UEFA Club Licensing and Financial Fair Play
CL/FFP IT Solution Toolkit

2021

CONTENTS

1. INTRODUCTION

1.1. UEFA Club Licensing and Financial Fair Play Regulations

The objectives of the UEFA Club Licensing and Financial Fair Play Regulations 2018 (the Regulations) are set out in Article 2. The Regulations include Part III UEFA Club Monitoring also known as the 'financial fair play' (FFP) requirements.

All **articles** or **annexes** mentioned in this CL/FFP IT Solution Toolkit refer to the Regulations.

The club monitoring requirements for licensees are:

- break-even requirement (Articles 58 to 64);
- no overdue payables towards football clubs – enhanced (Article 65);
- no overdue payables in respect of its employees – enhanced (Article 66);
- no overdue payables towards social/tax authorities – enhanced (Article 66bis); and
- duty to report subsequent events (Article 67).

Note : On 18 June, the UEFA Executive Committee approved temporary emergency measures in an addendum to the Club Licensing and Financial Fair Play Regulations (Edition 2018) (CL/FFP). As a consequence, some of the financial requirements have been modified. For the monitoring period 2021/22, please refer to the description of these modifications at the end of the Toolkit.

The Regulations also address:

- the rights, duties and responsibilities of the parties involved (Articles 53 to 56);
- scope of application and exemption (Article 57); and
- other provisions common to all monitoring requirements (Articles 68 to 74).

All licensees that qualify for a UEFA club competition must comply with the club monitoring requirements throughout the monitoring process, regardless of whether their participation in a UEFA competition ceases before the end of the licence season. Certain licensees will be exempt from the break-even requirement under Article 57(2).

Under certain circumstances, a licensee can apply to enter into a voluntary agreement for the fulfilment of the break-even requirement (Article 57(5) and Annex XII).

Licensors also have important responsibilities in respect of the monitoring process (Article 55). These include informing licensees about information submission requirements and deadlines and helping their licence applicants/licensees to meet the monitoring requirements. Licensors are also required to complete certain assessment procedures in respect of licensees' monitoring documentation (Annex IX F and G).

The CL/FFP IT Solution is also used by clubs when submitting information for benchmarking in accordance with section 2.1 below.

1.2. Purpose of this toolkit

1.2.1. Club monitoring requirements

This CL/FFP IT Solution Toolkit (FFP Toolkit) is intended to help users understand the requirements when providing financial information using the CL/FFP IT Solution developed by UEFA (see section 1.3).

It is divided into sections with guidance covering:

- the annual club monitoring process (**Section 2**);
- the club information package (**Section 3** and **Appendix II**);
- the financial information package (**Section 4** and **Appendices III, IV, V, VI, VII**);
- the overdue payables package (**Section 5**);

- other reporting packages that may be applicable to certain licensees: the player transfer balance package, the business plan package, and the settlement agreement package (**Section 6 and Appendix VIII**).

All **appendices** mentioned herein refer to this FFP Toolkit.

This FFP Toolkit supersedes all previous toolkits and guidance documents relating to club monitoring requirements.

If there is any discrepancy between this FFP Toolkit and the Regulations, the Regulations and the amendments approved on 18 June 2020 always prevail. The information contained in this FFP Toolkit is without prejudice to any decision by the UEFA Club Financial Control Body (CFCB) with regard to enforcing the Regulations.

1.2.2. April submission deadline

This FFP Toolkit also provides guidance about the requirement for clubs to submit benchmarking information by the April deadline, covering:

- the club information package (**Section 3.1.2** and **Appendix II**);
- the financial information package (**Section 4.1.2** and **Appendix III**).

In the case of licensees subject to the club monitoring requirements, any information submitted by the April deadline will be used in the club information package and the financial information package.

1.3. CL/FFP IT Solution

UEFA has developed an IT system (CL/FFP IT Solution) for the purpose of:

- gathering information from licence applicants/licensees for the purpose of implementing, assessing and enforcing the Regulations;
- sharing information and documents with licensors concerning their affiliated clubs for the purpose of implementing, assessing and enforcing the Regulations.

Access to the CL/FFP IT Solution is restricted to the following registered users:

- licence applicants/licensees;
- licensors;
- UEFA, including all UEFA officers and employees responsible for club licensing and financial fair play matters and/or the CL/FFP IT Solution, members of the CFCB, and authorised third parties working in club licensing and financial fair play on behalf of UEFA.

Each registered user of the CL/FFP IT Solution is required to adhere to certain requirements, as set out in the terms and conditions. If a licence applicant/licensee does not do so, it will not be able to access the CL/FFP IT Solution to submit the related club monitoring information.

Additional technical guidance about using the CL/FFP IT Solution is available from the UEFA administration.

Each package in the CL/FFP IT Solution will automatically display the schedules that a licence applicant/licensee must complete and submit by the deadlines.

The input schedules, along with their content and reporting period(s), will automatically be updated in the CL/FFP IT Solution, taking account of:

- the upcoming deadline, set by UEFA (April, July, October and November/March);
- breached indicators;
- the licensee's selection of adjustments for calculating the break-even result;
- any specific requests from the UEFA administration or the CFCB.

Each package will also automatically display the relevant validation and submission schedules and output schedules.

1.4. Licensee's duty to provide complete and accurate information

The licensee must cooperate with the licensor, the UEFA administration and the CFCB in respect of their requests and enquiries. The licensee must provide the licensor and the CFCB with all necessary information and documents to fully demonstrate that the monitoring requirements are fulfilled, as well as any other document requested and deemed to be relevant for club monitoring decision-making (Article 56 (a), (b) and (c)).

Before submitting information in the CL/FFP IT Solution, a licensee must complete the management representation that all possible care has been taken to ensure that the information entered in the CL/FFP IT Solution packages is clear, accurate, reliable and complete in accordance with the requirements set out in the Regulations, directives, toolkits and other information received by the licensees.

The CFCB will at all times bear in mind the overall objectives of the Regulations, in particular to defeat any attempt to circumvent these objectives (Article 72(1)).

1.5. Licensee's duty to report subsequent events

Under Article 56(d), the licensee must promptly notify the licensor in writing about any subsequent events that constitute a significant change to the information previously submitted to the licensor, including a change of legal form or legal group structure. Furthermore, under Article 67, the licensee must promptly notify the licensor in writing about any significant changes including, but not limited to, subsequent events of major economic importance occurring before the end of the licence season.

The licensee must comply with Articles 56 and 67 throughout the entire monitoring process and even if it is eliminated from a UEFA competition.

A 'significant change' is any event that is considered material to the documentation previously submitted to the licensor in respect of the club licensing and/or club monitoring requirements, and that would require a different presentation had it occurred before the documentation was submitted. A significant change includes, but is not limited to, a subsequent event or condition of major economic importance as defined in Article 3. Further guidance is provided in **Appendix IX**.

The licensee's written notification to the licensor about the significant change must include a description of the event or condition and an estimate of its financial impact, or a statement justifying why such an estimate cannot be made.

Having received notification of a significant change from a licensee, the licensor must promptly inform UEFA about all relevant information from the licensee.

2. SUMMARY OF THE ANNUAL CLUB MONITORING PROCESS

The club monitoring process (Article 54) comprises the submission and assessment of information, including decisions, relating to club monitoring requirements. The UEFA administration manages the club monitoring process.

2.1. Key steps

1. Ahead of each licence season, the UEFA administration (i) notifies the licensors of the club monitoring process, the documentation requirements and the deadlines for submitting documentation to UEFA for the licence season commencing on 1 June, and (ii) if applicable, notifies the licensees of the process and deadlines for applying for a voluntary agreement (see Appendix X).

   Note: For the purposes of this FFP Toolkit, the information submission deadlines are referred to as the April, July, October and March deadlines. However, ahead of each licence season, the licensors will be notified of the actual submission deadlines for the monitoring process, which may not be as stated.
2. The licensor sets the national deadlines for reviewing the documentation and notifies the licence applicants/licensees accordingly. Any deadline set by a licensor for submitting information must, of necessity, be earlier than the equivalent UEFA deadline at steps 4, 7, 12 and 16.
3. The licensor must ensure that all licence applicants/licensees have signed the CL/FFP IT Solution terms and conditions and returned them to UEFA so that they can be granted access to the CL/FFP IT Solution and use it to submit information to UEFA.
4. **By the April deadline**, all licence applicants (or their licensors) must submit the following financial information for benchmarking purposes:
   - club information, using the **club information package**;
   - financial information, using the **financial information package**.

   Note: This information relates to the financial reporting period ending in the year prior to the April deadline. For those licensees subject to the club monitoring requirements, this information will prepopulate the schedules for the reporting period T-1 in the subsequent licence season (at step 5).
5. The licensee submits information by entering it in the CL/FFP IT Solution unless otherwise requested by UEFA. By the deadline set by the licensor as specified under step 2, the licensee must submit its completed monitoring documentation, including:
   - club information for reporting periods T-2 and T-1 and the first reporting period ending in T, using the **club information package**;
   - break-even information for reporting periods T-2 and T-1 and the first reporting period ending in T, using the **financial information package**;
   - no overdue payables information as at 30 June, including transfer payables, employee social/tax payables, using the **overdue payable package**.
6. The licensor assesses the documentation submitted by the licensee. As part of its assessment, the licensor may request additional/revised information from the licensee.
7. **By the July deadline**, the licensor submits the validated documentation to the UEFA administration in respect of steps 5 and 6. On submitting this documentation, the licensor confirms that its assessment has been completed. It must highlight any issues that may be of relevance to the CFCB.
8. By UEFA's deadline, which will be shortly after the end of a player registration period, the licensee must, under Article 62 vi) Indicator 6, submit the player transfer balance in respect of a player registration period ending during the licence season, using the **player transfer balance package**.

   Note: The licensee must submit the player transfer balance package to the licensor, which then completes its assessment procedures and submits the player transfer balance package to UEFA.
9. If the licensee exhibits any of the conditions described by indicators 1 to 6 of Article 62, or if otherwise requested by the CFCB, it must submit its completed monitoring documentation to the licensor by the deadline, including:
   - club information for the relevant reporting period(s), using the **club information package**;
   - break-even information, using the **financial information package**, comprising:

     For licensees whose reporting period T ends on or before 31 July

- Break-even information for reporting period T based on audited annual financial statements;
- If applicable, break-even information for reporting periods T-3 and T-4.

For licensees whose reporting period T ends after 31 July, but no later than 31 December

- Break-even information for reporting period T based on unaudited annual financial statements.

10. If the licensee has overdue payables at 30 June, or if otherwise requested by the CFCB, it must submit its completed monitoring documentation to the licensor by the deadline the latter has set, i.e.:
    - overdue payables documentation at 30 September, using the **overdue payable package**.
11. The licensor assesses the documentation submitted by the licensee. As part of the assessment procedures, the licensor may ask the licensee for additional/revised information. *Note: If the break-even information first submitted for reporting period T is based on unaudited financial statements, then the licensor does not need to assess it until the monitoring documentation is re-submitted based on audited financial statements (see steps 13, 15 and 16).*
12. **By the October deadline**, the licensor submits the validated documentation to the UEFA administration, in respect of steps 9, 10 and 11. On submitting this documentation, the licensor confirms that its assessment has been completed. It must highlight any issues that may be of relevance to the CFCB.
13. Those licensees that initially submitted break-even information for their reporting period T based on unaudited financial statements (in step 9) must submit completed monitoring documentation by the deadline set by the licensor including:
    - Club information for the relevant reporting period(s), using the **club information package**;
    - Break-even information, using the **financial information package**, comprising:
        - Updated break-even information for reporting period T based on audited annual financial statements;
        - If applicable, break-even information for reporting periods T-3 and T-4.
14. Those licensees subject to assessment for the projected monitoring period must submit updated projected break-even information for reporting period T+1, using the **financial information package**.
15. The licensor assesses the documentation submitted by the licensee. As part of its assessment, the licensor may ask the licensee for additional/revised information.
16. **By the March deadline**, the licensor submits the validated documentation to UEFA administration, in respect of steps 13, 14 and 15. On submitting this documentation, the licensor confirms that its assessment has been completed. It must highlight any issues or major changes that may be of relevance to the CFCB.
17. The CFCB, supported as appropriate by the UEFA administration and independent experts, assesses the monitoring documentation and takes the appropriate decisions, possibly also concluding a settlement agreement with the licensee, taking into consideration other factors as defined in Annex XI, and takes appropriate measure(s) without delay in accordance with the Procedural Rules Governing the UEFA Club Financial Control Body.
18. The CFCB or the UEFA administration may ask the licensee/licensor for additional information during the monitoring process. The licensor and the licensee must cooperate with the CFCB in respect of its requests and enquiries (Articles 55 and 56).

3. CLUB INFORMATION PACKAGE

The club information package **(CI package)** is for:

- submitting **legal group structure** and **reporting perimeter information**;
- submitting licensee **contact details**.

A licence applicant/licensee must carefully determine the appropriate reporting perimeter. Further guidance is given in **Appendix II**.

When submitting financial information for club monitoring, a licensee must use the same reporting perimeter as used to fulfil the club licensing criteria, unless there has subsequently been a change of circumstances.

3.1. Licensees' responsibilities

3.1.1. Summary of documentation to be submitted

Schedules	Requirements	For April	For July	For October/March			
		T-1	T*,T-1 & T-2	T*	T+1	T-3 & T-4	
Club information	Check the information in the schedule: – the reporting currency – the reporting period closing month If incorrect, please contact the UEFA administration (ffpsupport@uefa.ch) before entering any information in any packages.	✓	✓	✓	×	×	• Section 3.1.4
	Disclose the required **legal information**, including: – legal form of the licensee/registered member – ultimate controlling party Disclose the required **reporting information**: – reporting perimeter – audit opinion on financial statements – protection from creditors and insolvency proceedings – length of reporting period – stadium recognition and ownership – women's football activity	✓	✓	✓	×	×	• Section 3.1.5 • Appendix II
	Disclosure of the football activities included in the reporting perimeter, with reference to Article 46bis(3).	×	✓	✓	×	×	• Section 3.1.6 • Appendix II
Contact details	Enter the **contact details** of the licensee to be used by the UEFA administration and CFCB.	×	✓	✓	×	×	• Section 3.1.7
Management representation	Complete the **management representation schedule** to validate the information and confirm that the legal group structure is attached to the club information package.	×	✓	✓	✓	×	• Section 3.1.8
Attachment	Attach the legal group structure, which should also indicate the reporting perimeter, to the club information package. Statutes, articles of association or equivalent Excerpt from the public registration or from the UEFA member association's club register	×	✓	✓	×	×	• Section 3.1.5

T*: for the monitoring period assessed in 2021/22, the reporting period T includes two financial years. The licensee must provide the information about the first financial year immediately after it is closed, and not wait for the end of the two financial years included in the reporting period T.

3.1.2. Submitting the club information package – April deadline

By the April deadline, all licence applicants/licensees concerned must submit the duly completed club information package for the same reporting period as for the financial information package (see section 4.1.2). This information relates to the financial reporting period ending in the year prior to the April deadline.

For those licensees subject to club monitoring, this information will prepopulate the relevant schedules for the reporting period T-1 and T-2 in the following licence season.

3.1.3. Timing of submission of the club information package for club monitoring

By the deadline set by the licensor, which will be ahead of UEFA’s July deadline, all licensees must submit the completed club information package for reporting periods T-1 and T-2 and the first reporting period ending in T.

For some licensees, the CI package will be prepopulated with information input in a previous year.

By the deadline set by the licensor, which will be ahead of UEFA’s October or March deadlines, those licensees required to submit the financial information package covering T and T+1 (see section 4.1.3) must submit the updated club information package at the same time.

3.1.4. Club information schedule – Currency and reporting period

Prior to inputting any data in any package, the licensee must contact the UEFA administration if:

(i) the prepopulated **reporting currency** in the club information schedule is different from that used in the annual financial statements of the reporting entity/ies;

(ii) the prepopulated **reporting period closing month** in the club information schedule is different from the actual reporting period closing month.

If the presentation currency is something other than the euro, the club information schedule will display the relevant exchange rates for each reporting period. Please refer to the additional guidance in **Appendix VIII** with regard to financial information denominated in a currency other than euros.

If a licensee has a reporting period that is greater or less than twelve months, please refer to the additional guidance in **Appendix VII**.

3.1.5. Club information schedule – Legal and reporting information

In the club information schedule, the licensee must submit specific legal and reporting information for each reporting period.

The licensee must ensure that the required disclosures are fully completed for each of the reporting periods. If an information request is not applicable, then enter ‘n/a’.

The licensee must provide the following **legal information**:

- Full legal name and legal form of the registered member;
    - Depending on the legal form, the licensee may be required to provide additional details of ownership:
        - The legal form and the name of the owners;
        - Whether the licensee’s shares are held directly or through additional entities. If ownership is split between direct and indirect, indicate which has control by holding a greater percentage of voting rights
        - The total percentage (direct + indirect) of share capital and voting rights;
        - The nationalities of the owners or the country in which the owning entity is registered;
        - The date on which the shareholder first acquired a stake in the club ;
        - the date on which the shareholder reached the current percentage of ownership.
- If the registered member is different from the licensee, provide the full name and legal form of the licensee;

- Details of the licensee's ultimate controlling party:
  - Name of the ultimate controlling party;
  - Legal form of the ultimate controlling party, which may be either (1) a natural person (2) a not-for-profit organisation including association ,foundation (3) a limited company, incl. joint stock company (4)Stock exchange listed company, (5) a government or (6) no controlling party;
  - names of all parties that have 10% or more direct and/or indirect ownership of the licence applicant/licensee, or 10% or more voting rights or have significant influence over the ultimate controlling party;
- Names of any parties with significant influence (under Article 3) over the licensee;
- If the legal form of the license applicant, licensee or the ultimate controlling party is an association/foundation, the following information must be provided about the president and the members of a executive decision-making body:
  - Role e.g. president, board members;
  - Name: first and surname of each person
- Name of any other football club, in which any of the parties identified in Article 46(2) (a) to (f) or any of their key management personnel have any ownership interest, voting rights, or any involvement or influence whatsoever in terms of the governance of its financial and operating policies.
- Information about the current legal group structure if it has changed since the latest reporting period.

The licensee must provide the following **reporting information**:

- State whether the reporting perimeter covers only one entity (single entity) or, if the reporting perimeter covers more than one entity, whether the financial information is presented as a consolidated group (consolidated financial statements) or some other combination (combined financial statements). As set out in Article 46bis, the reporting perimeter is the entity or combination of entities about which financial information must be prepared and submitted for the purposes of both club licensing and club monitoring.
- If consolidated financial statements, disclose the full legal name of the reporting entity for which there is consolidated financial information.
- If combined financial statements, disclose the full names of all entities included in the reporting perimeter.
- If applicable, list the name of any entity from the list in Article 46bis(2) that is excluded from the reporting perimeter, and a justification of the exclusion.
- Indicate the accounting standards used for the drawing up the annual financial statements; either (1) IFRS; (2) local GAAP in accordance with 'IFRS as adopted by the EU'; (3) local GAAP 'that complies with IFRS'; (4) local GAAP; (5) other, in which case, please provide a brief description of the accounting standards.
- State the nature of the audit opinion in respect of the annual financial statements: (1) clean opinion; (2) adverse or disclaimer of opinion; (3) key audit matter regarding going concern; (4) qualified opinion regarding going concern; (5) qualified opinion or key audit matter regarding an item other than going concern; (6) unknown opinion.
- The length of the reporting period if not 12 months.
- Indicate how the stadium assets are reflected in the reporting perimeter; either (1) the stadium is fully included within fixed assets; (2) it is fully included as an investment; (3) it is partially included within fixed assets, i.e. leasehold improvements are included; (4) the stadium assets are completely outside the reporting perimeter.
- Indicate the main owner of the stadium; either (1) the stadium is directly owned by the football club; (2) it is government owned; (3) it is owned by the parent company, the owner of the football club or other related party, (4) it is owned by another party.
- Indicate whether the club has a women's senior football activity or runs activities to promote women's football.

For club monitoring, the licensee must attach the legal group structure for each relevant reporting period to the club information package, including the reporting perimeter as defined in Article 46bis, which should be clearly indicated in the document(s). For reporting period T-1, this same documentation would have been submitted to the licensor for the immediately preceding club licensing requirements.

3.1.6. Activity details schedule

In the activity details schedule, the licensee must declare that all revenues and costs related to each of the football activities listed in Article 46bis(3) have been included in the reporting perimeter, and provide an explanation if this is not the case.

3.1.7. Contact details schedule

The licensee must also disclose other information in the schedule that is correct at the time of submission, and which will be used, if necessary, for correspondence between the UEFA administration or the CFCB and the licensee:

- Full legal name and postal addresses;
- Email addresses;
- Telephone and fax numbers;
- Confirmation that the contact details are the same as those given in the latest excerpt from a public register and from the related UEFA member association's club register;
- Information about the list and type of authorised signatories that legally bind and commit the club.

For club monitoring, the licensee must attach the following:

- Latest statutes, articles of association or equivalent;
- Latest excerpt from the public register or an excerpt from the UEFA member association's club register with the minimum information required under Article 44 (2).

3.1.8. Management representation

The licensee must validate the club information package prior to submission by completing the management representation schedule, certifying that:

- *"On behalf of the executive body of the licensee, we hereby certify that all possible care has been taken to ensure that the information entered in the CL/FFP IT Solution is clear, accurate, reliable and complete, in accordance with the requirements in the UEFA Club Licensing and Financial Fair Play Regulations, directives, toolkits and other information communicated to licensees."*
- *"The legal group structure documents for each relevant reporting period have been attached to the club information package, including the reporting perimeter as defined in Article 46bis, which is clearly indicated on the document."*

The licensee should also provide details of any unusual items or events of major economic importance experienced during the reporting period, as well as any subsequent events after the reporting period, by entering a brief description in the box provided and describing any supporting documentation attached to the package.

The licensee's management representative must be on the list of authorised signatories for club licensing purposes.

3.2. Licensors' responsibilities

3.2.1. Introduction

Under Articles 54 and 55, each licensor has important responsibilities in the club monitoring process, including assessing certain aspects of the information submitted by each licensee and confirming them to the UEFA administration and CFCB.

A licensor will have access to the schedules and information submitted by its licensees in the CL/FFP IT Solution, but will not be able to edit this information. The licensor can only edit the licensor assessment schedule.

If the licensor identifies a potential issue or error, then it is expected to request the licensee to clarify the issue or correct the error in the CL/FFP IT Solution and resubmit the package concerned to the licensor.

The licensor must confirm that the assessment procedures have been completed and highlight any exceptions by completing the licensor assessment schedule.

3.2.2. Assessment procedures

Except for the club information package submitted by the April deadline, for which the licensor does not need to conduct any assessment procedures, the licensor's minimum assessment procedures for the club information package are set out below.

Schedule	Licensor's assessment procedures
Management representation	• Check that the licensee's signatory is on the list of authorised signatories as already held for club licensing.
Club information	• For the reporting period T-2 and T-1, assess whether the 'legal information' and 'reporting information' corresponds to the information submitted for club licensing. • For the reporting period T, check whether any information is incomplete or inaccurate based on the licensor's existing knowledge of the licensee from the club licensing procedure or other reasonable information sources and inform the UEFA administration of any changes or concerns by completing the 'If exceptions identified, please describe' cell.
Activity details	• For each reporting period, assess whether all revenues and costs related to each of the football activities listed in Article 46bis(3) have been declared for the reporting perimeter.
Attachment	Check that the following documents have been attached: • Legal group structure for each relevant reporting period with the reporting perimeter clearly indicated on the document, as required under Article 46bis. • Latest statutes, articles of association or equivalent of the licensee. • Latest excerpt from a public register or from the UEFA member association's club register.

4. FINANCIAL INFORMATION PACKAGE

The **financial information package** is for:

- submitting financial information for benchmarking purposes (Article 2);
- submitting and assessing financial information for the break-even requirement (Articles 58 to 64).

A licence applicant/licensee must carefully determine the appropriate reporting perimeter (see **Appendix II**).

When submitting financial information for the break-even requirement, a licensee must use the same reporting perimeter as used to fulfil the club licensing criteria, unless there has subsequently been a change of circumstances.

Note: On 18 June, the UEFA Executive Committee approved temporary emergency measures in an addendum to the 2018 Club Licensing and Financial Fair Play Regulations (CL/FFP). Some of the financial requirements have consequently been modified. For the monitoring period 2021/22, please refer to the description of these modifications at the end of the Toolkit.

4.1. Licensees' responsibilities

4.1.1. Summary of documentation to be submitted

Schedules	Requirements	For April	For July	For October/March			FFP Toolkit reference
		T-1	T-1 & T-2	T	T+1	T-3 & T-4 *	
Balance sheet	Complete the **balance sheet schedule**.	✓	✓	✓	✓	✓	• Section 4.1.5 • Appendix III (A)
Balance sheet reconciliation	Complete the **balance sheet reconciliation schedule**.	✓	✓	✓	✓	✓	• Section 4.1.5 • Appendix III (B)
Profit and loss account	Complete the **profit and loss account schedule**.	✓	✓	✓	✓	✓	• Section 4.1.5 • Appendix III (C) • Appendix VI (A)
Profit and loss account – supplementary schedules	If applicable, complete the **supplementary schedules** to provide additional disclosure about particular profit and loss account lines.	×	✓	✓	×	✓	• Section 4.1.5 • Appendix III (C)
Sustainable debt indicator	If applicable, complete the **sustainable debt indicator schedule** about debt directly attributable to construction or substantial changes to the stadium or other training facilities	×	✓	✓	×	×	• Section 4.1.8
Adjustment schedules	First complete the **adjustment summary schedule.** If applicable, complete the relevant supplementary **adjustment schedules**.	×	✓	✓	✓	✓	• Section 4.1.6 • Appendix IV
Cash flow	Complete the **cash flow schedule**.	✓	✓	✓	✓	✓	• Section 4.1.5 • Appendix III (D)
Going concern and negative equity	Complete the **going concern and negative equity schedule**.	×	✓	×	×	×	• Section 4.1.8
Contributions	If applicable, complete the **contributions** schedule for the monitoring period.	×	×	✓ **	✓	×	• Appendix V (A)
Attachment	Attach the audited financial statements.	×	✓	✓	×	×	• Section 4.1.5

Schedules	Requirements	For April	For July	For October/March			FFP Toolkit reference
		T-1	T-1 & T-2	T	T+1	T-3 & T-4 *	
Management representation	Complete the **management representation schedule**.	×	✓		✓		• Section 4.1.13

* * Disclosing information for reporting periods T-3 and T-4 is optional for the licensee.

** The contributions schedule to be submitted by the October/March deadline includes disclosure of contributions in reporting periods T-1 and T-2.

4.1.2. Submitting the financial information package

By the April deadline, all relevant licence applicants/licensees must submit the relevant schedules in the financial information package – comprising the profit and loss account, balance sheet, balance sheet reconciliation and cash flow schedules.

Entries in the financial information package must be based on and reconciled with the audited annual financial statements and underlying accounting records for the reporting perimeter in the reporting period ending in the year prior to the April deadline. In the schedules, this is referred to as T-1.

For some licence applicants/licensees, the financial information package will be prepopulated with entries from a previous financial information package. This information must be checked and, if necessary, amended before submission as it will comprise the figures for the preceding reporting period. In the schedules, this is referred to as T-2.

When submitting the financial information package by the April deadline, the licence applicant must also submit the club information package as set out in Annex II.

The club and financial information submitted by the April deadline will be used:

- for club benchmarking, in accordance with Article 2;
- if applicable, to prepopulate some elements of the financial information package (profit and loss account, balance sheet and cash flow schedules) for those licensees subject to club monitoring in the following licence season.

4.1.3. Reporting and monitoring periods

A **monitoring period** is three consecutive reporting periods in which a licensee is assessed for the purpose of the break-even requirement.

The **current monitoring period** comprises:

- T, which is the reporting period that ends in the same calendar year that the UEFA club competitions start;
- T-1, which is the reporting period that ends in the calendar year before the UEFA club competitions start; and
- T-2, which is the reporting period before T-1.

In addition, for a licensee in breach of the indicators in Article 62(3) v) and/or vi), there is a **projected monitoring period** that comprises:

- T+1, which is the 12-month period that starts immediately after the statutory closing date of reporting period T;
- T, which is the reporting period that ends in the same calendar year that the UEFA club competitions start;
- T-1, which is the reporting period that ends in the calendar year the UEFA club competitions start.

4.1.4. Timing of submission of the financial information package

For the break-even requirement, a licensee must submit financial information for a reporting period ending in each relevant calendar year, regardless of their actual statutory closing date.

The figures to be input into the CL/FFP IT Solution must be based on and reconciled with the relevant annual financial statements and underlying accounting records of the entities in the licensee's reporting perimeter.

By the deadline set by the licensor, which will be ahead of UEFA's July deadline, all licensees that qualify for a UEFA club competition must submit the break-even information for T-1 and T-2, using the **financial information package**.

If a licensee exhibits any of the conditions described by indicators 1 to 4 in Article 62, or if otherwise requested by the CFCB, then it will also be required to submit the **financial information package** by UEFA's deadline, containing the following information.

- Licensees with a **reporting period T ending on or before 31 July** must submit break-even information for T (based on and reconciled with their audited financial statements and underlying accounting records) and their projected break-even information for T+1, by the October deadline.
- Licensees with a **reporting period T ending after 31 July**, and no later than the following 31 December, must initially submit break-even information for T, which may be based on unaudited financial information, using the financial information package schedules, by the October deadline. Then, by the March deadline, such licensees must submit **updated break-even information** for T, based on and reconciled with their audited financial statements and underlying accounting records, along with their projected break-even information for T+1, using the financial information package schedules, by the March deadline.

A licensee may demonstrate that the aggregate break-even deficit is reduced by a surplus resulting from the **sum of the break-even results of the two reporting periods prior to the monitoring period,** by selecting 'Yes' in the management representation schedule and then completing the relevant schedule in the financial information package, by the October/March deadline. Once the licensee has completed the information, the sum of these break-even results will automatically appear on the licensee's break-even calculation output report schedule.

4.1.5. Profit and loss account, balance sheet, balance sheet reconciliation and cash flow schedules

The licensee must enter information for each reporting period in the profit and loss account, balance sheet, balance sheet reconciliation and cash flow schedules in required formats in the financial information package.

Entries in the financial information package must be based on and reconciled with the financial statements, including supplementary information if applicable, and the underlying accounting records for the licensee's reporting perimeter for that reporting period.

A copy of the audited financial statements for T-1, including comparative figures for T-2, must be attached to the financial information package submitted by the July deadline, along with a copy of the audited financial statements for T in the case of those licensees required to submit the financial information package by the October/March deadline.

The licensee is recommended to retain its reconciliation so that it can map from the account lines in its own financial reporting records to the account lines in the CL/FFP IT Solution.

The licence applicant/licensee must enter figures in the financial information package schedules in accordance with the account line definitions in Annex VI and as further explained in **Appendix III**.

