

**MANCHESTER CITY FOOTBALL CLUB LIMITED**

Annual Report and Financial Statements

For the year ended 30 June 2020

Registered number 0040946

# FINANCIAL REPORT



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A photograph of the Etihad Stadium at night, taken from an elevated position in the stands. The pitch is illuminated, and the stadium lights are on. The sky is dark blue. The text 'DIRECTORS AND ADVISORS' is overlaid in white, bold, sans-serif font, centered within a thin orange rectangular border.

# DIRECTORS AND ADVISORS

# DIRECTORS AND ADVISORS

## DIRECTORS

K Al Mubarak (Chairman)  
M Edelman  
S Pearce  
J MacBeath  
M Al Mazrouei  
A Galassi  
A Khouri

## COMPANY SECRETARY

S Cliff

## REGISTERED OFFICE

Etihad Stadium, Etihad Campus,  
Manchester M11 3FF

## BANKERS

Barclays Bank PLC, 51 Mosley Street,  
Manchester M60 2AU

## AUDITORS

BDO LLP, 3 Hardman Street,  
Manchester M3 3AT

## DIRECTORS AND ADVISORS CONTINUED

The Board of Directors comprises the following who are all non-Executive Directors:

### **KHALDOON AL MUBARAK, CHAIRMAN**

Khaldoon Al Mubarak was appointed to the Board in September 2008.

Mr Al Mubarak is the Managing Director and Group Chief Executive Officer of Mubadala Investment Company. He also serves as the Chairman of the Boards of the Emirates Nuclear Energy Corporation, Abu Dhabi Commercial Bank and Emirates Global Aluminium and sits on the Board of the Abu Dhabi National Oil Company. He is also Chairman of the Abu Dhabi Executive Affairs Authority and a member of the New York University Board of Trustees.

### **MARTIN EDELMAN, MEMBER OF THE BOARD**

Martin Edelman was appointed to the Board in September 2008. He is also Vice Chairman of New York City FC.

Since June 2000, he has been Of Counsel to Paul Hastings LLP, a New York City law firm. Mr Edelman also currently serves as Chairman of Manchester Life Development Company and as Director of Equity Commonwealth, BXMT and Aldar. He is also on the Advisory Board at Columbia University's Business School.

Mr Edelman works on behalf of several philanthropic initiatives and is on the boards of the Jackie Robinson Foundation, Intrepid Fallen Heroes Fund, Fisher Alzheimer Center and Tribeca Film Institute.

### **SIMON PEARCE, MEMBER OF THE BOARD**

Simon Pearce was appointed to the Board in September 2008. He is also Vice Chairman of Melbourne City FC.

In 2006, Mr Pearce joined the Executive Affairs Authority of Abu Dhabi, and currently serves as Special Advisor to the Chairman. He is also a Board Member of Abu Dhabi Motorsports Management, operator of Yas Marina Circuit and home of the F1 Etihad Airways Abu Dhabi Grand Prix, and a Board Member of Manchester Life Development Company.

### **JOHN MACBEATH, MEMBER OF THE BOARD**

John MacBeath was appointed to the Board in January 2010. He also served as Interim Chief Executive Officer of Manchester City FC from September 2011 to September 2012.

John MacBeath is a Chartered Accountant with extensive international business experience in the oil and gas, and aerospace industrial sectors.

### **MOHAMED AL MAZROUEI, MEMBER OF THE BOARD**

Mohamed Al Mazrouei was appointed to the Board in January 2010.

Since April 2008, Mr Al Mazrouei has served as the Undersecretary of the Crown Prince Court of Abu Dhabi. He is also the Chairman of Etihad Airways, and the former Chairman of Abu Dhabi Media.

### **ALBERTO GALASSI, MEMBER OF THE BOARD**

Alberto Galassi was appointed to the Board in June 2012.

Alberto Galassi is the CEO of Ferretti Group, a multinational shipbuilding company and leader in luxury yachts. Mr Galassi is an attorney at law specialised in international commerce and arbitration.

### **ABDULLA KHOURI, MEMBER OF THE BOARD**

Abdulla Khouri was appointed to the Board in July 2018.

Mr Khouri is the Chairman of Abu Dhabi Motorsport Management, operator of Yas Marina Circuit and home of the F1 Etihad Airways Abu Dhabi Grand Prix, and Flash Entertainment, the leading music, sports and entertainment events company based in Abu Dhabi. He is a Board Member of the Abu Dhabi Media Zone Authority and Miral Asset Management.

Mr Khouri is also the Executive Director of Government Affairs for the Executive Affairs Authority of Abu Dhabi.



# STRATEGIC REPORT

# STRATEGIC REPORT

The Directors present their annual report on the affairs of Manchester City Football Club Limited ('Manchester City' or 'the Club'), together with the financial statements and Independent Auditors' Report, for the year ended 30 June 2020.

## PRINCIPAL ACTIVITIES

The principal activity is the operation of a professional football club.

## BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

Manchester City won the League Cup for the fifth time in the last seven seasons and have now won seven of the total of 15 domestic men's trophies available in the last five years, more than any other team. The Club performed well in the other three major competitions, finishing runner-up in the Premier League, reaching the semi-final of the FA Cup and the quarter-final of the UEFA Champions League (UCL) and were also winners of the Community Shield in August 2019.

As a result of the COVID-19 pandemic, the 2019-20 Premier League season was officially paused on 13 March 2020, two days after Manchester City's game against Arsenal was postponed as a 'precautionary measure'. The season resumed on 17 June 2020, with the remaining games played without spectators in line with UK government directives.

The Directors are cognisant of the impact of the COVID-19 pandemic on Manchester City staff, supporters, partners, suppliers and the wider community, and substantial efforts have been and will continue to be made to support and protect these groups in wide-ranging ways. To help plan the most effective and appropriate response, the Club contacted local charities, residents' associations and community groups as well as major institutions. Manchester City worked in close partnership with the NHS and Manchester City Council to deliver a wide range of activities, including the provision of the Etihad Stadium and wider Campus to support the delivery of key services, testing and support facilities. For staff, as well as ensuring compliance with UK government directives to avoid non-essential travel and maximise homeworking, a decision was made not to furlough any staff, and wide-ranging support was provided to help address the challenging circumstances. A range of initiatives were created for supporters, including phone calls from staff and players to fans aged over 60, new opportunities for virtual connectivity in place of in-person experiences, and the provision of flexible options for ticketholders.

Manchester City's trading and operations have been significantly impacted by the pandemic, leading to reductions across revenue streams, including in broadcast revenues which were reduced by a rebate paid from the Premier League to its broadcast partners, as well as matchday revenue lost from the postponed games. The interrupted season also meant that revenues relating to just under a quarter of Premier League matches and the latter stages of the UCL and FA Cup have been deferred and will be included in the financial results of the year ending 30 June 2021. Player trading was also impacted, with some planned player sales deferred to the following season. Never before has a Premier League season straddled two financial years. These effects will have a positive impact in the 2020-21 financial year. Overall, for the 2019-20 financial year, revenues fell by £56.8m, 10.6% (2019: £34.7m increase, 6.9%) with a net loss of £126.0m (2019: £10.1m profit). The Club has net assets of more than £630m.

