



FINANCIAL REPORT

MANCHESTER CITY FOOTBALL CLUB LIMITED
Annual Report and Financial Statements
For the year ended 30 June 2023

Registered number 00040946

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DIRECTORS AND COMPANY INFORMATION

Directors and company information

DIRECTORS

K Al Mubarak (Chairman)
M Edelman
S Pearce
J MacBeath
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 M2 3HQ

AUDITORS

BDO LLP, 3 Hardman Street,
Manchester M3 3AT

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 Executive Affairs Authority of Abu Dhabi 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.

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 specialising 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 Miral, Abu Dhabi's leading curator of experiences. Abdulla 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 2023.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

The 2022-23 season saw Manchester City men's team complete the Treble, winning the Premier League, FA Cup and UEFA Champions League, for the first time in the Club's history. This was the Club's third successive Premier League title and its fifth in six years. The Club's seventh FA Cup was secured following a 2-1 victory against Manchester United at Wembley Stadium. An exceptional season was concluded in Istanbul, where the Club defeated Internazionale 1-0 in the UEFA Champions League final.

The Club's on-pitch success was replicated off-pitch, with a record net profit of more than £80m being achieved. The Club has now reported a profit in every year since the 2014-15 season, with the exception of the short-term impact of COVID-19 to the business.

FINANCIAL REVIEW

Total revenue for the year ended 30 June 2023 reached a record £712.8m, an increase of £99.8m, or 16.3%, over the prior year, with growth across all revenue streams comprised of commercial, matchday and broadcasting revenues.

In addition, profit on disposal of players' registrations of £121.7m (2022: £67.7m), which have totalled more than £330m in the last five years, drove net profit for the year ended 30 June 2023 to £80.4m (2022: £41.7m), a record result in the Club's history.

The Club has net assets of more than £790m.

Matchday

Matchday revenue for the year ended 30 June 2023 was £71.9m, an increase of £17.4m. 31 home games were played across all four competitions (Champions League, Premier League, FA Cup and League Cup). In the prior year 2021-22 season, 27 home games were played.

Broadcasting

Broadcasting revenue for the year ended 30 June 2023 was £299.4m, an increase of £50.4m. This was primarily due to Manchester City reaching and winning the final of the UEFA Champions League, compared with a semi-final exit in the previous season. The Club also played more home and away games across all competitions as well as reaching and winning the final of the FA Cup, following the club's most successful season in its history.

Other commercial activities

Other commercial revenue for the year ended 30 June 2023 was £341.4m, an increase of £32.0m, or 10.3%, over the prior year, due to new sponsorship agreements.

KEY PERFORMANCE INDICATORS

The Club also measures key performance against the following indicators:

	2022-23	2021-22
First team performance – Premier League finishing position	1st place	1st place
First team performance – UEFA Champions League	Winners	Semi-final
Employee costs/revenue	59%	58%
Average league home attendance	53,249	52,774
Profit on disposal of players' registrations	£121.7m	£67.7m

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. 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.

On 6 February 2023, in accordance with Premier League Rule W.82.1, the Premier League referred a number of alleged breaches of the Premier League Rules by Manchester City Football Club to a Commission under Premier League Rule W.3.4.

In February 2023, in response to the charges, the Club issued a public statement that it welcomes the review of this matter by an independent Commission, to impartially consider the comprehensive body of irrefutable evidence that exists in support of its position.

FUTURE DEVELOPMENTS

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

SECTION 172 (1) STATEMENT

From the perspective of the Manchester City Football Club Limited Board ('the Board'), as a result of the City Football Group ('the Group') governance structure, whereby the 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. 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. This does not form part of this report. The impact of decisions specific to the Company are considered with regards to the Group as a whole.

By order of the Board

J MacBeath

Director
10 October 2023



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
A Galassi
A Khouri

RESULT FOR THE YEAR

The profit for the financial year was £80,371,000 (2022: £41,726,000 profit).
The Directors do not propose a dividend (2022: £nil).