Figures must be entered in the schedules as follows:

- In the reporting currency used in the audited financial statements. If applicable, the figures will be automatically converted into euros at the average exchange rate for that reporting period as calculated by the CL/FFP IT Solution. Further guidance is provided in **Appendix VII**;
- Entered in thousands and rounded to the nearest thousand (e.g. €1,234,567 should be entered as €1,235).
- For the balance sheet schedule, all items must be entered as positive figures.
- For the profit and loss account schedule, all income items must be entered as positive figures and all expense items as negative figures.

- For the cash flow statement, all cash inflow items must be entered as positive figures and all cash outflow items as negative figures.

The profit and loss account, balance sheet, balance sheet reconciliation and cash flow schedules may be prepopulated with some figures from a previous financial information package. It is the licensee's responsibility to ensure that the financial information package is fully and accurately completed for club monitoring purposes.

If applicable, a licensee must also complete one or more of the **supplementary schedules**, to provide a breakdown of:

- gate receipts;
- sponsoring and advertising;
- broadcasting rights;
- commercial revenues;
- other operating income;
- cost of sales/materials;
- employee benefits expense;
- other operating expenses;
- profit/loss on disposal of intangible assets (player registration);
- income from disposal of player registrations (including loan income);
- finance income/expenses;
- other income or expenses.

The requirement to complete one or more supplementary schedules is determined on the basis of the data entered in the profit and loss account schedule and adjustment summary schedule, and the licensee is automatically notified of this in the financial information package. The supplementary schedules require a licensee to disclose more information about particular profit and loss account lines and adjustments.

The licence applicant/licensee must also complete the **reconciliation checks** in the balance sheet reconciliation and cash flow schedules:

- reconciliation of total equity – see **Appendix III (B);**
- reconciliation of intangible assets (player registrations) – see **Appendix III (B)**;
- reconciliation of tangible fixed assets – see **Appendix III (B)**;
- cash and cash equivalents reconciliation – see **Appendix III (D)**.

4.1.6. Adjustments for the calculation of the break-even result for a reporting period

The break-even result for a reporting period is the difference between relevant income and relevant expenses, as defined in Article 58 and Annex X. If relevant income is greater than relevant expenses, the licensee has a break-even surplus for a reporting period. If relevant income is less than relevant expenses, the licensee has a break-even deficit for a reporting period.

Relevant income, relevant expenses and the break-even result for a reporting period must be calculated, in accordance with Articles 58 and 60, by the licensee entering figures in the profit and loss account and adjustment schedules.

To calculate the relevant income and relevant expenses, **certain adjustments will be automatically identified in the adjustments summary schedule** to effectively exclude any amounts in the following account lines:

- depreciation of tangible fixed assets;
- impairment of tangible fixed assets;
- tax income/expense;
- profit/loss on disposal of tangible fixed assets;
- profit/loss on disposal of other intangible assets (excluding player registrations).

The licensee must first complete the adjustments summary schedule by:

- disclosing (with a tick) whether there have been any related party transactions in a reporting period, irrespective of whether an adjustment is necessary or not;
- disclosing (with a tick) whether there have been any non-football operations in a reporting period, irrespective of whether an adjustment is necessary or not;
- selecting (with a tick) those manual adjustments made in each reporting period.

The following **manual adjustments** may be made in the calculation of the break-even result:

- transaction(s) with related parties;

  In the supplementary schedule for transactions with related parties, the licensee must disclose the prescribed information for all transactions with a related party, irrespective of whether or not there is an adjustment for the calculation of the break-even result.
- excluding the results of non-football operations not related to the club;

  In the supplementary schedule for non-football operations, the licensee must disclose the prescribed information for all non-football operations, irrespective of whether or not there is an adjustment for the calculation of the break-even result.
- excluding non-monetary items;
- expenditure on youth development activities;
- expenditure on community development activities;
- expenditure on women's football activities;
- excess proceeds on disposal of tangible fixed asset – (i) asset being replaced, and (ii) asset (excluding stadium or training facilities) not being replaced;
- finance costs directly attributable to the construction or substantial modification of tangible fixed assets;
- amortisation/impairment of intangible assets (excluding player registrations);
- costs of leasehold improvements;
- player transfer adjustments – (i) if a licensee using the 'income and expense method' of accounting for player registrations in its financial statements chooses to apply the 'capitalisation and amortisation method' for the purpose of the break-even calculation; or (ii) if income is recorded for a player for whom the licensee retains the registration;
- credit in respect of a reduction of liabilities arising from procedures providing protection from creditors;
- adjustment for a financial contribution arising from a settlement agreement.

The licensee must fully complete the prescribed information requirements for each adjustment schedule for each relevant reporting period. Further guidance is provided in **Appendix IV**.

Further adjustments may also be made to a licensee's relevant income and relevant expenses:

- by the UEFA administration to reclassify amounts between account lines, in a way that has no impact on the break-even result **(FS reclassification)**;
- by the CFCB to certain account lines, based on its assessment of the monitoring documentation; this will impact the calculation of the break-even result **(BE correction)**.

The FS reclassification and BE correction schedule is read-only for licensees/licensors.

4.1.7. Exemption from the break-even requirement

By the deadline set by the licensor, which will be ahead of UEFA's July deadline, all licensees that qualify for a UEFA club competition must submit the break-even information for T-1 and T-2, using the financial information package.

A licensee that demonstrates that it has relevant income and relevant expenses (as defined in Article 58) below €5m in each of the two reporting periods ending in the two years before the start of the UEFA club competition is exempt from the break-even requirement. The decision on such an exemption is taken by the CFCB and is final.

The relevant income and expenses for a reporting period are calculated based on the figures entered by the licensee in the profit and loss account and adjustment schedules.

As set out in Article 57, if the reporting period is greater or less than 12 months, the €5m exemption threshold (relevant income/expenses) is adjusted up or down according to the length of the reporting period. This threshold is then compared with the licensee's relevant income and expenses as appropriate. See further guidance in **Appendix VI**.

4.1.8. Indicators

The use of indicators is part of the risk-based approach, whereby any licensee that exhibits certain 'warning signs' will be subject to more extensive requirements:

- If it exhibits any of the conditions described in indicators 1 to 6 in Article 62, or if otherwise requested by the CFCB, the licensee must complete and submit the club information package and financial information package for T and T+1 by the deadline set by the licensor, which will be ahead UEFA's October/March deadline, as detailed in **Annex II and Annex III.**
- If a licensee breaches indicators 5 or 6, it must also be assessed for the purpose of the break-even requirement for the projected monitoring period (T-1, T and T+1).

A licensee will be assessed against the following six indicators set out in Article 62:

- **Indicator 1: Going concern** and **Indicator 2: Negative equity**

  The licensee must complete the going concern and negative equity schedule by the July deadline, based on the audited financial statements for T-1 and interim financial statements (where applicable).

- **Indicator 3: Break-even result**

  The licensee must submit break-even information for T-2 and T-1 in the financial information package.

- **Indicator 4: Sustainable debt indicator for T-1**

  The licensee may complete the sustainable debt indicator schedule with regard to debt directly attributable to the construction or substantial changes to the stadium or training facilities at the end of T-1.

  The licensee is in breach of indicator 4 if the relevant debt at the end of reporting period T-1 is greater than €30 million or greater than seven times the average relevant earnings for T-1 and T-2.

  Relevant debt is calculated as the net debt (from the licensee's balance sheet submission as part of the break-even information), minus the amount of debt that is directly attributable to the construction or substantial changes to the stadium or training facilities, from the inception of this debt until 25 years after the date when the asset was declared ready for use.

  Relevant earnings for T-1 and T-2 are calculated from the licensee's profit and loss submission as part of the profit and loss account schedule.

- **Indicator 5: Sustainable debt indicator for T**

  Any licensee required to submit break-even information for reporting period T may complete the sustainable debt indicator schedule for the debt directly attributable to the construction or substantial changes to the stadium or training facilities at the end of T.

  The licensee is in breach of indicator 5 if the relevant debt at the end of reporting period T is greater than €30 million or greater than seven times the average relevant earnings for T, T-1 and T-2.

  For indicators 4 and 5, the licensee may complete the supplementary schedule to provide information about debt directly attributable to the stadium or training facilities:

Stadium and training facilities:

- Asset description(s): description of the asset type to which the debt is directly attributable.
- Asset values: historical cost of the asset(s) in local currency.
- Date ready for use: date when the stadium or training facilities were ready for use following construction or substantial modification. If the asset is still under construction, please enter ‘under construction’.

Debt that is directly attributable to the construction or substantial changes to a stadium or training facilities:

- debt provider: enter the name of the entity that advances cash to fund the asset construction or substantial modification, by asset type and provider.
- debt closing balance (LC): amount of debt at the end of the reporting period expressed in the licensee’s local currency.
- explanation (including debt type, contract currency and amount): describe the main features of the debt (e.g. secured loan, bonds, fixed term, rate, lease), the debt currency, and the original amount of the debt.
- debt closing balance (EUR): amount of debt at end of the reporting period automatically converted to euros.
- inception date: date when funds are available to the reporting entity(ies).
- debt maturity (in years):
- length of time remaining prior to the final payment.

- **Indicator 6: Player transfer balance**

  If requested, under Article 62 indicator 6 the licensee must submit player transfer balance information for a player registration period (using the **player transfer balance package**) by the UEFA deadline (shortly after the end of a player registration period).

  Further guidance is provided in **Section 6** and **Appendix VIII.** The licensee is in breach of indicator 6 if its player transfer deficit is greater than €100 million for any player registration period that ends during the licence season.

4.1.9. Projected break-even information

Projected break-even information for T+1 must be prepared as follows:

- using the same entity or combination of entities (i.e. the same reporting perimeter) as that used by the licensee for reporting period T for the break-even information, unless there has been a change;
- using the same accounting policies as for the annual financial statements, except for subsequent accounting policy changes that are not due to be taken into account before the next annual financial statements;
- using the same reporting currency as used for the licensee’s preceding annual financial statements and entered to the nearest thousand;
- using the management’s assumptions as adequately disclosed in the notes to the projected financial information, when the underlying rationale for the assumptions is clearly explained;
- using information and reasonable assumptions that are as up to date as practically possible. This means that management confirms that the assumptions are appropriate as of the date of submission, even though the projected break-even information may have been prepared in the few weeks preceding submission.

Management’s underlying rationale for determining their assumptions may be based on a combination of information such as:

- historical financial information;
- historical non-financial information such as the club’s on-pitch performance in league and cup competitions, number of matchday attendees, number of employees;
- revenue distribution arrangements of competition organisers;

- contractual arrangements, such as sponsorships, stadium advertising, employment contracts, player transfer arrangements with other clubs, debt servicing and repayment.

Any licensee subject to assessment of the projected monitoring period may be requested to provide an update of the projected break-even information during the licence season.

4.1.10.Aggregate break-even result for a monitoring period

The aggregate break-even result is the sum of the break-even results of each of the three reporting periods covered by the relevant monitoring period. If the aggregate break-even result is positive, i.e. equal to zero or above, then the licensee has an aggregate break-even surplus for the monitoring period. If the aggregate break-even result is negative, i.e. below zero, then the licensee has an aggregate break-even deficit for the monitoring period.

For example, for the 2019/20 licence season,

- the current monitoring period covers the reporting periods ending in 2019 (T), 2018 (T-1) and 2017 (T-2);
- the projected monitoring period covers the reporting periods ending in 2020 (T+1), 2019 (T) and 2018 (T-1).

In the case of an aggregate break-even deficit for the monitoring period assessed for the 2019/20 licence season, the licensee may demonstrate that the aggregate deficit is reduced by a surplus resulting from the sum of the break-even results of the reporting periods ending in:

- 2016 (T-3) and 2015 (T-4) for the current monitoring period;
- 2017 (T-2) and 2016 (T-3) for the projected monitoring period.

4.1.11. The notion of acceptable deviation and contributions

Acceptable deviation is the maximum aggregate break-even deficit possible for a given monitoring period for a licensee to be deemed in compliance with the break-even requirement (Article 61(1)).

The acceptable deviation for a monitoring period is €5 million. However, acceptable deviation can be up to €30 million if the amount above €5 million is entirely covered by contributions from equity participants or related parties.

To be considered for the break-even requirement, the licensee must complete the contributions schedule with details of the amount, nature and timing of contributions from equity participants and/or related parties that have occurred and been recognised:

- for a licensee assessed on the current monitoring period, (i) in audited financial statements for one of the reporting periods T-2, T-1 or T; and (ii) in the accounting records up to the deadline for submission of the break-even information for reporting period T;
- for a licensee assessed on the projected monitoring period, (i) in audited financial statements for one of the reporting periods T-1 or T; or (ii) in the accounting records for the reporting period T+1 up to the end of the licence season.

If contributions occurring up to the deadline for submission of the break-even information for reporting period T are recognised in reporting period T+1 and have been taken into consideration to determine the acceptable deviation for the current monitoring period, then for subsequent monitoring periods the contributions will be considered as recognised in reporting period T.

If a licensee has a reporting period of greater or less than 12 months, the acceptable deviation is adjusted up or down according to the length of the relevant monitoring period. See **Appendix VI** for further guidance.

The break-even calculation schedule is an output schedule in the financial information package that summarises the break-even result for each reporting period, the aggregate break-even result for the current and projected monitoring periods, contributions and a comparison with the acceptable deviation.

For the avoidance of doubt, contributions in the two reporting periods prior to the monitoring period are not taken into consideration when assessing the fulfilment or non-fulfilment of the break-even requirement.

4.1.12. Fulfilment of the break-even requirement

- The break-even requirement for the **current monitoring period is fulfilled** if the licensee has:
  - an aggregate break-even surplus for T-2, T-1 and T; **or**
  - an aggregate break-even deficit for T-2, T-1 and T that is within the acceptable deviation, having also taken into account any surplus resulting from the sum of the break-even results in T-3 and T-4.
- The break-even requirement for the **projected monitoring period is fulfilled** if the licensee has:
  - an aggregate break-even surplus for T-1, T and T+1; **or**
  - an aggregate break-even deficit for T-1, T and T+1 that is within the acceptable deviation, having also taken into account any surplus resulting from the sum of the break-even results in T-2 and T-3.

The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit exceeding the acceptable deviation for the current monitoring period or, if applicable, for the projected monitoring period. These examples are further illustrated in **Appendix V (B).**

4.1.13. Management representation

The licensee must validate the financial information package prior to submission by completing the management representation schedule, certifying that:

- *"On behalf of the executive body of the licensee, we hereby certify that all possible care has been taken to ensure that the information entered in the CL/FFP IT Solution is clear, accurate, reliable and complete, in accordance with the requirements in the UEFA Club Licensing and Financial Fair Play Regulations, directives, toolkits and other information communicated to licensees."*
- *If applicable, "the reporting perimeter and the accounting principles for the reporting period T+1 are the same as for reporting period T" and that "reporting period T+1 has been prepared on reasonable assumptions".*

The licensee's management representative must be on the list of authorised signatories registered for club licensing purposes.

The management representation schedule also provides the licensee with the possibility to disclose:

- details of any unusual items or events of major economic importance experienced during the reporting period, as well as any subsequent events after the reporting period, by entering a brief description in the box provided and listing any supporting documentation attached to the package;
- details of any prior period adjustments, either due to the correction of errors in the annual financial statements, a previous input error in the CL/FFP IT Solution or a change in the reporting perimeter, by entering a brief description in the box provided and listing any supporting documentation attached to the package.

4.2. Licensors' responsibilities

4.2.1. Financial information package – April deadline

While the financial information package is submitted to the UEFA administration via the licensor, there are no formal assessment procedures to be performed by the licensor.

The licensor may agree to help licence applicants prepare the information for the FS package, in which case the licensor must ensure this information is submitted to the UEFA administration by the deadline.

4.2.2. Assessment procedures for reporting periods T-1 and T-2 – July deadline

The licensor's assessment procedures for T-1 and T-2 in the financial information package to be submitted by UEFA's July deadline are, as a minimum, as follows:

Schedule	Licensor's assessment procedures
Management representation	• Check that the licensee's signatory is on the list of authorised signatories as already held for club licensing.
Profit and loss account, balance sheet and cash flow schedules	• Check that amounts contained in the break-even information submitted by the licensee are consistent with the amounts contained in the audited financial statements and supplementary information previously submitted for club licensing. For each relevant reporting period, the licensor's minimum assessment procedures with regard to the licensee's profit and loss account, balance sheet and cash flow schedules must include: ○ a comparison of the 'profit/loss after taxation', as reported in the profit and loss account schedule, with 'profit/loss after taxation' in the audited financial statements already held for club licensing; ○ a comparison of the 'net assets/liabilities', as reported in the balance sheet schedule, with 'net assets/liabilities' in the audited financial statements already held for club licensing; ○ a comparison of the 'net cash inflow/(outflow)', as reported in the cash flow statement schedule, with the 'net cash inflow/(outflow)' in the audited financial statements already held for club licensing.
Transactions with related parties	• The licensor must check whether transactions with related parties disclosed in the audited financial statements or supplementary information (already held for club licensing) have also been entered in the relevant schedule. • For each relevant reporting period, the disclosure of the amounts of transactions with the names of the related parties in the 'transactions with related parties schedule' must be compared with the relevant audited financial statements and supplementary information already held for club licensing.
Going concern and negative equity	• Check that the information in the 'going concern and negative equity schedule' is consistent with the financial statements (for T-1 and, if applicable, the interim financial statements) already held for club licensing.

4.2.3. Assessment procedures for reporting period T – October/March deadline

The licensor must assess the licensee's financial information package, which is based on and reconciled with audited financial statements as follows:

- Licensees with a reporting period T ending on or before 31 July must submit their break-even information for T based on and reconciled with their audited financial statements by the deadline. The licensor must have completed its assessment of this monitoring documentation by the October deadline.
- Licensees with a reporting period T ending after 31 July, and by no later than the following 31 December, must first submit break-even information for T, which may be based on unaudited financial information, by the October deadline. By the October deadline, the licensor will not need to assess break-even information for T that is based on unaudited financial information. The licensor must complete its assessment for reporting period T based on the licensee's updated break-even information, based on and reconciled with their audited financial statements and underlying accounting records, in time for submission to the UEFA administration by the March deadline.

The licensor's assessment in respect of reporting period T in the financial information package are, as a minimum, as follows:

Schedule	Licensor's assessment
Management representation	• Check that the licensee's signatory is on the list of authorised signatories as already held for club licensing.
Profit and loss account, balance sheet and cash flow schedules	• To check that amounts contained in the break-even information submitted by the licensee are consistent with the amounts contained in the audited financial statements or supplementary information for reporting period T, the licensor's minimum assessment of the licensee's profit and loss account and balance sheet schedules must include: ○ a comparison of the profit/loss after taxation as reported in the profit and loss account schedule with profit/loss after taxation in the audited financial statements; ○ a comparison of the net assets/liabilities as reported in the balance sheet schedule with net assets/liabilities in the audited financial statements; ○ a comparison of the net cash inflow/(outflow) as reported in the cash flow schedule with net cash inflow/(outflow) in the audited financial statements.
Transactions with related parties	• The licensor must assess whether transactions with related parties disclosed in the audited financial statements and/or supplementary information for reporting period T have also been entered in the relevant schedule in the CL/FFP IT Solution as follows: ○ a comparison of the disclosure of the names and amounts of transactions with related parties in the transactions with related parties schedule with that in the audited financial statements or supplementary information.
Contributions	• The licensor must assess whether contributions from equity participants in each of the reporting periods T-2, T-1 and T correspond to the audited financial statements as follows: ○ For each reporting period, check that the amounts disclosed by equity participants in the contributions schedule are recorded as such in the audited financial statements.

5. OVERDUE PAYABLES PACKAGES

The **overdue payables package** is for submitting and assessing financial information in a licensee's reporting perimeter for the monitoring requirements under 'no overdue payables towards football clubs' (Article 65), 'no overdue payables in respect of employees' (Article 66) and 'no overdue payables towards social/tax authorities' (Article 66bis) at 30 June and 30 September.

If applicable, the amounts will be translated from the original currency of the payables into euros by applying the pre-populated exchange rates (sourced from the European Central Bank or another appropriate institution) as at the assessment date.

5.1. Licensees' responsibilities

5.1.1. Summary of documentation to be submitted

Schedules	Requirements	For July (at 30 June)	For October (at 30 September)	Guidance reference
Transfer payables	Complete the **transfer payables** schedule, including details of each player transfer.	✓	✓	• Section 5.1.2
Employee table	Complete the **employee table** schedule.	✓	✓	• Section 5.1.4
Social/tax table	Complete the **social/tax table** schedule.	✓	✓	• Section 5.1.5
Management representation	Complete the **management representation** schedule to validate the information before submission.	✓	✓	• Section 5.1.7

As well as the mandatory information requested above, licensees must also complete the **overdue transfer receivables** schedule at 30 June or 30 September. Further guidance is provided in **Section 5.1.3.**

The input information is then summarised in the output report entitled 'payables summary'.

5.1.2. Transfer payables

The licensee must submit the information described in the **transfer payables schedule** in the CL/FFP IT Solution.

PLAYER TRANSFERS THAT MUST BE DISCLOSED

In the transfer table summary schedule, the licensee must disclose:

a) All new player registrations (permanent and temporary/loan transfers) in the 12-month period up to 30 June or 30 September, irrespective of whether there is any outstanding amount due at 30 June or 30 September. This includes the registration of out-of-contract players as well as youth players signing their first professional contract if a solidarity contribution or training compensation becomes payable. Note: For out-of-contract players that are re-registering with a licensee having played for the licensee in the previous season, the date of transfer may be amended as long as there is no payable due on this re-registration. Where there is a previous payable relating to this player, an additional line must be added for the re-registration.

b) All existing player registrations for which an amount outstanding is to be paid at 30 June or 30 September, irrespective of whether the transfer-in was during the 12-month period up to 30 June or 30 September or before.

c) All player transfers subject to a claim pending before the competent authority under national law or proceedings pending before a national or international football authority or relevant arbitration tribunal, as at 30 June/30 September.

Note:

Please note that in September submission only transfers with the status "Overdue, disputed, deferred, pending amount" as at 30 June will be carried forward from the June submission. With regard to transfers with a status "free agent / fully paid / amount not overdue payable" as at 30 June, should any of the transfer payables due to previous club(s) become Overdue, disputed, deferred or pending as at 30 September such a transfer should be re-entered in the Transfer table

The same player may be the subject of more than one entry to the transfer payables schedule if there are payables due for that player arising from two or more transfers, e.g. a loan extension, or a permanent transfer following an initial loan.

A licensee is not required to disclose a player who returns to the licensee following a loan or temporary transfer to another club unless there is a financial liability arising from any such a transfer.

Payables are those amounts due to football clubs as a result of transfers (including any amount due upon fulfilment of certain conditions), training compensation and solidarity contributions as defined in the FIFA Regulations on the Status and Transfer of Players, and any joint and several amounts payable to another football club as a result of a decision by a competent authority for the termination of a contract by a player.

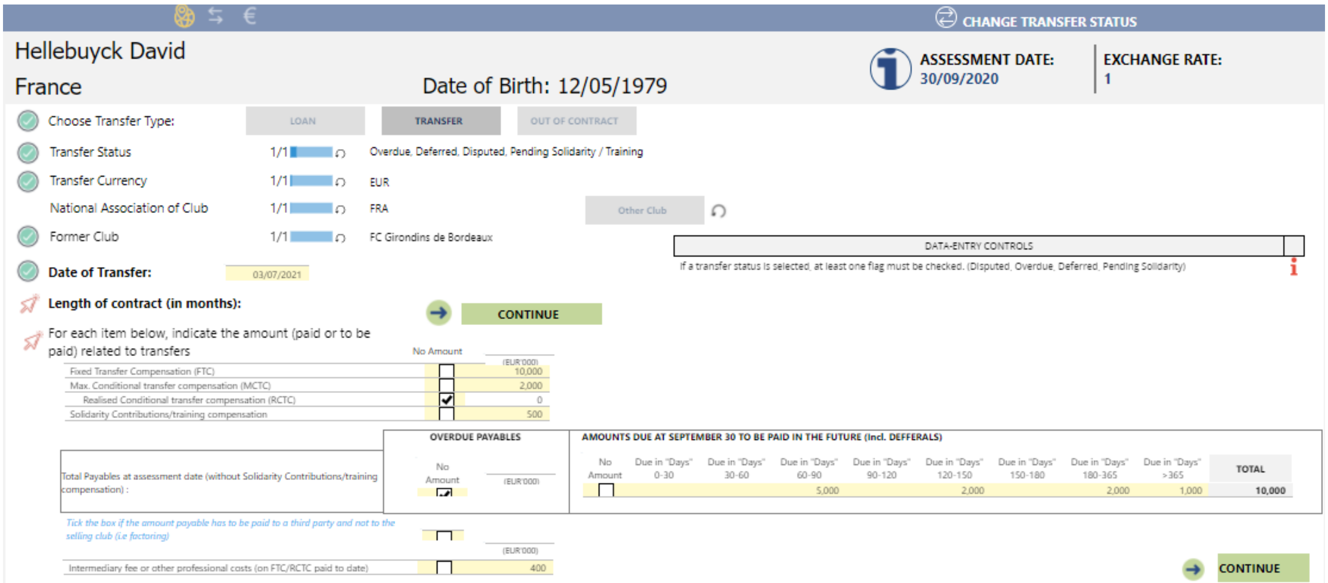
Payables due to parties other than football clubs as a result of transfers are not payables for assessment under Article 65.

The following information must be disclosed in the **transfer payables schedule** for each player transfer:

- **player's name and date of birth**, as shown on the player's registration document; if the player is not in the pre-defined list, click on the "+" button after "Cannot find the player? Please click here to create a new one" to add a new name.
- **transfer type:** to disclose whether the player has been transferred in permanently, select '**permanent**'; if temporarily, select '**loan**'; and if the player registration concerns a player who has already terminated obligations towards another club, select '**out of contract**';
- **transfer status:** to disclose whether there were no transfer payables due to his previous club(s), select '**free agent**'; if all payables due to previous clubs either unconditional or conditional have been cleared, select '**fully paid**'; and if some payables either unconditional or conditional are to be paid at a future date, select '**payable amount not overdue**';
- if some of the transfer payables due to previous club(s) are either with a due date prior to the assessment date ('overdue'), or contested by a club ('disputed'), or have been subject to an agreement to postpone the payment date ('deferred'), or for which the licensee club is waiting for additional information to process the payment ('pending amount'), then select '**overdue, disputed, deferred, pending amount**'.

  In the transfer payables schedule, the ageing of any overdue amount will be automatically calculated as the number of days between the due date of the instalment and the assessment date.
- **transfer currency** of the payables, as specified in the transfer or loan agreement with the former club;
- **national association of the former club** with which the player was registered before being transferred in to the licensee;
- **former club** from which the player's registration was transferred permanently or on loan. If the club name is not disclosed in the pre-populated list, select 'other club' from the list and enter the name of the club manually;
- **date of the transfer** on which the player's registration was transferred in; for international transfers this date should be the same as that required to be entered in FIFA's Transfer Matching System;
- **length of contract (original duration in months)**, i.e. the number of months of the employment contract with the player, as originally contracted at the time the player's registration was transferred in to the licensee.

The initial data entry table in the transfer table summary schedule:



For each category applicable to the transfer-in, the licensee must confirm whether the transfer agreement includes or omits any of the following:

- **fixed transfer compensation**, i.e. the original unconditional amount paid or payable to the former club from which the player's registration was transferred in permanently or on loan. This amount does not change over time and is in the transfer currency of the payables.

  For the avoidance of doubt, the 'fixed transfer compensation' does not include:

  - any amounts that are conditional at the date of the transfer, as any such amounts will be classified as 'conditional transfer compensation';
  - solidarity contributions or training compensation, as any such amounts will be classified as 'solidarity contributions/training compensation';
  - any amounts paid/payable to parties other than a football club, e.g. agents.
- **maximum conditional transfer compensation**, i.e. the total of conditional amount(s) included in the transfer agreement that the licensee may have to pay to the player's former club upon completion of certain conditions that would be satisfied at the date of the transfer. If the transfer agreement does not stipulate a maximum amount to be paid for the conditional compensation(s), the licensee must enter its best estimate.
- **realised conditional transfer compensation**, i.e. the total conditional amount included in the transfer agreement for conditions fulfilled, and for which the related payment has become unconditional at the date of the assessment.
- **solidarity contributions/training compensation,** i.e. the total amount due to club(s) that contributed to the education or training of the player as defined by FIFA or National regulations.
- **intermediary fee or other costs**:
  - The total amount paid or payable by the licensee to agents or intermediaries for the transfer-in or the extension of the duration of a player's registration. This amount excludes any contingent payables. This amount includes any fees paid or payable by the licensee to agents or intermediaries on behalf of the player concerned.
  - The total fees paid or payable by the licensee to third parties for the transfer-in or the extension of the duration of a player's registration, but excluding amounts paid or payable to football clubs.
  - For the avoidance of doubt, no such amount is assessed under Article 65.

Indicate whether the debts owed to the former club should be paid to a third party instead; e.g. the former club has factored the debt to a financial partner and the transfer payable must be paid directly to them. If a warning message about data-entry control appears when you save your input, please address this issue before proceeding.

Amounts must be input as positive figures, in the currency of the transfer agreement, and rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235.

If there is no balance for one of the above categories, the licensee should select ‘no amount’ for that category.

5.1.2.1. Overdue, deferred, disputed, pending solidarity contributions/training compensation amounts

The licensee must select all categories applicable to the payables for the transfer of the player, i.e. overdue, deferred, disputed or pending solidarity contributions/training compensation. If a competent authority recognises a club jointly and severally liable for the termination of a contract by a player, this must also be reported under the relevant categories below:

OVERDUE AMOUNTS

These are the payables that are still due at the assessment date under the contractual or legal terms agreed between the licensee and the player’s previous club.

	Please enter the individual amounts which were overdue as at Assessment Date?	Fixed	Conditional	Solidarity / Training	Original Due Date	Amount paid between Assessment Date and the submission deadline?	Date of amount paid between Assessment Date and the submission deadline?	Ageing in days
1	0	☐	☐	☐		0		
2	0	☐	☐	☐		0		

The licensee must disclose certain details for each instalment overdue at the assessment date:

- the instalment amount payable prior to the assessment date, rounded to the nearest thousand;
- the category of the payable due, by selecting whether the payable is fixed transfer compensation, realised conditional transfer compensation, or solidarity contributions/training compensation owed to the player’s previous club(s);
- the due date for the instalment to be paid, in accordance with the original transfer agreement between the clubs;
- if applicable, the amount and date of any overdue instalments paid between the assessment date and the date on which the licensee submits the information to the licensor.

In the transfer details schedule, the ageing of any overdue amount will be automatically calculated as the number of days between the due date of the instalment and the assessment date.

DEFERRED AMOUNTS

If a licensee has concluded a written agreement to alter the dates or the amounts of instalments stated in the original transfer agreement, the licensee must enter the details of the instalments due at the assessment date.