The aforementioned impact of the pandemic on the Club's trading and operations also means that year-on-year comparisons for revenues, costs, profits, and key ratios will be misleading and, for full context, the 2019-20 results should be viewed alongside the 2020-21 results. This has been recognised by UEFA and exceptional changes to their licensing and regulatory approach will assess the combined results of both seasons. The Directors remain confident that the Club's results for the two-year period will fall within UEFA's Financial Fair Play requirements.

A provision for a €10m fine from UEFA has been made within these statements. This fine was reduced from €30m, and a two-season exclusion from participation in UEFA club competitions was lifted, following a ruling by the Court of Arbitration for Sport.

# STRATEGIC REPORT CONTINUED

The Club also measures key performance against the following indicators:

Key performance indicator	2019-20	2018-19
First team performance: Premier League finishing position	2nd	1st
First team performance: UEFA Champions League	Quarter-Final	Quarter-Final
Employee costs/revenue	73%*	59%
Average league home attendance (excl. fixtures played behind closed doors)	54,219	54,132
Profit on disposal of players' registrations	£39.8m	£38.8m

\* This key performance indicator has been significantly impacted by COVID-19 and is not representative as revenues for the 2019-20 season straddle two financial years. Manchester City showed commitment to their employees by not using the government furlough scheme and not making any redundancies in the 2019-20 financial year because of the pandemic.

## RISKS AND UNCERTAINTIES

The Board acknowledges that there are a number of risks and uncertainties which could have a material impact on the Club's performance. The Club's income is affected by the performance of the first team because significant revenues are dependent upon strong team performances in the Premier League, domestic and European Cup competitions. The Club is regulated by the rules of the FA, Premier League, UEFA, and FIFA and any change to these regulations could have an impact as the regulations cover areas such as: the distribution of broadcasting income, the eligibility of players, and the operation of the transfer market. The Club monitors its compliance with all applicable rules and regulations on a continuous basis and considers the impact of any potential changes.

The Board and management continue to monitor the COVID-19 situation. They are confident that the Club has robust plans in place to ensure its financial security and future success. More consideration on the impact of COVID-19 is outlined in note 2.

## FUTURE DEVELOPMENTS

Manchester City will continually aim to be profitable in combination with on-pitch success primarily in the Premier League and Champions League.

## SECTION 172 (1) STATEMENT

From the perspective of the Board, as a result of the Group governance structure, whereby the Manchester City Football Club Limited Board is embedded within the Group Board, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Group Board in relation both to the Group and to the Company. The Board has also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance, and position of the Company, an explanation of how the Group Board has considered the matters set out in s172, for the Group and for the Company, is set out in the Group's annual report, which does not form part of this report.

By order of the Board

**J MacBeath**  
Director  
19 March 2021



# DIRECTORS' REPORT

# DIRECTORS' REPORT

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

## DIRECTORS

K Al Mubarak (Chairman)  
M Edelman  
S Pearce  
J MacBeath  
M Al Mazrouei  
A Galassi  
A Khouri

## RESULT FOR THE YEAR

The loss for the financial year was £126,014,000 (2019: £10,079,000 profit). The Directors do not propose a dividend (2019: £nil).

## EVENTS AFTER THE REPORTING DATE

Information about events after the balance sheet date can be found in note 25 to the financial statements.

## POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political contributions. Donations to UK charities amounted to £2,684,781 (2019: £3,650,147). This amount includes £2.6m supporting youth and community development via the Premier League.

## EMPLOYEE INVOLVEMENT

Within the bounds of commercial confidentiality, staff at all levels are kept fully informed of matters that affect the progress of the Company and are of interest to them as employees.

## DISABLED EMPLOYEES

Disabled employees are given full and fair consideration for all types of vacancy. If an existing employee becomes disabled, such steps as are practical and reasonable are taken to retain them in employment. Where appropriate, assistance with rehabilitation and suitable training are given. Disabled persons have equal opportunities for training, career development and promotion, except insofar as such opportunities are constrained by the practical limitations of their disability.

## FUTURE DEVELOPMENTS

Future developments are discussed in the Strategic Report.

## FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments, other than derivatives, comprise borrowings, cash and liquid resources, and various items such as trade and other receivables and trade and other payables that arise directly from its operations. The main purpose of the financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board of Directors oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks.

# DIRECTORS' REPORT CONTINUED

## STAKEHOLDER STATEMENTS

### EMPLOYEES

From the perspective of the Board, as a result of the Group governance structure, the Group Board has taken the lead in carrying out the duties of a Board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the Company during the financial year). The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Group Board has carried out these responsibilities, for the Group and for the Company, is set out in the Group's annual report, which does not form part of this report.

### OTHER STAKEHOLDERS

Similarly, from the perspective of the Board, as a result of the Group governance structure, the Group board has taken the lead in carrying out the duties of a Board in respect of the Company's other stakeholders. The Board of the Company has also considered relevant matters where appropriate. An explanation of how the Directors on the Group Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is set out, for the Group and for the Company, in the Group's annual report, which does not form part of this report.

## STREAMLINED ENERGY AND CARBON REPORTING

The Company is exempt from the requirement to include Streamlined Energy and Carbon Reporting ('SECR') data due to this information being included in the Group report of the parent, City Football Group Limited. The Group report is prepared for the same financial year end as the Company and complies with the SECR disclosure requirements set out in Part 7A of Schedule 7 without relying on a "seriously prejudicial" exemption.



# STATEMENT OF DIRECTORS' RESPONSIBILITIES

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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. 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.

## AUDITORS

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

By order of the Board

**J MacBeath**  
Director  
19 March 2021



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER CITY FOOTBALL CLUB LIMITED

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER CITY FOOTBALL CLUB LIMITED

## OPINION

We have audited the financial statements of Manchester City Football Club Limited ("the Company") for the year ended 30 June 2020 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity, and the 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 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

## 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER CITY FOOTBALL CLUB LIMITED CONTINUED

## OPINIONS ON OTHER MATTERS 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 the 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.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANCHESTER CITY FOOTBALL CLUB LIMITED CONTINUED

## AUDITORS' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

## 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.

*Stuart Wood (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor*

*Manchester, United Kingdom  
19 March 2021*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# PROFIT AND LOSS ACCOUNT

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Operations excluding player trading 2020 £000	Player trading and amortisation 2020 £000	<b>Total 2020 £000</b>	Total 2019 £000
<b>Revenue</b>	<b>4</b>	<b>478,359</b>	<b>–</b>	<b>478,359</b>	<b>535,169</b>
Other operating income	5	3,239	–	3,239	3,001
Operating expenses	5	(495,359)	(145,820)	(641,179)	(560,314)
<b>Operating loss</b>		<b>(13,761)</b>	<b>(145,820)</b>	<b>(159,581)</b>	<b>(22,144)</b>
Profit on disposal of players' registrations		–	39,803	39,803	38,787
<b>(Loss)/profit before interest and taxation</b>		<b>(13,761)</b>	<b>(106,017)</b>	<b>(119,778)</b>	<b>16,643</b>
Interest receivable and similar income	8	17	–	17	1,738
Interest payable and similar charges	9	(5,359)	–	(5,359)	(8,302)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(19,103)</b>	<b>(106,017)</b>	<b>(125,120)</b>	<b>10,079</b>
Taxation	10	(894)	–	(894)	–
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(19,997)</b>	<b>(106,017)</b>	<b>(126,014)</b>	<b>10,079</b>

The results for the period are from continuing operations. The Company does not have any other comprehensive income.

