year Ended 31 December 2022

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 increase in 2023. There is also an expectation that sponsorship and matchday income will increase in the future due to better performance current season. 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 £4.5m.

Approved by the Board on 22 September 2023 and signed on its behalf by:

.....
T A Vernon
Director

Right to Dream Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the for the year ended 31 December 2022.

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 (2021: £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 September 2023 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 2022, 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 2022 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), 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 September 2023

Right to Dream Limited

Consolidated Income Statement for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	15,988,988	25,230,166
Cost of sales		<u>(7,818,009)</u>	<u>(6,659,058)</u>
Gross profit		8,170,979	18,571,108
Administrative expenses		<u>(22,040,339)</u>	<u>(16,542,209)</u>
Operating (loss)/profit	<u>4</u>	<u>(13,869,360)</u>	<u>2,028,899</u>
Other interest receivable and similar income	<u>5</u>	220,165	2,691
Interest payable and similar expenses	<u>6</u>	<u>(137,997)</u>	<u>(204,996)</u>
		<u>82,168</u>	<u>(202,305)</u>
(Loss)/profit before tax		(13,787,192)	1,826,594
Taxation	<u>9</u>	<u>1,369,457</u>	<u>(774,207)</u>
(Loss)/profit for the financial year		<u>(12,417,735)</u>	<u>1,052,387</u>
Profit/(loss) attributable to:			
Owners of the company		(12,297,210)	978,084
Non controlling interests		<u>(120,525)</u>	<u>74,303</u>
		<u>(12,417,735)</u>	<u>1,052,387</u>

Right to Dream Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £	2021 £
(Loss)/profit for the year	(12,417,735)	1,052,387
Foreign currency translation gains/(losses)	149,564	(263,891)
Total comprehensive income for the year	(12,268,171)	788,496
Total comprehensive income attributable to:		
Owners of the company	(12,147,646)	714,193
Non controlling interests	(120,525)	74,303
	(12,268,171)	788,496

Right to Dream Limited

Consolidated Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>10</u>	6,508,676	5,085,452
Tangible assets	<u>11</u>	2,404,674	1,311,516
Investments	<u>12</u>	10,267	10,267
		<u>8,923,617</u>	<u>6,407,235</u>
Current assets			
Stocks	<u>13</u>	99,311	74,789
Debtors	<u>14</u>	12,475,052	20,276,617
Cash at bank and in hand		<u>3,240,114</u>	<u>3,003,039</u>
		15,814,477	23,354,445
Creditors: Amounts falling due within one year	<u>16</u>	<u>(14,774,372)</u>	<u>(12,154,054)</u>
Net current assets		<u>1,040,105</u>	<u>11,200,391</u>
Total assets less current liabilities		9,963,722	17,607,626
Creditors: Amounts falling due after more than one year	<u>16</u>	<u>(4,864,477)</u>	<u>(6,304,502)</u>
Provisions for liabilities		<u>(126,318)</u>	<u>(62,026)</u>
Net assets		<u>4,972,927</u>	<u>11,241,098</u>
Capital and reserves			
Called up share capital	<u>19</u>	4,584	4,584
Share premium reserve	<u>20</u>	12,551,416	6,551,416
Capital contribution reserve	<u>20</u>	2,137,866	2,137,866
Retained earnings	<u>20</u>	<u>(9,879,478)</u>	<u>2,268,168</u>
Equity attributable to owners of the company		4,814,388	10,962,034
Minority interests		<u>158,539</u>	<u>279,064</u>
Shareholders' funds		<u>4,972,927</u>	<u>11,241,098</u>

Approved and authorised by the Board on 22 September 2023 and signed on its behalf by:

.....