DEFERRED (EUR'000)

	Please enter the individual amounts which were deferred as at Assessment Date?	Fixed	Conditional	Solidarity / Training	Original Due Date	Earliest new Due Date	Tick if more than one new Due Date	Last new Due Date	Date of Deferral Agreement
1	0	☐	☐	☐			☐		
2	0	☐	☐	☐			☐		

The licensee must disclose:

- The category of deferred payable, i.e. whether it is fixed transfer compensation, realised conditional transfer compensation, or solidarity contributions/training compensation due to the player’s previous club(s);
- The original due date of the payable;
- The earliest new due date for the instalment(s) to be paid. If the original payable is grouped in a new payment schedule, only the earliest new due date need be entered;
- The date of the deferral agreement.

DISPUTED AMOUNTS

For the avoidance of doubt, amounts that were originally due to be paid by the assessment date can only be declared disputed at the assessment date (rather than as overdue payables) if the licensee has a **legitimate**

dispute open with an appropriate competent authority at the assessment date (in accordance with Annex VIII). If one or more of the licensee's instalments is the subject of a legitimate dispute, it must complete the disputes schedule, as shown below:

	Dispute Amount	Fixed	Conditional	Solidarity / Training	Original Due Date	Party opening dispute	Name of Club opening dispute
1	0	☐	☐	☐			
2	0	☐	☐	☐			

The licensee must disclose:

- the **amount** subject to dispute and the month in which it was originally due to be paid, entered as positive figures in the transfer currency and rounded to the nearest thousand;
- the type of payable disputed, i.e. fixed, conditional or solidarity/training amount due to the player's previous club;
- the original due date;
- the **name** of the party that opened the dispute: for the licensee, select 'buyer club'; for the player's former club, select 'former club';
- the **name of the club(s) that opened the dispute** about a solidarity contribution/training compensation;

- the date on which proceedings were opened;
- the **competent authority** with whom the dispute has been opened, e.g. FIFA;
- the dispute **case number**, e.g. FIFA case number;
- the date on which the licensee contested the amount payable to the player's former club;
- a **brief summary** to explain the nature of the dispute;
- the **status** of the dispute (e.g. pending, awaiting grounds of decision, closed);
- relevant case **documentation** by attaching the document(s) to the OP package on submission.

PENDING SOLIDARITY CONTRIBUTIONS/TRAINING COMPENSATION

The licensee must disclose whether at the assessment date some information about any amount due to the player's previous club for a solidarity contribution/training compensation is missing, thereby preventing the payment from being processed.

As in **Annex VIII (2e)**, a licensee may disclose an amount as pending if it is able to demonstrate to the reasonable satisfaction of the relevant decision-making bodies (i.e. the licensor or UEFA Club Financial Control Body) that it has taken all reasonable measures to identify and pay the creditor club(s) for training compensation and solidarity contributions, as defined in the FIFA Regulations on the Status and Transfer of Players.

▲	Amount of pending solidarity / training compensation	Training	Solidarity	Original Due Date	Last Correspondance Date	Former club to whom solidarity is due	Comments
1	0	☐	☐				
2	0	☐	☐				

For these amounts, the licensee must disclose:

- pending solidarity contributions/training compensation, entered as positive figures in the transfer currency and rounded to the nearest thousand;
- the type of compensation due to the creditor club(s);
- the original due date;
- the date of the last correspondence with the creditor club(s) or the national association;
- a **brief summary** explaining why the amount is pending.

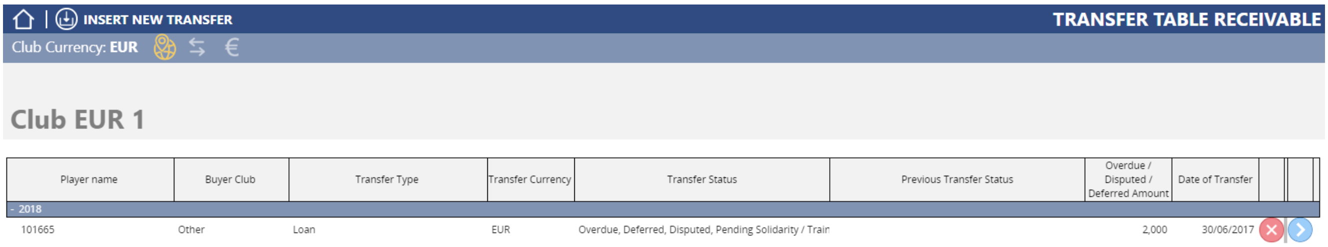
5.1.3. Overdue transfer receivables

Licensees must also complete the overdue transfer receivables schedule for players that the licensee has transferred out, either on loan or on permanent transfer, for whom there is an amount to be received from another club that is overdue at the assessment date.

The licensee must enter general information about the transfer receivable before entering the overdue transfer receivable details per players.

- Total account receivable from player transfer at assessment date is the total balance to be paid to the licensee for players sold to a third club. It includes all amounts receivable, whether overdue or payable.
- Subtotal transfer receivable from clubs registered with a UEFA National Association. Indicate the amount receivable (overdue or payable) from clubs registered in the UEFA member association.
- Subtotal transfer receivable from clubs qualified for the UEFA competitions. Indicate the amount receivable (overdue or payable) from clubs registered in the UEFA member association <u>and</u> qualified for a UEFA club competition for the monitoring period under review.

The initial data entry table in the transfer receivables summary is consistent with the transfer payables schedule in 5.1.2.1 and is shown below:



5.1.4. **Employee table**

5.1.4.1.Information to be input by all licensees

Each licensee must disclose certain information in the employee table schedule for the 30 June assessment date, and some licensees must also complete the equivalent schedule for the 30 September assessment date.

Amounts must be entered as positive figures in the reporting currency of the licensee's annual financial statements (as disclosed in the club information package) and rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235.

The following must be disclosed:

- The **total amount of payables to employees as at the assessment date**. The definition of payables to employees is the same as for club licensing purposes (see Article 50(2) and (3)). For the avoidance of doubt, this amount must be equal to or greater than the sum of overdue payables, disputed amounts and deferred payables.
- Select from the drop-down list when employee's salary for month M is paid.
- A declaration confirming whether or not payables to employees are overdue, by selecting Yes or No for:
  - overdue payables to employees as at assessment date;
  - overdue payables to employees that have been settled in whole or in part since the assessment date and by the time of submission. If Yes, the amount settled since the assessment date must also be included in the 'total employee payables at the assessment date' balance.
- A declaration confirming payables to employees that are not overdue but are disputed or deferred, by selecting Yes or No for:
  - amounts to employees that were disputed as at the assessment date;
  - amounts to employees that were deferred under a written agreement with the employee, as at the assessment date.

The financial information in the employee table schedule is automatically aggregated, converted to euros, and included in the payable summary schedule (see **section 5.1.2.3**).

For the avoidance of doubt, payables are all forms of consideration due in respect of employees as a result of contractual or legal obligations, including wages, salaries, image-rights payments, bonuses and other benefits. Amounts payable to people who, for various reasons, are no longer employed by the licensee fall within the scope of this requirement and must be settled within the period stipulated in the contract or defined by law.

Under Article 50 (for club licensing) and Article 66 (for club monitoring), the term 'employees' refers to the following persons:

- all professional players according to the applicable FIFA Regulations on the Status and Transfer of Players;
- the administrative, technical, medical and security staff specified in Articles 28 to 33 and 35 to 39, i.e. the general manager, finance officer, media officer, medical doctor(s), physiotherapist(s), youth team medic(s), security officer, supporter liaison officer, disability access officer, head coach of first squad, assistant coach of first squad, head of youth development programme, and youth coaches.

All forms of consideration for the benefit of employees must be accounted for in the books of one of the entities included in the reporting perimeter.

Initial data entry requirements in the employee table schedule

If the licensee declares that it does not have any overdue payables towards employees as at the assessment date, or any deferrals or disputes, it does not need to disclose further information unless otherwise requested by the licensor or the CFCB.

If the licensee declares that it does have overdue, deferred or disputed payables towards employees as at the assessment date, it must disclose further information as set out in the employee table schedule and further described below.

5.1.4.2. Additional information to be disclosed by licensees where applicable

If the licensee declares that it does have **overdue payables** to employees at the assessment date, it must disclose the following information in the employee table schedule:

- employee's name;
- Employee's job, by selecting 'player' (professional player), 'coach' (head coach of first squad, assistant coach of first squad, head of youth development programme or youth coach), or 'staff' (general manager, finance officer, media officer, medical doctor, youth teams medic, physiotherapist, security officer, supporter liaison officer or disability access officer);
- The amount overdue, and the month in which it was originally due to be paid to the employee, specifying amounts in each of the six months prior to the assessment date, and inputting any amounts older than six months in the 'older' cell. Amounts must be input as positive figures in the licensee's reporting currency and rounded to the nearest thousand. The total amount overdue will be calculated automatically from the monthly figures.

If the licensee has **made payments against overdue payables since the assessment date** and by the date of the licensee's submission of information to the licensor, then the licensee must also disclose:

- employee's job;
- employee's name;
- the amount of any payment to the employee since the assessment date, in respect of payables overdue at the assessment date, and before the licensee submits the information to the licensor. Such payments should be entered in the relevant month cell, so that it can be matched against the overdue payable amount and month.

If there are one or more instalments for which there is a **legitimate dispute** at the assessment date, the licensee must complete the disputes schedule.

- the name of the **party that opened the dispute** and the **date** on which the proceedings were opened;

- the **competent authority** with which the dispute has been opened, the dispute case number provided by that authority, and the date if the proceedings have been contested;
- the **status** of the dispute;
- a **brief summary** to explain the nature of the case, the **type of payable** being disputed, e.g. salary, bonus or signing fees;
- relevant case **documentation** by attaching the document(s) to the OP package on submission.

If a licensee has **payables to employees at the assessment date that have been deferred** under a written agreement with the employee, then the licensee must disclose the following information in respect of each such employee:

- employee's name;
- employee's job, selecting from the options 'player', 'coach' or 'staff' (see above);
- the amount subject to deferral, and the month in which it was originally due to be paid to the employee, specifying amounts in each of the six months prior to the assessment date, and entering any amounts older than six months in the 'older' cell;
- the earliest post-deferrals due date for the amount(s) to be paid to the employee under a written agreement;
- the date of the deferral agreement with the employee.

For the avoidance of doubt, payables to employees at the assessment date which were originally due to be paid to the employee before the assessment date can only be disclosed as deferred (rather than overdue payables) if the licensee has concluded an agreement that has been accepted in writing by the employee(s) concerned that extends the due date beyond the applicable assessment date. The written agreement with an employee must not be obtained under duress or coercion.

5.1.5. Social/tax table

5.1.5.1. Information to be input by all licensees

Each licensee must disclose certain information in the social/tax table schedule by the 30 June assessment date, and some licensees must also complete the equivalent schedule by the 30 September assessment date.

Amounts must be entered as positive figures in the reporting currency of the licensee's annual financial statements as disclosed in the club information package and rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235.

Each licensee must disclose:

- the **total amount of payables to social/tax authorities at the assessment date**. For the avoidance of doubt, this amount must be equal to or greater than the sum of overdue payables, disputed payables and deferred payables.
- a declaration confirming whether or not payables to social/tax authorities are overdue, by entering a tick under Yes or No for:
  - overdue payables to social/tax authorities as at assessment date;
  - overdue payables to social/tax authorities that have been settled in whole or in part since the assessment date and by the time of submission. If Yes, the amount settled since the assessment date must also be included in the 'total social/tax payables at the assessment date' balance.
- a declaration confirming payables to social/tax authorities are not overdue but are disputed or deferred, by entering a tick under Yes or No for:
  - payables to social/tax authorities at the assessment date that have been disputed;
  - payables to social/tax authorities at the assessment date that have been deferred under a written agreement with the social/tax authority.

The financial information in the social/tax table schedule is automatically aggregated, converted to euros, and included in the payable summary schedule (see **section 5.1.2.3**).

If the licensee declares that it does not have any overdue payables to social/tax authorities at the assessment date, or any deferrals or disputes, it does not need to disclose further information unless otherwise requested by the licensor or the CFCB.

If the licensee declares that it does have overdue, deferred and/or disputed payables towards social/tax authorities at the assessment date, then it must disclose further information as set out in the Social/tax authority table schedule and as further described below.

5.1.5.2. Additional information to be disclosed by licensees where applicable

If the licensee declares that it does have **overdue payables** towards social/tax authorities as at the assessment date, then it must disclose the following information in the Social/tax authority table schedule:

- The name of relevant social/tax authority.
- The amount that is overdue, and the month in which it was originally due to be paid, specifying amounts in each of the six months prior to the assessment date, and inputting any amounts older than six months in the ‘older’ cell. Amounts must be input as positive figures in the licensee’s reporting currency and rounded to the nearest thousand. The total amount overdue will be calculated automatically from the monthly figures.

If the licensee has **made payments against overdue payables since the assessment date**, by the date on which the licensee submits its information to the licensor, it must also disclose:

- the name of relevant social/tax authority;
- the amount of any payment since the assessment date, in respect of overdue payables at the assessment date, and before the licensee submits the information to the licensor. Any such payments should be disclosed in the relevant month cell, so that it matches with the overdue payable amount and month.

If there are one or more instalments for which there is a **legitimate dispute** at the assessment date, the licensee must complete the disputes schedule as detailed in Section 5.1.3.2 above.

If a licensee has payables at the assessment date that have been **deferred** under a written agreement with the social/tax authority, the licensee must disclose the following information:

- the name of relevant social/tax authority;
- the amount subject to deferral, and the month in which it was originally due to be paid, inputting amounts in each of the six months prior to the assessment date, and specifying any amounts older than six months in the ‘older’ cell;
- the post deferrals due date(s) for the amount(s) to be paid under a written agreement with the social/tax authority.

For the avoidance of doubt, payables at the assessment date that were originally due to be paid before the assessment date can only be disclosed as deferred (rather than overdue) payables if the licensee has concluded a written agreement with the social/tax authority concerned that extends the due date beyond the applicable assessment date.

5.1.6. Payables summary schedule (output report)

The payables summary schedule is automatically populated with data from other schedules in the overdue payables package. The amounts in the payables summary schedule are in euros to enable comparisons between licensees.

The payables summary schedule summarises the disclosed payables at the assessment date, converted to euros, for:

- transfer payables, categorised as ‘fixed transfer compensation’, ‘realised conditional transfer compensation’ or ‘solidarity contributions/training compensation’;
- employee payables;
- social/tax payables.

The payables summary schedule also separately identifies:

- the amount of overdue payables, broken down into:
  - (i) amounts settled since the assessment date;
  - (ii) overdue payables not settled since the assessment date.
- transfer amounts not overdue, broken down into:
  - (i) amounts that have been deferred by written agreement;
  - (ii) amounts in dispute;
  - (iii) payables that are not due at the assessment date and are not subject to deferral or dispute;
  - (iv) transfer amounts that are pending in relation to solidarity contributions or training compensation.

- transfer details disclosed at the assessment date for each player:
  - (i) contract duration;
  - (ii) fixed transfer compensation;
  - (iii) maximum conditional transfer compensation and the balance;
  - (iv) total payable;
  - (v) amount paid or payable to agent or intermediary as well as the other direct costs of the transfer.

5.1.7. Management representation

The licensee must validate the overdue payables package prior to submission by completing the management representation schedule, certifying that:

- *“On behalf of the executive body of the licensee, we hereby certify that all possible care has been taken to ensure that the information entered in the CL/FFP IT Solution is clear, accurate, reliable and complete, in accordance with the requirements in the UEFA Club Licensing and Financial Fair Play Regulations, directives, toolkits and other information communicated to licensees.”*

The licensee must confirm that, for each player in the transfer payables schedule, the licensee has entered the date on which the player’s registration was transferred, whether permanently or on loan.

The licensee’s management representative must be on the list of authorised signatories registered for club licensing.

The licensee should make the licensor aware of any unusual items contained in the package by entering a brief description in the box provided and describing any documentation attached to the package.

Special COVID-19 scheme: Indicate whether at the assessment any special measures have been taken at national level due to the pandemic that change the standard conditions for payables to social/tax authorities, e.g. payment deferral or debt forgiveness. A brief description of the measures must be provided to explain what the changes are.

5.2. Licensors' responsibilities

5.2.1. Assessment procedures for the no overdue payables requirements

Refer to **Section 3.2.1** for the licensors' duties.

To assess the completeness and accuracy of the information submitted in the payables schedules, the licensor's minimum assessment procedures in respect of the no overdue payables requirements of Articles 65, 66 and 66bis are as follows:

Schedule	Licensor's assessment
Management representation schedule	• Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing purposes.
Transfer payables schedule	• Compare the player details in the 'transfer payables summary' with the information already disclosed to the licensor for the purpose of player registrations, to check that all professional players transferred in from another club and registered between 1 July of the previous year and the assessment date have been disclosed in the 'transfer payables table', including free transfers. We found the player details in the 'transfer payables summary' to be complete and in accordance with the player registration information already held by us. ○ 'Player details' refers to the player's name, identity of the former club, whether the player's registration has been transferred in permanently ('transfer') or temporarily ('loan'), and the date of the transfer. • Check the licensee's completed 'transfer payables' schedule and 'transfer payables table' and make additional enquiries of the licensee if there is any information that may be incomplete or inaccurate, based on the licensor's existing knowledge of the licensee from club licensing or other reasonable information sources. We are not aware of any information in the 'transfer payables' schedule and 'transfer payables table' that may be incomplete or inaccurate, based on our knowledge of the licensee from club licensing or other reasonable information sources. *
Employee table schedule	• Check the licensee's completed 'employee payables' schedule and make additional enquiries of the licensee if there is any information that may be incomplete or inaccurate, based on the licensor's existing knowledge of the licensee from club licensing or other reasonable information sources. We are not aware of any information in the 'employee payables' schedule that may be incomplete or inaccurate, based on our knowledge of the licensee from club licensing or other reasonable information sources. *
Social/tax table schedule	• Check the licensee's completed 'social/tax payables' schedule and make additional enquiries of the licensee if there is any information that may be incomplete or inaccurate based on the licensor's existing knowledge of the licensee from club licensing or other reasonable information sources. We are not aware of any information in the 'social/tax payables' schedule that may be incomplete or inaccurate, based on our knowledge of the licensee from club licensing or other reasonable information sources. *
Special COVID-19 measures	• Check whether any special measures have been taken at national level for payables to social/tax authorities and whether the licensee has correctly described its situation.

* Examples of information sources include media reports, notifications of dispute cases, decision of a competent authority regarding termination of a contract by a player and correspondence from other football bodies, football clubs, the licensee's directors and employees, and social/tax authorities.

6. OTHER REPORTING PACKAGES

The other reporting packages in the CL/FFP IT Solution are:

- **Player transfer balance package**, for submitting a licensee's player transfer information for a player registration period, if requested by a licensee (indicator 6 in Article 62);
- **Business plan package**, for submitting projected break-even information for reporting periods T+2 and later, if required for submission by a licensee for a settlement agreement or a voluntary agreement;
- **Settlement agreement package**, for submitting player transfer information, if required for monitoring a settlement agreement.

6.1. Player transfer package

6.1.1. Licensees' responsibilities

For the purposes of **indicator 6 in Article 62**, if requested the licensee must submit the completed player transfer balance package to the licensor for the defined player registration period.

The licensee must validate the player transfer balance package prior to submission by completing the management representation schedule, certifying that:

- *"On behalf of the executive body of the licensee, we hereby certify that all possible care has been taken to ensure that the information entered in the CL/FFP IT Solution is clear, accurate, reliable and complete, in accordance with the requirements in the UEFA Club Licensing and Financial Fair Play Regulations, directives, toolkits and other information communicated to licensees."*

The licensee's management representative must be on the list of authorised signatories registered for club licensing purposes.

Further guidance for the player transfer package is provided in **Appendix VIII**.

The licensee is in breach of indicator 6 of Article 62 if its player transfer deficit is greater than €100 million for any player registration period that ends during the licence season. See **Section 4.1.8.**

6.1.2. Licensors' responsibilities

The licensor's minimum assessment procedures for the player transfer balance package are as follows:

Schedule	Licensor's assessment
Management representation schedule	• Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing purposes.
Player transfer balance schedule – transfer-in of player registrations	• Compare the player details in the player transfer balance schedule with the information already disclosed to the licensor for the purposes of player registrations to check that all professional players transferred in from another club and registered during the specified player registration period have been disclosed. o 'Player details' refers to the player's name, identity of the former club, whether the player's registration has been transferred in permanently ('transfer'), temporarily ('loan') or out-of-contract ('free agent'), and the date of the transfer. • Check the licensee's completed player transfer balance schedule and make additional enquiries of the licensee if there is any information that may be incomplete or inaccurate based on the licensor's existing knowledge of the licensee from club licensing or other reasonable information sources.

Schedule	Licensor's assessment
Player transfer balance schedule – transfer-out of player registrations	• Compare the player details in the player transfer balance schedule with the information already disclosed to the licensor for the purpose of player registrations, to check that all professional players transferred out to another club during the specified player registration period have been disclosed. ○ 'Player details' refers to the player's name, identity of the former club, whether the player's registration has been transferred out permanently ('transfer') or temporarily ('loan'), and the date of the transfer. • Check the licensee's completed player transfer balance schedule and make additional enquiries of the licensee if there is any information that may be incomplete or inaccurate based on the licensor's existing knowledge of the licensee from club licensing or other reasonable information sources.

Once the licensor's assessment procedures are complete, the player transfer balance package must be submitted to the UEFA administration by the UEFA deadline.

6.2. Business plan package

6.2.1. Licensees' responsibilities

As part of the process for concluding a settlement agreement or applying for a voluntary agreement, the licensee may be requested to submit the **business plan package**, including the projected break-even information for at least the T+2, T+3 and T+4 financial reporting periods.

The licensee may attach supporting information to the business plan package using the attachment schedule.

The licensee must validate the business plan package prior to submission by completing the management representation schedule. The licensee's management representative must be on the list of authorised signatories registered for club licensing purposes.

As set out in **Article 57(5)** and **Annex XII**, under certain circumstances a licensee may apply to enter into a voluntary agreement with the CFCB that it will comply in future with the break-even requirement. Further guidance about applying for a voluntary agreement is provided in **Appendix X**.

Further requirements and guidance about preparing projected break-even information for T+1 and subsequent reporting periods is provided in **section 4.1.9**.

6.2.2. Licensors' responsibilities

The licensor does not need to conduct any assessment for the business plan package.

6.3. Settlement agreement package

6.3.1. Licensees' responsibilities

If requested, those licensees subject to a settlement agreement must submit the settlement agreement package at the same time as the player transfer information.

6.3.2. Licensors' responsibilities

The licensor does not need to conduct any assessment for the settlement agreement package.

APPENDIX I: HOW TO USE THE CL/FFP IT SOLUTION

User login

- Licence applicants/licensees must log in at: https://uefa-c1.board.com/.
- Use a PC or Mac with a suitable web browser: Microsoft Internet Explorer, Microsoft Edge, Google Chrome or Mozilla Firefox.
- Your user password must contain:
  - 1 lower-case letter, 1 upper-case letter, 1 special character, 1 digit
  - at least 8 characters

Technical support

- User technical support is available from the UEFA administration. Contact ffpsupport@uefa.ch.

Club Homepage – package status notification and selection

The Club Homepage displays:

- 'What do I have to complete?' summarising the workflow status for the various packages at the time of login for the next UEFA submission deadlines
- Packages available for selection
- Language options

To return to the Club Homepage click on the icon.

Selecting schedules

- The homepage for each package displays the data input, validation and submission schedules.
- The homepage of each package may also display output reports, that are read-only schedules automatically updated from information in the data input schedules.
- Click on a tile to open a schedule.
- Data input schedules must be completed in full before completing the validation and submission schedules.

Entering data

- Input boxes are shaded yellow.
- Some schedules contain additional guidance displayed alongside the icon.
- Click on the save and refresh icon to save data entries and tick-box selections and refresh the screen.

Attaching documents

- Attach documents by clicking on the attachments icon and following the instructions.
- Attachments must be in a Zip compressed format and no larger than 15MB.

Controls status schedule

- Each package contains certain control checks for licensees, to ensure the completeness and accuracy of data entries.
- The controls status schedule, with its expandable/collapsible sections, shows the user which controls have been resolved and which have not yet been resolved.
- All checks in the controls status schedule must be resolved before a package can be submitted.

Submitting a package

- Once all data input and validation and submission schedules have been completed (for licensees, including the management representation schedule) and all control checks have been resolved, the package can be submitted using the icon.

Licensor returning a package to a licensee

- Once the licensee’s package(s) have been submitted, the licensor must assess them and complete the licensor assessment schedule.
- Once the assessment is complete, the licensor may either:
    - return the packages to the licensee for additional information and resubmission the licensor for assessment; or
    - submit the packages, including the licensor assessment schedule, to UEFA using the icon.

APPENDIX II: CLUB INFORMATION PACKAGE – LEGAL GROUP STRUCTURE AND REPORTING PERIMETER

A. Legal group structure – Article 46

For club monitoring purposes, the licensee must attach the legal group structure to the club information package for that reporting period, including the reporting perimeter as defined in Article 46bis, clearly identified on the document. The structure should be presented in a chart and approved by the management. For T-1, this same documentation also had to be submitted to the licensor for the immediately preceding club licensing requirements.

In accordance with Article 46(2), **the legal group structure** must clearly identify and include information on the entities/persons set out in (a) to (g) below and must also clearly identify the reporting perimeter as defined in Article 46bis:

a) The licence applicant/licensee and, if different, the registered member of the UEFA member association

b) Any subsidiary entity of the licence applicant/licensee and, if different, the registered member of the UEFA member association

A **subsidiary** is an entity that is controlled by another entity (known as a parent entity). **Control** is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. **Control may be gained** by share ownership (e.g. more than 50% ownership/voting rights), or contractual arrangements (e.g. statutes or agreements).

The legal group structure document must include any subsidiary of a subsidiary.

c) Any associate entity of the licence applicant/licensee and, if different, the registered member of the UEFA member association

An **associate** is an entity over which an investor entity has significant influence.

d) Any direct or indirect controlling entity of the licence applicant/licensee, up to and including the ultimate controlling party

A **direct controlling entity** is an immediate parent entity of the licence applicant/licensee. An **indirect controlling entity** is a parent entity of an immediate parent entity of the licence applicant/licensee.

The **ultimate controlling party** (of the licence applicant/licensee and, if different, the registered member of the UEFA member association) is the person or legal entity that ultimately controls the entity.

The ultimate controlling party will usually be one of the following:

- a person;
- an association, e.g. member club;
- a foundation, e.g. an entity governed by trustees;
- a limited company, e.g. a non-listed or listed company, but only if there is no controlling shareholder of such company; or
- a government, e.g. a public authority, a government agency, government department or sovereign wealth fund.

If a licensee has no ultimate controlling party, then this must be disclosed.

e) Any party that has 10% or more direct or indirect ownership of the licence applicant, or 10% or more voting rights

The legal group structure document must disclose:

- any person or legal entity that owns 10% or more of the licence applicant/licensee’s shares (i.e. direct ownership) or its voting rights.

- Any person or legal entity that indirectly owns 10% or more of the licence applicant/licensee's shares or its voting rights, through its shareholding in the license applicant/licensee's parent entity. For example, if person X owns 40% of entity A and entity A owns 75% of the licence applicant/licensee, then person X has indirect ownership of 30% of the licence applicant/licensee and must, therefore, be disclosed in the legal group structure.

f) Any party with a significant influence over the licence applicant/licensee

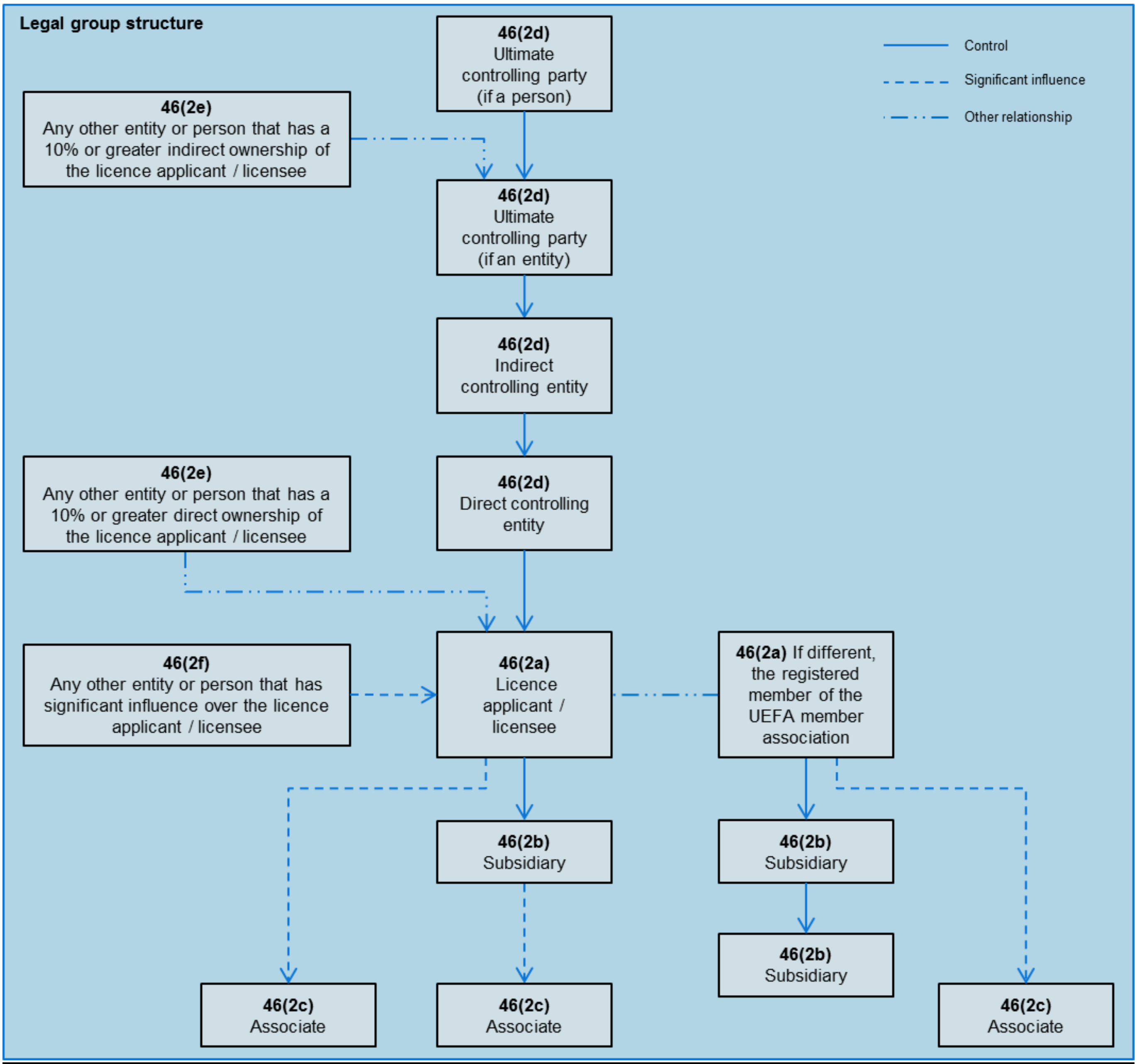
Significant influence may be gained by share ownership, e.g. more than 20% ownership/voting rights, or contractual arrangements, such as statutes or other means. In addition, a party or aggregate parties with the same ultimate controlling party (excluding UEFA, a UEFA member association or an affiliated league) is deemed to have significant influence if it provides 30% or more of the licensee's total revenue in a reporting period.

g) Any other football club

Any other football club in which any of the parties identified in (a) to (f) or any of their key management personnel have any **ownership interest, voting rights,** or **any involvement or influence** whatsoever in relation to the governance of its financial and operating policies.