The notes on pages 24 to 50 form part of these financial statements.



# BALANCE SHEET

# BALANCE SHEET

Registered number 0040946  
as at 30 June 2020

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	11	448,632	445,343
Tangible assets	12	315,814	407,750
Right of use assets	13	82,868	–
Investments	14	–	–
		<b>847,314</b>	<b>853,093</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	220,143	192,890
Debtors: amounts falling due after more than one year	15	14,310	5,067
Derivative financial instruments		–	1,302
Cash at bank and in hand		17,838	129,856
		<b>252,291</b>	<b>329,115</b>
<b>Creditors</b>			
Creditors: due within one year	16	(229,829)	(186,112)
Deferred income: due within one year	19	(152,983)	(152,876)
<b>Net current liabilities</b>		<b>(130,521)</b>	<b>(9,873)</b>
<b>Total assets less current liabilities</b>		<b>716,793</b>	<b>843,220</b>
Creditors: due after more than one year	17	(77,596)	(78,903)
Deferred tax liabilities	20	(8,490)	(7,596)
<b>Net assets</b>		<b>630,707</b>	<b>756,721</b>
<b>Capital and reserves</b>			
Called up share capital	21	1,316,346	1,316,346
Share premium account		45,008	45,008
Profit and loss account		(730,647)	(604,633)
<b>Shareholders' funds</b>		<b>630,707</b>	<b>756,721</b>

The notes on pages 24 to 50 form part of these financial statements.

These financial statements were approved by the Board of Directors on 19 March 2021 and were signed on its behalf by:

**J MacBeath**  
Director



# STATEMENT OF CHANGES IN EQUITY

# STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
<b>As at 1 July 2018</b>	<b>1,316,346</b>	<b>45,008</b>	<b>(614,712)</b>	<b>746,642</b>
Profit for the year	–	–	10,079	10,079
<b>As at 30 June 2019</b>	<b>1,316,346</b>	<b>45,008</b>	<b>(604,633)</b>	<b>756,721</b>
Loss for the year	–	–	(126,014)	(126,014)
<b>As at 30 June 2020</b>	<b>1,316,346</b>	<b>45,008</b>	<b>(730,647)</b>	<b>630,707</b>

The notes on pages 24 to 50 form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

# NOTES TO THE FINANCIAL STATEMENTS

## 1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of Manchester City Football Club Limited (the 'Company') for the year ended 30 June 2020 were authorised for issue by the Board of Directors and the balance sheet was signed on the Board's behalf by J MacBeath. Manchester City Football Club Limited is a private company limited by share capital incorporated and domiciled in England and Wales under the Companies Act 2006. The registered office is Etihad Stadium, Etihad Campus, Manchester M11 3FF. The principal activity of the Company is discussed in the Strategic Report.

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 under the historical cost convention and are presented in pounds sterling and all values are rounded to the nearest thousand except when otherwise stated.

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

### BASIS OF PREPARATION

The Company meets the definition of a qualifying entity under FRS 100 issued by the Financial Reporting Council ('FRC'). The Company financial statements have therefore been prepared in accordance with FRS 101 and with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 62, B64(d), B64(e), B64(g), B64(h), B64(j)-B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 (R) Business combinations;
- the requirement of IFRS 7 Financial instruments: disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair value measurement;
- the requirements of IAS 7 Statement of cash flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related party disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1; (ii) paragraph

73(e) of IAS 16 Property, plant and equipment; (iii) paragraph 118(e) of IAS 38 Intangible assets; (iv) paragraphs 76 and 79(d) of IAS 40 Investment property; and (v) paragraph 50 of IAS 41 Agriculture;

- the requirements of paragraphs 10(d), 10(f), 16, 40(a)-(d), 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of City Football Group Limited, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 130(fii), 130(fiii), 134(d)-(f) and 135(c)-(e) of IAS 36 Impairment of assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a)-(c), 120-127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- the requirements of paragraphs 52, 58, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

### GOING CONCERN

The Board of Directors have prepared a detailed cash flow forecast for the period to March 2022 which shows that the Company is able to operate and meet its liabilities as they fall due for payment for at least 12 months from the date of approval of these financial statements utilising its existing working capital facilities. The impact of COVID-19 on key matchday, broadcasting, and commercial revenue streams was considered in detail when producing these cash flow forecasts. The forecasting was prepared for City Football Group ('the Group'), of which the Company forms a significant part. COVID-19 presents a unique and constantly changing challenge. Therefore, multiple scenarios have been considered, and stress-tested, including fixtures remaining behind closed doors for the entirety of the 2020-21 season and restrictions on future revenue generating events.

Prior to COVID-19, the Group secured a revolving credit facility ('RCF') which contained several trading covenants. When combined with a legally binding letter of financial support from Abu Dhabi United Group Investments and Development Ltd ('ADUG'), the Group's ultimate parent undertaking, the Directors are confident that the Group, and therefore the Company, has sufficient access to funding and believe that it is appropriate to prepare the financial statements on a going concern basis.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## NEW AND AMENDED STANDARDS AND INTERPRETATIONS MANDATORY FOR THE FIRST TIME FOR THE FINANCIAL YEAR BEGINNING 1 JULY 2019 AND ADOPTED BY THE COMPANY

- IFRS 16 Leases

The implementation of IFRS 16 does not have a material impact on the Company's financial statements as at 1 July 2019. The stadium finance lease asset and liability have both been reclassified under IFRS 16 as a right of use asset and lease liability respectively.

## NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED EARLY

No standards have been adopted early by the Company.

## NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

- Amendments to IFRS 3 Business combinations (mandatory for the first time for financial year beginning 1 July 2022);
- Amendments to IAS 16 Property, plant and equipment (mandatory for the first time for financial year beginning 1 July 2022);
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets (mandatory for the first time for financial year beginning 1 July 2022);
- Annual Improvements to IFRS 1 First time adoption of IFRS (mandatory for the first time for financial year beginning 1 July 2022);
- Annual Improvements to IFRS 9 Financial Instruments (mandatory for the first time for financial year beginning 1 July 2022);
- Annual Improvements to Illustrative examples accompanying IFRS 16 Leases (mandatory for the first time for financial year beginning 1 July 2022); and
- Annual Improvements to IAS 41 Agriculture (mandatory for the first time for financial year beginning 1 July 2022).

## BASIS OF CONSOLIDATION

The financial statements contain information about Manchester City Football Club Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of City Football Group Limited, a company registered in England and Wales.

## FOREIGN CURRENCY TRANSLATION

The Company's financial statements are presented in pounds sterling, which is also the Company's functional currency, which is the currency of the primary economic environment in which the entity operates.