EVENTS AFTER THE REPORTING DATE

Information about events after the reporting date can be found in note 27 to the financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political contributions. Donations to UK charities amounted to £4,204,000 (2022: £3,415,150). This amount includes £4,031,000 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, practical and reasonable steps 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 comprise cash and liquid resources as well as 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 support the Company's operations.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk. The Board oversees the management of these risks, and each risk is discussed in detail below.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: currency risk and interest rate risk. Financial instruments affected by market risk include borrowings, payables and receivables arising from player trading and derivative financial instruments.

An assessment is made at the beginning of each financial year, once the transfer window is closed and when European competition qualification for Manchester City Football Club is known. The net exposure of player payables and receivables is assessed against the future minimum expected cash inflow from European competitions. The net Euro exposure, if deemed material, is hedged accordingly and continually re-assessed as Manchester City Football Club progresses through each stage of the competition.

CREDIT RISK

Credit risk is the risk that a counter party will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The concentration of credit risk with the Company is low, with the majority of credit risk at the reporting date relating to player trading, which is mitigated by the governing bodies of national and international football associations.

LIQUIDITY RISK

The Company monitors its risk to a shortage of funds using cash flow forecasting and budgeting that is reviewed on a regular basis by the Board of Directors. Management information tools are used to constantly monitor and manage the liquidity needs of the business. Annual cash receipts are generally cyclical in nature based on season card holders and competition monies receivable.

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.

CLIMATE-RELATED FINANCIAL DISCLOSURE

The climate-related financial disclosures for the Company are disclosed in the Directors' Report of the consolidated financial statements of City Football Group Limited.

Included in the (Manchester City) comprehensive environmental impact report ('Game Plan'), Manchester City (and City Football Group Limited) have made clear commitments in its Game Plan strategy and across a range of related policies and strategies to work for best practice in environmental impact, risk and opportunity. This is covered and shared annually, with regular updates and posted on the Manchester City Football Club's website for transparency. The Company recognises that wide-ranging, authentic measurement and reporting is critical to its own growth, resilience and reputation and is additionally the right and appropriate set of actions for the club's investors, partners, fans and community.



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 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 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 judgements and accounting estimates that are reasonable and prudent;
- State whether 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.

The auditor, BDO LLP, is deemed to be reappointed under section 487(2) of the Companies Act 1985 which continues in force under the Companies Act 2006.

By order of the Board

J MacBeath

Director

10 October 2023

A group of Manchester City players in their light blue kits are huddled together in a celebratory embrace on a football pitch. The scene is set in the rain, with water droplets visible in the air and on the players' clothing. The players are wearing white shorts and their blue jerseys have 'MANCHESTER CITY' and 'Optic' visible on the back. The overall mood is one of triumph and camaraderie.

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 ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its profit 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.

We have audited the financial statements of Manchester City Football Club Limited ("the Company") for the year ended 30 June 2023 which comprise Statement of Profit or Loss, Balance Sheet, Statement of Changes in Equity 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 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 Directors report and financial statements, 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

OTHER COMPANIES ACT 2006 REPORTING

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 the Directors' report have been prepared in accordance with applicable legal requirements.

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 or the 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.

AUDITOR'S 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be FRS 101 and the Companies Act 2006.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be employment law, data protection and health and safety legislation, as well as compliance with UEFA Financial Fair Play and Football Association Rules.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be related to the completeness of liabilities and provisions, including those that could arise from external investigations, management override of controls, manual journals posted to revenue nominal accounts and significant deficiencies in the IT Control environment.

Our audit procedures in respect of the above included, but were not limited to, the following:

- Assessing the completeness of payroll and tax related accruals in place at year end with respect to payments made post year end;
- Analysing a sample of post year end payments made subsequent to the balance sheet date and concluding on the appropriateness of year end liabilities recognised;
- Review of minutes and a sample of invoices received subsequent to balance sheet date for possible unrecorded liabilities and check that any liability which existed at the year-end has been included in the financial statements;
- Obtained audit evidence regarding compliance with the provisions of those laws and regulations as generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial statements;
- Enquiries made of management and, where appropriate, those charged with governance, as to whether the entity is in compliance with other laws and regulations that may have a material effect on the financial statements;
- Identifying and testing high risk journal entries, in particular journal entries posted with unusual account combinations and manual journals to revenue which fall outside of expectations;