T A Vernon
Director

Right to Dream Limited

Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>10</u>	271,303	361,736
Investments	<u>12</u>	1,405,065	1,405,065
		<u>1,676,368</u>	<u>1,766,801</u>
Current assets			
Debtors	<u>14</u>	7,207,752	7,437,711
Cash at bank and in hand		-	131,140
		<u>7,207,752</u>	<u>7,568,851</u>
Creditors: Amounts falling due within one year	<u>16</u>	<u>(5,930,014)</u>	<u>(5,900,272)</u>
Net current assets		<u>1,277,738</u>	<u>1,668,579</u>
Net assets		<u>2,954,106</u>	<u>3,435,380</u>
Capital and reserves			
Called up share capital	<u>19</u>	4,584	4,584
Share premium reserve	<u>20</u>	12,551,416	6,551,416
Capital contribution reserve	<u>20</u>	652,578	652,578
Profit and loss account	<u>20</u>	<u>(10,254,472)</u>	<u>(3,773,198)</u>
Total equity		<u>2,954,106</u>	<u>3,435,380</u>

Approved and authorised by the Board on 22 September 2023 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 2022 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 2022 as previously stated	4,584	6,551,416	2,137,866	2,268,168	10,962,034	279,064	11,241,098
Loss for the year	-	-	-	(12,297,210)	(12,297,210)	(120,525)	(12,417,735)
Other comprehensive income	-	-	-	149,564	149,564	-	149,564
Total comprehensive income	-	-	-	(12,147,646)	(12,147,646)	(120,525)	(12,268,171)
New share capital subscribed	-	6,000,000	-	-	6,000,000	-	6,000,000
At 31 December 2022	4,584	12,551,416	2,137,866	(9,879,478)	4,814,388	158,539	4,972,927
At 1 January 2021	4,584	2,551,416	2,137,866	3,575,637	8,269,503	204,761	8,474,264
Prior period adjustment	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
At 1 January 2021 (As restated)	4,584	2,551,416	2,137,866	1,575,637	6,269,503	204,761	6,474,264
Profit for the year	-	-	-	978,084	978,084	74,303	1,052,387
Other comprehensive income	-	-	-	(263,891)	(263,891)	-	(263,891)
Total comprehensive income	-	-	-	714,193	714,193	74,303	788,496
New share capital subscribed	-	4,000,000	-	-	4,000,000	-	4,000,000
Purchase of own share capital	-	-	-	(21,662)	(21,662)	-	(21,662)
At 31 December 2021	4,584	6,551,416	2,137,866	2,268,168	10,962,034	279,064	11,241,098

The notes on pages 55 to 103 form an integral part of these financial statements.

Right to Dream Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Share premium £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2022	4,584	6,551,416	652,578	(3,773,198)	3,435,380
Loss for the year	-	-	-	(6,481,274)	(6,481,274)
New share capital subscribed	-	6,000,000	-	-	6,000,000
At 31 December 2022	4,584	12,551,416	652,578	(10,254,472)	2,954,106
	Share capital £	Share premium £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 January 2021	4,584	2,551,416	652,578	(1,003,696)	2,204,882
Prior period adjustment	-	-	-	(2,000,000)	(2,000,000)
At 1 January 2021 (As restated)	4,584	2,551,416	652,578	(3,003,696)	204,882
Loss for the year	-	-	-	(769,502)	(769,502)
Total comprehensive income	-	-	-	(769,502)	(769,502)
New share capital subscribed	-	4,000,000	-	-	4,000,000
At 31 December 2021	4,584	6,551,416	652,578	(3,773,198)	3,435,380

The notes on pages 17 to 35 form an integral part of these financial statements.