## TRANSACTIONS AND BALANCES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the reporting date. All differences are taken to the profit and loss account. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or the profit and loss account is also recognised in other comprehensive income or the profit and loss account respectively).

## REVENUE

Revenue represents the fair value of considerations received or receivable from the Company's principal activities, excluding VAT, other sales taxes and transfer fees. The Company's principal revenue streams are matchday income, TV broadcasting income, and commercial activities relating to the Company. The Company recognises revenue based on the fair value of each performance obligation within a contract, once the obligations have been extinguished, for each of the principal activities which are separated by category of revenue described below.

The performance obligations of Manchester City are directly related to the typical payment terms of Customers.

### Matchday

Matchday revenue is based on men's football matches played by the Club throughout the year. Revenue from each match is recognised only after each match is played throughout the year. General admission tickets for a matchday are refunded up to seven days prior to the event.

Matchday revenue includes revenue generated from Manchester City Football Club domestic and European matchday activities played at the Etihad Stadium in Manchester, together with the Company's share of gate receipts from domestic cup matches not played at the Etihad Stadium and revenue generated from pre-season tours. The share

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

of gate receipts payable to the opposition club and competition organiser for domestic cup matches held at the Etihad Stadium is recognised as an operating expense once the match has been played.

Matchday revenue received in advance of the year end, relating to the following year is treated as deferred income until such time that the related match is played when the revenue is recognised. Deferred matchday revenue mainly relates to seasonal facilities at the Etihad Stadium.

Manchester City Football Club recognise, under IFRS 15, the net revenue generated from the catering contract with Fabulous Fan Fayre Limited as royalty income as Manchester City Football Club are acting as the agent. Fabulous Fan Fayre provide customers with refreshments on a matchday at the Etihad Stadium.

## TV broadcasting

TV broadcasting income represents revenue generated from all UK and overseas media contracts, including contracts negotiated on behalf of participating clubs by the Premier League and UEFA.

Revenue from the Premier League in respect of TV broadcasting for each football season is recognised in line with games played. The fixed element of revenue received from the Premier League is recognised as home games are played in the season. Facility fees for live coverage, near live coverage and highlights are earned for home and away matches and recognised following the completion of each match.

UEFA distributions from participation in the UEFA Champions League include market pool payments recognised over the matches played and fixed amounts for participation in individual matches recognised when matches are played. Distributions relating to team performance represent variable consideration and are recognised using the most likely amount method based on management's estimate of where the men's first team will finish at the end of the season.

## Other commercial

Other commercial revenue includes revenue derived from the Manchester City brand through partnership and other commercial contracts. Revenue from related activities such as concerts, conferences and events is recognised following the completion of the event.

Revenue receivable in advance of the event is deferred until its completion when it is recognised as revenue. Revenue receivable in relation to partnership contracts over and above the minimum guaranteed revenue within the contract is recognised as revenue when each performance obligation within a contract has been extinguished. Revenue receivable from partners in relation to bonuses for the success of the first team in certain competitions

represent variable consideration which is estimated at the contract inception using the most likely amount method based on management's estimate of where the first team will finish at the end of each season. Revenue is recognised over the term of the contract in line with the partnership benefits enjoyed by each partner.

## Other operating income

Income from the Elite Player Performance Plan ('EPPP') being a youth development scheme initiated by the Premier League is recognised in the financial year for the season to which it relates.

## Accrued and deferred income

Revenue relating to matchday, TV broadcasting and other commercial activities received after the financial year end to which it relates is accrued as earned.

Revenue relating to matchday, TV broadcasting and other commercial activities receivable prior to the year end in respect of seasons in future financial years is deferred.

## TAXES

### Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Deferred tax items are recognised in correlation to the underlying transaction either in the profit and loss account, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are only recognised by the Company when management assess it is probable they can be utilised in the foreseeable future.

## VAT and other sales taxes

Revenue, expenses and assets are recognised net of the amount of VAT or other sales tax, except where the VAT or sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT or sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of VAT or sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## LEASES

IFRS 16 has been adopted from 1 July 2019 using a modified retrospective transition approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. The comparative information presented for the period ended 30 June 2019 has not been restated.

The main impact of IFRS 16 for the Company is the recognition of all future lease liabilities on the balance sheet. Corresponding right of use assets have also been recognised on the balance sheet representing the economic benefits of the Company's right to use the underlying leased assets.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities where no rate is included in the lease contract was 5.07%.

For any new contracts entered into on or after 1 July 2019, the Company considered whether a contract is or contains a lease. A lease is defined as a contract that conveys the right to use of an asset for a period of time in exchange for consideration. To apply this definition, the Company assesses whether the contract meets three key evaluations:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

For all periods prior to 1 July 2019, the Company classified the Etihad Stadium lease as a finance lease. This lease is on terms that transfer substantially all the risks and rewards of ownership. The accounting treatment for finance leases is similar to the accounting treatment for leases under IFRS 16. Leased assets are capitalised at inception and payments apportioned between finance charges and reduction of the lease liability. The interest element is charged to the income statement and the capitalised leased assets are depreciated over the shorter of the estimated useful economic life of the asset or the lease term. For finance leases, the carrying amounts of the right of use assets and the lease liabilities on transition at 1 July 2019 were equal to the carrying amounts of the finance lease assets and finance lease liabilities.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The following table presents the impact of adopting IFRS 16 on the statement of financial position at 1 July 2019:

	30 June 2019 £000	IFRS 16 £000	1 July 2019 £000
<b>Assets</b>			
Tangible fixed assets	407,750	(84,320)	323,430
Right of use assets	–	84,320	84,320
<b>Liabilities</b>			
Obligations under finance lease	65,574	(65,574)	–
Lease liabilities	–	65,574	65,574

IFRS 16 introduces a new category of assets, right of use assets, representing the asset value of those assets held under leases. In addition, any tangible fixed assets held under finance leases, were also reclassified to right of use assets from tangible fixed assets.

IFRS 16 introduces a new category of liability, lease liabilities, representing the liability value of the leases entered into by the Company. As a result of implementing IFRS 16 any finance lease liabilities were reclassified.

The following table shows the operating lease commitments disclosed applying IAS 17 at 30 June 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application:

	1 July 2019 £000
Undiscounted lease payments	681
Leases reallocated to City Football Group Limited	(681)
<b>Leases classified as operating type under IAS 17</b>	<b>–</b>
Leases classified as finance type under IAS 17	65,574
<b>Lease liability as at 1 July 2019</b>	<b>65,574</b>

Leases for IT equipment have been centralised within City Football Group Limited with cost recharges being made to Manchester City Football Club Limited where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## FIXED ASSETS

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost comprises purchase price and any directly attributable costs. When significant parts of tangible fixed assets are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit and loss account as incurred.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment charges are recognised in the profit and loss account when the carrying amount of the asset exceeds its estimated recoverable value, being the higher of the asset's fair value less cost to sell and value in use. These amounts are calculated with reference to future discounted cash flows that the asset is expected to generate when considered as part of a cash-generating unit ('CGU').