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation provision for bad and doubtful debts and legal provisions;
- Review of minutes of board meetings from throughout the year;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Verified a sample of new suppliers to new supplier forms and ensured the bank details per the system were that communicated by the supplier; and
- Verified a sample of changes to existing supplier's bank details during the year were that communicated by the supplier.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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 by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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, UK
 10 October 2023

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



STATEMENT OF PROFIT OR LOSS

Statement of Profit or Loss

For the year ended 30 June 2023

	Note	Operations excluding player trading 2023 £000	Player trading and amortisation 2023 £000	Total 2023 £000	Total 2022 £000
Revenue	4	712,768	–	712,768	613,014
Other operating income	5	5,456	–	5,456	6,068
Operating expenses	5	(608,414)	(145,448)	(753,862)	(640,488)
Operating profit/(loss)		109,810	(145,448)	(35,638)	(21,406)
Profit on disposal of players' registrations		–	121,720	121,720	67,699
Profit/(loss) before interest and taxation		109,810	(23,728)	86,082	46,293
Interest receivable and similar income	9	56	–	56	778
Interest payable and similar charges	10	(5,767)	–	(5,767)	(5,345)
Profit/(loss) on ordinary activities before taxation		104,099	(23,728)	80,371	41,726
Taxation	11	–	–	–	–
Profit/(loss) on ordinary activities after taxation		104,099	(23,728)	80,371	41,726

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

The notes on pages 24 to 54 form part of these financial statements.



BALANCE SHEET

Balance sheet

As at 30 June 2023

Registered number 00040946

	Note	2023 £000	2022 ¹ £000
Non-current assets			
Intangible assets	12	488,071	442,126
Property, plant and equipment	13	319,834	310,937
Right of use assets	14	78,512	79,964
Trade and other receivables	16	87,500	52,699
		973,917	885,726
Current assets			
Trade and other receivables	16	467,965	323,999
Cash at bank and in hand		79,260	77,752
		547,225	401,751
Current liabilities			
Trade and other payables	17	(378,201)	(253,704)
Deferred income	20	(223,445)	(205,255)
		(601,646)	(458,959)
Net current liabilities		(54,421)	(57,208)
Total assets less current liabilities		919,496	828,518
Non-current liabilities			
Trade and other payables	18	(129,083)	(119,318)
		(129,083)	(119,318)
Net assets		790,413	709,200
Equity			
Called up share capital	22	1,339,575	1,339,575
Share premium account		45,008	45,008
Retained earnings		(594,170)	(675,383)
Total equity		790,413	709,200

The notes on pages 24 to 54 form part of these financial statements.

¹See note 25 for details of prior period adjustments.

These financial statements were approved by the Board of Directors on 10 October 2023 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	Retained earnings £000	Total £000
As at 1 July 2021 (as previously reported)	1,339,575	45,008	(728,280)	656,303
Impact of restatement ¹	-	-	11,171	11,171
As at June 2021 ¹	1,339,575	45,008	(717,109)	667,474
Profit for the year	-	-	41,726	41,726
As at 30 June 2022¹	1,339,575	45,008	(675,383)	709,200
Profit for the year	-	-	80,371	80,371
Share-based payments	-	-	842	842
As at 30 June 2023	1,339,575	45,008	(594,170)	790,413

The notes on pages 24 to 54 form part of these financial statements.

¹See note 25 for details of prior period adjustments.



NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

1. GENERAL INFORMATION

The financial statements of Manchester City Football Club Limited ('the Company' or 'the Club') for the year ended 30 June 2023 were authorised for issue by the Board of Directors and the balance sheet was signed on the Board's behalf by J MacBeath on 10 October 2023. 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.

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;

- 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.

These financial statements are presented in pounds sterling and all values are rounded to the nearest thousand except when otherwise stated.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

No standards have been adopted mandatorily for the first time, or adopted early, by the Company.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

GOING CONCERN

The forecasting was prepared for City Football Group ('the Group'), of which the Company is a subsidiary. The Group has prepared a detailed cash flow forecast which shows that the Group 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.

The Group considered multiple scenarios and performed stress-tests to the cash flow forecast. This includes reductions in future expected cash inflows, with on-pitch performance being a key driver, as well as increases to the interest rate charged on the \$650m term loan secured in July 2021. The conflict in Ukraine, inflationary pressures as well as challenges with the current global economic climate have also been considered as part of this forecasting.