If deemed relevant, the licensor or the CFCB may ask the licence applicant/licensee to provide information about additional persons or entities not otherwise included in the legal group structure. For example, any other subsidiary or associate of a direct controlling entity, indirect controlling entity, or ultimate controlling entity of the licence applicant/licensee.

<u>Legal group structure</u>



Note: Under Article 46(2g), if applicable, the legal group structure must disclose any other football club in which any of the parties identified in the legal group structure, or any of their key management personnel, have any ownership interest, voting rights or any involvement or influence whatsoever in relation to the governance of the club's financial and operating policies.

B. The reporting perimeter – Article 46bis

As set out in Article 46bis, the **reporting perimeter** is the entity or combination of entities for which financial information must be submitted for the purposes of club licensing and club monitoring.

For club monitoring, a licensee must use the same reporting perimeter for each of the requirements (i.e. break-even and no overdue payables requirements) and the same reporting perimeter as used to fulfil the club licensing criteria, unless there has been a change of circumstances.

Under Article 46bis(2), **the reporting perimeter must include**:

a) the licence applicant/licensee and, if different, the registered member of the UEFA member association;

b) any subsidiary entity of the licence applicant/licensee and, if different, the registered member of the UEFA member association;

c) any other entity included in the legal group structure that generates revenues or performs services or incurs costs with respect to the football activities as defined in Article 46bis(3c to 3k):

- ticketing
- sponsorship and advertising
- broadcasting
- merchandising and hospitality
- club operations, e.g. administration, matchday activities, travel, scouting
- financing, including any financing secured by a pledge on the licence applicant's assets
- use and management of stadium and training facilities
- women's football
- youth sector

d) any entity, irrespective of whether it is included in the legal group structure, that generates revenues or performs services or incurs costs with respect to football activities as defined in Article 46bis(3a and 3b):

- Employing/recruiting personnel (as defined in Article 50) including payment of all forms of consideration to employees arising from contractual or legal obligations;
- acquiring/selling player registrations (including loans).

Under Article 46bis(4), **an entity listed under Article 46(2b to 2e) may be excluded from the reporting perimeter only if**:

a) its activities are entirely unrelated to the football activities (as defined in Article 46bis(3)) or the locations, assets or brand of the football club.

With regard to Article 46bis(4a), for an entity to be excluded from the reporting perimeter it must meet all the conditions demonstrating that its activities are entirely unrelated to: (i) the football activities defined in Article 46bis(3); (ii) the locations of the football club, i.e. the activities are not physically based at or in close proximity to the club's home stadium or training facilities; (iii) the assets of the football club; and (iv) the brand of the football club, i.e. the entity does not use the name/brand of the club as part of its operations at the location and in customer/marketing collateral; or

b) it is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in Article 46bis(3a or 3b), being football activities for employing/recruiting personnel (as defined in Article 50), including payment of all forms of consideration to employees arising from contractual or legal obligations or acquiring/selling player registrations (including loans); or

c) the football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter, e.g. employee benefit expenses for employees involved in generating sponsorship revenues for the football club are already recorded in an entity in the reporting perimeter by way of intra-group recharges.

Depending on the individual licensee's situation, **the reporting perimeter will comprise** either:

i) **solely the licence applicant/licensee (single entity)**, as the entity that is the registered member of the UEFA member association or its affiliated league, for which financial information covers solely the single reporting entity; or

ii) **a group of two or more entities (consolidation)**, including the licence applicant and, if different, the registered member entity, for which financial information is consolidated as if they were a single company; or

iii) **two or more entities (combination)**, including the licence applicant and, if different, the registered member entity, for which financial information is combined as if they were a single company.

Examples

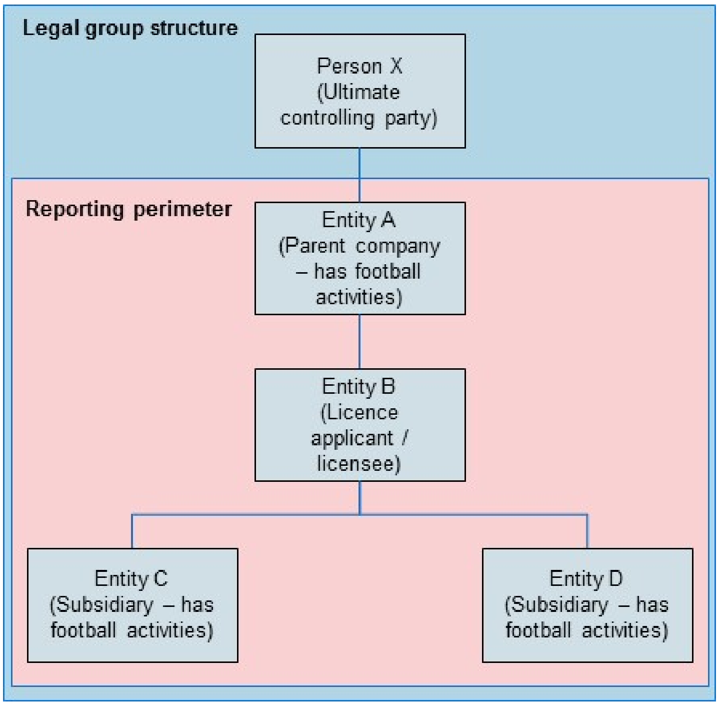
Example 1

The legal group structure:

- Entity B is the licence applicant and registered member of a UEFA member association or its affiliated league.
- Entity A is the direct controlling entity of entity B. Entity A has football activities.
- Person X is the ultimate controlling party of entity A and entity B.
- Entity C is a subsidiary of entity B and has football activities.
- Entity D is a subsidiary of entity B and has football activities.

In addition to the licence applicant (entity B), the reporting perimeter must include:

- Entity A, under Art. 46bis(2c/d), because entity A generates revenues or performs services or incurs costs with respect to football activities; and
- Entities C and D, under Art. 46bis(2b), because entities C and D generate revenues or perform services or incur costs with respect to football activities.



Note: Financial statements will be consolidated.

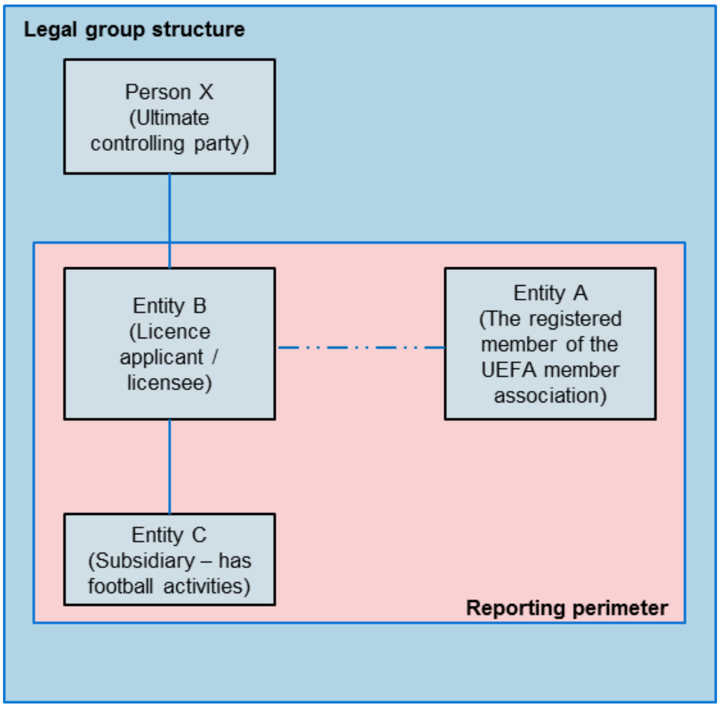
Example 2

The legal group structure:

- Entity B is the licence applicant and has a contractual relationship with entity A. Under Article 12, entity B is described as a 'football company'.
- Entity A is the registered member of a UEFA member association or its affiliated league.
- Person X is the ultimate controlling party of entity B.
- Entity C is a subsidiary of entity B and has football activities.

In addition to the licence applicant (entity B), the reporting perimeter must include:

- Entity A, under Art. 46bis(2a);
- Entity C, under Art. 46bis(2b), because entity C generates revenues or performs services or incurs costs with respect to football activities.



Note: Financial statements will be combined.

Example 3

The legal group structure:

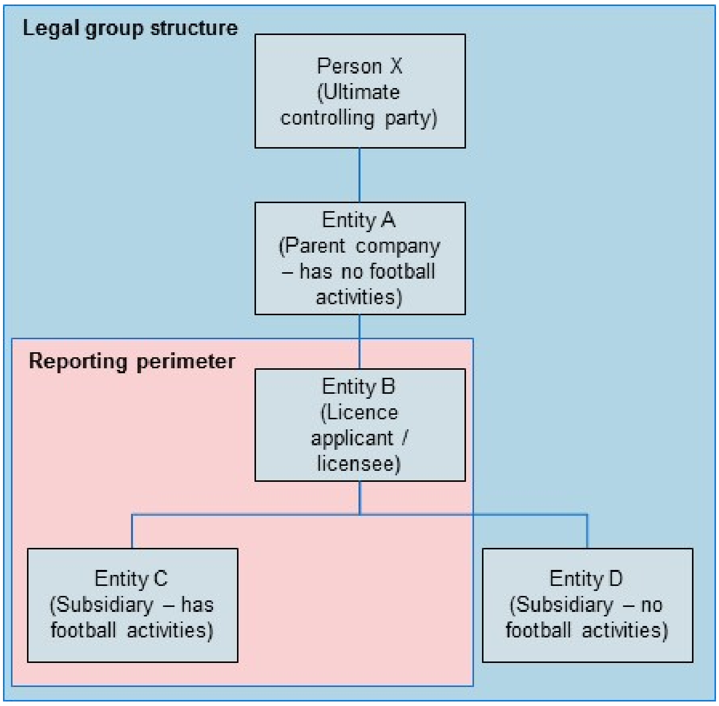
- Entity B is the licence applicant and registered member of a UEFA member association or its affiliated league.
- Entity A is the direct controlling entity of entity B. Entity A has no football activities.
- Person X is the ultimate controlling party of entity A and entity B.
- Entity C is a subsidiary of entity B and has football activities.
- Entity D is a subsidiary of entity B. Entity D is dormant.

In addition to the licence applicant (entity B), the reporting perimeter must include:

- Entity C, under Art. 46bis(2b), because entity C generates revenues or performs services or incurs costs with respect to football activities.

The reporting perimeter may exclude entity D, under Art. 46bis(4b), because entity D does not perform any of the football activities defined in Art. 46bis(3a/b).

Alternatively, entity D may be included in the reporting perimeter, in which case the licensee must consider whether adjustments are required for the break-even calculation under Annex X (B1l / C1m).



Note: If entity D is excluded from the reporting perimeter, financial statements will be combined. Alternatively, if entity D is included in the reporting perimeter, financial statements will be consolidated.

Example 4

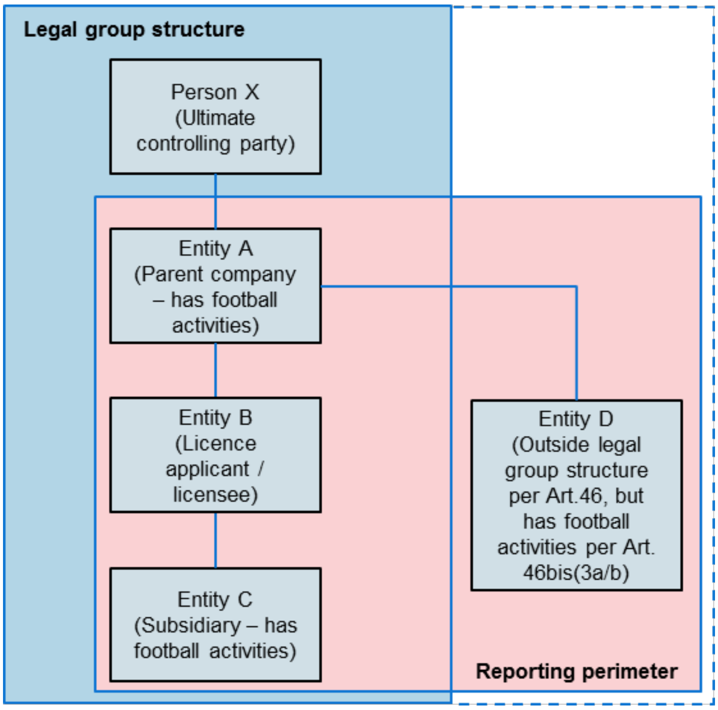
The legal group structure under Article 46:

- Entity B is the licence applicant and registered member of a UEFA member association or its affiliated league.
- Entity A is the direct controlling entity of entity B and includes football activities, e.g. employees involved in sponsorship activities for the football club.
- Person X is the ultimate controlling party of entity A and entity B.
- Entity C is a subsidiary of entity B and has football activities.

Notes: Entity D is a subsidiary of entity A and, prima facie, does not need to be disclosed in the legal group structure under Article 46. However, entity D performs services and incurs costs in respect of football activities as defined in Art. 46bis(3a/b) and such costs have not already been reflected in the financial statements of entity A, B or C.

In addition to the licence applicant (entity B), the reporting perimeter must include:

- Entity A, under Art. 46bis(2c/d), because entity A generates revenues or performs services or incurs costs with respect to football activities;
- Entity C, under Art. 46bis(2b), because entity C generates revenues or performs services or incurs costs with respect to football activities;
- Entity D, under Art. 46bis(2d).



Note: Financial statements will be consolidated.

C. Consolidation / combination requirements – Annex VII

The steps involved in creating combined or consolidated financial statements are basically the same. The major difference between them is the ownership of the entities involved.

When the reporting perimeter includes a **group**, in which a parent company has a controlling interest in one or more subsidiary companies, the licence applicant must **consolidate** the financial results and position of the parent and the subsidiaries in one set of financial statements. The rationale behind this requirement is that, because these companies are all operating together as a single enterprise, they should report their results as though they were a single company.

When the reporting perimeter has multiple entities operating as a single company even though there is no parent-subsidiary relationship between them, the licence applicant must **combine** the financial results and position of the entities in one set of financial statements. In this case, although there is no international and national accounting practice requirement to do so, the Regulations require the financial statements of the entities to be combined to provide an appropriate overall picture.

The presentations of consolidated and combined financial statements are largely the same. There are more similarities than differences between combined and consolidated statements. In both cases, intercompany transactions are eliminated and minority interests are presented the same way. However, equity accounts are typically adjusted in consolidated statements (so that ownership balances are not duplicated), whereas in combined statements, equity accounts are typically added together (unless the companies have ownership in each other).

APPENDIX III: FINANCIAL INFORMATION PACKAGE – KEY INPUT SCHEDULES

This appendix provides guidance for some of the key data input schedules: balance sheet schedule, balance sheet reconciliation schedule, profit and loss account schedule, and cash flow schedule.

A. Balance sheet schedule– Annex VI B

The balance sheet presents the financial position for the licensee's reporting perimeter, which is the relationship between the assets, liabilities and equity as at the end date of a reporting period. The licensee must submit balance sheet information in the prescribed format, based on the annual financial statements, supplementary information and underlying accounting records.

Figures must be entered as follows:

- in the licensee's presentation currency;
- rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235;
- all items must be input **as positive figures**.

The balance sheet schedule lines are listed below.

The account lines marked with __ are included in the calculation of net debt.

	20xx
Current Assets	
Cash and Cash Equivalents	
Accounts Receivable from Player Transfers	
Accounts Receivable from Group Entities & Related Parties	
Other Accounts Receivable	
Tax assets	
Inventories	
Other Current Assets	
Total current assets	
Non Current Assets	
Tangible Fixed Assets	
Intangible Assets - Players	
Intangible Assets - Other	
Accounts Receivable from Player Transfers (nc)	
Accounts Receivable from Group entities & related parties (nc)	
Tax assets (nc)	
Investments	
Other Non-current Assets	
Total non current assets	
Total assets	
Current Liabilities	
Bank Overdrafts	
Bank and other loans	
Loans/Accounts Payable to Group Entities/Related Parties	
Accounts Payable relating to Player Transfers	
Accounts Payable to Employees	
Accounts Payable to Social/Tax Authorities	
Accruals and deferred Income	
Other Accounts Payable	
Other Tax Liabilities	
Short-term Provisions	
Other Current Liabilities	
Total Current Liabilities	
Non Current Liabilities	
Bank and other loans (nc)	
Loans/Accounts Payable to Group Entities/Related Parties (nc)	
Accounts Payable Relating to Player Transfers (nc)	
Accounts Payable to Employees (nc)	
Accounts Payable to Social/Tax Authorities (nc)	
Deferred Income	
Other Tax Liabilities (nc)	
Long-term Provisions (nc)	
Other Non-Current Liabilities	
Total Non current liabilities	
Total liabilities	
Net Assets / (Liabilities)	
Equity	
Share/Fund Capital	
Retained Earnings	
Other Reserves	
Total equity	
Total Equity and Total Liabilities	
Control (total Assets = total Liabilities)	

1. Current assets and non-current assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised, sold or consumed in the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be realised within the 12 months following the balance sheet date;
- the asset is cash or cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

All other assets are classified as non-current.

Cash and cash equivalents

- Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Accounts receivable from player transfers

- Amounts receivable for the transfer of a player's registration, including training compensation and solidarity contributions.

Accounts receivable from group entities and other related parties

- Amounts receivable from group entities are amounts receivable from other entities within the same sphere of control, including parent companies, subsidiaries and fellow subsidiaries. Other related parties are as defined in Annex X F.

Other accounts receivable

- These include trade and other receivables, such as trade debtors, other debtors, prepayments and accrued income, other than those categorised separately as receivable from player transfers or from group entities and other related parties.

Tax assets

- Tax assets refers to the amount of income taxes recoverable in future periods.

Inventories

- These are goods held for resale, such as replica football shirts and other club merchandise.

Other current assets

- These include current assets not otherwise included in one of the other balance sheet lines.
- This balance sheet line may include non-current assets held for sale for which relevant accounting standards prescribe required accounting treatment. Note that placing a player on the transfer list or disposal of a player's registration post year end will not, in themselves, be sufficient evidence to qualify as an asset held for sale.

Tangible fixed assets

- Tangible fixed assets refers to the balance of capitalised costs and associated depreciation/impairment with respect to property, plant and equipment.

Intangible assets – players

- If the licensee's accounting policy is to capitalise and amortise the direct costs of obtaining player registrations (rather than expense them in the year of acquisition), the intangible assets are the unamortised balance of these capitalised costs. This balance should be zero for any reporting entity whose accounting policy is to expense all the direct costs of obtaining player registrations in the year of acquisition.

- In accordance with Annex VII C (3b), locally trained players must not be included in the balance sheet as only the cost of the players purchased is to be capitalised.
- If requested, a licensee must also disclose supplementary information in the player identification table schedule, to reconcile the aggregated net book value of player registrations with the amount in the balance sheet. For further guidance, see Appendix III B.4.

Intangible assets – other

- An intangible asset is an identifiable non-monetary asset without physical substance. This includes all intangible assets except for those relating to player registrations, e.g. goodwill.

Investments

- Investments include investments by the entity in subsidiaries, jointly controlled entities and associates.

Other non-current assets

- These include non-current assets not otherwise included in one of the other balance sheet lines.

2. Current liabilities and non-current liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled during the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled less than 12 months after the balance sheet date;
- the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All other liabilities are classified as non-current.

Bank overdrafts

- A bank overdraft is a way of borrowing money from a bank.

Bank and other loans

- Loans in current liabilities are defined as loans (not from related parties), or parts thereof, that are due to be settled less than 12 months after the balance sheet date, for example, loans from banks or other commercial lenders.
- Non-current loans are defined as loans (not from related parties), or parts thereof, which are due to be settled more than 12 months after the balance sheet date – and are to be included under non-current liabilities.
- Lease liabilities should be included in bank and other loans.
- Lease liabilities should be classified as current or non-current loans based on the total minimum lease payments at the balance sheet date for subsequent periods not later than one year and later than one year.

Loans/accounts payable to group entities and other related parties

- Accounts payable and loans owed to group entities are amounts payable to other entities within the same sphere of control, including parent companies, subsidiaries and fellow subsidiaries. Other related parties are as defined in Annex X, F.

Accounts payable relating to player transfers

- These are amounts payable as a result of transfer activities, including training compensation and solidarity contributions.
- Such liabilities are classified as current or non-current based on the total minimum payments at the balance sheet date for subsequent periods not later than one year and later than one year.

- If the licensee enters into some other form of financing arrangement with another party with respect to a player whose registration it holds, amounts payable to that other party should not be disclosed under accounts payable for player transfers, but in ‘other accounts payable’.

Accounts payable to employees

- Amounts payable to employees as employee benefit expenses.

Accounts payable to social/tax authorities

- Accounts payable to social/tax authorities are the taxes payable in future periods for current tax liabilities relating to employees, such as salaries, bonuses, withholding tax on player income, etc.

Other tax liabilities

- Other tax liabilities, including deferred tax liabilities, such as income tax, property tax, VAT, etc.

Accruals and deferred income

- •Accruals are estimated expenses that are incurred during an accounting period for which no invoices have been received nor payments made.

  •Deferred income is money received for goods to be delivered or services to be performed in the future.

Other accounts payable

- These include trade and other payables, excluding accruals and deferred income, which are disclosed separately.

Provisions

- Provisions are a subset of liabilities, as they are a liability of uncertain timing or amount, e.g. a legal claim.
- Provisions will be classified as current or non-current based on the liability at the balance sheet date for subsequent periods not later than one year and later than one year.

3. Net debt

Net debt is calculated as the aggregate of:

- net borrowings, i.e. the net total of bank overdrafts, bank and other loans, accounts payable to group entities and other related parties, minus cash and cash equivalents;
- net player transfer balance, i.e. the net total of accounts receivable for player transfers and accounts payable for player transfers;
- (Non-current) accounts payable to social/tax authorities.

4. Equity

Share/Fund capital

- This includes share capital, share premium and treasury shares. Treasury shares are an entity’s own equity instruments, held by the entity or other members of the consolidated group. The entity cannot recognise a gain or loss in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Retained earnings

- Retained earnings are the accumulated profit or loss as at the financial year end.

Other reserves

- This includes other reserves, including revaluation reserves and any other form of reserve other than retained earnings, and minority interest.

B. Balance sheet reconciliation schedule – Annex VI B

The financial information package contains a balance sheet reconciliation schedule for reconciliations of total equity, player registrations, and tangible fixed assets. Some licensees may be asked to complete the player identification table schedule.

	20xx	FS Reclass 20xx	FS Reclass Comments 20xx
Total equity reconciliation check			
Total equity - brought forward at beginning of period			
Prior period adjustment / change of reporting perimeter (from previous reporting period)			
Profit/(Loss) after dividends			
Capital increase/equity contributions			
Change in revaluation reserve			
Other movements in equity/reserves during the period			
Total equity - carried forward at end of period			
Reminder of closing net book value of Total equity in the Balance Sheet			
Check			
Cost of player registrations			
Aggregate Cost at Start of Period (p.r.)			
Prior period adjustment / change of reporting perimeter (from previous reporting period)			
Cost of additions in the period (p.r.)			
Historical cost of player registrations disposed in the period (p.r.)			
Aggregate Cost at End of Period (p.r.)			
Amortisation of player registrations			
Aggregate Amortisation at Start of Period (p.r.)			
Prior period adjustment / change of reporting perimeter (from previous reporting period)			
Amortisation of intangible fixed assets (player registrations) in the period			
Accumulated amortisation of player registrations disposed in the period			
Impairment of intangible fixed assets (player registrations) in the period			
Aggregate Amortisation at End of Period			
Net book value			
NBV at Start of Period (p.r.)			
NBV at End of Period (p.r.)			
Reminder of closing net book of intangible assets Players in the Balance Sheet			
Check			
Cost of tangible fixed assets			
Aggregate Cost at Start of Period (t.f.a.)			
Prior period adjustment / change of reporting perimeter (from previous reporting period) (t.f.a.)			
Cost of additions in the period (t.f.a.)			
Historical cost of tangible fixed assets disposed in the period (t.f.a.)			
Aggregate Cost at End of Period (t.f.a.)			
Depreciation of tangible fixed assets			
Aggregate Depreciation at Start of Period (t.f.a.)			
Prior period adjustment / change of reporting perimeter (from previous reporting period) (t.f.a.)			
Depreciation of tangible fixed assets			
Accumulated depreciation of tangible fixed assets disposed in the period (t.f.a.)			
Impairment of tangible fixed assets during the period (t.f.a.)			
Aggregate Amortisation at End of Period (t.f.a.)			
Net Book value			
NBV at Start of Period (t.f.a.)			
NBV at End of Period (t.f.a.)			
Reminder of closing net book of tangible assets in the Balance Sheet			
Check			

Reconciliation of total equity

- The licensee must ensure that brought-forward total equity, together with the profit or loss after dividends as recorded in the profit and loss account schedule and other movements in equity/reserves in the reporting period included in the equity reconciliation, correctly reconciles with the total equity in the balance sheet schedule. Only if applicable, the licensee may also use the 'Prior period adjustment/change of reporting perimeter (from previous period)' line, which is defined below.
- If there are no other movements in equity/reserves, and no items of recognised income or expense other than profit (or loss) for the reporting period, the brought-forward total equity balance plus (or minus) the net profit (or loss) for the reporting period should equal the total equity balance at the end of the reporting period.

The calculated net assets/liabilities on the balance sheet at the end of the reporting period must match the net assets/liabilities on the balance sheet of the appropriate annual financial statements.

Reconciliation of player registration accounting

Licensees that use the capitalisation and amortisation method of accounting for player registrations must complete the player registration reconciliation, which reconciles the movements of the cost, amortisation and net book value of player registrations for the reporting period.

This requires the following disclosures, as applicable:

- total historical cost and accumulated amortisation at the start of the period, which will automatically calculate the net book value at the start of the period;
- any prior period adjustment/change of reporting perimeter compared with the previous period;
- cost of player registrations added during the period;
- historical cost and accumulated amortisation of any player registrations disposed of during the period;
- amortisation expense for the period, as entered in the profit and loss account schedule;
- any impairment expense against player registrations during the period.

Reconciliation of tangible fixed assets

Licence applicants and licensees that recognise tangible fixed assets must complete the tangible fixed asset reconciliation, which reconciles the movements of the cost, depreciation and net book value of tangible fixed assets during the reporting period.

This requires the following disclosures, as applicable:

- total historical cost and accumulated depreciation at the start of the period, which will automatically calculate the net book value;
- any prior period adjustment/change of reporting perimeter compared with the previous period;
- cost of tangible fixed asset additions during the period;
- historical cost and accumulated depreciation of any tangible fixed assets disposed of during the period;
- depreciation charge for the period, as entered in the profit and loss account schedule;
- any impairment charge against tangible fixed assets during the period.

Note: For the purpose of the break-even calculation, if the depreciation/impairment charge of tangible fixed assets for the period includes amounts for right-of-use assets (operating leases), any such amount must be disclosed as part of the 'costs of right-of-use assets (operating leases)' and therefore included in the calculation of the break-even result.

Prior period adjustments/changes to reporting perimeter

Prior period adjustments may occur to correct errors in the annual financial statements of a reporting entity or a previous input error in the CL/FFP IT Solution. A restatement of prior period figures in annual financial statements may also arise if there is any changes to accounting policy.

The reasons for the restatement or prior period error will be considered, along with the impact on the break-even result for each reporting period and in aggregate for a monitoring period. If deemed necessary, the licensee may be requested to resubmit the break-even information for the prior period using the updated reporting perimeter, rather than just entering the aggregate impact in the total equity reconciliation.

Player identification table

As set out in Annex VI.F, for the purpose of club licensing, all licence applicants must submit a player identification table to their licensor that reconciles with the balance sheet and profit and loss account in the audited financial statements.

Some licensees will be required to disclose supplementary player-by-player information in the player identification table schedule in the financial information package, for which the aggregated figures must reconcile with the relevant figures in the balance sheet and profit and loss account in the audited financial statements. This requires the following disclosures with respect to each player registration:

Player identification:

- player's name;
- start date of contract, i.e. the date on which the player's registration was transferred in permanently and the original employment contract began. For international transfers, this date should be the same as that required in FIFA's Transfer Matching System;
- duration of contract (months), i.e. the aggregate number of months of the employment contract(s) from the original start date of the contract (as above), to the contracted end of the current employment contract (rounded to nearest month).

Costs of acquiring a player's registration:

- aggregate cost at start of period – the total accumulated costs of acquiring/holding the player's registration at the start of the reporting period;
- transfer fee in the period, i.e. the cost of acquiring a player's registration incurred during the reporting period, comprising amounts paid or payable for fixed transfer compensation, realised conditional transfer compensation, and solidarity contributions/training compensation. This excludes any internal development or other costs;
- other capitalised costs in the period, i.e. other costs of acquiring a player's registration incurred during the reporting period: amounts paid or payable for agents/intermediaries fees and other direct costs of acquiring the player's registration, e.g. transfer fee levy;
- historical cost of player registrations disposed of in the period, i.e. a deduction for the accumulated costs of a player's registration at the time of the player's transfer-out;
- aggregate cost at end of period, i.e. the sum of aggregate cost at the start of the reporting period and the transactions during the reporting period.

Amortisation and impairment of costs of acquiring a player's registration:

- aggregate amortisation at start of period - the total accumulated amortisation/impairment with respect to the costs of acquiring/holding the player's registration at the start of the reporting period;
- amortisation of intangible assets (player registrations) in the period, i.e. the amortisation entered in the profit and loss account during the reporting period;
- accumulated amortisation of player registrations disposed of in the period - deduction for the accumulated amortisation/impairment of a player's registration at the time of the transfer-out of the player's registration;
- impairment of intangible assets (player registrations) in the period, i.e. impairment entered in the profit and loss account during the reporting period;
- aggregate amortisation at end of period, i.e. the sum of amortisation/impairment at start of the reporting period and the charges/transactions at the end of the reporting period.

Net book value:

- NBV at start of period, i.e. the calculated net book value of the player's registration at the start of the reporting period;
- NBV at end of period, i.e. the calculated net book value of the player's registration at the end of the reporting period.

Other information:

- Sell-on rights (or similar), i.e. the description and, if possible, quantification of any sell-on rights to a football club that formerly held the player's registration, excluding any training compensation or solidarity contributions.

C. Profit and loss account schedule– Annex VI C and Annex X A to D

The licensee must submit profit and loss account information for its reporting perimeter for each relevant reporting period, as set out in the financial information package, based on the audited financial statements, supplementary information for club licensing and underlying accounting records.