Tangible fixed assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write down assets to their estimated residual value over their estimated useful economic lives from the date of acquisition by the Company as follows:

Freehold buildings:	2% straight-line
Long leasehold buildings:	estimated useful economic life of the asset
Short leasehold buildings:	estimated useful economic life of the asset
Fixtures and fittings:	10%-25% straight-line
Computer equipment:	25% straight-line

## INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

## PLAYERS' REGISTRATIONS AND FOOTBALL STAFF REMUNERATION

### Initial recognition

Players' registrations costs including transfer fees, associated agent fees, Premier League levy fees and other directly attributable costs are initially recognised at the fair value of the consideration payable for the acquisition. When a player's registration is acquired, management will make an assessment to estimate the likely outcome of specific performance conditions. Contingent consideration will be recognised in the players' registrations costs when management believes the performance conditions are met in line with the contractual terms. Periodic reassessments of the contingent consideration are completed. Any contingent amounts that management believe will be payable are included in the players' registrations from the date management believe the performance conditions are met. Any additional amounts of contingent consideration not included in the costs of players' registrations are disclosed separately as a commitment. Amortisation of costs is on a straight-line basis over the length of the players' contract.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## Renegotiation

The costs associated with an extension of a playing contract are added to the residual balance of the players' registrations at the date of signing the contract extension. The revised net book value is amortised over the remaining renegotiated contract length.

## Impairment

Management believe the value in use of a player's registration cannot be determined on a player by player basis unless a decision has been made to dispose of the player or the cost is recovered through an insurance claim, for example if a player were to suffer a career threatening injury. If such a case were to arise, management would assess the registration's fair value less cost-to-sell in comparison to its carrying value. Where the estimated fair value less cost-to-sell of a single player's registration was below its carrying value, management would record an impairment charge in profit and loss immediately.

## Disposal

Players' registrations available for sale are classified as assets held for sale when their carrying value is expected to be recovered principally through sale rather than continued use and a sale is considered highly probable. For sale to be highly probable, management must have committed to sell the registration, it must be actively marketed by the Company, with offers being received prior to the year end. For a registration to be classified as held for sale, management should expect to sell the asset within 12 months of the date of reclassification. These assets would be reclassified as current assets and stated at the lower of their carrying value and their fair value less cost to sell with any impairment loss being recognised in profit and loss at the date of reclassification.

When a player's registration sale is completed, the fair value of consideration receivable less any applicable transaction costs, is assessed against the registration's carrying value. Where the amounts are different, gains and losses arising as a result of the sale are recorded and disclosed separately within profit and loss on players' registrations in the profit and loss account. Contingent consideration receivable from a sale of the players' registrations is only recognised in the profit and loss account once the performance conditions within the contract are met.

## Remuneration

Player remuneration is recorded in profit and loss in line with the conditions of the individual contracts. Performance bonuses are recorded as they become legally or contractually payable on a player by player basis. Loyalty and signing on fees payable are recorded in the profit and loss account in the period to which they relate.

## INVESTMENTS

The Company assesses each of its investments to assess whether control or significant influence exists. When the Company assesses that it has control of an investment, the investment is treated as a subsidiary. If control or joint control does not exist, the Company assesses the investment for significant influence. When significant influence does not exist, the investment is treated as a financial investment by the Company.

Other investments held are stated at cost less any provision for impairment.

## FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### FINANCIAL ASSETS

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as amortised cost, financial assets at fair value through profit or loss or fair value through other comprehensive income financial assets. All financial assets are recognised initially at fair value.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at fair value through profit or loss; and
- Financial assets classified as amortised cost.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Derivatives, including separated embedded derivatives, are classified as fair value through profit and loss. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as interest payable and similar charges (negative net changes in fair value) or interest receivable and similar income (positive net changes in fair value) in profit or loss.

#### Financial assets classified as amortised cost

The asset is measured at the amount recognised at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method ('EIR') and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset is derecognised or reclassified.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## Impairment of financial assets

The Company recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date of inception and subsequently measured at fair value at the end of each period. Subsequent changes in fair value are recognised depending on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The full fair value of the derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit and loss when the hedge item affects profit or loss. Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit and loss in the periods when the hedged item is recognised in profit and loss.

## TRADE AND OTHER DEBTORS

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. If collection is expected in greater than one year, the debtors are presented as non-current assets. If the debtors are expected to be collected in one year or less, they are presented as current assets.

For trade debtors, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## CASH AT BANK AND IN HAND

Cash at bank and in hand in the balance sheet comprise cash at banks and in hand as well as short-term deposits with a maturity of three months or less.

## TRADE AND OTHER CREDITORS

Trade and other creditors are obligations to pay for goods and services which have been acquired in the commercial operations of the Company. Amounts payable are presented as non-current liabilities if payment is due in greater than one year. Where amounts payable are due in one year or less, they are presented as current liabilities.

Trade and other creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## OTHER LOANS

Other loans are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## PENSION COSTS

The Company is one of a number of participating employers of The Football League Limited Pension and Life Assurance Scheme which has been closed for new employees. The Company is unable to identify its share of the assets and liabilities of the scheme. As such, the Company's contributions into the scheme are recognised in profit and loss when they fall due.

The Company also operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company's contributions into this scheme are recognised in profit and loss when they fall due.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Estimates and assumptions used by management are based on historical experience and other relevant factors.

### PLAYERS' REGISTRATIONS

The costs associated with players' registrations are initially recognised at the fair value of the consideration payable for the acquisition. When a player's registration is acquired, management will make an assessment to estimate the likely outcome of specific performance conditions. Contingent consideration will be recognised in the players' registrations costs when management believes the performance conditions are met in line with the contractual terms. Subsequent reassessments of the contingent consideration payable are included in the players' registrations. The estimate of the amount of contingent consideration payable requires management to assess, on a player by player basis, when it is deemed that the specific performance terms are met.

Management will perform an impairment review of player's registrations, if events indicate that the carrying value is not recoverable through an inflow of future economic benefits. Whilst management do not feel it is appropriate to separate an individual player's registration from a single cash-generating unit ('CGU'), being the operations of the club in possession of the registration, there may be limited circumstances in which a registration is removed from the CGU and recoverability assessed separately. Where such indications exist, management will compare the carrying value of the asset with management's best estimate of fair value less cost to sell.

### FINANCIAL INSTRUMENTS

Financial instruments due to be settled or received in greater than one year are discounted when the time value of money is considered by management to be material to the Company. In such instances, management will estimate the timing of future cash flows and select an appropriate discount rate in order to calculate the present value of future cash flows related to the financial instrument.

### TV BROADCASTING

Delays to the completion of the 2019-20 Premier League season, UEFA Champions League and domestic cup competitions due to COVID-19, has resulted in the deferral of certain broadcasting revenues, which will be recognised as and when the remaining matches are played across the various competitions i.e. when the respective performance obligations have been met. Further, due to the delay to the 2019-20 domestic football season and changes to broadcasting schedules, broadcasting revenues for the year ended 30 June 2020 have been reduced to reflect Premier League and UEFA rebates due to broadcasters. The proportion of rebate that has been recognised for the year ended 30 June 2020 is based upon the expected Premier League finishing position as at 30 June 2020 and the number of home and away Premier League and UEFA Champions League matches played to 30 June 2020, as a percentage of the total 2019-20 Premier League and UEFA Champions league season fixtures.