Following this assessment, the Directors reasonably expect the Group will continue in existence for a period of at least 12 months following the date these financial statements are approved. The Company has received written confirmation from the Group that sufficient funds will be provided to finance the business for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

On 6 February 2023, in accordance with Premier League Rule W.82.1, the Premier League referred a number of alleged breaches of the Premier League Rules by Manchester City Football Club to a Commission under Premier League Rule W.3.4.

In February 2023, in response to the charges, the Club issued a public statement that it welcomes the review of this matter by an independent Commission, to impartially consider the comprehensive body of irrefutable evidence that exists in support of its position.

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 both the Company's functional currency, and the currency of the primary economic environment in which the Company 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 or loss account. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in profit or loss.

Non-monetary items that are measured at 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 with the gain or loss of the item that gave rise to the translation difference.

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 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.

The Company recognises, under IFRS 15, the gross revenue generated from the catering contract for the provision of food and beverages at the Etihad Stadium, as Manchester City Football Club is acting as the principal.

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.

Fines and penalties that are in relation to performance obligations and are not in respect of the purchase of a distinct good or service are treated as variable revenue.

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 generated from other operations, such as compensation from UEFA and FIFA for releasing players to play in national competitions, and 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 other comprehensive income ('OCI') is recognised in OCI and not in profit or 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.

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

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.

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 was adopted from 1 July 2019 using a modified retrospective transition approach.

The main impact of IFRS 16 for the Company was 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.

The weighted average incremental borrowing rate applied to lease liabilities where no rate is included in the lease contract is 6.80%.

For any new contracts entered into, the Company considers 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.

Property, plant and equipment

Property, plant and equipment is 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 property, plant and equipment 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 or 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 or 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').

Property, plant and equipment 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 or 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:	50 years 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:	4-10 years straight-line
Computer equipment:	4 years straight-line

Assets under construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

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 or 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 or 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.

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 certain circumstances arise, such as a player suffering a career threatening injury or a player is no longer deemed to be part of the first team. If such an event 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 or 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 or 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 or loss on players' registrations in the profit or loss account. Contingent consideration receivable from a sale of the players' registrations is only recognised in the profit or loss account once the performance conditions within the contract are met.

Remuneration

Player remuneration is recorded in operating expenses 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 or loss account in the period to which they relate.

INVESTMENTS

The Company reviews each of its investments to assess whether control or significant influence exists. When the Company concludes 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 or 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 or loss. Changes in fair value are recognised in profit or loss when the asset is derecognised or reclassified.

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).

Trade and other receivables

Trade and other receivables 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 receivables are presented as non-current assets. If the receivables are expected to be collected in one year or less, they are presented as current assets.

For trade receivables, 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 receivables 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 payables

Trade and other payables 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 payables 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 or 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 or loss when they fall due.

Share-based payments

Where share options are awarded to employees, the fair value of the options are recognised in the Income Statement over the vesting period, calculated in proportion to the number of participating employees in the Company. The Monte Carlo valuation model has been used to calculate the fair value of the award on the date of grant.

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 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.

SHARE-BASED PAYMENTS

The company recognises a share-based payment expense based on an allocation of its share of the Group's long-term incentive plan, calculated in proportion to the number of participating employees. The fair value of the awards is calculated with reference to the fair value of the award on the date of grant. The Monte Carlo valuation model has been used to calculate the fair value and the Directors have therefore made estimates with regard to the inputs to that model.

4. REVENUE

	2023 £000	2022 £000
Matchday	71,914	54,482
Broadcasting - UEFA	113,852	90,499
Broadcasting - all other	185,558	158,561
Other commercial activities	341,444	309,472
Total	712,768	613,014

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.