Figures must be entered as follows:

- in the licensee's presentation currency;
- rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235;
- all **income items must be input as positive** figures and all **expense items as negative** figures.

The account lines in the profit and loss account schedule are as follows:

- Account lines highlighted in green __ are used to determine relevant income net of adjustments.
- Account lines highlighted in red __ are used to determine relevant expenses net of adjustments.
- Account lines highlighted in yellow __ will be automatically excluded from the break-even result.

Some licensees must also provide additional information in their financial information package, by

- completing the applicable supplementary schedules, as highlighted in the table below;
- ensuring that the disclosures in the supplementary schedule(s) are also recorded in the profit and loss account schedule. The licensee must ensure that the supplementary schedule is properly completed and that revenues/expenses are disclosed as far as possible in the account lines other than 'other'. The amount in the 'other' account line must be no greater than the percentage of the relevant total as displayed.

The requirement to complete one or more profit and loss account supplementary schedules is determined on the basis of the data entered in the profit and loss account schedule and the licensee is notified automatically in the financial information package (by "**i**") or is notified by the UEFA administration.

The disclosure requirements for each account line are defined in Annex VI and further explained in this FFP Toolkit, together with the requirements for supplementary schedules.

	FY 20xx
Gate Receipts - Season Tickets	
Gate Receipts - Membership Fees	
Gate Receipts - Premium tickets/match day hospitality	
Gate Receipts - National Competitions	
Gate Receipts - UEFA Club Competitions	
Gate Receipts - Other/Non-Split	
Total Gate Receipts	
Sponsorship and Advertising - Kit-Sponsor (Manufacturer)	
Sponsorship and Advertising - Main shirt sponsor	
Sponsorship and Advertising - Stadium Sponsor	
Sponsorship and Advertising - Pitch-perimeter and Board Advertising	
Sponsorship and Advertising - Other/Non-Split	
Total Sponsorship and Advertising	
Broadcasting Rights - National Competitions	
Broadcasting Rights - Other/Non-Split	
Total Broadcasting Rights	
Commercial - National Competitions	
Commercial - Merchandising	
Commercial - Non-matchday usage of facilities	
Commercial from Membership (non matchday related)	
Commercial - Other/Non-Split	
Total Commercial	
UEFA Club Competitions - Broadcasting Rights, Commercial, Prize money	
UEFA Club Competitions - Solidarity Payments	
UEFA Solidarity and Prize Money - Other/Non-Split	
Total UEFA Solidarity and Prize Money	
Subsidies, Donations or other amounts from National Football Bodies	
Subsidies, grants and other money from the government of the territory of the licensee	
Donations from non related parties	
Contributions/Donations from related parties	
Income from Non-Football Operations	
Exceptional income	
Other operating income - Other/Non-Split	
Total Other Operating Income	
Total Revenue	

Cost of right-of-use assets (operating leases)		
Matchday expenses		
Sponsorship and advertising expenses		
Commercial activities expenses		
Property & Facilities expenses		
Expenses of Non-Football Operations		
Exceptional expenses		
Other operating expenses - Other/Non-Split		
Total Other Operating Expenses		
Total Operating Expenses (excluding player registrations)		
Player transfers		
Amortisation of intangible assets (player registrations)		
Impairment of intangible assets (player registrations)		
Profit on disposal of intangible fixed assets (player registrations)		
Loss on disposal of intangible fixed assets (player registrations)		
Cost of acquiring player registrations (including non capitalised agent fees and loan fees)		
Income from disposal of player registrations (including loan income)		
Total Player Transfers		
Profit/(Loss) on Disposal of Tangible Fixed Assets		
Profit/(Loss) on Disposal of Other Intangible Assets		
Total Profit/(Loss) on Disposal of Assets		
Finance income		
Finance expenses		
Net Foreign Exchange Gains/(Losses)		
Net Finance Income / (Expenses)		
Other Income (non operating)		
Other Expenses (non operating)		
Net Non-Operating Income /(Expense)		
Tax Income/ (Expense)		
Profit/(loss) after Tax		
Dividends paid / Minority interests		
Profit/(loss) after dividends		

* For the break-even calculation, the amortisation and impairment of intangible assets (excluding player registrations) are excluded from relevant expenses, except for the amortisation/impairment of an intangible asset that generates or has generated relevant income.

1. Revenue – gate receipts – Annex X B (a)

Gate receipts refers to revenue derived from spectators that have paid to attend the club's football matches, e.g. general admission season ticket, single matchday tickets, or a premium/hospitality ticket package. If a club provides any spectators with tickets free of charge or for a nominal fee, this should not be considered as revenue. Gate receipts should be recorded net of discounts, levies, VAT or other sales taxes.

For the purpose of the break-even information, gate receipts may be broken down into the following account lines:

- season ticket revenue: for the purposes of this analysis, this revenue, including both general admission and premium/corporate tickets, may either be included in this account line or apportioned to matches in national competitions and UEFA club competitions;
- membership fees, i.e. some form of arrangement whereby the club provides paying members with benefit(s) in terms of their match attendance and involvement in the football club;
- gate receipts from premium ticket/match day with hospitality access provided;

- gate receipts from national competition matches;
- gate receipts from UEFA club competition matches;
- other gate receipts, such as those from friendly matches.

In the absence of a breakdown of gate receipts as set out above, the licensee must input the gate receipts total into the 'gate receipts – other/non-split' account line.

Other revenue streams generated on a matchday, e.g. sales of food/beverages and match programmes, should be included separately in the appropriate account lines as described below.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'revenue – gate receipts', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Revenue in reporting period - unadjusted (LC)	Number of matches	Average revenue per game	Explanatory comments (i.e. number of games played, total season ticket sold, etc…)
-2018				
General admission				
Premium tickets with hospitality access/provided				
Corporate/premium attendees - boxes/bulk				
Other				
Gate receipts - Season tickets				
Gate Receipt - Season tickets in P&L				
Check				
League - home matches				
League - share from away matches				
National cup 1 - home matches				
National cup 1 - share from away matches				
National cup 2 - home matches				
National cup 2 - share from away matches				
Other				
Gate Receipts - National Competitions				
Gate Receipt - National Competitions in P&L				
Check				
UEL matches - home matches				
UCL matches - home matches				
Reallocation share of season tickets relating to UEFA club competition matches				
Other				
Gate Receipt - UEFA Club Competitions				
Gate Receipt - UEFA Club Competitions in P&L				
Check				
Gate Receipts - Membership Fees				
Gate Receipt - Premium tickets/match day hospitality				
Gate Receipts - Other				
Other				
Total Gate Receipt				
Total Gate Receipt in the P&L				
Check				

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- gate receipts for national competition matches, broken down into the various types of matches and the number of matches played;
- gate receipts for UEFA club competition matches, broken down per competition and the number of home matches played;
- season ticket revenue, broken down into the types of season ticket packages;
- membership fees;
- other gate receipts.

The licensee should provide explanatory comments, covering matters such as number of tickets sold, match attendance data, significant variations compared to other reporting periods, inclusion of any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions.

2. Revenue – sponsorship and advertising – Annex X B (b)

Sponsorship and advertising revenue derives from arrangements under which the club receives monies from a party in exchange for some form of rights to be associated in some way with the club or advertise through a variety of club channels, e.g. match programmes, pitch-perimeter and other board advertising.

For the purpose of the break-even information, sponsorship and advertising may be broken down into the following account lines:

- **Manufacturer sponsor**, i.e. any sponsorship and advertising revenue from the company that provides the first team's kit and other apparel, excluding any amount from that party that relates to merchandising sales, which should be included in commercial/merchandising.
- **Main sponsor**, i.e. any sponsorship and advertising revenue from the primary sponsor; typically the sponsor on the front of the first team's shirts. The disclosure should include all amounts derived from the arrangement with the sponsor, and will typically include sponsorship rights in addition to the front of the first team's shirts. This account line should only include revenue from the main sponsor. Any revenue from other sponsors that may also appear on a team's shirts/apparel must be entered under sponsorship and advertising – other.
- **Stadium sponsor**, i.e. any sponsorship and advertising revenue from the party that has the stadium naming rights. The disclosure should include all amounts derived from the arrangements with the sponsor, which may include sponsorship rights in addition to stadium naming rights. This account line should only include revenue from the stadium naming rights sponsor. Any revenue from other sponsors with respect to the stadium, e.g. for naming rights for a particular stand within the stadium, must be entered under 'sponsorship and advertising – other'.
- **Pitch perimeter and board advertising**, i.e. sponsorship and advertising revenue from arrangements for other parties to place some form of advertisement at the stadium. If arrangements with the three types of sponsors set out above include pitch-perimeter and board advertising, there should be no apportionment from those sponsors to this account line.
- **Other sponsorship and advertising**, i.e. any amounts not otherwise categorised.

In the absence of a breakdown of sponsorship and advertising revenue as set out above, the licensee must enter the sponsorship and advertising total under sponsorship and advertising – other/non-split'.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'revenue – sponsorship and advertising', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Related Party(ies)	Sponsor Name	Contract Date	Revenue recognized that was contingent	Revenue recognized that was not contingent	Revenue in reporting period - unajusted (LC)	Explanations
- 2018							
Kit-Sponsor (Manufacturer) 1	☐						
Sponsorship and Advertising - Kit-Sponsor (Manufacturer)	☐						
Sponsorship and Advertising-Kit Sponsor (Manufacturer) in the P&L	☐						
Check	☐						
	☐						
Main shirt sponsor 1	☐						
Sponsorship and advertising - Main shirt sponsor	☐						
Sponsorship and advertising - Main shirt sponsor in P&L	☐						
Check	☐						
	☐						
Stadium sponsor 1	☐						
Sponsorship and advertising - Stadium Sponsors	☐						
Sponsorship and advertising - Stadium Sponsors in P&L	☐						
Check	☐						
	☐						
Pitch-perimeter and board advertising 1 (>20% of total)	☐						
Other sponsorship arrangement 1	☐						
Sponsorship and advertising - Pitch-perimeter and board advertising	☐						
Sponsorship and advertising - Pitch-perimeter and board advertising in P&L	☐						
Check	☐						
	☐						
Second shirt Sponsor 1 (if none put 0)	☐						
Other shirt Sponsor 1 (if none put 0)	☐						
Other arrangements 1 (>20% of total)	☐						
Sponsorship and advertising - Other	☐						
Sponsorship and advertising - Other in P&L	☐						
Check	☐						

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations.

For each of the manufacturer sponsor, the main sponsor, the stadium sponsor, pitch-perimeter and board advertising (for arrangements contributing more than 20% of the total sponsorship and advertising revenue), and other sponsorship arrangements (for arrangements contributing more than 20% of the total sponsorship and advertising revenue), the licensee must disclose:

- the name of the sponsor;
- whether the sponsor is a related party, by entering ‘yes’ or ‘no’;
- the contract start date;
- explanatory comments summarising the rights and benefits provided to the other party;
- any revenue recognised during the reporting period that was not contingent, i.e. was guaranteed to be received regardless of other factors;
- any revenue recognised during the reporting period that was contingent, i.e. was received as a result of a certain outcome, such as the licensee’s league finishing position or progression in UEFA club competitions.

3. Revenue – broadcasting rights – Annex X B (c)

Broadcasting rights revenue is derived from arrangements under which the club receives monies in exchange for the sale of broadcasting rights for matches and any football club generated material for broadcast, through whatever broadcast medium, e.g. television, radio, internet, and mobile phones. Broadcasting rights revenue may be received either directly from a broadcaster or indirectly from a competition organiser.

For the purpose of the break-even information, broadcasting rights revenue may be broken down into the following account lines:

- broadcasting rights revenue from a club’s participation in national competition matches;
- broadcasting rights revenue for a club’s participation in other types of matches or other types of club-generated broadcast content. Note that monies received from a club’s participation in UEFA club competitions in a season must be entered separately under ‘revenue – UEFA solidarity & prize money.

When monies are received from a competition organiser for the sale of broadcast rights and other commercial rights, if the amount derived from the sale of other commercial rights can be identified separately, then it must be entered under commercial activities. If the amount derived from the sale of other commercial rights is not separately identifiable, the full amount from a competition organiser must be disclosed under broadcasting rights.

If a licensee does not provide a breakdown of broadcasting rights revenue as set out above, it must enter the broadcasting rights total under ‘broadcasting rights – other/non-split’.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for ‘revenue – broadcasting rights’, by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Revenue in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
League		
National cup 1		
National cup 2 (if applicable)		
Other		
Broadcasting Rights - National Competitions		
Broadcasting Rights - National Competitions in the P&L		
Check		
Arrangement 1 (>20% of total)		
Other arrangements		
Broadcasting Rights - Other		
Broadcasting Rights - Other in the P&L		
Check		
Total Broadcasting Rights		
Total Broadcasting Rights in the P&L		
Check		

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- broadcast rights revenue from a club’s participation in matches in national competitions, broken down according to the different types of matches;
- other broadcast rights revenue, disclosing separately any broadcast arrangements contributing more than 20% of the total broadcast rights revenue.

The licensee should provide explanatory comments, covering such matters as significant variations compared to other reporting periods, any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions.

4. Revenue – commercial activities – Annex X B (d)

Revenue from commercial activities is derived from activities other than sponsorship and advertising and the sale of broadcasting rights. Such commercial revenue may be from activities relating to a specific match, e.g. food/beverage sales to both general admission matchday spectators and premium/corporate matchday packages, and sales of match programmes, or from any other commercial activities.

For the purpose of the break-even information, revenue from commercial activities may be broken down into the following account lines:

- commercial revenue from national competition matches;
- merchandising, i.e. revenue derived from the sale of goods, such as replica club shirts and other club-branded apparel/goods;
- non-matchday use of a club's facilities, e.g. conferences at the stadium or music events;
- membership (non-matchday related), i.e. some form of arrangement whereby the club provides some type of benefit for paying members other than match attendance;
- any other revenue from commercial activities not otherwise categorised above, e.g. lottery, licence fees and royalties for use of the club's brand, and commission.

In the absence of a breakdown of commercial revenue as set out above, the licensee must enter the commercial revenue total under 'commercial – other/non-split'.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'revenue – commercial activities', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Revenue in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
League - home matches		
National cup 1 - home matches		
Other		
Commercial - National Competitions		
Commercial - National Competitions in the P&L		
Check		
Main merchandising arrangement 1 (>20% of total)		
Other arrangements		
Commercial - Merchandising		
Commercial -Merchandising in the P&L		
Check		
Non match day use of boxes and conference facilities		
Major events		
Other events / usage		
Commercial - Non-matchday usage of facilities		
Commercial -Non-matchday usage of facilities in the P&L		
Check		
From Membership 1 (>20% of total)		
Other arrangements		
Commercial - from membership (non matchday related)		
Commercial - from membership in the P&L		
Check		
Other commercial income 1 (>20% of total)		
Other arrangements		
Commercial - Other		
Commercial - Other in the P&L		
Check		
Total Commercial		
Total Commercial in the P&L		
Check		

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- commercial revenue from a club's participation in national competition matches, broken down according to the different types of matches;

- merchandising revenue, with any arrangements contributing more than 20% of total commercial revenue to be disclosed separately;
- the revenue generated from non-matchday usage of facilities, with revenue from major events, such as hosting pop concerts, to be disclosed separately from other events;
- membership (non-matchday related), i.e. some form of arrangement whereby the club provides some type of benefit for paying members other than match attendance;
- other commercial revenue, disclosing separately any commercial arrangements contributing more than 20% of total commercial revenue.

The licensee should provide explanatory comments, covering such matters as significant variations compared to other reporting periods, any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions. Where applicable, explanatory comments should include details of the major events held at the licensee's facilities and the name and terms of the merchandising and other commercial revenue that have been disclosed separately as they contribute more than 20% of the total.

5. Revenue – UEFA solidarity and prize money – Annex X B (e)

UEFA solidarity and prize money is revenue from UEFA's solidarity contributions or UEFA's payments to a club for fulfilling its obligations when participating in a UEFA club competition in a season, excluding match gate receipts, which must be included under 'gate receipts'.

Guidance for licensees making an adjustment for financial contributions under a settlement agreement is provided in **Appendix IV (N)**.

6. Revenue – other operating income – Annex X B (f)

For the purpose of the break-even information, other operating income may be broken down into the following account lines:

- subsidies, donations or other amounts from national football bodies; this account line excludes any amounts from national football bodies for broadcasting rights and commercial activities for national competitions, and excludes any amount separately identifiable as UEFA solidarity contributions, each of which must be categorised accordingly;
- subsidies, grants or other money from the licensee's government;
- donations received from non-related parties, other than national football bodies or the government;
- contributions/donations received from related parties;
- income from non-football operations not included in another revenue account line;
- exceptional income not included in another revenue account line;
- any other operating income not otherwise categorised above, such as rental income and dividends.

Further guidance about non-football operations is given in **Appendix IV (D).** If the profit and loss account includes amounts in respect of non-football operations not related to the club, adjustments must be made to exclude such amounts from the calculation of the break-even result.

In the absence of a breakdown of other operating income as set out above, the licensee must enter the other operating income total under 'other operating income – other/non-split'.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'revenue – other operating income', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Revenue in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
From National Association		
Other state/municiple authorities		
Subsidies, Donations or other amounts from National Football Bodies		
Subsidies, Donations or other amounts from National Football Bodies in the P&L		
Check		
Authority 1 (>20% of total)		
Other state/municiple authorities		
Subsidies, grants and other money from the government of the territory of the licensee		
Subsidies, grants and other money from the government of the territory of the licensee in the P&L		
Check		
Donor 1 (>20% of total)		
Other donors		
Donations from non related parties		
Donations from non related parties in the P&L		
Check		
Contributions/Donations from related parties		
Income from Non-Football Operations		
Exceptional income		
Other operating income - Other/Non-Split		
Release of provision		
Other operating income 1		
Total Other Operating Income		
Total Other Operating Income in the P&L		
Check		

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- subsidies, donations or other amounts received from national football bodies;
- subsidies, grants or other amounts received from the licensee's government, with any amounts contributing more than 20% of total other operating income to be disclosed separately;
- donations from non-related parties, with any donations contributing more than 20% of total operating income to be disclosed separately;
- contributions/donations from related parties, including subsidies, grants or other amounts received from government;
- income from non-football operations;
- exceptional income;
- other operating income – other, providing a further breakdown of significant types of other operating income.

Explanatory comments should be provided by the licensee, covering matters such as significant variations compared to other reporting periods, any unusual transactions, sources of income, and any repayable amounts.

7. Expenses – cost of sales/materials – Annex X C (a)

For the purpose of the break-even information, licensees must provide the total cost of sales/materials for all activities such as catering, merchandise, medical care, kits and sports materials.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'expenses – cost of sales/materials', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Revenue in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
Merchandising arrangement 1 (>20% of total)		
Other merchandising arrangements		
Catering sales		
Medical care		
Kits and sports materials		
Other activities		
Total Cost of sales/materials		
Total Cost of sales/materials in the P&L		
Check		

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- expenses related to merchandising arrangements, including separate disclosure of expenses contributing more than 20% of total cost of sales/materials;
- catering sales;
- medical care;
- kits and sports materials;
- other activities.

The licensee should provide explanatory comments, covering such matters as significant variations compared to other reporting periods, any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions.

8. Expenses – employee benefit expenses – Annex X C (b)

For the purpose of the break-even information, employee benefit expenses may be broken down according to the type of employees, separately disclosing amounts for ‘players’ and ‘other employees, and may be further broken down according to the nature of the employee benefit expenses, separately disclosing wages and salaries, social security contributions and other employee benefit expenses.

For the purpose of this breakdown, ‘players’ refers to all football players registered during the reporting period, including youth football players. ‘Other employees’ refers to all employees other than football players, including, but not limited to, coaching staff, medical staff, administrative staff, matchday staff, members of the executive body and the employees of non-football operations.

Wages and salaries include, but are not limited to, wages, salaries, fees, signing-on fees, bonuses, image-rights payments and other incentive payments. Social security contributions are any contributions by the entity to any government, fund or arrangement. ‘Other’ refers to any other non-monetary benefits, post-employment benefits, other long-term employee benefits, termination benefits and share-based payment transactions.

In the absence of a breakdown of employee benefit expenses as set out above, the licensee must enter the total employee benefit expenses under ‘employee benefit expenses – other/non-split’.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for ‘expenses – employee benefit expenses’, by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Expenses in reporting period - unadjusted (LC)	Number of employees	Amount per employee	Explanatory Comment
- 2018				
PLAYERS BENEFIT EXPENSES				
Players wages and salaries				
Wages and salaries - excl. youth players				
Bonuses/incentive payments - excl. youth players				
Image rights - excl. youth players				
Other wages and salaries - excl. youth players				
Wages and salaries - youth players				
Total Players wages and salaries				
Total Players wages and salaries in the P&L				
Check				
Players social security contributions				
Social security contributions - excl. youth players				
Social security contributions - youth players				
Total Players social security contributions				
Total Players social security contributions in the P&L				
Check				
Players Benefit exp.- Other/non split				
Other (<10% of Total)				
Other				
Total Players Benefit exp - other/non split				
Total Players Benefit exp. - other/non split in the P&L				
Check				
Players (excluding youth players) - total				
Youth players - total				

Total Players Benefits Expenses				
OTHER EMPLOYEES BENEFIT EXPENSES				
Other Employees - Wages and Salaries				
Coaching staff - Wages and Salaries				
Other Employees - Wages and Salaries				
Total Other Employees - Wages and Salaries				
Total Other Employees - Wages and Salaries in the P&L				
Check				
Other Employees - Social Security Contributions				
Coaching staff - Social Security Contributions				
Other Employees - Social Security Contributions				
Total Other Employees - Social Security Contributions				
Total Other Employees - Social Security Contributionsin the P&L				
Check				
Other Employees - Other/Non Split				
Coaching staff Benefits Expenses - Other				
Other Employees Benefits Expenses - Other/Non-Split				
Total Other Employees - Other/Non Split				
Total Other Employees - Other/Non Split in the P&L				
Check				
Coaching staff - total				
Other employees - total				
Total Other Employees Benefits Expenses				

A licensee must complete the supplementary schedule to provide more detail and explanations covering:

- players (excluding youth players) – employee benefit expenses broken down into (basic) wages and salaries, image-rights payments, bonuses/incentive payments, social security contributions, other employee benefit expenses, and the number of employees;
- youth players – employee benefit expenses broken down into total wages and salaries, social security contributions, other employee benefit expenses, and the number of employees;
- coaching staff – employee benefit expenses broken down into total wages and salaries, social security contributions, other employee benefit expenses, and the number of employees;
- other employees, i.e. all employees other than players, youth players and coaching staff – employee benefit expenses broken down into total wages and salaries, social security contributions, other employee benefit expenses, and number of employees.

The licensee should provide explanatory comments, covering such matters as significant variations compared to other reporting periods, any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions.

9. Expenses – depreciation/impairment of tangible fixed assets – Annex X D (a)

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity. An impairment loss is the amount by which the carrying amount of a tangible asset exceeds its recoverable amount, i.e. the higher of an asset's fair value minus costs to sell and value in use.

The licensee must enter the appropriate figure for the depreciation of tangible fixed assets. For the break-even calculation, the depreciation/impairment of certain tangible fixed assets is excluded from relevant expenses, except for depreciation/impairment of right-of-use assets that are operating leases. This adjustment will be visible in the CL/FFP IT Solution.

If the licensee has any depreciation/impairment costs for right-of-use assets that are operating leases, they must be separately disclosed under 'other operating expenses' and will be included in relevant expenses for the break-even calculation.

10. Expenses – amortisation/impairment of intangible assets (excluding player registrations) – Annex X D (b)

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life, i.e. the period over which an asset is expected to be available for use by an entity. An impairment loss is the amount by which the carrying amount of an asset exceeds its fair value, minus costs, if sold.

The licensee must enter the appropriate figures for the amortisation/impairment of intangible assets, excluding player registrations.

For the break-even calculation:

- If an intangible asset, excluding player registrations, does not generate income, the amortisation/impairment of that intangible asset may be excluded from expenses by means of an adjustment (see Appendix IV (J));

- If an intangible asset, excluding player registrations, generates or has previously generated income, then the amortisation/impairment of that intangible asset must be included in expenses.
- The amortisation/impairment of any finance costs, reflected as intangible assets, must be included in the break-even calculation.

11. Expenses – other operating expenses – Annex X C (c)

For the purpose of the break-even information, other operating expenses may be broken down into the following account lines:

- matchday expenses, i.e. expenses relating to hosting matches at the home stadium, such as policing and stewarding;
- sponsorship and advertising expenses, i.e. expenses relating to activities undertaken to generate sponsorship and advertising revenue;
- commercial activities expenses, i.e. expenses relating to activities undertaken to generate commercial revenue;
- property and facilities expenses, i.e. expenses relating to the day-to-day use of the stadium, training facilities and other properties used by the entity, including the day-to-day servicing of the property, repairs and maintenance, and costs of conducting business in a property, e.g. rental payments, property-related payments to the government; for the avoidance of doubt, this account line must not include depreciation/impairment of tangible fixed assets;
- depreciation/impairment costs of right-of-use assets that are operating leases;
- expenses for non-football operations not included in another expense account line;
- exceptional expenses not included in another expense account line;
- any other operating expenses not categorised above.

Further guidance about non-football operations is given in **Appendix IV (D).**

For the avoidance of doubt, 'other operating expenses' must not include any employee benefit expenses.

In the absence of a breakdown of other operating expenses as set out above, the licensee must enter the total other operating expenses under 'other operating expenses – other/non-split'.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for 'expenses – other operating expenses', by completing the supplementary schedule (excerpt below) and ensuring that the necessary disclosures are also recorded in the profit and loss account schedule.

	Expenses in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
Police and stewarding		
Other		
Matchday expenses		
Matchday expenses in the P&L		
Check		
Sponsorship and advertising expenses		
Commercial activities expenses		
Stadium site		
Training facilities		
Other properties		
Property & Facilities expenses		
Property & Facilities expenses in the P&L		
Check		
Expenses of Non-Football Operations		
Exceptional expenses		
Other operating expenses - Other		
Provide a breakdown of the above amount		
Provisions		
Travel expenses		
Legal and Consultancy expenses		
Other operating expenses 1		
Other operating expenses 2		
Other operating expenses 3		
Total Other operating Expenses		
Total Other operating Expenses in the P&L		

The licensee should provide explanatory comments, covering such matters as significant variations compared to other reporting periods, any unusual transactions and, if known and applicable, why there may be significant variations compared to other licensees playing in the same national competitions.

Other operating expenses – other should be further broken down, with separate disclosure of significant types of other operating expenses.

12. Player transfers – Annex X C (d) and Annex X B (g)

Accounting for the permanent transfer of a player's registration

The figures entered in the profit and loss account schedule must be those in its annual financial statements. Licensees apply either the 'capitalisation and amortisation method' or the 'income and expense method'.

When the 'capitalisation and amortisation' method of accounting is used for player registrations in their annual financial statements, the same method must be applied to relevant income and relevant expenses.

If a licensee that uses the income and expense method of accounting for player registrations in its annual financial statements chooses to apply the capitalisation and amortisation method, it must make appropriate adjustments for the calculation of the break-even result by completing the player accounting adjustment schedule. See **Appendix IV (L)** of this document for further details. The method chosen must be applied consistently from one reporting period to the next.

If a licensee that uses the 'capitalisation and amortisation method' does not apply the minimum accounting requirements as described in Annex VII C, it must make appropriate adjustments when calculating the break-even result by completing the player accounting adjustment schedule.

Amortisation of player registrations

For a reporting entity that uses the 'capitalisation and amortisation' method of accounting for player registrations in its annual financial statements, the amortisation or impairment of costs of acquiring player registrations in a reporting period must be calculated in accordance with the minimum accounting requirements as described in **Annex VII C**.

If the duration of a player's club contract falls entirely within an annual reporting period, the direct costs of acquiring a player's registration will be fully amortised in the reporting period and should be reported under 'amortisation of player registrations' rather than 'costs of acquiring player registrations (including non-capitalised agent fees and loan fees)'.

Impairment of player registrations

A reporting entity that uses the 'capitalisation and amortisation' method of accounting for player registrations should consider the need to recognise an impairment loss in the net book value of the costs of a player's registration. In general, the need to recognise an impairment loss is rare and clear evidence is required to validate the accounting treatment.

Profit on disposal of player registrations

For a reporting entity that uses the 'capitalisation and amortisation' method of accounting for player registrations, profit on disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer from the net disposal proceeds received and receivable.

A profit made on disposal of a player's registration will be reported if the net proceeds exceed the net book value of the player's registration at the time of the transfer. Any such profit must be included in relevant income for the calculation of the break-even result.

As set out in Annex X B (m), any income/profit generated with from a player for whom the licensee retains the registration must be excluded from the break-even result by making the necessary adjustment in the 'player accounting adjustment' schedule.

This means that any profit from the disposal of economic or similar rights on a player to any other party must be deferred and a profit can only be recognised in the break-even calculation following the permanent transfer of a player's registration to another club.

Profit on disposal of player registrations

The loss on disposal of a player's registration is calculated by deducting the net book value of the player's registration at the time of the transfer from the net disposal proceeds received and receivable.

A loss on disposal of a player's registration will be reported if the net disposal proceeds are less than the net book value of the player's registration at the time of the transfer. Any such loss must be included in relevant expenses for the calculation of the break-even result.

Costs of acquiring player registrations (including non-capitalised agent fees and loan fees)

For a reporting entity that uses the 'income and expense method', the cost of acquiring a player's registration is recorded in a reporting period. These costs include the transfer compensation to another football club, fees to agents/intermediaries and other direct costs of acquiring the registration.

Under the accounting requirements set out in Annex VI.C, any loan fees incurred in a reporting period for the temporary transfer-in of a player's registration must be included in this account line.

Income from disposal of player registrations (including loan income)

For a club that uses the 'income and expense method', income from the disposal of a player's registration is the net disposal proceeds generated from the transfer of the player's registration to another club.

Under the accounting requirements set out in Annex VII.D, any loan fees arising in a reporting period for the temporary transfer-out of a player's registration must be included in this account line.

Supplementary schedules

As stated in the financial information package, licensees may be required to provide information for player transfers by completing the supplementary schedule (extract below).

Profit / Loss on disposal of intangible fixed assets (player registrations)	Player name	Name of club to which the player's registration transferred	Registration transfer date	Disposal proceeds received and receivable	Net book value of the player's registration	Any direct costs of transfer	Profit / Loss on disposal	Explanatory Comment
- 2018								
Player trading 1								
Player trading 2								
Player trading 3								

Income from disposal of player registrations (including loan income)	Player name	Name of club to which the player's registration transferred	Registration transfer date	Transfer	Loan	Income from disposal of player registrations (including loan income)	Explanatory Comment
- 2018							
Player trading 1				☐	☐		
Player trading 2				☐	☐		
Player trading 3				☐	☐		

When requested, a licensee must complete the supplementary schedule to provide more detail and explanations covering:

- the player's name;
- the name of the club to which the player's registration was transferred or the entity to which economic rights were sold;
- the date the player's registration was transferred to the acquiring club or the date the economic rights were sold;

For licensees using the 'capitalisation and amortisation method' of player accounting:

- the disposal proceeds received and receivable from the acquiring club or, if applicable, from other parties;

- the net book value of the player's registration at the date the player's registration was transferred to the acquiring club;
- any direct costs incurred by the licensee as a result of the transfer;
- the profit or loss on disposal.