### PLAYER BONUSES

Delays to the completion of the 2019-20 Premier League season, UEFA Champions League and domestic cup competitions due to COVID-19 meant that an assessment was made, on a player by player basis, as to whether it was probable that individual player bonuses would be due and therefore should be accrued in the financial year. All information available to management on 30 June 2020 was considered when making this assessment.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 4. REVENUE

	2020 £000	2019 £000
Matchday	41,694	55,007
Broadcasting: UEFA	67,261	85,656
Broadcasting: all other	123,063	167,520
Other commercial activities	246,341	226,986
<b>Total</b>	<b>478,359</b>	<b>535,169</b>

All revenue originates in the United Kingdom. The principal activity of the Company is the operation of a professional football club.

A breakdown of revenue has been provided above. All of the results for the above activities are included within the primary statements.

External revenue can be analysed into three main components, with broadcasting analysed further into revenue arising from UEFA competitions and all other broadcasting revenue.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 5. OPERATING LOSS

	2020 £000	2019 £000
<b>Other operating income</b>		
Other operating income	3,239	3,001
<b>Total</b>	<b>3,239</b>	<b>3,001</b>
<b>Operating expenses</b>		
Direct cost of sales and consumables	6,136	7,203
Remuneration of Auditors and its associates:		
Audit fees	48	42
Hire of other assets: operating leases	–	16
Other external charges	123,844	97,615
Employee costs (Note 7)	351,412	315,257
Amortisation of players' registrations	145,820	126,561
Amortisation of other intangible assets	465	437
Profit on disposal of fixed assets	1,331	(25)
Depreciation of tangible fixed assets:		
Owned	10,671	9,623
Leased	1,452	3,585
<b>Total</b>	<b>641,179</b>	<b>560,314</b>
<b>Operating loss</b>		
Operating (loss)/profit before player trading	(13,761)	104,417
Amortisation of players' registrations	(145,820)	(126,561)
<b>Total</b>	<b>(159,581)</b>	<b>(22,144)</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 6. DIRECTORS' REMUNERATION

	2020 £000	2019 £000
Directors' emoluments	–	–
Company contributions to money purchase pension schemes	–	–
Amounts paid to third parties in respect of Directors' services	–	–

No Directors were paid in the period (2019: £nil) and no company pension contributions were made (2019: £nil).

## 7. EMPLOYEES

The average number of employees and Directors during the period is set out and analysed by category in the table below:

	2020	2019
<b>Average number of employees</b>		
Football staff: including players	214	209
Commercial/administration staff	263	254
<b>Total</b>	<b>477</b>	<b>463</b>

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	307,278	276,947
Social security costs	42,938	37,568
Other pension costs	1,196	742
<b>Total</b>	<b>351,412</b>	<b>315,257</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £000	2019 £000
Bank interest	17	960
Other	–	778
<b>Total</b>	<b>17</b>	<b>1,738</b>

## 9. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £000	2019 £000
Bank loans and overdrafts	838	3,594
Interest expense on finance leases	–	4,708
Interest expense on leases	4,521	–
<b>Total</b>	<b>5,359</b>	<b>8,302</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 10. TAXATION

### (A) ANALYSIS OF THE TAX CHARGE IN THE PERIOD

	2020 £000	2019 £000
<b>Current tax</b>		
UK corporation tax at 19% (2019: 19%) on profits for the period	–	–
<b>Total current tax charge</b>	–	–
<b>Deferred tax</b>		
Impact of change in UK corporation tax rate	894	–
<b>Total deferred tax charge</b>	<b>894</b>	–
<b>Total tax charge</b>	<b>894</b>	–

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## (B) FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax charge for the period varies from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(125,120)</b>	<b>10,079</b>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>(23,773)</b>	1,915
Effects of:		
Expenses not deductible for tax purposes	1,914	153
Fixed asset timing differences	2,143	708
Other permanent differences	511	–
Deferred tax not recognised	19,296	753
Tax rate difference arising on revaluation of stadium	894	–
Income not taxable for tax purposes	(91)	(15)
Group relief claimed	–	(3,514)
<b>Total tax charge for the period</b>	<b>894</b>	<b>–</b>

The Company has corporation tax losses available for carry forward of approximately £568.0m (2019: £446.5m).

## (C) FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company expects its effective tax rate in future years to be less than the standard rate of corporation tax in the UK due principally to the amount of tax losses available to be set off against future taxable profits.

On 3 March 2021, the UK Government announced that the UK corporation tax rate would increase from 1 April 2023 from 19% to 25%. This was substantively enacted on 11 March 2021.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 11. INTANGIBLE FIXED ASSETS

	Other intangibles £000	Players' registrations £000	Total £000
<b>Cost</b>			
As at 1 July 2019	3,394	905,841	909,235
Additions	–	180,081	180,081
Disposals	(2)	(108,253)	(108,255)
<b>As at 30 June 2020</b>	<b>3,392</b>	<b>977,669</b>	<b>981,061</b>
<b>Amortisation</b>			
As at 1 July 2019	2,873	461,019	463,892
Charge in the year	465	145,820	146,285
Disposals	–	(77,748)	(77,748)
<b>As at 30 June 2020</b>	<b>3,338</b>	<b>529,091</b>	<b>532,429</b>
<b>Net book value</b>			
<b>As at 30 June 2020</b>	<b>54</b>	<b>448,578</b>	<b>448,632</b>
As at 30 June 2019	521	444,822	445,343

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 12. TANGIBLE FIXED ASSETS

	Land and buildings (freehold) £000	Short leasehold improvements £000	Long leasehold improvements £000	Assets under the course of construction £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost</b>						
As at 1 July 2019	195,142	1,594	209,732	2,685	70,885	480,038
IFRS 16 adjustment	–	–	(90,248)	–	–	(90,248)
Additions	–	–	–	733	3,652	4,385
Disposals	(2,184)	–	(204)	–	(5,328)	(7,716)
Reclassification	133	–	15	(398)	250	–
<b>As at 30 June 2020</b>	<b>193,091</b>	<b>1,594</b>	<b>119,295</b>	<b>3,020</b>	<b>69,459</b>	<b>386,459</b>
<b>Depreciation</b>						
As at 1 July 2019	11,784	210	19,086	–	41,208	72,288
IFRS 16 adjustment	–	–	(5,928)	–	–	(5,928)
Charge for the year	2,995	23	1,477	–	6,176	10,671
Disposals	(854)	–	(204)	–	(5,328)	(6,386)
<b>As at 30 June 2020</b>	<b>13,925</b>	<b>233</b>	<b>14,431</b>	<b>–</b>	<b>42,056</b>	<b>70,645</b>
<b>Net book value</b>						
<b>As at 30 June 2020</b>	<b>179,166</b>	<b>1,361</b>	<b>104,864</b>	<b>3,020</b>	<b>27,403</b>	<b>315,814</b>
As at 30 June 2019	183,358	1,384	190,646	2,685	29,677	407,750

### ETIHAD STADIUM

On 5 August 2003, Maine Road was exchanged for a 250-year leasehold interest in the Etihad Stadium. Rental payments are made quarterly. The lease has been treated as a finance lease, with the lease premium and the net present value of future rental obligations capitalised.