5. OPERATING LOSS

	2023 £000	2022 £000
Other operating income		
Other operating income	5,456	6,068
Total	5,456	6,068
Operating expenses		
Direct cost of sales and consumables	15,613	8,587
Remuneration of Auditors (audit fees)	72	52
Other external charges	156,533	124,690
Employee costs (Note 7)	422,895	353,881
Amortisation and impairment of intangible assets (Note 12)	145,448	140,708
Profit on disposal of property, plant and equipment	1,236	1,119
Depreciation of property, plant and equipment:		
Owned (Note 13)	10,613	9,999
Leased (Note 14)	1,452	1,452
Total	753,862	640,488
Operating loss		
Operating profit before player trading	109,810	119,302
Amortisation of players' registrations	(145,448)	(140,708)
Total	(35,638)	(21,406)

6. DIRECTORS' REMUNERATION

No Directors were paid in the period (2022: £nil) and no company pension contributions were made (2022: £nil).

7. EMPLOYEES

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

	2023	2022
Average number of employees		
Football staff – including players	201	257
Commercial/administration staff	319	292
Total	520	549

The aggregate payroll costs of these persons were as follows:

	2023 £000	2022 £000
Wages and salaries	368,213	308,675
Social security costs	52,880	44,350
Other pension costs	960	856
Share-based payments (Note 8)	842	–
Total	422,895	353,881

8. SHARE-BASED PAYMENTS

Share options are granted by City Football (Midco) Limited to participating employees within City Football Group ('the Group'). The Company currently operates one share-based payment incentive: the long-term incentive plan ('the scheme'). The share-based incentive is subject to a service condition, such conditions are taken into account in the fair value of the service received.

The Monte Carlo option pricing model was used to value the equity-settled share-based payment award as it was considered that this approach would result in a materially accurate estimate of the fair value of options granted.

On 9 January 2023, the Company awarded 8,600 options under the scheme, and a further 500 options were awarded on 23 May 2023. The fair value of the options was determined using the Monte Carlo valuation model. The expected vest date of the awards is 30 September 2025 and the resulting share-based payments charge is being spread evenly over the period between the grant date and the vesting date.

The number of options outstanding as at 30 June was as follows:

	2023 Number
Outstanding at 1 July	–
Options granted in the year	9,100
Options forfeited in the year	–
Outstanding at 30 June	9,100

The share-based remuneration expenses comprises:

	2023 £000
Equity-settled schemes	842

The company did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

Notes to the Financial Statements

Continued

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £000	2022 £000
Bank interest	56	91
Other	–	687
Total	56	778

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £000	2022 £000
Bank loans and overdrafts	85	1
Interest expense on leases	5,682	5,344
Total	5,767	5,345

11. TAXATION

(A) ANALYSIS OF THE TAX CHARGE IN THE PERIOD

	2023 £000	2022 £000
Current tax		
UK corporation tax at 20.5% (2022: 19%) on profits for the period	-	-
Total current tax charge	-	-
Deferred tax		
Impact of change in UK corporation tax rate	-	-
Total deferred tax charge	-	-
Total tax charge	-	-

(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 25% (2022: 19%). The differences are explained below.

	2023 £000	2022 £000
Profit on ordinary activities before taxation	80,371	41,726
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	16,476	7,928
Effects of:		
Expenses not deductible for tax purposes	787	1,027
Property, plant and equipment timing differences	1,859	721
Other permanent differences	-	-
Deferred tax not recognised	(10,117)	(1,895)
Tax rate difference arising on revaluation of stadium	-	-
Income not taxable for tax purposes	(60)	(15)
Group relief claimed	(8,945)	(7,766)
Total tax charge for the period	-	-

An increase in the UK corporation tax rate from 19% to 25% effective 1 April 2023 was substantively enacted on 24 May 2022. No further increase has been substantively enacted in respect of future years.

The Company has corporation tax losses available for carry forward of approximately £557.8m (2022: £562.8m). The losses can be carried forward indefinitely and have no expiry date.

(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.