Right to Dream Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
(Loss)/profit for the year		(12,417,735)	1,052,387
Adjustments to cash flows from non-cash items			
Prior year adjustment - loan impairment		-	(1,905,367)
Depreciation and amortisation	4	2,631,557	1,778,195
Profit from sales of investment properties		-	(6,007)
Loss on disposal of intangible assets		185,328	-
Finance income	5	(220,165)	(2,691)
Finance costs	6	137,997	204,996
Income tax expense	9	(1,369,457)	774,207
Foreign exchange gains/losses on non-operating assets and liabilities		(49,009)	(555,175)
		(11,101,484)	1,340,545
Working capital adjustments			
Increase in stocks		(24,522)	(4,227)
Decrease/(increase) in trade and other debtors		7,985,865	(2,816,680)
Increase in trade and other creditors		3,845,488	160,984
		705,347	(1,319,378)
Cash generated from operations			
Income taxes paid		(870,239)	(564,839)
		(164,892)	(1,884,217)
Cash flows from investing activities			
Interest received		220,165	2,691
Acquisitions of tangible assets		(1,620,675)	(899,735)
Acquisition of intangible assets	10	(3,597,854)	(102,396)
Proceeds from sale of intangible assets		7,171	-
Purchase of own shares		-	(21,662)
		(4,991,193)	(1,021,102)
Cash flows from financing activities			
Interest paid		(137,997)	(204,996)
Proceeds from issue of ordinary shares, net of issue costs		6,000,000	4,000,000
Proceeds from bank borrowing draw downs		(487,232)	-
Repayment of other borrowing		-	(275,826)
Receipts from finance lease debtors		113,081	-

Net finance lease receipts/(payments)	<u>(94,692)</u>	<u>(139,146)</u>
Net cash flows from financing activities	<u>5,393,160</u>	<u>3,380,032</u>
Net increase in cash and cash equivalents	237,075	474,713
Cash and cash equivalents at 1 January	<u>3,003,039</u>	<u>2,528,326</u>
Cash and cash equivalents at 31 December	<u>3,240,114</u>	<u>3,003,039</u>

The notes on pages 34 to 35 form an integral part of these financial statements.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

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

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 £6,481,274 (2021: £780,791).

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 significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below.

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 2022

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 2022

Going concern

The consolidated statement of financial position at 31 December 2022 showed net assets amounting to £4,972,927.

The year ended 31 December 2022 has been significantly affected by the effects of the COVID-19 pandemic.

In the January 2023 transfer window, the Group accepted an offer for a key player and executed the transfer receiving income of £8m. Furthermore, sell-on bonuses on former players have been received. The Group's expectation is that further significant transfer income will arise in the future.

The period subsequent to 31 December 2022 has been consistent with expectations. New sponsorship partners have been signed and the group expects renewals of sponsorship agreements to be back to normal following the COVID-19 pandemic.

The group has also received all amounts due 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 the related staff costs will continue to increase during 2023.

In October 2023 an additional academy to the Right to Dream family will be opened in Cairo, Egypt. The operations of this academy will not have a 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 this new academy. It is expected that the first players will arrive to FC Nordsjaelland will be in 2027.

The group's management accounts to 30 June 2023 show the group is currently meeting budget and is able to generate sufficient working capital to meet its obligations as they fall due. The group has received £4.5m in additional funding after 31 December 2022 through the issue of new shares.

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 2022

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 2022

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 2022

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 2022

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 2022

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.

3 Turnover

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

	2022	2021
	£	£
Football revenue	15,988,988	25,230,166

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

	2022	2021
	£	£
UK	203,198	300,000
Denmark	15,785,790	24,930,166
	15,988,988	25,230,166

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	597,089	185,143
Amortisation expense	2,034,468	1,593,052
Foreign exchange (gains)/losses	(459,048)	242,927

5 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	219,749	2,245
Other finance income	416	446
	220,165	2,691

6 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	99,986	123,574
Interest expense on other finance liabilities	38,011	81,422
	137,997	204,996

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Staff costs

The aggregate payroll costs were as follows:

	2022 £	2021 £
Wages and salaries	12,912,523	10,011,234
Social security costs	113,253	59,985
Pension costs, defined contribution scheme	189,682	144,813
	13,215,458	10,216,032

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

	2022 No.	2021 No.
Playing staff	97	85
Administration and management	27	36
Football Support Staff	50	22
	174	143

8 Auditor's remuneration

	2022 £	2021 £
Audit of the subsidiary undertakings	23,250	21,000
Other fees paid to auditors		
Non-audit fees paid to the subsidiary auditor	10,235	5,100
Audit of subsidiary undertakings	4,600	4,000
	14,835	9,100

9 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Foreign tax charge	-	872,033
Deferred taxation		
Arising from origination and reversal of timing differences	(1,369,457)	(97,826)
Tax (receipt)/expense in the income statement	(1,369,457)	774,207

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2021 higher than standard rate of corporation tax of 19%).