The Company has initially applied IFRS 16 on 1 July 2019, which requires the recognition of right of use assets in place of finance lease assets. As a result, on 1 July 2019, the Etihad Stadium finance lease, with a net book value of £84.3m has been reallocated and recognised as right of use assets. The Company has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 13. RIGHT OF USE ASSETS

	Land and buildings £000
<b>Cost</b>	
IFRS 16 adjustment: 1 July 2019	90,248
Additions	–
<b>As at 30 June 2020</b>	<b>90,248</b>
<b>Depreciation</b>	
IFRS adjustment: 1 July 2019	5,928
Charge in the year	1,452
<b>As at 30 June 2020</b>	<b>7,380</b>
<b>Net book value</b>	
<b>As at 30 June 2020</b>	<b>82,868</b>
As at 1 July 2019 (IFRS adjustment)	84,320

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 14. FIXED ASSET INVESTMENTS

Shares in  
subsidiary  
undertakings  
£000

**Cost and net book value at 30 June 2020** —

Cost and net book value at 30 June 2019 —

Subsidiary and associate undertakings	Principal activities	Proportion of voting rights and share capital held	Registered address
Manchester City Investments Limited	Dormant company	100%	City Football HQ, 400 Ashton New Road Manchester M11 4TQ
Eastlands Strategic Development Company Limited	Dormant company	33%	Town Hall, Albert Square Manchester M60 2LA

Incorporated in England and Wales

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 15. DEBTORS

	2020 £000	2019 £000
<b>Amounts falling due within one year</b>		
Trade debtors	150,094	45,289
Debtors arising from player transfers	52,024	48,969
Amounts owed by Group undertakings	3,537	60,544
Amounts owed by related party undertakings (Note 24)	44	530
Other debtors	536	45
Prepayments and accrued income	13,908	37,513
<b>Total</b>	<b>220,143</b>	<b>192,890</b>
<b>Amounts falling due after more than one year</b>		
Debtors arising from player transfers	14,310	5,044
Other debtors	–	23
<b>Total</b>	<b>14,310</b>	<b>5,067</b>
<b>Total debtors</b>	<b>234,453</b>	<b>197,957</b>

The fair values of the above trade and other receivables are equal to their carrying values.

Trade and other debtors are non-interest bearing and credit terms vary depending on the type of sale. Credit terms relating to player transfers are determined on a player by player basis. Seasonal facilities are paid in advance of the season or are collected via direct debit on a monthly basis throughout the season. Credit terms in relation to sponsorship agreements are agreed on a contract by contract basis, usually over the life of the contract. Other sales have credit terms ranging between 21 and 30 days.

The above accrued income balance will be cleared within 12 months of year end.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 16. CREDITORS: DUE WITHIN ONE YEAR

	2020 £000	2019 £000
Other loans	–	7,474
Lease liabilities (Note 18)	423	403
Trade creditors	7,688	7,082
Creditors arising from player transfers	60,397	72,513
Amounts owed to Group undertakings	29,332	1,959
Amounts owed to related party undertakings (Note 24)	947	–
Other creditors including tax and social security	15,551	60,136
Accruals	113,897	36,545
Refund creditor	1,594	–
<b>Total</b>	<b>229,829</b>	<b>186,112</b>

## 17. CREDITORS: DUE AFTER MORE THAN ONE YEAR

	2020 £000	2019 £000
Lease liabilities (Note 18)	64,748	65,171
Creditors arising from player transfers	12,848	13,732
<b>Total</b>	<b>77,596</b>	<b>78,903</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 18. BORROWINGS

### LEASES

Lease liabilities include future obligations under the lease of the Etihad Stadium. Details are provided within note 12.

The capital amounts of repayments are as follows:

	2020 £000	2019 £000
<b>Maturity of lease liabilities</b>		
Within one year	423	403
Between one and two years	445	423
Between two and five years	1,475	1,404
After more than five years	62,828	63,344
<b>Total</b>	<b>65,171</b>	<b>65,574</b>

During the period all external loans were repaid. The cash flows required are as follows:

	2020 £000	2019 £000
Within one year	3,550	3,550
In the second to fifth year	14,200	14,200
Over five years	139,625	143,175
Less future finance charges	(92,204)	(95,351)
<b>Total</b>	<b>65,171</b>	<b>65,574</b>

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 19. DEFERRED INCOME

	2020 £000	2019 £000
<b>Within one year:</b>		
<b>Deferred income</b>	<b>152,983</b>	<b>152,876</b>

The above deferred income balance will be cleared within 12 months of year end.

## 20. DEFERRED TAX

The following are the deferred tax liabilities recognised alongside details of the movements:

	Property revaluation £000	Total £000
At 1 July 2019	7,596	7,596
Debited to profit and loss account	894	894
<b>As at 30 June 2020</b>	<b>8,490</b>	<b>8,490</b>

Deferred tax assets and liabilities are only offset where a legally enforceable right exists to do so. The table below analyses the deferred tax balances:

	2020 £000	2019 £000
Deferred tax liabilities	<b>8,490</b>	<b>7,596</b>

The Company has not recognised a deferred tax asset of £135.3m (2019: £102.1m) in relation to accumulated losses, accelerated capital allowances and short-term timing differences due to the uncertainty as to whether it can be utilised in the foreseeable future. The losses do not have an expiry date.

On 3 March 2021, the UK Government announced that the UK corporation tax rate would increase from 1 April 2023 from 19% to 25%. This was substantively enacted on 11 March 2021. The remeasured deferred tax liability and unrecognised deferred tax asset are £11.2m and £178.0m respectively.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 21. SHARE CAPITAL

The authorised and issued share capital at the beginning and end of the period is as follows:

	2020 £000	2019 £000
<b>Issued, fully paid and called up</b>		
1,316,345,585 ordinary shares of £1 each <i>(2019: 1,316,345,585)</i>	1,316,345	1,316,345
3,399 ordinary shares of £1 each – 25p paid <i>(2019: 3,399)</i>	1	1
<b>Total</b>	<b>1,316,346</b>	<b>1,316,346</b>

## 22. PENSIONS

### DEFINED CONTRIBUTION SCHEME

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable. The total contributions in the period amounted to £1,196,000 *(2019: £742,000)*. As at 30 June 2020, contributions of £125,000 *(2019: £112,000)* due to the pension scheme were unpaid and recorded in current liabilities.

### DEFINED BENEFIT SCHEME

Manchester City Football Club ('the Club') participates in the Football League Pension and Life Assurance Scheme ('the Scheme'). The Scheme is a funded multi-employer defined benefit scheme, with 92 participating employers, and where members may have periods of service attributable to several participating employers. The Club is unable to identify its share of the assets and liabilities of the Scheme and therefore accounts for its contributions as if they were paid to a defined contribution scheme.