12. INTANGIBLE FIXED ASSETS

	Other intangibles £000	Players' registrations £000	Total £000
Cost			
As at 1 July 2022	3,392	1,076,858	1,080,250
Additions	-	220,759	220,759
Disposals	-	(180,146)	(180,146)
As at 30 June 2023	3,392	1,117,471	1,120,863
Amortisation			
As at 1 July 2022	3,392	634,732	638,124
Charge in the year	-	145,448	145,448
Disposals	-	(150,780)	(150,780)
As at 30 June 2023	3,392	629,400	632,792
Net book value			
As at 30 June 2023	-	488,071	488,071
As at 30 June 2022	-	442,126	442,126

Notes to the Financial Statements

Continued

13. PROPERTY, PLANT AND EQUIPMENT

	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
Cost						
As at 1 July 2022	194,259	1,594	119,456	1,942	83,436	400,687
Additions	-	-	-	15,229	5,288	20,517
Disposals	(1,007)	-	-	-	-	(1,007)
Reclassification	-	-	-	(1,215)	1,215	-
As at 30 June 2023	193,252	1,594	119,456	15,956	89,939	420,197
Depreciation						
As at 1 July 2022	20,028	275	17,141	-	52,306	89,750
Charge for the year	3,048	21	1,365	-	6,179	10,613
Disposals	-	-	-	-	-	-
As at 30 June 2023	23,076	296	18,506	-	58,485	100,363
Net book value						
As at 30 June 2023	170,176	1,298	100,950	15,956	31,454	319,834
As at 30 June 2022	174,231	1,319	102,315	1,942	31,130	310,937

The assets under the course of construction balance relates to stadium infrastructure projects.

14. RIGHT OF USE ASSETS

	Land and buildings £000
Cost	
As at 1 July 2022	90,248
Additions	–
As at 30 June 2023	90,248
Depreciation	
As at 1 July 2022	10,284
Charge in the year	1,452
As at 30 June 2023	11,736
Net book value	
As at 30 June 2023	78,512
As at 1 July 2022	79,964

15. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £000
Net book value at 30 June 2023	–
Net book value at 30 June 2022	–

Subsidiary and associate undertakings	Principal activities	Proportion of voting rights and share capital held	Registered address
Manchester City Investments Limited	Dormant company	100%	Etihad Stadium, Etihad Campus, Manchester, M11 3FF
Eastlands Strategic Development Company Limited	Dormant company	33%	Town Hall, Albert Square, Manchester M60 2LA

Incorporated in England and Wales.

16. TRADE AND OTHER RECEIVABLES

	2023 £000	2022 £000
Current trade and other receivables		
Trade receivables	190,045	172,057
Receivables arising from player transfers	80,896	44,030
Amounts owed by group undertakings	151,409	76,585
Amounts owed by related party undertakings (Note 26)	293	436
Other receivables	371	497
Prepayments and accrued income	44,951	30,394
Total	467,965	323,999
Non-current trade and other receivables		
Receivables arising from player transfers	87,500	52,699
Total	87,500	52,699
Total trade and other receivables	555,465	376,698

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

Trade and other receivables 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 is expected to be received within 12 months of year end.

Notes to the Financial Statements

Continued

17. CURRENT TRADE AND OTHER PAYABLES

	2023 £000	2022 £000
Lease liabilities (Note 19)	491	467
Trade payables	21,792	11,014
Payables arising from player transfers	138,646	85,141
Amounts owed to group undertakings	72,565	48,851
Amounts owed to related party undertakings (Note 26)	298	289
Other payables including tax and social security	70,485	57,241
Accruals	73,924	50,701
Total	378,201	253,704

18. NON-CURRENT TRADE AND OTHER PAYABLES

	2023 £000	2022 £000
Lease liabilities (Note 19)	63,344	63,835
Payables arising from player transfers	65,739	50,795
Accruals	–	4,688
Total	129,083	119,318

19. LEASES

Lease liabilities include future obligations under the lease of the Etihad Stadium. Details are provided within note 14. The capital amounts of repayments are as follows:

	2023 £000	2022 £000
Maturity of lease liabilities		
Within one year	491	467
Between one and two years	516	491
Between two and five years	1,711	1,628
After more than five years	61,117	61,716
Total	63,835	64,302

The cash flows required are as follows:

	2023 £000	2022 £000
Within one year	3,550	3,550
In the second to fifth year	14,200	14,200
Over five years	128,975	132,525
Less future finance charges	(82,890)	(85,973)
Total	63,835	64,302

20. DEFERRED INCOME

	2023 £000	2022 £000
Deferred income	223,445	205,255

The above deferred income balance is expected to be unwound within 12 months of year end.