For licensees using the 'income and expense method' of player accounting:

- whether the player has been transferred out permanently (select 'transfer') or transferred out temporarily to another club (select 'loan');
- income from the transfer/loan of the player's registration.

Explanatory comments should be provided by the licensee to provide details including the name(s) of the acquirer(s) of the player's economic or similar rights.

Further guidance about making adjustments to the break-even calculation to take account of any income/profit on a player for whom the licensee retains the registration is given in **Appendix IV (L).**

13. Profit/loss on disposal of tangible fixed assets – Annex X D (a)

The profit/loss on disposal of a tangible fixed asset is the difference between the net proceeds and the carrying amount of the item at the time of disposal.

A profit or loss on the disposal of a tangible fixed asset is to be excluded from the calculation of the break-even result; this adjustment will be made automatically in the CL/FFP IT Solution.

If a licensee meets the conditions stated in Annex X B (h) and chooses to provide supplementary information, it may include the excess proceeds on the disposal of a tangible fixed asset in the break-even calculation. See **Appendix IV (H)** of this document for further guidance about this adjustment.

14. Profit/loss on disposal of intangible assets (excluding player registrations) – Annex X D (b)

The profit/loss on disposal of an intangible asset, excluding player registrations, is the difference between the net disposal proceeds and the carrying amount of the item at the time of disposal.

A profit or loss on disposal of intangible assets, excluding player registrations, is excluded from the break-even result.

15. Finance income, finance costs and foreign exchange result – Annex X B (i) and Annex X C (e)

Annex X B (i) – Finance income must be disclosed separately in the profit and loss account schedule, rather than netted against finance costs, so that the relevant income can be calculated for the break-even result.

Annex X C (e) – Finance costs must be disclosed separately in the profit and loss account schedule so that relevant expenses can be calculated for the break-even result.

Annex X B (i) – The net foreign exchange gains and losses on monetary items, whether realised or unrealised, must be entered for the calculation of the break-even result.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for finance income, finance costs and foreign exchange results, by completing the supplementary schedule (excerpt below).

	Revenue in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
Finance income arrangement 1 (>20% of total)		
Other arrangements		
Total Finance income		
Total Finance income in the P&L		
Check		
Finance expenses arrangement 1 (>20% of total)		
Other arrangements		
Total Finance expenses		
Total Finance expenses in the P&L		
Check		
Net Foreign Exchange Gains/(Losses)		
Net Finance income / expense		

Financing arrangements between the licensee and another entity (such as a bank, other financial institution, owner, or other related party) that contribute more than 20% of total finance income/costs must be separately disclosed.

In addition, any financing arrangements between the licensee and the owner or other related party, under which the licensee has a liability at any time during the reporting period, must also be separately disclosed, regardless of the amount of finance expense in the reporting period.

Explanatory comments should be provided by the licensee, covering matters such as significant variations compared to other reporting periods, any unusual transactions and, for those arrangements that contribute more than 20% of total finance income/costs or are with an owner/related party, the name of the lender/borrower and the terms (length and interest rate) of the arrangement.

Any material amount of foreign exchange gain or loss must be separately disclosed in account line 'net foreign exchange gains/losses'.

16. Other income and other expenses

Any income and expenses not included in another line in the profit and loss account schedule must be disclosed separately.

It is unlikely that amounts will be disclosed in other income or other expenses because the typical income and expenses of football club activities are normally included in one of the other account lines in the prescribed format of the profit and loss account schedule.

Supplementary schedule

As stated in the financial information package, licensees may be required to provide additional information for other income and other expenses, by completing the supplementary schedule (excerpt below).

	Expenses in reporting period - unadjusted (LC)	Explanatory Comment
- 2018		
Police and stewarding		
Other		
Matchday expenses		
Matchday expenses in the P&L		
Check		
Sponsorship and advertising expenses		
Commercial activities expenses		
Stadium site		
Training facilities		
Other properties		
Property & Facilities expenses		
Property & Facilities expenses in the P&L		
Check		
Expenses of Non-Football Operations		
Exceptional expenses		
Other operating expenses - Other		
Provisions		
Travel expenses		
Legal and Consultancy expenses		
Other operating expenses 1		
Other operating expenses 2		
Other operating expenses 3		
Total Other operating Expenses		
Total Other operating Expenses in the P&L		
Check		

17. Tax income/expense – Annex X D (c)

The licensee must enter the appropriate figure for current or deferred tax income/expense, i.e. the aggregate amount included as profit or loss for the period. Tax expense does not include value added taxes or tax and social security contributions for employees.

The tax figure – whether a credit or a debit in the profit and loss account – is not included in the calculation of the break-even result. This line item will be adjusted automatically in the CL/FFP IT Solution when calculating the break-even result.

18. Dividends paid / Minority interests – Annex X C (e)

Dividends are distributions to holders of equity instruments. If dividends are recognised in the financial statements, regardless of whether the dividends are presented in the profit and loss account or an alternative statement, the amount must be included as relevant expenses.

Minority interest is the equity in a subsidiary owned by an entity other than the parent. The amount of annual profit or loss allocated to minority interests in this subsidiary should be proportional to the equity they own.

The figures for profit/loss after dividends paid or payable and minority interests in the profit and loss account schedule are automatically included in the balance sheet schedule as part of a reconciliation.

D. Cash flow schedule – Annex VI D

The cash flow statement provides information about changes in cash and cash equivalents for the licensee's reporting perimeter in a reporting period, and for operating activities, investing activities and financing activities.

The licensee must submit cash flow information for each reporting period in the format described in the financial information package, based on the annual financial statements, supplementary information and underlying accounting records.

Figures must be entered as follows:

- in the licensee's presentation currency;
- rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235;
- all **cash inflow items must be input as positive** figures and **cash outflow items as negative** figures.

	20xx
Net cash inflow/(outflow) from operating activities other/non-split	
Net cash inflow/(outflow) from operating activities	
Cash flows from investing activities	
Cash receipts from sales of player registrations	
Cash receipts from sales of player registrations	
Cash receipts from sale of tangible fixed assets	
Cash (payments) from purchase of tangible fixed assets	
Cash inflows/(outflows) from investing activities other/non-split	
Cash inflow/(outflow) from investing activities	
Cash flows from financing activities	
Cash receipts from borrowings - shareholders & related parties	
Cash (payments) on borrowings - shareholders & related parties	
Cash receipts from borrowings - financial institutions	
Cash (payments) on borrowings - financial institutions	
Cash receipts from increase in capital/equity	
Cash (payments) on dividends paid to owners/shareholders	
Cash inflows/(outflows) from financing activities other/non-split	
Cash inflow/(outflows) from financing activities	
Other cash Inflow/(outflow)	
Net cash inflow/(outflow)	
Brought forward at start of reporting period	
Prior period adjustment / change of reporting perimeter (from previous reporting period)	
Net cash flow in reporting period	
Carried forward at end of period	
Closing cash and cash equivalents minus bank overdrafts in the balance sheet	
Check with the balance sheet	

Cash and cash equivalents reconciliation

The brought-forward cash and cash equivalents in the cash flow schedule, together with the net cash flow in the reporting period, should aggregate to the brought-forward cash and cash equivalents in the cash flow schedule. Only if applicable, the licensee may also use the line ‘prior period adjustment/ change of reporting perimeter (from previous reporting period)’.

The cash and cash equivalents at the end of the reporting period in the cash flow statement schedule will be checked against the equivalent items in the balance sheet schedule.

Cash equivalents are short-term, highly liquid investments held to meet short-term cash commitments rather than for investment or other purposes. An investment therefore normally only qualifies as a cash equivalent when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowing. However, if they are repayable on demand and form an integral part of an entity’s cash management, bank overdrafts are a component of cash and cash equivalents for the purposes of the cash flow statement.

APPENDIX IV: FINANCIAL INFORMATION PACKAGE – ADJUSTMENTS

A. Calculating relevant income, relevant expenses and the break-even result – Article 58 and Annex X

Relevant income, relevant expenses and the break-even result for a reporting period are calculated based on the figures entered in the profit and loss account schedule and the adjustment schedules.

The licensee must first complete the adjustments summary schedule by:

- disclosing (with a tick) whether there have been any related party transactions in a reporting period, irrespective of whether or not an adjustment is necessary;
- disclosing (with a tick) whether there have been any non-football operations in a reporting period, irrespective of whether or not an adjustment is necessary;
- selecting (with a tick) those manual adjustments made in each reporting period.

Then the licensee must enter supplementary information in each of the relevant adjustments schedules.

	Calculating relevant income	Calculating relevant expenses
Relevant amounts for calculating the break-even result	• Revenue – Gate receipts • Revenue – Sponsorship and advertising • Revenue – Broadcasting rights • Revenue – Commercial activities • Revenue – UEFA solidarity and prize money • Revenue – Other operating income • Profit on disposal of player registrations (and income from disposal of player registrations) • Excess proceeds on disposal of tangible fixed assets • Finance income and foreign exchange result	• Expenses – Cost of sales/materials • Expenses – Employee benefits expenses • Expenses – Other operating expenses • Loss on disposal and amortisation/impairment of player registrations (and costs of acquiring player registrations) • Finance costs and dividends
Manual adjustments (if applicable), using adjustment schedules	<u>Relevant income must be reduced</u> if any of the elements above include: • Non-monetary credits/income • Income transaction(s) with related party(ies) above fair value • Income from non-football operations not related to the club • Income with respect to a player for whom the licensee retains the registration • Credit with respect to a reduction in liabilities arising from procedures providing protection from creditors	<u>Relevant expenses must be increased</u> if any of the elements above include: • Expense transaction(s) with related party(ies) below fair value <u>Relevant expenses may be reduced</u> if any of the elements above include: • Expenditure on youth development activities • Expenditure on community development activities • Expenditure on women's football activities • Non-monetary debits/charges • Finance costs directly attributable to the construction or substantial modification of tangible fixed assets • Costs of leasehold improvement • Expenses for non-football operations not related to the club • Amortisation/impairment of intangible fixed assets, excluding player registrations • Adjustment for a financial contribution as set out in a settlement agreement
Automatic adjustments excluded from break-even result	Relevant income excludes: • Profit on disposal of tangible fixed assets • Tax income • Profit on disposal of intangible assets, excluding player registrations	Relevant expenses exclude: • Depreciation/impairment of tangible fixed assets • Loss on disposal of tangible fixed assets • Tax expense • Loss on disposal of intangible assets, excluding player registrations

The licensee must complete the disclosure requirements in each relevant adjustment schedule for each reporting period. Further guidance for each of these adjustment schedules follows in this appendix.

Appropriate **player accounting adjustments** must also be made if a licensee opts to apply the 'capitalisation and amortisation method' of player accounting instead of the 'income and expense method' for break-even information, or if there is income from a player for whom the licensee retains the registration (see Appendix IV L).

Further adjustments may also be made to a licensee's relevant income and relevant expenses: (i) by the UEFA administration to reclassify amounts between account lines, with no impact on the break-even result **('FS reclassification')**, and (ii) by the CFCB, based on the assessment of the monitoring documentation, to make adjustments to certain account lines that will impact the break-even result **('BE correction')**.

B. Transactions with related parties – Annex X B(k), C(f), F(1 to 7)

There are three key steps for a licensee in relation to transactions between an entity in the reporting perimeter and a related party:

i) For each entity in the reporting perimeter, identify **all transactions with related parties** in a reporting period by considering each possible relationship and disclose them in the supplementary schedule in the financial information package. Every related-party transaction must be disclosed regardless of whether the licensee is making an adjustment for the purpose of the break-even calculation.

ii) Disclose the **fair value of each related-party transaction** based on the circumstances of each transaction and evidence, such as the club's other similar (current and historic) transactions and comparable transactions of other clubs.

iii) If the **fair value is different from the recorded value of a transaction**, the relevant income/expenses must be adjusted accordingly by entering details in the adjustment schedule in the financial information package (a downwards adjustment only in the case of an income transaction; an upwards adjustment only in the case of an expense transaction).

Note: For the purpose of the break-even calculation, as per Annex X.F, the licensee must make certain adjustments with respect to transferring a player's registration between clubs that are related parties.

1. Definition of a related party

Whether a relationship corresponds to one of the definitions in Annex X F relates to the substance of a relationship and not merely its legal form.

For the financial information package and the break-even calculation, it is not sufficient for a licensee to simply rely on what may have been disclosed, if anything, regarding related-party transactions in its audited annual financial statements.

Careful judgement is required to determine whether transactions are, in substance, between related parties. For example, in a series of transactions involving three or more parties in which two of the parties are related, it may be that, in substance, all the transactions should be seen as one overall arrangement between related parties.

Under Annex X F paragraph 2:

A person or a close member of that person's family (i.e. those family members who may be expected to influence or be influenced by that person in his or her dealings with the entity, including that person's children and spouse or domestic partner, children of that person's spouse or domestic partner, and dependants of that person or that person's spouse or domestic partner) is related to a reporting entity if that person:

a) has **control** or **joint control** over the reporting entity;
b) has **significant influence** over the reporting entity; or
c) is a member of the **key management personnel** of the reporting entity or of a parent of the reporting entity.

Under Annex X F, paragraph 3:

An entity is related to a reporting entity if any of the following conditions apply:

a) the entity and the reporting entity are members of the same **group** (which means that each parent, subsidiary and fellow subsidiary is related to the others);

b) the entity and the reporting entity are **controlled**, **jointly controlled**, or **significantly influenced** by the same **government or by the same party**;

c) one entity has **significant influence** over the other entity;

d) one entity is an **associate** or **joint venture** of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

e) both entities are **joint ventures** of the same third party;

f) one entity is a **joint venture** of a third entity and the other entity is an associate of the third entity;

g) the entity is **controlled** or **jointly controlled** by a person identified in paragraph 2;

h) a person identified in paragraph 2(a) has **significant influence** over the entity or is a member of the **key management personnel** of the entity (or of a parent of the entity);

i) the entity, or any member of a group of which it is a part, provides **key management personnel** services to the reporting entity.

Definition of terms:

Control is the power to govern the financial and operating policies of an entity in order to benefit from its activities. Control may be gained by share ownership, statutes or agreement.

Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Significant influence is the ability to influence, but not control, financial and operating policy decision-making. Significant influence may be gained by share ownership, statutes or agreement. For the avoidance of doubt, a party – or aggregate parties with the same ultimate controlling party, excluding UEFA, a UEFA member association or an affiliated league – is deemed to have significant influence if it provides 30% or more of the licensee’s total revenue in a reporting period.

Key management personnel are those persons with authority over and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including but not limited to any director, executive or otherwise.

A **group** is a parent and all its subsidiaries. A parent is an entity that has one or more subsidiaries. A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

Government refers to any form of public authority government, including government agencies, government departments and similar bodies, whether local or national.

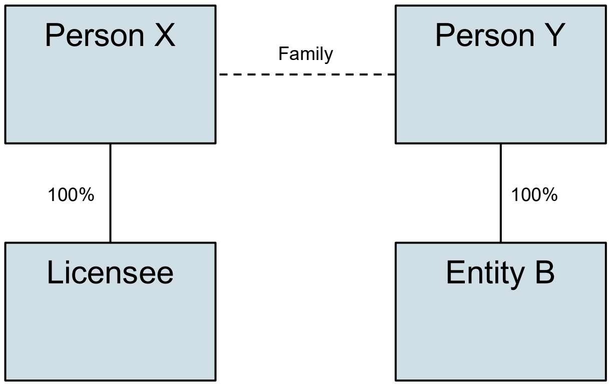
An **associate** is an entity, including an unincorporated entity such as a partnership, which is neither a subsidiary nor an interest in a joint venture and over which the investor has significant influence. In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.

A **joint venture** is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Examples

Here are some examples to illustrate various relationships between parties.

Example 1

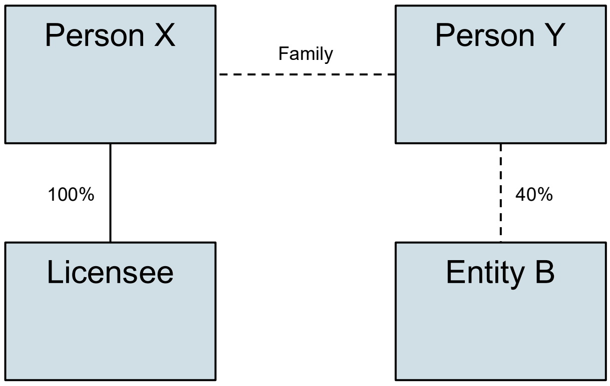


- Person X has a family relationship with person Y, e.g. person X is the son of person Y. The principle set out in the Regulations is that members of a family may be expected to influence or be influenced by each other.
- Person X controls the licensee, e.g. person X owns 100% of the licensee.
- Person Y controls entity B, e.g. person Y owns 100% of entity B.

Therefore, the following are related parties of the licensee:

- Person X (Annex X F.2a);
- Person Y (F.2a); and
- Entity B (F.3g).

Example 2

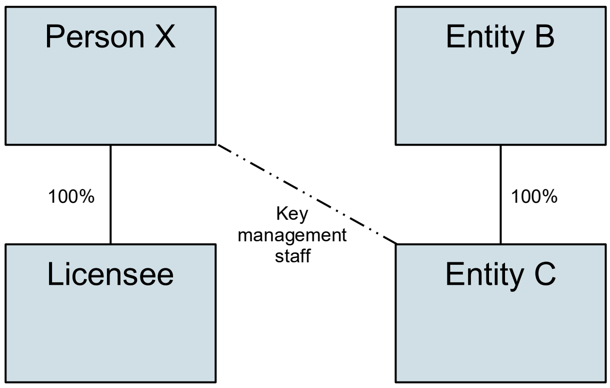


- Person X has a family relationship with person Y, e.g. person X is the son of person Y. The principle set out in the Regulations is that members of a family may be expected to influence or be influenced by each other.
- Person X controls the licensee, e.g. person X owns 100% of the licensee.
- Person Y has significant influence over entity B, e.g. person Y owns 40% of entity B.

Therefore, the following are related parties of the licensee:

- Person X (Annex X F.2a);
- Person Y (F.2a); and
- Entity B (F.3h).

Example 3



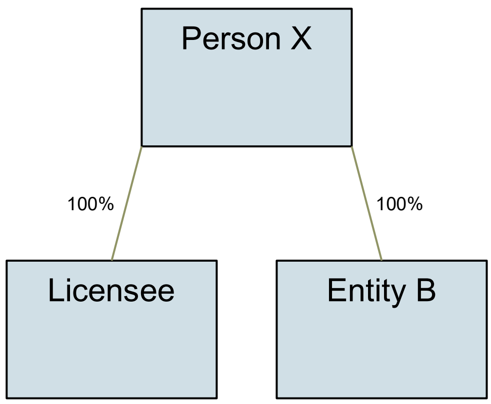
- Person X controls the licensee, e.g. person X owns 100% of the licensee.
- Person X is also a member of the key management personnel of entity C.
- Entity B controls entity C, e.g. entity B owns 100% of entity C.

Therefore, the following are related parties of the licensee:

- Person X (Annex X F.2a);and
- Entity C (F.3h).

Note: Entity B is not related to the Licensee.

Example 4



- Person X controls the licensee, e.g. person X owns 100% of the licensee.
- Person X also controls entity B, e.g. person X owns 100% of entity B.

Therefore, the following are related parties of the licensee:

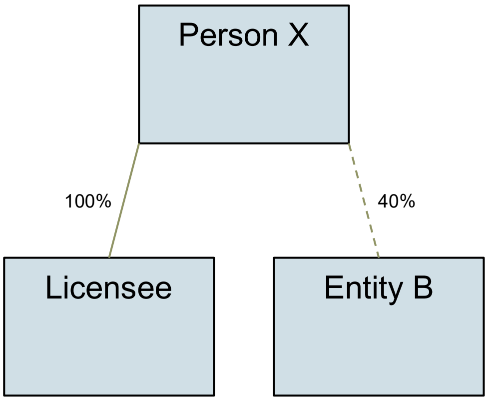
- Person X (Annex X F.2a); and
- Entity B (F.3g).

Example 5

- Person X controls the licensee, e.g. person X owns 100% of the licensee.
- Person X also has significant influence over entity B, e.g. person X owns 40% of entity B.

Therefore, the following are related parties of the licensee:

- Person X (Annex X F.2a); and
- Entity B (F.3h).

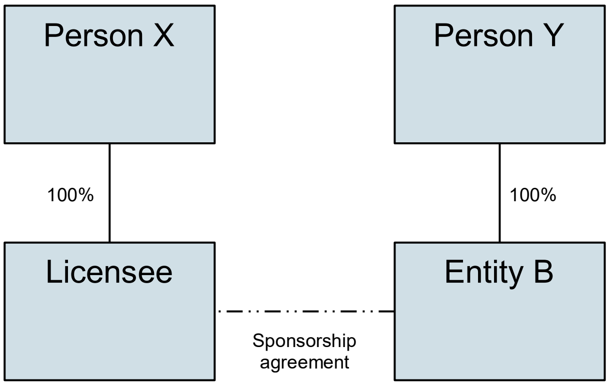


Example 6

- Person X has control over the licensee, e.g. person X owns 100% of the licensee.
- Person Y has control over entity B, e.g. person Y owns 100% of entity B.
- Person X and person Y are not family members.
- Entity B provides an amount equivalent to 30% or more of the licensee's total revenue in a reporting period, e.g. entity B has a sponsorship agreement with the licensee.

Therefore, the following are related parties of the licensee:

- Person X (Annex X F.2a); and
- Entity B (F.3c).



2. Related-party transaction

A **related-party transaction** is a transfer of resources, services or obligations between related parties, regardless of whether a fee has been charged. A related-party transaction may, or may not, have taken place at fair value.

Examples of income transactions with a related party that require a licensee to demonstrate the estimated fair value of the transaction include:

- revenue from sponsorship arrangements;
- revenue from corporate hospitality tickets or use of executive boxes;
- any transaction with a related party in which goods or services are provided by the club;
- proceeds from a player transfer to a related party.

  Examples of income transactions with a related party that are not relevant income, and must therefore be excluded from the calculation of the break-even result, include contributions from a related party such as:

- monies received as a donation;
- debt waivers.

Contributions from a related party may only be taken into consideration in determining the acceptable deviation (as defined in Article 61) when assessing the break-even requirement.

Examples of expense transactions with a related party that require a licensee to demonstrate the estimated fair value of the transaction include:

- when goods or services are provided to an entity in the reporting perimeter;
- employee benefit expenses with respect to employees of entities outside the reporting perimeter if those employees contribute to the activities of entities within the reporting perimeter;
- finance expenses relating to debt funding from a related party;

- costs of acquisition for a player transfer from a related party.

3. Fair value of transactions with related parties

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. A deal is not deemed to be an arm's length transaction if it has been entered into on terms more favourable to either party than would have been obtained if there had been no related party relationship.

The best evidence of the fair value of a transaction is typically a price in a binding agreement in an arm's length transaction or a market price in an active market. If there is no binding agreement or active market, fair value should be based on the best information available to reflect the amount that an entity could obtain or would have to incur, as appropriate, at the date of the deal in an arm's length transaction between knowledgeable willing parties.

In determining this amount, the licensee should also consider different types of evidence, such as the process for arriving at a transaction, e.g. the details of offers from other parties; the outcome of similar transactions, both historic and current arrangements; and similar transactions by comparable football clubs.

4. Adjustments for the break-even calculation

Income transaction(s) with related parties above fair value

- If a licensee has an income transaction from a related party that has been reported at an amount higher than the fair value, then the licensee must enter a **downward adjustment** for the purpose of calculating relevant income and the break-even result. Details should be disclosed in the transactions with related parties schedule (see 5 below).
- The excess of the actual income over the fair value amount can be recognised as a contribution and details should be disclosed in the contributions – income transactions from a related party schedule – see **Appendix V (A).**

Expense transaction(s) with related party(ies) below fair value

- If a licensee has an expense transaction from a related party that has been reported at an amount lower than the fair value, then the licensee must enter an **upward adjustment** for the purpose of calculating relevant expenses and the break-even result. Details should be disclosed in the transactions with related parties schedule (see 5 below).
- The difference between the recorded amount and the fair value can be recognised as a contribution and details should be disclosed in the contributions – capital contributions from a related party schedule – see **Appendix V (A).**

The requirement to adjust for transactions between an entity in the reporting perimeter and a related party exists irrespective of whether a fee has been charged or not. If no fee is charged, transactions are usually not included in the accounting records, i.e. general ledger, cash book, sales ledger, etc. For this reason and for the purpose of calculating this adjustment, any goods or services received or provided free of charge must be identified.

Transfer of a player's registration between clubs that are related parties

For the purpose of the break-even calculation, as per Annex X.F, the licensee must make certain adjustments with respect to transferring a player's registration between clubs that are related parties.

Example 1

Club A transfers a player to club B for €200m. Six months later, club B transfers the player to club C for €50m.

Clubs B and C are related parties. The player signed a two-year contract with club B and then a two-year contract with club C.

Break-even result: Since clubs B and C are related parties, they must calculate their break-even result in accordance with Annex X F.7.

- Club B must calculate the profit/loss on the player disposal using an amount for disposal proceeds that is the lower of (i) the actual transaction proceeds on disposal (€50m), and (ii) the net book value with respect to the costs of acquiring the player's registration in its financial statements (€150m).

As it is a loss of €150 million, no adjustment is required for the break-even calculation for club B.

- Club C must calculate the amortisation based on the greater of (i) the acquisition costs €50m, i.e. €25m amortisation per year, and (ii) the historical cost of acquiring the player’s registration in the financial statements of the club that has transferred out the player, €200m, i.e. €100m amortisation per year.

  The break-even result of club C will be adjusted by an additional amortisation expense of €75m = €100m minus €25m.

Example 2

Club A has a player registration in his financial statements with a €10m net book value, having originally acquired the player for €40m. Club A transfers the player to its related party club B for €100m.

Club A must calculate the profit/loss on the player disposal using an amount for disposal proceeds that is the lower of (i) the actual transaction proceeds on disposal (€100m), and (ii) the net book value with respect to the costs of acquiring the player’s registration in its financial statements (€10m). The calculated profit on disposal is €zero, so an adjustment to the break-even result of €90m will neutralise club A’s profit from this transaction between related parties.

Club B must calculate the amortisation based on the greater of (i) the acquisition costs (€100m), and (ii) the historical cost of acquiring the player’s registration in the financial statements of the club that has transferred out the player (€40m). The break-even result of club B will not need to be adjusted.

5. Information to be disclosed

The **licensee must disclose all transactions between an entity in the reporting perimeter and a related party**, regardless of whether or not it makes an adjustment for the break-even calculation.

The licensee must first select the profit and loss account line(s) that contain(s) the related-party transaction(s).

Secondly, for each account line containing one or more related-party transactions the licensee must also disclose further details for each related-party transaction, including:

- the name of the related party, i.e. the name of the person or legal name of the entity, as appropriate;
- a description of the nature of the transaction;
- the amount of the transaction as recorded in the annual financial statements and underlying accounting records;
- the fair value of the transaction;
- a summary of the various types of evidence to support the deemed fair value of the transaction.
- the difference (i.e. adjustment), if any, between the recorded value and the fair value.

This information should be entered in to the transaction(s) with related party(ies) schedule by account line, which is illustrated for sponsorship and advertising – kit sponsor below:

Please select an account by double clicking on an account description in the table below to enter related party transaction:

	Actual	Amount of RP transaction(s) recorded in the P&L	Fair Value of RP transaction(s)	Adjustments	Adjusted
- 2018					
Finance expenses					

The licensee is not required to disclose intra-group transactions that are eliminated on consolidation (or if applicable, combination) if the consolidated results are being used as the basis for the submission for the profit and loss account schedule.

Transactions of a similar nature with a related party may be disclosed in aggregate, except where separate disclosure is necessary for an understanding of adjustments. Transactions with related parties with similar relationships with an entity may be disclosed in aggregate, unless a transaction is individually significant or separate disclosure is necessary for an understanding of adjustments. A significant transaction with a specific related party should not be concealed within an aggregated disclosure.

If the related-party transaction relates to the disposal of a tangible fixed asset, the fair value adjustment is instead made through the excess proceeds on tangible fixed assets schedule (see **Appendix IV (H)).**

C. Non-monetary items – Annex X B(j) C(j)

1. Guidance

Appropriate adjustments must be made so that **non-monetary credits are excluded from relevant income** for the break-even calculation.

Appropriate adjustments may be made so that **non-monetary debits/charges are excluded from relevant expenses** for the break-even calculation.

Monetary items are defined as units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. The essential feature of a monetary item is a right to receive, or an obligation to deliver, a fixed or determinable number of units of currency.

Adjustments to exclude non-monetary items from the break-even calculation are expected to be rare because the typical income and expenses of football club activities are monetary items, other than depreciation/impairment of tangible fixed assets (which is excluded from the break-even calculation anyway) and amortisation/impairment of player registrations (for which there must not be exclusion adjustments for the break-even calculation).

For the avoidance of doubt:

- the amortisation or impairment of player registrations must be included in the break-even result as in Annex X.A.2(d), i.e. there must not be any adjustments to exclude amortisation or impairment of player registrations;
- the amortisation or impairment of intangible assets (excluding player registrations), such as goodwill, is a non-monetary debit/charge item that is, in any case, automatically excluded from the break-even result as in Annex X.A.3(b).

Revaluations of tangible and intangible assets/inventories do not meet the definition of monetary items as the revaluation of an asset does not result in an entity receiving the right to receive a fixed or determinable amount of cash or cash equivalents as a result of the revaluation process.

Similarly, write-backs of depreciation or amortisation charges for fixed assets do not result in the entity receiving the right to receive a fixed amount of cash or cash equivalents, so they are considered to be non-monetary items.

Conversely, the sale of goods and services by an entity (for example, the sale of a football season ticket) results in the entity receiving a fixed and determinable amount of cash from the customer, so this is a monetary item.

A foreign exchange gain or loss will be classed as either a monetary or a non-monetary item, depending on whether the gain/loss relates to a monetary or a non-monetary item. For the avoidance of doubt, it does not depend on whether the foreign exchange gain or loss is realised or unrealised.

Foreign exchange gains/losses on monetary items – whether they are realised or unrealised – are monetary items and should be included in the break-even calculation.

Foreign exchange gains/losses on non-monetary items – whether they are realised or unrealised – are non-monetary items and should be excluded from the break-even calculation.

For example, it is typical accounting practice that if a club has a monetary debtor or creditor at the year end (e.g. a transfer fee receivable or payable, debt/borrowings), the balances will be translated at the year-end exchange rate (or at the exchange rate of a related instrument, if appropriate). This will generate an unrealised gain or loss that will be reflected in the profit and loss account in the annual financial statements. In turn, such a gain or loss should be included in the break-even calculation as it is a monetary item because it relates to a monetary debtor or creditor. The procedure for the break-even requirement is to follow the accounting treatment.