The last actuarial valuation was carried out at 31 August 2019 where the total deficit on the ongoing valuation basis was £28.2m.

The accrual of benefits ceased within the Scheme on 31 August 1999. The Club pays monthly contributions based on a notional split of the total expenses and deficit contributions of the Scheme.

The Club currently pays total contributions of £73,330 per annum which increases at 5.0% per annum and based on the actuarial valuation assumptions detailed above, will be sufficient to pay off the deficit by 31 October 2023.

As at 30 June 2020, the present value of the Club's outstanding contributions (i.e. their future liability) is £283,751. This amounts to £72,246 *(2019: £68,802)* due within one year and £211,505 *(2019: £200,352)* due after more than one year.

The funding objective of the Trustees of the Scheme is to have sufficient assets to meet the technical provisions of the Scheme. In order to remove the deficit revealed at the previous actuarial valuation (dated 31 August 2019), deficit contributions are payable by all participating clubs. Payments are made in accordance with a pension contribution schedule. As the Scheme is closed to accrual, there are no additional costs associated with the accruing of members' future benefits. In the case of a club being relegated from the Football League and being unable to settle its debt then the remaining clubs may, in exceptional circumstances, have to share the deficit.

Upon the wind-up of the Scheme with a surplus, any surplus will be used to augment benefits. Under the more likely scenario of there being a deficit, this will be split amongst the clubs in line with their contribution schedule. Should an individual club leave the Scheme, they may be required to pay their share of the deficit based on a proxy buyout basis (i.e. valuing the benefits on a basis consistent with buying out the benefits with an insurance company). The Club is a member of the Scheme, a pension scheme providing benefits based on final pensionable pay. As this subsidiary is one of a number of participants in the scheme, it is unable to identify its share of assets and liabilities and therefore accounts for the contributions payable as if they were made to a defined contribution scheme. The Club is advised by the scheme administrators of the additional contributions required to fund the deficit. The administrators have confirmed that the assets and liabilities cannot be split between the participating entities.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 23. COMMITMENTS

### OPERATING LEASES

The future aggregate minimum lease payments under non-cancellable leases, not including the stadium lease, are set out below.

	2020 £000	2019 £000
<b>Expiring</b>		
Within one year	–	323
Within two and five years	–	358
After five years	–	–
<b>Total</b>	<b>–</b>	<b>681</b>

Leases for IT equipment have been centralised within City Football Group Limited with cost recharges being made to Manchester City Football Club Limited where appropriate. The operating lease commitments disclosed above for 2019 meet the definition of low

value leases and these commitments are now presented in the City Football Group Limited financial statements. Due to the adoption of IFRS 16, lease liabilities not meeting the definition of low value leases are now disclosed separately in note 18.

### CAPITAL COMMITMENTS

The capital commitments contracted but not provided for are as follows:

	2020 £000	2019 £000
Contracted but not provided for	<b>1,117</b>	<b>1,328</b>

### TRANSFER FEES PAYABLE

Additional transfer fees, signing on fees and loyalty bonuses of £158,245,080 (2019: £200,146,619) that will become payable upon the achievement of certain conditions contained within player and transfer contracts if they are still in the service of the Club on specific future dates are accounted for in the year in which management assess, on a player by player basis, when the specific performance terms are met, resulting in the payment of contingent consideration.

### OTHER COMMITMENTS

Manchester City Football Club Limited has assigned fixed charges in favour of HSBC plc in relation to its Premier League media revenues and stadium matchday revenues, as security for City Football Group's credit facility with the Bank. HSBC plc hold a floating charge over all other Manchester City Football Club Limited assets. These charges shall remain in place until maturity of the HSBC plc facility in July 2022. Additionally, the Club assigned the following two consecutive payments from PUMA SE or PUMA International, in respect of the guaranteed retainer on a rolling basis to Barclays to cover operational exposures.

Management continue to monitor the situation surrounding COVID-19 and Brexit and any potential financial impact from these.

# NOTES TO THE FINANCIAL STATEMENTS CONTINUED

## 24. RELATED PARTY TRANSACTIONS

### TRANSACTIONS WITH SUBSIDIARIES OF CITY FOOTBALL GROUP LIMITED

Transactions during the year ended 30 June 2020 with New York City Football Club LLC, a fellow subsidiary of City Football Group Limited, consisted of trading balances totalling £1,254,000 (2019: £837,000), which are included in debtors due within one year and the provision of services of £366,000 (2019: £371,000).

Transactions during the year ended 30 June 2020 with Girona FC SAD, a fellow subsidiary of City Football Group Limited, consisted of trading balances totalling £nil (2019: £1,000), which are included in debtors due within one year, the sale of services totalling £52,000 (2019: £nil), and the transfer of a player from Girona FC SAD for £5,464,000.

### TRANSACTIONS WITH BROOKSHAW DEVELOPMENTS LIMITED

A balance from Brookshaw Developments Limited, a company also owned by Abu Dhabi United Group Investment and Development Ltd, of £947,000 (2019: £nil) is included in creditors due within one year.

### TRANSACTIONS WITH EASTLANDS DEVELOPMENT COMPANY LIMITED

A balance to Eastlands Development Company Limited, a company also controlled by Abu Dhabi United Group Investment and Development Ltd, of £44,000 (2019: £44,000) is included in debtors due within one year.

### TRANSACTIONS WITH ABU DHABI UNITED GROUP INVESTMENT AND DEVELOPMENT LTD

During the period, costs of £nil (2019: £nil) were recovered from the ultimate parent company. A balance of £nil (2019: £486,000) was included in debtors due within one year.

### KEY MANAGEMENT COMPENSATION

No key management personnel were remunerated by the Company. Details of key management compensation are listed in the notes of City Football Group Limited financial statements in note 6.

## 25. EVENTS AFTER THE REPORTING DATE

Since the year end the Club has entered into agreements to acquire the football registrations of Rúben Dias (from Benfica), Nathan Ake (from Bournemouth), Ferran Torres (from Valencia), Pablo Moreno (from Juventus), Yan Couto (from Coritiba FC), Issa Kaboré (from KV Mechelen), Diego Rosa (from Gremio), and Filip Stefanovic (from FK Partizan). The football registrations of Leroy Sané (to Bayern Munich), Nicolás Otamendi (to Benfica), Tosin Adarabioyo (to Fulham), Nathanael Ogbeta (to Shewsbury Town), D'Margio Wright-Phillips (to Stoke City), and Keyendrah Simmonds (to Birmingham City) have been sold. The net expenditure on these transactions was approximately £104.5m.

Since the year end COVID-19 continues to have a wide-ranging impact on the operations of the Club. Football, both domestic and European, continues to be played behind closed doors. The Board and management continue to monitor the situation.

## 26. ULTIMATE PARENT COMPANY

As at 30 June 2020 the Company's ultimate parent undertaking was Abu Dhabi United Group Investment and Development Ltd, a company registered in Abu Dhabi and wholly owned by His Highness Sheikh Mansour bin Zayed Al Nahyan.

City Football Group Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of City Football Group Limited consolidated financial statements can be obtained from Companies House.