The differences are reconciled below:

	2022 £	2021 £
(Loss)/profit before tax	(13,787,192)	1,826,594
Corporation tax at standard rate	(2,619,566)	347,053
UK effect of disallowed expenses	336,374	651,760
UK effect of tax losses	1,103,164	42,529
Foreign tax adjustments	1,287,223	87,765
Deferred tax movement	(1,369,457)	(97,826)
Other timing differences	(107,195)	(257,074)
Total tax (credit)/charge	(1,369,457)	774,207

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

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accelerated Capital Allowances	9,470	-
Unrealised foreign exchange	-	(126,317)
Trading losses	1,585,716	-
Other losses	47,038	-
	1,642,224	(126,317)
2021		
Accelerated Capital Allowances	52,257	-
Unrealised foreign exchange	-	(62,026)
Other losses	47,038	-
	99,295	(62,026)

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Intangible assets

Group

	Goodwill £	Acquired rights £	Licences £	Total £
Cost or valuation				
At 1 January 2022	9,342,755	2,132,477	904,331	12,379,563
Additions	-	3,597,854	-	3,597,854
Disposals	-	(612,161)	-	(612,161)
Foreign exchange movements	-	113,122	-	113,122
At 31 December 2022	9,342,755	5,231,292	904,331	15,478,378
Amortisation				
At 1 January 2022	5,605,650	1,145,866	542,595	7,294,111
Amortisation charge	934,275	1,009,760	90,433	2,034,468
Amortisation eliminated on disposals	-	(419,662)	-	(419,662)
Foreign exchange movements	-	60,785	-	60,785
At 31 December 2022	6,539,925	1,796,749	633,028	8,969,702
Carrying amount				
At 31 December 2022	2,802,830	3,434,543	271,303	6,508,676
At 31 December 2021	3,737,105	986,611	361,736	5,085,452

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Company

	Licenses £	Total £
Cost or valuation		
At 1 January 2022	904,331	904,331
At 31 December 2022	904,331	904,331
Amortisation		
At 1 January 2022	542,595	542,595
Amortisation charge	90,433	90,433
At 31 December 2022	633,028	633,028
Carrying amount		
At 31 December 2022	271,303	271,303
At 31 December 2021	361,736	361,736

11 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2022	2,928,744	2,928,744
Additions	1,620,675	1,620,675
Foreign exchange movements	155,362	155,362
At 31 December 2022	4,704,781	4,704,781
Depreciation		
At 1 January 2022	1,617,228	1,617,228
Charge for the period	597,089	597,089
Foreign exchange movements	85,790	85,790
At 31 December 2022	2,300,107	2,300,107
Carrying amount		
At 31 December 2022	2,404,674	2,404,674

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Investments

Group

	2022 £	2021 £
Investments in associates	10,267	10,267

Associates

£

Cost

At 1 January 2022 and 31 December 2022

10,267

Carrying amount

At 31 December 2022

10,267

At 31 December 2021

10,267

Company

	2022 £	2021 £
Investments in subsidiaries	1,405,065	1,405,065

Subsidiaries

£

Cost or valuation

At 1 January 2022 and 31 December 2022

1,405,065

Carrying amount

At 31 December 2022

1,405,065

At 31 December 2021

1,405,065

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

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	
			2022	2021
*Pathways Holding DK ApS	Farum Park 2, 3520 Farum Denmark	Ordinary	100%	100%
F.C. Nordsjælland A/S	Farum Park 2, 3520 Farum Denmark	Ordinary	97.4%	97.4%
*Right To Dream Services Limited	130 Shaftesbury Avenue London W1D 5EU	Ordinary	100%	100%