Both the recognition of a **provision** for liabilities (debit/charge) and the release of a provision (credit/income) are monetary items.

2. Information to be disclosed

The licensee must identify each non-monetary credit and complete the adjustment schedule for each such item.

The licensee may identify non-monetary debits/charges, and may also include adjustments for any such items.

The following information must be disclosed for each non-monetary item to be adjusted by selecting the non-monetary items line in the profit and loss account schedule:

- the amount of the non-monetary item to be adjusted;
- in the explanation cell, as a minimum, a description of the nature of each non-monetary item.

This information should be entered in the non-monetary items schedule, which is illustrated below:

	Actual	Non-monetary amount	Explanation	Adjustments	Adjusted
+ 2019					
- 2018					
Gate Receipts - Season Tickets	5,983				5,983
Gate Receipts - Premium tickets/match day hospitality	13,210				13,210
Gate Receipts - National Competitions	10,704				10,704
Gate Receipts - UEFA Club Competitions	5,223				5,223

D. Exclusion of income or expenses on non-football operations not related to the club - Annex X (B1l / C1m)

1. Definition of non-football operations

The income and expenses on non-football operations are a distinguishable component of an entity that provides product(s) or service(s) subject to risks and returns that are different from those of its football club operations.

In some cases, an entity's annual financial statements may include separate disclosure of income and expenses on football club operations, and income and expenses on non-football operations (such as other sporting operations or from property development) in the notes to the accounts if this is a requirement under national law or accounting practice. However, the absence of separate disclosure of income and expenses on non-football operations in its annual financial statements does not necessarily mean that a club does not have non-football operations.

The factors that determine whether or not there are non-football operations in the licensee's reporting perimeter include:

- the nature of the products and services and how they are branded and marketed to customers;
- the type or class of customer for the products or services;
- the methods used to distribute the products or provide the services;
- the nature of the regulatory environment;
- geographical location of operations;
- the quantitative contribution of operations relative to the football club operations, in terms of revenue, profit/loss and assets;
- the way in which operating results are reviewed by the entity's chief operating decision-maker to decide on resources to be allocated to the operations and assess performance.

2. Distinction between non-football operations related to the club and non-football operations not related to the club

Having determined that there are non-football operations within the reporting perimeter, the Regulations draw a distinction between:

i) **non-football activities/operations that are not related to the activities, locations or brand of the football club,** for which the income must be excluded from the break-even calculation and the expenses may be excluded from the break-even calculation;

ii) **non-football activities/operations that are related to the activities, locations and/or brand of the football club,** for which the income may be included in the break-even calculation if the corresponding expenses are also included.

In general, non-football operations that are related to the locations of the football club are those physically based at or in close proximity to a club's home stadium or training facilities – such as a hotel, restaurant, conference centre, business premises (for rental), health-care centre – or other sports teams. There are also non-football operations that are related to the brand of the football club in that they clearly using the name/brand of a club as part of their operations at the location and in customer/marketing collateral.

A licensee must bear in mind the substance of the relationship between the non-football operations and the football club, including both the current and historical relationship, the history of the legal ownership of the non-football operations, the financing of the non-football operations (whether or not the development of a non-football operation has been financed from the football club's own resources), and the completeness of financial reporting of the non-football operations (all expenses).

3. Potential implications for the break-even calculation

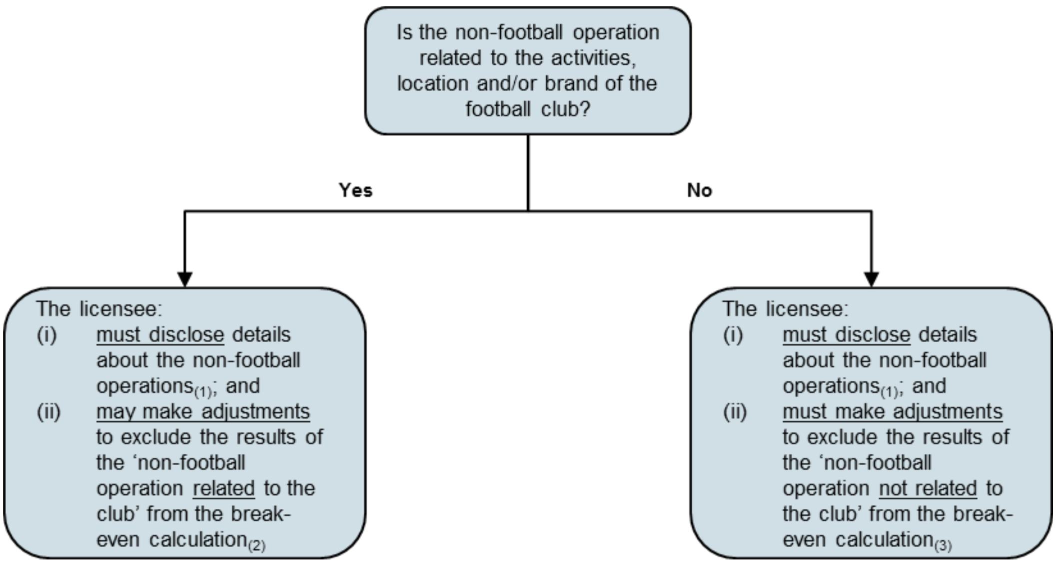
For non-football operations not related to the club:

- Income from non-football operations not related to the club (i.e. not related to the football activities, locations or brand of the football club) must be excluded from the calculation of relevant income.
- The expenses of non-football operations not related to the club (i.e. not related to the football activities, locations or brand of the football club) may be excluded from the calculation of relevant expenses.

For non-football operations related to the club:

- Income from non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) may be included in the calculation of the break-even result if the corresponding expenses are also included. In this case both must be included consistently from one reporting period to another.
- The expenses of non-football operations related to the club (i.e. related to the activities, locations or brand of the football club) must be included in the break-even calculation if the corresponding income is also included. In this case both must be included consistently from one reporting period to another.

If an entity that is included in the reporting perimeter has non-football operations, the following applies:



(1) The licensee must disclose certain information about each non-football operation that is part of an entity in the reporting perimeter, regardless of whether or not the licensee makes an adjustment for the break-even calculation.

(2) If a licensee's reporting perimeter does include an entity that has 'non-football operations related to the club' (e.g. other sports), the licensee **may process exclusion adjustments** and therefore decide to exclude results (all income and all expenses) of the 'non-football operations related to the club' for the purpose of the break-even calculation by using the adjustment schedule for 'non-football operations'. The selected treatment (inclusion or exclusion) must be applied consistently from one reporting period to the next.

(3) If a licensee's reporting perimeter does include an entity which has some 'non-football operations not related to the club', the licensee **must process exclusion adjustments** and therefore exclude the

income (and may exclude the expenses) of the 'non-football operations not related to the club' for the purpose of the break-even calculation by using the adjustment schedule for 'non-football operations' (see also **Appendix III D**).

4. Information to be disclosed

If the licensee processes exclusion adjustments for the break-even calculation, it must use the 'non-football operations' adjustment schedule to:

- enter the amount of income or expense to be adjusted for each of the relevant profit and loss account lines (the total value of the account line will be displayed);
- provide further explanatory commentary.

Regardless of whether or not an adjustment is required or has been made for the break-even calculation, the licensee must disclose all non-football operations performed by any entity in the reporting perimeter.

A licensee must complete both parts of the supplementary schedule (non-football operations – details, as shown below) to provide more detail and explanations covering both:

- non-football operations adjusted for the break-even calculation, which are operations included in the reporting perimeter and for which the licensee is making some adjustments for the break-even calculation;
- non-football operations not adjusted for the break-even calculation, which are operations included in the reporting perimeter and for which the licensee is not making adjustments as the non-football operations are deemed to relate to the club in terms of activities, location or brand.

E. Expenditure on youth development activities – Annex X C (g)

1. Information to be disclosed

If a licensee chooses to make an adjustment for expenditure on youth development activities, the following information must be disclosed in the appropriate schedule by completing each line of the profit and loss account schedule that contains expenditure on youth development activities:

- the directly attributable expenditure on youth development activities as in each selected line of the profit and loss account schedule;
- in the explanation cell, any commentary necessary to clarify the adjustment.

The further level of detail required for expenditure on youth development activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below.

	Expenditure on YDA
- 2018	
Employee Benefits expenses for employees wholly involved in youth development activities	
Employee Benefits expenses for youth players (under the age of 18)	
Accommodation costs	
Medical fees	
Educational fees	
Travel	
Subsistence	
Kit	
Facility costs	
Other costs directly attributable to youth development activities	

If a licensee outsources youth development activities to an entity outside the reporting perimeter, it must still disclose the breakdown of expenditure if it chooses to make an adjustment for youth development expenses.

Employee benefits for staff who are youth players aged 18 or over as at the licensee's statutory closing date cannot be excluded from relevant expenses. This age criterion provides an objective way to ensure consistency between all clubs and licensors. On the other hand, employee benefits for players under 18 at the licensee's statutory closing date and who play in the first team can be excluded from the break-even calculation.

F. Expenditure on community development activities – Annex X C (h)

1. Information to be disclosed

If a licensee chooses to make an adjustment for expenditure on community development activities, the following information must be disclosed in the appropriate schedule by completing each line of the profit and loss account schedule that contains expenditure on community development activities:

- the directly attributable expenditure on community development activities in each selected line of the profit and loss account schedule;
- in the explanation cell, any commentary necessary to clarify the adjustment.

The further level of detail required for expenditure on community development activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below.

	Expenditure on CDA
- 2018	
Employee Benefits expenses for employees wholly involved in community development activities	
Travel	
Subsistence	
Equipment	
Facility costs	
Other costs directly attributable to community development activities	
Donations to other entities for community development activities	

G. Expenditure on women's football activities – Annex X C (i)

1. Information to be disclosed

If a licensee chooses to make an adjustment for expenditure on women's football activities, the following information must be disclosed in the appropriate schedule by completing each line of the profit and loss account schedule that contains expenditure on women's football activities:

- the directly attributable expenditure on women's football activities in each selected line of the profit and loss account schedule;
- in the explanation cell, any commentary necessary to clarify the adjustment.

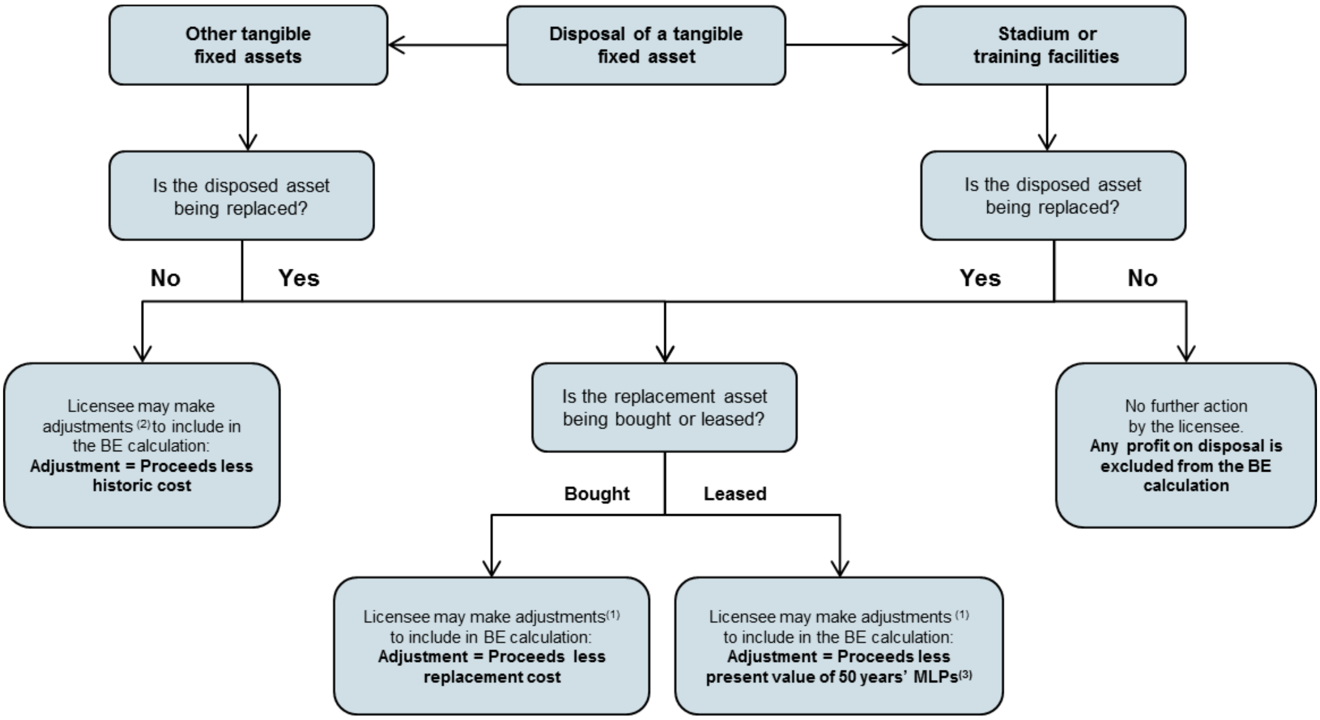
The further level of detail required for expenditure on women's football activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below.

	Expenditure on WF
+ 2019	
- 2018	
Employee Benefits expenses for women players	
Accommodation costs	
Medical fees	
Educational fees	
Travel	
Subsistence	
Kit	
Facility costs	
Other costs directly attributable to women football activities	
Employee Benefits expenses for employees wholly involved in women football activities	

H. Excess proceeds on disposal of tangible fixed assets – Annex X A (h)

1. Guidance

Treatment of disposals of tangible fixed assets for the break-even calculation



(1) When a disposed asset is being replaced, an adjustment must be made to include relevant income in the break-even calculation using the excess proceeds on disposal of tangible fixed assets (asset being replaced) schedule. The adjustment cannot exceed the profit on disposal recognised in the audited financial statements.

(2) When a disposed asset other than a club's stadium or training facility is not being replaced, an adjustment to include relevant income in the break-even calculation is to be made using the excess proceeds on disposal of tangible fixed assets (other asset not being replaced) schedule. The adjustment cannot exceed the profit on disposal recognised in the audited financial statements.

(3) The 'present value of 50 years' MLPs' refers to the value of 50 years of minimum lease payments as defined in the Regulations.

2. Timing of initial recognition of excess proceeds on disposal of tangible fixed assets

Excess proceeds on the disposal of tangible fixed assets should be entered as income in the same reporting period in which the related profit (or loss) is recorded in the annual financial statements.

3. Stadium and training facilities

'Stadium' means the venue for a competition match including, but not limited to, all properties and facilities nearby, e.g. offices, hospitality areas, press centre and accreditation centre.

'Training facilities' means the venue(s) where a club's registered players undertake football training and where youth development activities regularly take place.

For the avoidance of doubt, if a stadium or training facilities asset is disposed of and is not being replaced, any profit on disposal must be excluded from the calculation of the break-even result and no excess proceeds adjustment must be made.

4. Net proceeds on disposal

Net proceeds on disposal is the consideration received/receivable at the time of sale in exchange for the asset being disposed of.

For the avoidance of doubt, and as set out in Annex X B (1)(j) for the calculation of relevant income and relevant expenses, if a tangible fixed asset is disposed of to a related party, the proceeds on disposal must reflect the fair value of any such transaction. The fair value of the asset disposed of should be determined and demonstrated by management. The best evidence of the fair value of a transaction is typically a price in a binding agreement in an arm's length transaction or a market price in an active market. The fair value of land and buildings, such as stadiums and training facilities, is usually determined from market-based evidence, such as an appraisal undertaken by independent professionally qualified valuers.

5. Historical cost of the asset

Historical cost is the amount of cash or cash equivalents paid, or the fair value of any other consideration given, to acquire an asset at the time of its acquisition or construction. The historical cost of an acquired asset comprises the purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any directly attributable costs of bringing the asset to the location and any conditions necessary for it to be capable of operation.

6. Full cost of the replacement asset

The full cost of the replacement asset includes all costs of acquiring or building the new asset and bringing it to the location and any conditions necessary for it to be capable of operation, as a replacement for the asset disposed of.

If the full cost of the replacement asset is unknown because part or all of the costs have yet to be incurred, the licensee should prudently estimate the full replacement cost of the asset based on information and evidence that is available at the time the break-even documentation is submitted. Subsequently, the licensor/CFCB must be notified of any material change to the full cost of the replacement asset that would have resulted in a materially different amount being recognised as excess proceeds on disposal of tangible fixed assets.

7. Present value of 50 years' minimum lease payments

If the replacement asset is to be leased, Annex X B (h) requires the licensee to calculate the present value of the sum of 50 years' minimum lease payments for the purposes of the break-even requirement.

The present value of the minimum lease payments in any given year can be calculated as follows:

PVMLP = MLP */ ((1+BR)^N)*

Where: PVMLP = the present value of the minimum lease payment in a given year

MLP = minimum lease payment in a given year

BR = borrowing rate, as a decimal and representing the interest rate implicit in the lease

^ = to the power of

N = the year of the lease payment

Example

Year (N)	Minimum lease payment (MLP)	Borrowing rate (BR)	Discount factor		PVMLP €000
1	100	0.05	1/(1+0.05)^1	0.952	95
2	100	0.05	1/(1+0.05) ^2	0.907	91
3	100	0.05	1/(1+0.05) ^3	0.864	86
4	100	0.05	1/(1+0.05) ^4	0.823	82
5	100	0.05	1/(1+0.05) ^5	0.784	78
...	...	...	...	...	...
50	100	0.05	1/(1+0.05)^50	0.087	9
Present value of 50 years' minimum lease payments			1,826		

- The present value of minimum lease payments should be calculated using the interest rate implicit in the lease.
- If the interest rate implicit in the lease cannot be determined, the licensee's incremental borrowing rate should be used. The incremental borrowing rate is the rate of interest the licensee would have to pay on a similar lease or, if that cannot be determined, the rate that the licensee would incur, at the inception of the lease, to borrow over a similar term, and with a similar security, the funds necessary to purchase the

asset. Generally, most lease arrangements are secured, so a secured loan rate would normally be appropriate.

- If the quantum of lease payments is wholly or partly to be determined based on another variable, such as revenue or match attendance, the minimum lease payment for each year should be based on reasonable assumptions.
- If the quantum of minimum lease payments is not specified in the lease arrangements for a full 50 years, management should apply a reasonable assumption for the lease payments in each of the missing years so that the calculation does cover a full 50 years. For example, it may be reasonable to assume that the minimum lease payment for each year after the final year for which it is specified should be equivalent to the payment in that final year.
- Subsequently, the licensor/CFCB must be notified of any material change to the present value of minimum lease payments that would have resulted in a materially different amount being recognised as excess proceeds on disposal of tangible fixed assets.

8. Information to be disclosed

The licensee must complete the excess proceeds on disposal of tangible fixed assets (asset being replaced) schedule or the excess proceeds on disposal of tangible fixed assets (other asset not being replaced) schedule, as appropriate. Both schedules are illustrated below:

	Reminder of the P&L amount	Profit on disposal of assets	Proceeds from disposal	Replacement asset - full cost	Replacement asset - minimum lease payments	Adjustments	Explanation	Adjusted
+ 2019								
- 2018								
Excess proceeds on disposal of tangible fixed assets - being replaced								
Excess proceeds on disposal of tangible fixed assets - being replaced 1								
Excess proceeds on disposal of tangible fixed assets - being replaced 2								
Excess proceeds on disposal of tangible fixed assets - being replaced 3								
Excess proceeds on disposal of tangible fixed assets - being replaced 4								
Excess proceeds on disposal of tangible fixed assets - being replaced 5								

	Reminder of the P&L amount	Profit on disposal of assets	Proceeds from disposal	Historical cost	Adjustments	Explanation	Adjusted
- 2018							
Excess proceeds on disposal of tangible fixed assets- other not being replaced							
Excess proceeds on disposal of tangible fixed assets- other 1							
Excess proceeds on disposal of tangible fixed assets- other 2							
Excess proceeds on disposal of tangible fixed assets- other 3							
Excess proceeds on disposal of tangible fixed assets- other 4							
Excess proceeds on disposal of tangible fixed assets- other 5							

The following information must be disclosed for each transaction by selecting the account line for profit/loss on disposal of tangible fixed assets:

- the figure for the profit on disposal of the asset, i.e. the amount recorded for the specific asset in the annual financial statements for the reporting period;
- the figure for the proceeds on disposal of the asset; if the disposal was to a related party, this figure must reflect the fair value of the asset disposed of;
- for an asset other than stadium/training facilities that is not being replaced, the historical cost of the asset;
- for the replacement asset (if any), the figure for either the full replacement cost or the present value of 50 years' minimum lease payments, as appropriate;
- the excess proceeds adjustment, determined as:
    - for an asset that is being replaced, either the profit on disposal and proceeds minus replacement cost or proceeds minus the present value of 50 years' minimum lease payments, whichever is lower;
    - for an asset other than stadium/training facilities that is not being replaced, either the profit on disposal or proceeds minus historic cost, whichever is lower;
- in the explanation cell, as a minimum:
    - a description of the disposed asset;
    - whether the disposal was to a third party or a related party;
    - if the disposal was to a related party, the identity of the related party (i.e. the full name of the person or full legal name of the entity), the recorded amount and the fair value amount;
    - if the asset is being replaced, a description of the replacement asset, development status, and commentary on the cost of replacement or lease arrangements.

Examples

Example 1

A club disposes of a tangible fixed asset that is neither a football stadium nor training facilities and the asset will not be replaced. Proceeds from the disposed asset are €3m. The historical cost of the asset was €1m and at the time of disposal it was recorded in the financial statements at a net book value of €0.6m.

Profit on disposal of asset in the financial statements	Proceeds minus historic cost
Calculation: Proceeds: €3m Net book value: €0.6m Profit: €2.4m	Calculation: Proceeds: €3m Historical cost: €1m Balance: €2m
Outcome: amount to be included in the break-even calculation = €2m	

Example 2

A club disposes of its old stadium, receiving net proceeds of €75m. The historical cost of the stadium was €40m and at the time of disposal it was recorded at a net book value of €15m. The club buys/builds a new stadium as a replacement asset at a cost of €65m.

Profit on disposal of asset in the financial statements	Proceeds minus replacement cost
Proceeds: €75m Net book value: €15m Profit: €60m	Proceeds: €75m Replacement cost: €65m Proceeds minus replacement cost: €10m
Outcome: amount to be included in the break-even calculation = €10m	

Example 3

A club disposes of its old stadium, receiving net proceeds of €30m. The historical cost of the stadium was €20m and at the time of disposal it was recorded at a net book value of €5m. The club leases a new stadium as a replacement asset, for which it has an annual minimum lease payment of €1m for 100 years. The interest rate (i.e. discount factor) is 5%.

Profit on disposal of asset in the financial statements	Proceeds minus present value of 50 years' minimum lease payments
Calculation: Proceeds: €30m Net book value: €5m Profit: €25m	Calculation: Proceeds: €30m 50 years' MLPs: €1m x 50 = €50m Present value of 50 years' MLPs: €18.3m Proceeds minus PV of 50 years' MLPs: €11.7m
Outcome: amount to be included in the break-even calculation = €11.7m	

I. Finance costs directly attributable to the construction or substantial modification of tangible fixed assets – Annex X C (k)

1. Guidance

A licensee may exclude any finance costs from the calculation of the break-even result up until the asset is ready for use if they are directly attributable to the construction or substantial modification of an asset to be used for the club's football activities and provided the finance costs have been expensed in a reporting period rather than capitalised as part of the cost of the asset.

The amount of the adjustment is the actual interest expense (not otherwise capitalised) minus any income from temporarily investing the amount borrowed. The relevant interest is from the date when the entity incurs expenditure for the asset, incurs borrowing costs and undertakes activities that are necessary to prepare the asset for its intended use or sale, up to the date the asset is completed.

Once the asset's construction or substantial modification has been completed, all finance costs must be included in the calculation of the break-even result.

2. Relevant finance costs

Adjustable finance costs are those finance costs that would have been avoided had the expenditure on the qualifying asset not been made. When funds are borrowed specifically for the purpose of acquiring, building or substantially modifying a qualifying asset, the adjustable finance costs correspond to the actual costs incurred on those funds during the relevant period. When a qualifying asset is funded from a pool of general borrowings, the amount of the adjustable finance costs should be determined by applying an appropriate interest rate to the expenditure on the qualifying asset.

A **qualifying asset** is an asset for the club's football activities, which will usually be a stadium or football training facilities, that necessarily takes a substantial period of time to prepare for its intended use. Examples of substantial modification of a qualifying asset include building an extension to an existing stand in a stadium, or the addition of a new roof to an existing stand.

The **financing arrangements** may result in specific borrowings being drawn down prior to some or all of the funds being utilised to finance the qualifying asset. In such circumstances, any investment income earned on temporarily investing the funds, pending their expenditure on the qualifying asset, should be deducted for the adjustment calculation.

For the avoidance of doubt, if the entity adopts an accounting treatment such that it capitalises finance costs as part of tangible fixed assets in its annual financial statements, no further adjustment is required for the calculation of the break-even result.

3. Commencement date and end date for calculating the adjustment

The **commencement date for calculating the adjustment** is when all three conditions set out in the Regulations are first met, i.e. (i) the licensee incurs expenditure for the asset, and (ii) incurs borrowing costs, and (iii) undertakes activities that are necessary to prepare the asset for its intended use or sale. Activities that are necessary to prepare the asset for its intended use include initial technical and administrative work, such as activities associated with obtaining permits, prior to the start of the physical construction/substantial modification of the asset. Merely holding an asset, without any associated development activities, does not entitle an entity to make an adjustment for related finance costs, for example, holding land that is not undergoing activities necessary to prepare it for its intended use.

The adjustment calculation should generally continue for as long as the three above-listed conditions are met. If, however, development-related activities are suspended for an extended period, the finance costs should not be included in the adjustment calculation until activities resume. Such development interruptions may occur, for example, due to cash flow difficulties or a desire to hold back development, in which case the finance costs incurred during the suspension are not considered to be a necessary development cost and therefore cannot be included in the adjustment. On the other hand, finance costs incurred during temporary delays that are necessary or expected in the process of preparing an asset for its intended use, or that result from a natural delay such as adverse weather conditions common to the location, can be included in the adjustment.

Finance costs should cease to be included in the adjustment when all of the activities necessary for preparing the qualifying asset for its intended use are substantially complete. An asset is normally ready for its intended use when the physical construction work is finished, even when routine administrative work continues. If only minor modifications remain, this indicates that all the activities are substantially complete.

4. Information to be disclosed

The following information must be disclosed in the adjustment schedule by selecting the finance costs line in the profit and loss account schedule:

- the adjustable finance costs, i.e. finance costs directly attributable to the construction of tangible fixed assets as defined in the Annex X C (k);
- In the explanation cell, at least:
  - a description of the qualifying asset;
  - the commencement date for the adjustment calculation;
  - the end date for the adjustment calculation or disclosure ‘asset not completed at statutory reporting date’;
  - whether the funds are borrowed specifically for the purpose of acquiring, constructing or substantially modifying a qualifying asset, or funded from a pool of general borrowings.

This information should be entered in to the finance costs directly attributable to tangible fixed assets schedule, which is illustrated below:

	Actual	Finance costs	Explanation	Adjustments	Adjusted
+ 2019					
- 2018					
Finance expenses					

J. Amortisation/impairment of intangible assets (excluding player registrations) – Annex X D (b)

1. Guidance

For the break-even calculation, the amortisation or impairment of an intangible asset (excluding player registrations) may be excluded from relevant expenses, if the intangible asset does not generate or has not generated any relevant income.

If the licensee has an intangible asset that generates or has generated any relevant income, the related amortisation/impairment expenses cannot be part of the adjustment and must be recognised in relevant expenses.

2. Information to be disclosed

The following information must be disclosed in the adjustments schedule:

- a description of the qualifying asset;
- a declaration that the intangible asset does not generate or has not generated any relevant income;
- the amount of amortisation/impairment expense with respect to the intangible asset.

	Amortisation			
	Breakdown of the P&L amount	Adjustment (automatic)	Adjusted amount	Explanation
- 2018				
Intangible assets that generate(d) Relevant Income				
Intangible assets that do/did not generate Relevant Income :				
Intangible asset type 1				
Intangible asset type 2				

Impairment			
Breakdown of the P&L amount	Adjustment (automatic)	Adjusted amount	Explanation

K. Costs of leasehold improvement – Annex X C (l)

1. Guidance

A licensee may exclude subsequent construction or substantial modification costs it has incurred on a tangible fixed asset that has been leased for at least ten years from the calculation of the break-even result, if such costs: (i) can be measured reliably; (ii) will result in future economic benefits to the licensee; (iii) are not otherwise capitalised.

For the avoidance of doubt, the break-even result must include day-to-day servicing and regular maintenance costs in relation to specific items of property, plant or equipment. Any such costs should be accounted for in the profit and loss account.

Licensees that do not capitalise leasehold improvements but meet the criteria outlined above may exclude such costs from the break-even result by completing the adjustment schedule shown below. The licensee must disclose the length of the original lease and the remaining term of the lease at the end of the reporting period in the explanation box.

For the avoidance of doubt, in the case of those licensees that do capitalise leasehold improvements, the depreciation charge in the profit and loss account is automatically adjusted to exclude depreciation costs from the break-even result, so no further adjustment is therefore required.

Examples of leasehold improvements include building executive boxes or adding new seats.

L. Adjustments for player accounting: UEFA requirements for player accounting (Annex X C (d)) and income with respect to a player for whom the licensee retains the registration (Annex X B (m))

1. Guidance

There are two types of player transfer adjustments:

(i) UEFA requirements for player accounting

Under the Regulations, a licensee that uses the income and expense method in its annual financial statements and chooses to apply the capitalisation and amortisation method for the break-even calculation must apply certain minimum accounting requirements as described in Annex VII C(4) and draw up a player identification table as described in Annex VI F for each relevant reporting period, which may be requested by the licensor/CFCB.

(ii) Income/profit with respect to a player whose registration is retained by the licensee

As detailed in the ‘player transfers’ section **(Appendix III, B (12))** an adjustment must be made for any income/profit with respect to a player whose registration is retained by the licensee.

For the avoidance of doubt, any income/profit arising from the disposal of a player’s economic rights can only be included as relevant income when calculating the break-even result if the player’s registration has been permanently transferred to another club. An adjustment must be made to exclude any profit generated on disposal while the licensee retains the registration. Then when the player registration is disposed of in its entirety, an adjustment may be made to recognise the full profit, including the amount initially deferred.

For example, during its reporting period ending 2019, club A disposes of 50% of the economic rights on player X for a profit of €1m, but retains the player’s registration. For break-even purposes, the licensee must make an adjustment to exclude such profit for the reporting period ending 2019. During its reporting period ending 2020, club A disposes of the remaining 50% of the economic rights on player X for a profit of €1m and permanently transfers the player’s registration to another club. For break-even purposes, the licensee must make an adjustment to recognise profit of €2m on the disposal for the reporting period ending 2020.