21. DEFERRED TAX

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

	2023 £000	2022 £000
Deferred tax assets	11,171	11,171
Deferred tax liabilities (Property valuation)	(11,171)	(11,171)
Net deferred tax assets/(liabilities)	-	-

The Company has not recognised a deferred tax asset of £142.7m (2022: £159.9m) 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.

22. SHARE CAPITAL

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

	2023 £000	2022 £000
Issued, fully paid and called up		
1,339,574,450 ordinary shares of £1 each (2022: 1,339,574,450)	1,339,574	1,339,574
3,399 ordinary shares of £1 each – 25p paid (2022: 3,399)	1	1
Total	1,339,575	1,339,575

No shares were issued in the year.

23. PENSIONS

DEFINED CONTRIBUTION SCHEME

Contributions to the defined contribution pension scheme are charged to the profit or loss account in the period in which they become payable. The total contributions in the period amounted to £960,000 (2022: £856,000). As at 30 June 2023, contributions of £182,000 (2022: £147,000) 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 2021 where the total deficit on the ongoing valuation basis was £27.6m. The next full actuarial valuation date is 31 August 2023, and the results of that are expected in the middle of 2024.

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 £81,492 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 30 June 2027.

As at 30 June 2023, the present value of the Club's outstanding contributions (i.e. their future liability) is £332,006. This amounts to £83,634 (2022: £79,652) due within one year and £248,372 (2022: £235,479) 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 2021), 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.

24. COMMITMENTS

CAPITAL COMMITMENTS

The capital commitments contracted but not provided for consist of ongoing capital expenditure projects:

	2023 £000	2022 £000
Contracted but not provided for	5,048	2,232

TRANSFER FEES PAYABLE

Additional transfer fees, signing on fees and loyalty bonuses of £262,253,815 (2022: £197,120,338) 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

In July 2021, the Group completed a \$650m term loan. Barclays, as collateral agent on behalf of the lenders, has a charge over 100% of the Group's assets. Barclays may enforce the security, after giving notice, during a continuing event of default.

On 6 February 2023, in accordance with Premier League Rule W.82.1, the Premier League referred a number of alleged breaches of the Premier League Rules by Manchester City Football Club to a Commission under Premier League Rule W.3.4.

In February 2023, in response to the charges, the Club issued a public statement that it welcomes the review of this matter by an independent Commission, to impartially consider the comprehensive body of irrefutable evidence that exists in support of its position.

25. IMPACT OF THE RESTATEMENT TO PRIOR PERIODS

The Company had not recognized a deferred tax asset of £11.2m relating to an historical revaluation of the First Team Stadium arising from the transition to FRS 101 in the year ended 31 May 2016. A deferred tax asset was not recognised due to uncertainty whether accumulated losses could be utilised in the foreseeable future. Upon review and due to future reversals of existing temporary tax differences relating to the historical revaluation of the stadium, it is concluded that an error occurred, and a deferred tax asset should have been

recognised. The deferred tax asset should have been recognised to the extent it offsets the deferred tax liability. Accordingly, a deferred tax asset of £11.2m has been recognised in the opening balance offsetting with existing deferred tax liabilities and opening reserves of the Company.

The impact, on a line item basis for those affected on the Balance Sheet as at 30 June 2022 and 30 June 2021 is as follows:

IMPACT ON THE BALANCE SHEET

	(As previously reported) 30 June 2022 £000	Impact of the restatement £000	(Restated) 30 June 2022 £000
Total liabilities			
Deferred tax liabilities	11,171	(11,171)	-
Other liabilities	578,277	-	578,277
	589,448	(11,171)	578,277
Equity			
Called up share capital	1,339,575	-	1,339,575
Share premium account	45,008	-	45,008
Retained earnings	(686,554)	11,171	(675,383)
	698,029	11,171	709,200
Total Assets	1,287,477	-	1,287,477
Net Assets	698,029	11,171	709,200

25. IMPACT OF THE RESTATEMENT TO PRIOR PERIODS CONTINUED

	(As previously reported) 30 June 2021 £000	Impact of the restatement £000	(Restated) 30 June 2021 £000
Total liabilities			
Deferred tax liabilities	11,171	(11,171)	-
Other liabilities	510,495	-	510,495
	521,666	(11,171)	510,495
Equity			
Called up share capital	1,339,575	-	1,339,575
Share premium account	45,008	-	45,008
Retained earnings	(728,280)	11,171	(717,109)
	656,303	11,171	667,474
Total Assets	1,177,969	-	1,177,969
Net Assets	656,303	11,171	667,474

26. RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH NON-WHOLLY OWNED SUBSIDIARIES OF CITY FOOTBALL GROUP LIMITED

New York City Football Club, LLC

Transactions during the year ended 30 June 2023 with New York City Football Club LLC consisted of the provision of services of £700,000 (2022: £542,000). A balance of £2,812,000 is included in receivables due within one year (2022: £2,112,000).

Girona FC SAD

Transactions during the year ended 30 June 2023 with Girona FC SAD consisted of the provision of services of £nil (2022: £nil). A balance of £nil is included in receivables due within one year (2022: £958,000).

During the year, the following players were loaned by Manchester City Football Club Limited to Girona Futbol Club SAD: Yan Bueno Couto and Yangel Herrera.

l'Espérance sportive Troyes Aube Champagne

Transactions during the year ended 30 June 2023 with l'Espérance sportive Troyes Aube Champagne consisted of the provision of services of £193,000 (2022: £146,000). A balance of £193,000 is included in receivables due within one year (2022: £18,000).

During the year, the following players were sold by Manchester City Football Club Limited to l'Espérance sportive Troyes Aube Champagne: Ante Palaversa and Marlos Moreno.

Voetbalclub Lommel SK NV

Transactions during the year ended 30 June 2023 with Voetbalclub Lommel SK NV consisted of the provision of services of £193,000 (2022: £146,000). A balance of £339,000 is included in receivables due within one year (2022: £146,000).

During the year, the following players were sold by Manchester City Football Club Limited to Voetbalclub Lommel SK NV: Kluiverth Aguilar.

Esporte Clube Bahia S.A.F.

A balance of £1,460,000 is included in payables due within one year (2022: £nil).

During the year, the following players were loaned by Manchester City Football Club Limited to Esporte Clube Bahia S.A.F: Kayky da Silva Chagas. In addition, the following players were sold by Manchester City Football Club Limited to Bahia: Diego Rosa.

Palermo Football Club S.P.A.

During the year, the following players were sold by Manchester City Football Club Limited to Palermo Football Club S.P.A: Claudio Gomes.

OTHER TRANSACTIONS

Newton Investment & Development - Sole Proprietorship L.L.C.

The Company has a receivable from Newton Investment & Development - Sole Proprietorship L.L.C., the ultimate parent undertaking of the Company from 25 July 2021, of £249,000 (2022: £391,000) which is included in receivables due within one year.

Brookshaw Developments Limited

The Company has a payable to Brookshaw Developments Limited, a company indirectly owned and controlled by the ultimate parent undertaking of the Company, of £298,000 (2022: £289,000) which is included in payables due within one year.

Eastlands Development Company Limited

The Company has a receivable from Eastlands Development Company Limited, a company indirectly owned and controlled by the ultimate parent undertaking of the Company, of £44,000 (2022: £44,000) which is included in receivables 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.

27. EVENTS AFTER THE REPORTING DATE

Since the year end, Manchester City Football Club has entered into agreements to acquire the football registrations of Mateo Kovačić (from Chelsea), Joško Gvardiol (from RB Leipzig), Jérémy Doku (from Rennes), and Matheus Nunes (from Wolverhampton Wanderers) as well as a number of Academy acquisitions.

The football registrations of Riyad Mahrez (to Al-Ahli), Cole Palmer (to Chelsea), Aymeric Laporte (to Al-Nassr), Carlos Borges (to Ajax), James Trafford (to Burnley), Shea Charles (to Southampton), Morgan Rogers (to Middlesbrough), Yangel Herrera (to Girona), Dire Mebude (to KV Westerlo), Cieran Slicker (to Ipswich), and Josh McNamara (to Southampton) have been sold.

The net expenditure on these transactions was approximately £84.0m.

28. ULTIMATE PARENT UNDERTAKING

Manchester City Limited is the immediate parent undertaking company. The ultimate controlling party is 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. The City Football Group Limited consolidated financial statements can be obtained from Companies House.