* = Direct holding

The principal activities of each subsidiary undertaking are as follows:

Pathways Holding DK ApS - Holding company

F.C. Nordsjælland A/S - Operation of a football club in Denmark

Right To Dream Services Limited - Football support services

13 Stocks

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Stocks	99,311	74,789	-	-

14 Debtors

	Note	Group		Company	
		2022 £	2021 £	2022 £	2021 £
Trade debtors		9,514,736	18,998,817	-	300,000
Amounts owed by group undertakings		-	-	6,898,953	6,743,973
Other debtors		1,042,505	879,608	258,806	180,762
Prepayments		275,587	298,897	-	165,938
Deferred tax assets	9	1,642,224	99,295	47,038	47,038
Corporation tax asset		-	-	2,955	-
		12,475,052	20,276,617	7,207,752	7,437,711

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

15 Cash and cash equivalents

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Cash at bank	3,240,114	3,003,039	-	131,140

16 Creditors

	Group (As restated)		Company	
	2022 £	2021 £	2022 £	2021 £
Due within one year				
Bank loans	1,635,795	776,696	-	-
Finance lease obligations	251,985	107,385	-	-
Trade creditors	8,734,691	6,274,563	111,351	4,596
Amounts due to group undertakings	-	-	5,748,143	5,574,945
Social security and other taxes	18,252	-	-	-
Other payables	262,373	96,836	-	94,633
Accruals	3,648,934	3,172,701	70,520	22,900
Corporation tax liability	-	870,239	-	-
Deferred income	222,342	855,634	-	203,198
	14,774,372	12,154,054	5,930,014	5,900,272
Due after one year				
Bank loans	4,090,539	5,436,870	-	-
Other non-current financial liabilities	660,857	628,340	-	-
Finance lease obligations	113,081	239,292	-	-
	4,864,477	6,304,502	-	-

Finance lease obligations are secured on the assets concerned.

The bank loan relates to a 48,125,000 secured Danish krone loan and interest is payable every 6 months at 1.25% + CIBOR. An amount of 13,750,000 Danish krone is due for repayment within one year.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

17 Analysis of changes in net debt

Group

	At 1 January 2022	Other non cash changes	Cash Flows	At 31 December 2022
Cash and cash equivalents				
Cash	3,003,039	-	237,075	3,240,114
Borrowings				
Bank borrowings	(6,213,566)	487,233	-	(5,726,333)
Finance lease liabilities	(346,667)	-	(18,400)	(365,067)
	<u>(7,409,862)</u>	<u>458,907</u>	<u>390,722</u>	<u>(6,091,400)</u>

18 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year amounts to £189,683 (2021: £144,813).

19 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary 'A' shares shares of £0.10 each	35,297	3,529.70	35,294	3,529.40
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
	<u>45,842</u>	<u>4,584</u>	<u>45,839</u>	<u>4,584</u>

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

During the year 3 ordinary 'A' shares of £0.10 each were issued for a total consideration of £6,000,000. 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.

20 Reserves

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

Other reserves - This reserves records capital contributions from shareholders.

21 Commitments, guarantees and contingencies

Group

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

	2022 £	2021 £
Within 12 months	240,908	228,207

The amount of non-cancellable operating lease payments recognised as an expense during the year was £449,358 (2021: £341,142).

22 Related party transactions

Summary of transactions with 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

During the year fees in respect of consultancy advisory services were paid to a director amounting to £nil (2021: £24,000). Also during the year management services were provided to the group from a company under the significant influence of a director for an amount of £300,000 (2021: £300,000).

At 31 December 2022 an amount of £98,991 (2021: £94,633) was due from a company under the control of a director.

Right to Dream Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

Compensation paid to key management personnel

Key management personnel comprises the directors of the company together with the directors of the subsidiary undertakings. Compensation paid to these persons is as follows:

	2022	2021
	£	£
Remuneration	422,324	437,589
Pension contributions	38,644	24,900
	460,968	462,489

23 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.