2. Information to be disclosed

To make any of the adjustments detailed above, the licensee must complete the player accounting adjustments schedule, as shown below.

For the adjustments relating to UEFA’s player accounting requirement, the licensee should follow the steps outlined in the table below:

Account line description	Source of adjustment figure
Amortisation of intangible assets (players)	Amortisation expense figure as calculated from player identification table
Impairment of intangible assets (players)	Impairment expense figure as calculated from player identification table
Profit on disposal of intangible assets (players) Loss on disposal of intangible assets (players)	Profit figure, as calculated from player identification table Loss figure, as calculated from player identification table
Cost of acquiring player registrations (including non-capitalised agent fees and loan fees)	To adjust to zero
Income from disposal of player registrations (including loan income)	To adjust to zero

With respect to a player whose registration is retained by the licensee, a negative figure should be entered for any income/profit to be excluded from the break-even result. The licensee should indicate the player's name in the explanation cell along with the level of economic rights that have been disposed of.

Then, when the player registration is disposed of in its entirety, an adjustment may be made to recognise the full profit, including the amount initially deferred, by entering a positive figure in whichever account line was used for the initial adjustment. The licensee should indicate the player's name in the explanation cell along with a disclosure that the registration has been disposed of.

	Actual	adj. player accounting	Explanation	Adjustments	Adjusted
-2018					
Amortisation of intangible assets (player registrations)					
Impairment of intangible assets (player registrations)					
Profit on disposal of intangible fixed assets (player registrations)					
Loss on disposal of intangible fixed assets (player registrations)					
Cost of acquiring player registrations (including non capitalised agent fees and loan fees)					
Income from disposal of player registrations (including loan income)					

M. Credit for a reduction in liabilities from procedures providing protection from creditors – Annex X B (n)

1. Guidance

If a licensee's profit and loss account includes credit/income relating to a reduction in liabilities from procedures providing protection from creditors, the licensee must make an adjustment to effectively exclude that credit/income amount from the break-even calculation.

For the purpose of this adjustment, this relates to any form of procedures providing protection from creditors pursuant to relevant laws or regulations, including procedures that may be referred to as administration procedures, bankruptcy, liquidation and insolvency.

As a result of such procedures, a licensee may benefit from a reduction in liabilities (i.e. the amount the licensee owes to creditors is reduced) and should recognise related credit/income in its profit and loss account. However, the required exclusion adjustment means the licensee's break-even result will not benefit from any such credit/income.

2. Information to be disclosed

The licensee must select the account line in the profit and loss account schedule that contains the credit/income, and enter the following in the 'credit arising from procedures providing protection from creditors adjustment' schedule:

- the amount of the adjustment for any credit with respect to a reduction in liabilities from procedures providing protection from creditors;
- in the 'explanation' cell, additional explanatory information, including a brief description of the nature and timing of the procedures providing protection from creditors and the identity of entities within the reporting perimeter that were subject to the procedures.

N. Adjustment related to a settlement agreement

A licensee subject to a settlement agreement may be required to make financial contributions. Any revenue from UEFA distributions should be recognised in the break-even calculation in full, as explained in **Appendix III (B5)**.

If set out in the settlement agreement, a licensee may make an adjustment in the break-even calculation to exclude the cost of financial contributions from relevant expenses using the following adjustment schedule.

APPENDIX V: FINANCIAL INFORMATION PACKAGE – CONTRIBUTIONS AND CALCULATION OF THE BREAK-EVEN RESULT

A. Contributions from equity participants or related parties – Annex X E and Article 61

1. Definitions

i) **Share capital increase from equity participants**: payments for shares through the share capital or share premium reserve accounts,i.e. investing in equity instruments in their capacity as a shareholder, minus capital reductions.

ii) **Gifts/donations received from a related party**: any unconditional gift made to the reporting entity by a related party that increase the reporting entity's equity without any obligation for repayment or to do anything in consideration of receiving them. For example, waiving inter-company or related-party debt constitutes a capital contribution, as it results in an increase in equity.

iii) **Income transactions from a related party**: the amount considered as a contribution will be no more than the difference between the actual income in a reporting period and the fair value of the transactions in a reporting period as already recognised in calculating the break-even result (see Annex X B(1)(k)).

The cash or goods must have been actually received by the reporting entity, as opposed to some form of promise or commitment from the equity participants or the related party.

The following types of transaction are **not** 'contributions from equity participants or related parties':

- positive movement in net assets/liabilities arising from a revaluation;
- a creation or increase in the balance of other reserves where there is no contribution, either in cash or cash equivalents, from equity participants;
- a transaction whereby the reporting entity has a liability to act or perform in a certain way;
- contributions from owners with respect to instruments classified as liabilities.

Regardless of whether contributions are recognised in an entity's annual financial statements, the amount for the purpose of the break-even requirement cannot be greater than the monetary value for the entity. For the avoidance of doubt, an intention or commitment to make a contribution is not sufficient for a contribution to be taken into consideration, and the entity cannot be required to repay the cash or other resources received.

2. Timing of contributions for a licensee assessed on the current monitoring period (Article 61)

Contributions from equity participants or related parties (as specified in Annex X E) are taken into consideration when determining the acceptable deviation for the current monitoring period if they have occurred and been recognised:

- in the audited financial statements for one of the reporting periods T, T-1 or T-2; or
- in the accounting records up until the deadline for submission of the break-even information for reporting period T.

If contributions occurring up to the submission deadline for the break-even information for reporting period T are recognised in a licensee's reporting period T+1 and have been taken into consideration to determine the acceptable deviation for the current monitoring period, then for later monitoring periods the contributions will be considered as having been recognised in reporting period T.

Example 1: Current monitoring period

Entity A has a statutory reporting date of 30 June. Assessing the break-even requirement for the current monitoring period in licence season 2018/19:

Reporting period	T-4	T-3	T-2	T-1	T	T+1
Reporting period ending	30 June 2014	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Contributions (€ million)	5	5	5	5	5	5*
Contributions considered for the current monitoring period assessment in 2018/19 (€ million)	Not applicable	Not applicable	5	5	5 + 5*	Not applicable

* The contribution of €5m in the reporting period ending 30 June 2019 (T+1) occurred and was recognised between 1 July 2018 and the submission deadline for the break-even information for reporting period T, i.e. UEFA's October 2018 deadline. The licensee chooses to have this contribution taken into consideration for the current monitoring period assessed in licence season 2018/19, i.e. treated as if the €5m contribution had been entered in the financial statements for the reporting period ending 30 June 2018 (T). So the total contributions for the monitoring period assessed in 2018/19 amount to €20m.

Example 2: Current monitoring period

Assessing the break-even requirement for the current monitoring period in licence season 2019/20:

Reporting period	T-4	T-3	T-2	T-1	T
Reporting period ending	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Contributions (€ million)	5	5	5	5	5* + 2**
Contributions considered for the current monitoring period assessment in 2019/20 (€ million)	Not applicable	Not applicable	5	5 + 5*	2

* For the assessment of the break-even requirement for the current monitoring period assessed in 2019/20, the contribution of €5m that occurred and was recognised between 1 July 2018 and the submission deadline for the break-even information for reporting period T (i.e. UEFA's October 2018 deadline) and that was taken into consideration for the acceptable deviation for the current monitoring period assessed in licence season 2018/19, must now be treated as if it was a contribution in the reporting period ending 30 June 2018 (which is now T-1).

** An additional contribution of €2m has occurred and been recognised after the October 2018 deadline and before the end of the reporting period on 30 June 2019. For the assessment of the current monitoring period for licence season 2019/20, this contribution of €2m is treated as occurring in reporting period T.

So the total contributions for the projected monitoring period assessed in 2019/20 amount to €17 m.

3. Timing of contributions for a licensee assessed on the projected monitoring period (Article 61)

For licensees assessed on the projected monitoring period, contributions from equity participants or related parties (as specified in Annex X E) are taken into consideration when determining the acceptable deviation if they have occurred and been recognised:

- in the audited financial statements for reporting period T or T-1; or
- in the accounting records for T+1 up until the end of the licence season.

Example 3: Projected monitoring period

Assessing the break-even requirement for the projected monitoring period in licence season 2018/19:

Reporting period	T-3	T-2	T-1	T	T+1
Reporting period ending	30 June 2015	30 June 2016	30 June 2017	30 June 2018	30 June 2019
Contributions (€ million)	0	5	5	5	5* + 2**
Contributions considered for the projected monitoring period assessment in 2019/20 (€ million)	Not applicable	Not applicable	5	5 + 5*	2**

* For the assessment of the break-even requirement for the projected monitoring period assessed in 2018/19, the contribution of €5m that occurred and was recognised between 1 July 2018 and the submission deadline for the break-even information for reporting period T (i.e. UEFA's October 2018 deadline) and that was taken into consideration for the acceptable deviation for the current monitoring period assessed in licence season 2018/19, must now be treated as if it was a contribution in the reporting period ending 30 June 2018 (T), as in examples 1 and 2 above.
** An additional contribution of €2m has been recognised in the accounting records in the period after the October 2018 deadline and before the end of the licence season, i.e. by 31 May 2019. For the assessment of the projected monitoring period for licence season 2018/19, this contribution of €2m is treated as occurring in T+1.

Any contribution made after 31 May 2019 would not be relevant for the assessment of the projected monitoring period.

So the total contributions for the current monitoring period assessed in 2018/19 amount to €17 m.

4. Information to be disclosed in the contributions schedule in the financial information package

The following information must be disclosed in the contributions schedule:

- **For contributions from equity participants (Annex X E 2a) – share capital increase**:
  - name of the equity participant
  - date of the transaction
  - type of consideration (e.g. cash, debt waiver, other consideration)
  - other explanatory comments
  - amount allocated to the respective reporting period
- **For monies received from a related party as a donation (Annex X E 3a)**:
  - name of the related party
  - date of the transaction
  - type of consideration (e.g. cash, debt waiver, other consideration)
  - other explanatory comments
  - amount allocated to the respective reporting period
- **For income transactions from a related party (Annex X E 3b)**:
  - profit and loss account line where the income transaction is recorded
  - date of the transaction
  - name of the related party
  - nature of the transaction
  - amount allocated to the respective reporting period, i.e. the difference between the amount recorded in the profit and loss account and the fair value of the transaction, which should match the information disclosed in the separate schedule for related-party transactions – see **Appendix V (B)**

The amount in each reporting period must be disclosed separately for T-2, T-1, T (including any amount in T+1 that is treated as occurring in reporting period T, as detailed above), and T+1. Amounts are to be entered in the schedule in the entity's presentation currency, as positive figures and rounded to the nearest thousand.

In the contributions schedule, the information entered is included in a summary table. If applicable, the total amount of disclosed contributions for each reporting period is converted to euros at the average rate for the relevant reporting period. The total of the disclosed contributions is then used to assess the break-even requirement.

B. Calculating the break-even result

1. Break-even calculation schedule

The break-even calculation schedule summarises:

- the amounts of relevant income, relevant expenses, the break-even adjustments and the break-even result for each of the relevant reporting periods;
- the aggregate break-even result for the current and projected monitoring periods;
- if applicable, the aggregate break-even surplus, i.e. the sum of the break-even results for the two reporting periods prior to the monitoring period.

If the licensee's aggregate break-even result for the monitoring period is a deficit, it will be compared with the acceptable deviation.

The break-even calculation result is reached by:

- calculating the aggregate break-even result for the monitoring period;
- including any break-even surplus from the sum of the break-even results in the two reporting periods prior to the monitoring period;
- identifying the total contributions from equity participants and related parties in the relevant time period – the amount of contributions to be considered is capped at €25m;
- showing the applicable level of acceptable deviation – i.e. €5m plus any contributions up to the maximum level of €25m;
- showing any aggregate break-even deficit in excess of the acceptable deviation.

If a licensee has a reporting period greater or less than 12 months, the acceptable deviation is adjusted up or down according to the length of the monitoring period (see **Appendix VI)**.

The break-even calculation schedule is provided as an output schedule in the CL/FFP IT Solution to help licensees assess their own break-even information.

2. Potential break-even results

Various break-even requirement examples are shown below.

Examples

The maximum level of acceptable deviation is €30 million, in so far as the amount above €5 million is entirely covered by contributions. Figures are in millions of euros (€m). All examples refer to the same licence season.

Scenario 1: Licensee with a break-even surplus for both T-2 and T-1 and does not submit break-even information for reporting period T.

The break-even requirement at the end of T is not systematically assessed (risk-based assessment) if the licensee has a break-even surplus for both T-2 and T-1 and does not need to submit break-even information for T.

Example 1

Reporting period	T-2	T-1	T
Annual break-even result	+2	+1	n/a
Outcome: No submission is requested for reporting period T. No indicators breached and break-even surplus in both T-1 and T-2, so the licensee does not need to submit break-even information for T.			

Scenario 2: Licensee assessed on the current monitoring period and reports an aggregate break-even surplus.

Article 64(1a): The break-even requirement is fulfilled if the licensee is assessed on the current monitoring period and has an aggregate break-even surplus for reporting periods T-2, T-1 and T.

Example 2: Current monitoring period

Reporting period	T-2	T-1	T
Annual break-even result	+2	-1	+3
Aggregate break-even result for the current monitoring period		+4	
Outcome: requirement fulfilled There is a break-even deficit for T-1 (€1 million), so the licensee must submit break-even information for T. The aggregate break-even result for the current monitoring period is a surplus, so the break-even requirement is fulfilled.			

Scenario 3: Licensee assessed on the current monitoring period and reports an aggregate break-even deficit within the acceptable deviation having also taken into account the T-3 and T-4 surpluses.

Article 64(1b): The break-even requirement is fulfilled if the licensee is assessed on the current monitoring period and has an aggregate break-even deficit for T-2, T-1 and T that is within the acceptable deviation (as defined in Article 61), having also taken into account any T-3 and T-4 surpluses (as defined in Article 60(6)).

Example 3: Current monitoring period

Reporting period	T-2	T-1	T
Annual break-even result	-3	-2	-2
Aggregate break-even result for the current monitoring period		-7	
Sum of break-even results for T-3 and T-4		+3	
Aggregate break-even result (having taken account of the sum of the T-3 and T-4 surpluses)		-4	
Contributions from equity participants and related parties		0	
Acceptable deviation		-5	
Outcome: requirement fulfilled The aggregate break-even result (having taken into account the T-3 and T-4 surpluses) is a deficit of €4m, which is within the acceptable deviation of €5m (deficit), so the break-even requirement is fulfilled.			

Scenario 4: Licensee assessed on the current monitoring period and reports an aggregate break-even deficit.

Article 64 (2): The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for the current monitoring period that exceeds the acceptable deviation (as defined in Article 61), having also taken into account any surplus in reporting periods T-3 and T-4 (as defined in Article 60 (6)).

In other words, for the current monitoring period the aggregate break-even deficit is either:

- between €5m and €30m, where the excess deficit over €5m is not entirely covered by contributions; or
- in excess of €30 million, regardless of any contributions.

Example 4a: Current monitoring period

Reporting period	T-2	T-1	T
Annual break-even result	0	-10	-5
Aggregate break-even result for the current monitoring period	-15		
Contributions from equity participants and related parties	5		
Acceptable deviation	-10		
Outcome: requirement breached The aggregate break-even deficit (€15m) is not within the acceptable deviation (€10m deficit, i.e. €5m + €5m contributions), so the break-even requirement is not fulfilled.			

Example 4b: Current monitoring period

Reporting period	T-2	T-1	T
Annual break-even result	0	-30	-30
Aggregate break-even result for the current monitoring period	-60		
Contributions from equity participants and related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement breached The aggregate break-even deficit (€60 million) is not within the acceptable deviation (€30 million deficit, i.e. €5 million plus €25 million contributions), so the break-even requirement is not fulfilled.			

Scenario 5: Licensee assessed on current and projected monitoring periods.

Article 64(1b): The break-even requirement is fulfilled if the licensee has an aggregate break-even deficit for both the current monitoring period (T-2, T-1 and T) and the projected monitoring period (T-1, T, T+1) that is within the acceptable deviation (as defined in Article 61), having also taken into account the surplus from the two reporting periods prior to the monitoring period. (as defined in Article 60(6)).

Example 5:

Current monitoring period:

Reporting period	**T-2**	**T-1**	**T**
Annual break-even result	-3	-2	-2
Aggregate break-even result for the current monitoring period		-7	
Sum of break-even results for T-3 and T-4		+3	
Aggregate break-even result (having taken account of the sum of the T-3 and T-4 surpluses)		-4	
Contributions from equity participants and related parties		0	
Acceptable deviation		-5	
Outcome: the break-even deficit is within the acceptable deviation for the current monitoring period The aggregate break-even result (having taken into account the T-3 and T-4 surpluses) is a deficit of €4m, which is within the acceptable deviation of €5m (deficit).			

Projected monitoring period:

Reporting period **(Reporting period ending in year)**	**T-1**	**T**	**T+1**
Annual break-even result	-2	-2	-4
Aggregate break-even result for the projected monitoring period		-8	
Sum of break-even results for T-2 and T-3		+5	
Aggregate break-even result (having taken account of the sum of the T-2 and T-3 surpluses)		-3	
Contributions from equity participants and related parties		0	
Acceptable deviation		-5	
Outcome: the break-even deficit is within the acceptable deviation for the projected monitoring period The aggregate break-even result (having taken account of the total surplus for T-2 and T-3) is a deficit of €3m, which is within the acceptable deviation of €5m (deficit)			

The aggregate break-even result for both the current monitoring period and the projected monitoring period are within the acceptable deviation of €5 million, so the break-even requirement is fulfilled.

Scenario 6: Licensee assessed on the current and the projected monitoring periods and reports an aggregate break-even deficit in at least one of the monitoring periods.

Article 64 (2): The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for the current monitoring period or for the projected monitoring period exceeding the acceptable deviation (as defined in Article 61), having also taken account of any surplus in the two reporting periods prior to the monitoring period assessed.

In other words, for the monitoring periods assessed, the aggregate break-even deficit for the current or projected monitoring period is either:

- between €5m and €30m, where the excess deficit over €5m is not entirely covered by contributions; or
- in excess of €30 million, regardless of any contributions.

Example 6:

Current monitoring period:

Reporting period **(Reporting period ending in year)**	**T-2**	**T-1**	**T**
Annual break-even result	40	-20	-30
Aggregate break-even result for the current monitoring period	-10		
Contributions from equity participants and related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement fulfilled for the current monitoring period The aggregate break-even deficit (€10 million) is within the acceptable deviation (€30 million deficit, i.e. €5 million plus €25 million contributions), so the break-even requirement for the current monitoring period is fulfilled.			

Projected monitoring period:

Reporting period **(Reporting period ending in year)**	**T-1**	**T**	**T+1**
Annual break-even result	-20	-30	0
Aggregate break-even result for the projected monitoring period	-50		
Contributions from equity participants and related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement breached for the projected monitoring period The aggregate break-even deficit (€50 million) is not within the acceptable deviation (€30 million deficit, i.e. €5 million plus €25 million contributions), so the break-even requirement for the projected monitoring period is not fulfilled.			

Despite a break-even deficit for the current monitoring period within the acceptable deviation, the break-even requirement for the licence season is not fulfilled because one of the licensee's monitoring periods is under assessment with a deficit exceeding the acceptable deviation, i.e. the projected monitoring period is breached.

APPENDIX VI: FINANCIAL INFORMATION PACKAGE – REPORTING PERIODS OTHER THAN 12 MONTHS

A. Information to be submitted by the licensee

For the purpose of the break-even requirement, a licensee must submit financial information based on and reconciled with audited financial statements for a reporting period ending in each relevant calendar year, regardless of their actual statutory closing date.

Typically, a licensee's reporting period will cover a twelve-month period and its statutory closing date will be the same from one year to the next.

As detailed in **Sections 3.1.3 and 4.1.1**, the licensee must ensure that the pre-populated reporting period closing month shown in the club information and financial information packages is correct. If it is incorrect, the licensee must contact the UEFA administration before entering any data.

If a licensee changes its statutory closing date and consequently does not have a statutory closing date in a particular calendar year, it must still prepare audited financial statements for a reporting period ending in that calendar year.

Example

- A licensee changes its statutory closing date from 31 December 2018 to 30 June 2019, so it has statutory financial statements covering the 12 months to 31 December 2017 and then 18 months to 30 June 2019.
- It therefore has no statutory closing date in the 2018 calendar year.
- Under Article 48, the licensee must submit additional financial statements for an interim period ending within the six months preceding the deadline for submitting the list of licensing decisions to UEFA, e.g. an interim period to 31 December 2018.

The break-even information for the 2019/20 licence season will comprise:

- for T-2, the 12 months to 31 December 2017, based on audited annual financial statements;
- for T-1, the 12 months to 31 December 2018, based on audited interim financial statements to 31 December 2018;
- for T, the 6 months to 30 June 2019, based on the audited financial statements for the 18 months to 30 June 2019, as adjusted for the interim financial statements to 31 December 2018.

B. Flexing threshold levels for exemption (Article 57(4))

As detailed in Section 4.1.6, a licensee can only be exempt if it can demonstrate it has relevant income and relevant expenses below €5 million in each of the two reporting periods ending in the two years prior to the start of the UEFA club competition in question.

Under Article 57, if the reporting period is greater or less than 12 months, the €5 million threshold (relevant income/expenses) for exemption is adjusted up or down according to the length of the reporting period. The flexed threshold level is then compared with the licensee's relevant income and expenses as appropriate.

Once it has submitted the break-even information, including information about the length of the reporting periods (as contained in the club information and financial information packages, the licensee will be notified if further break-even information is required.

C. Flexing acceptable deviation (Article 61(5))

Under Article 61(5), for monitoring periods containing a reporting period of greater or less than 12 months, the acceptable deviation will be adjusted up or down according to the length of the monitoring period.

Example for reporting period of less than 12 months

- This is illustrated below for a licensee which, following a change in its statutory closing date, has a six-month reporting period in 2019 and therefore a monitoring period of 30 months, instead of 36 months, for the break-even assessment for the 2019/20 licence season.
- The level of acceptable deviation, without and with contributions, is adjusted downwards for a monitoring period containing a reporting period of less than 12 months:

As assessed in licence season:	Reporting periods (number of months)						Months in the monitoring period	If no contributions, aggregate break-even deficit up to	If excess over €5m is covered by contributions, aggregate break-even deficit up to:
	31-Dec-17	31-Dec-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22		€m	€m
2019/2020	12	12	6				30	4.2	25
2020/2021		12	6	12			30	4.2	25
2021/2022			6	12	12		30	4.2	25
2022/2023				12	12	12	36	5.0	30

APPENDIX VII: FINANCIAL INFORMATION PACKAGE – EXCHANGE RATES (OTHER THAN EURO)

A. Applicable exchange rates (Article 57)

If a licensee's **financial information is denominated in a currency other than euros**, the relevant figures are converted into euros at the **average exchange rate for the reporting period**, or at the assessment date in the overdue payables package, using exchange rates published by the European Central Bank or another appropriate source.

As detailed in **Sections 3.1.3 and 4.1.1**, the licensee must check that the pre-populated information for the licensee's local/reporting currency in the club information and financial information packages is correct. If the pre-populated currency is incorrect, the licensee must contact the UEFA administration immediately, before entering any data.

For historical periods covering T-2, T-1 and T, the local/reporting currency is converted to euros using the average exchange rate for the period. For reporting periods that have yet to close (i.e. T+1 and, in some cases, T) the latest available exchange rates are used and extrapolated over 12 months.

B. Impact of converting accounts in local reporting currency into euros (Annex XI C)

The other factor in Annex XI (impact of converting accounts in local reporting currency into euros) refers solely to the impact on the licensee's break-even result in euros as a result of converting the financial results from the local/reporting currency into euros.

The break-even result for a reporting period as calculated in the reporting entity's local/reporting currency will be converted into euros at the average rate for the reporting period, in accordance with Article 57(3). If exchange rates change over time such that there is an adverse impact on the licensee's break-even result denominated in euros for a reporting period or in aggregate for a monitoring period, compared with the currency used for its annual financial statements, then the amount of that impact will be taken into consideration.

If the break-even result for the monitoring period in the local/reporting currency is positive, then the licensee should not, in principle, be sanctioned.

Each reporting entity has a selected local reporting currency for its annual financial statements. An entity may have transactions in currencies other than its local reporting currency or may have foreign operations. Each entity must account for any currency exchange differences in its annual financial statements, in accordance with applicable accounting standards. Such exchange differences do not constitute the 'other factor' listed under the impact of conversion of accounts in local currency into euros in Annex XI. The management of currency risks remains the entity's responsibility and cannot be excluded from the break-even calculation.

Examples

- The licensee complies with the break-even requirement for the current monitoring period using the local reporting currency of its financial statements in both example 1 and example 2.
- However, in example 2, due to the adverse movement of its currency against the euro during period T, it breaches the break-even result denominated in euros. If the exchange rate had remained at 1.5 in reporting period T, as shown in example 1, the club would have complied with the break-even requirement denominated in euros.
- This adverse impact of the exchange rate against the euro shown in example 2 will be taken into consideration by the CFCB as an 'other factor' under Article 68.

Example 1

Reporting period	T-2	T-1	T	Aggregate break-even result for the current monitoring period
Break-even result local currency (€m)	-16.0	5.0	11.0	0
Exchange rate	1.5	1.5	1.5	n/a
Break-even result (€m)	-24.0	7.5	16.5	0

Example 2:

Reporting period	T-2	T-1	T	Aggregate break-even result for the current monitoring period
Break-even result local currency (€m)	-16.0	5.0	11.0	0
Exchange rate	1.5	1.5	1.0	n/a
Break-even result (€m)	-24.0	7.5	11.0	-5,500

APPENDIX VIII: PLAYER TRANSFER BALANCE PACKAGE

A. Player transfer balance (Article 62(3) – Indicator 6)

If requested under Article 62(3) indicator 6, the licensee must submit player transfer balance information for the specified registration period by UEFA's deadline, which will be shortly after a player registration period, using the **player transfer balance package**.

The player transfer balance for a registration period is the net of:

- the aggregate costs in that period of the transfer-in of player registrations with respect to all new and existing player registrations, i.e. all such costs paid or payable; and
- the aggregate proceeds in that period of the transfer-out of player registrations, i.e. all such proceeds received or receivable net of any direct costs of disposal.

If the aggregate costs of transferring in player registrations exceeds the aggregate proceeds of transferring out player registrations, the licensee has a player transfer deficit for the player registration period.

The licensee is in breach of indicator 6 if its player transfer deficit is greater than €100 million for any player registration period that ends during the licence season.

B. Player registration period

The start and end of a player registration period are defined by reference to player registration deadlines as set out in the Regulations of the UEFA Champions League for the applicable licence season.

A player registration period is either:

- the period that starts the day after the registration deadline for List A for matches from the round of 16 in the previous season, and ends on the deadline for submission of List A for matches from the first match in the group stage; or
- the period that starts the day after the submission deadline for List A for matches from the first match in the group stage, and ends on the registration deadline for List A for matches from the round of 16.

For the avoidance of doubt, the start and end of a player registration period are defined for all licensees by reference to the UEFA Champions League regulations, irrespective of the UEFA club competition in which a licensee participates.

C. Aggregate costs of transferring in player registrations

In the player transfer balance schedule, the licensee must disclose:

a) All new player registrations (permanent and temporary/loan transfers) in the defined player registration period. This includes the registration of out-of-contract players, players coming back from loan, and youth players signing their first professional contract if solidarity contributions/training compensation become payable.

b) All existing player registrations for which conditional transfer compensation becomes payable during the specified registration period, irrespective of whether the transfer-in was in that period or before.

c) All existing player registrations that are extended beyond the original date of the player's contract with the licensee in the player registration period and where such an extension has triggered agent/intermediary fee(s) or other direct costs.

For each player, the following information must be entered in the player transfer balance schedule:

- **Player's name:** as shown on the player's registration document.
- **Former club:** name of the club from which the player's registration has been transferred in, either permanently or on loan.
- **Date of registration:** the date the player's registration was transferred in, or the player was registered for the first time. For international transfers, this date should be the same as that entered in FIFA's

Transfer Matching System.

- **Acquisition costs:** the costs of acquiring a player's registration incurred during the player registration period, i.e. amounts paid or payable, including fixed transfer compensation, realised conditional transfer compensation, solidarity contributions and training compensation to another football club or to a third party.
- **Transfer Currency (TC):** the currency of the payables as specified in the transfer or loan agreement with the former club.
- **Fixed transfer compensation:** (to be entered in TC) the original unconditional amount paid or payable to the former club from which the player's registration has been transferred in permanently or on loan in the player registration period.
- **Realised conditional transfer compensation:** (to be entered in TC) any conditional amounts included in the transfer agreement that are realised in the player registration period and paid or payable to the former club. Realised conditional transfer compensation can be either for a new transfer-in during the player registration period, or for an existing player registration for which conditional transfer compensation becomes payable during the player registration period.
- **Unrealised conditional transfer compensation:** (to be entered in TC) any conditional amounts included in the transfer agreement that are not yet realised in the player registration period and not yet paid or payable to the former club. Any such amount is noted, but not included in the costs of acquiring a player's registration when calculating the player transfer balance under indicator 6.
- **Description:** (list all conditions) brief summary of the conditions for conditional transfer compensation in the transfer agreement.
- **Solidarity contributions/training compensation** (to be entered in TC) the total amount paid or payable by the licensee with respect to solidarity contributions/training compensation for new player registrations in the player registration period.
- **Reporting/local currency (LC):** currency used for the licensee's financial statements.
- **Other direct costs:** (to be entered in LC) the total amount of other direct costs paid or payable by the club to third parties in relation to the transfer-in of a player's registration, but excluding amounts paid or payable to other football clubs and excluding amounts paid or payable to agents, which are requested separately.
- **Agent/intermediary fees:** (to be entered in LC) the fees paid or payable to agents or intermediaries in relation to either (i) the transfer-in of a player's registration in the player registration period, or (ii) the extension of a player's contract with the licensee during the player registration period. This amount includes any fees paid or payable by the licensee to an agent or intermediary on behalf of the player concerned. This amount excludes any contingent payables.

Amounts must be input as positive figures, in the currency of the transfer agreement, and rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235.

D. Aggregate proceeds of transferring out player registrations

In the player transfer balance schedule, the licensee must disclose:

a) All professional player registrations that were transferred out (permanent and temporary/loan transfers) or that ceased to be registered with the licensee in the specified player registration period.

b) All previous player registrations for which conditional transfer compensation becomes receivable during the specified player registration period, irrespective of whether the transfer-out was in that period or before.

For each player, the following information must be entered in the player transfer balance schedule:

- **Player's name:** as shown on the player's registration document.

- **New club:** name of the new club to which the player's registration has been transferred permanently or on loan.
- **Date of transfer:** the date the player's registration was transferred out to the new club. For international transfers, this date should be the same as that entered in FIFA's Transfer Matching System.
- **Transfer proceeds:** transfer fee proceeds of transferring out a player's registration during the player registration period, i.e. amounts received or receivable for agreed transfer compensation, realised conditional transfer compensation, and solidarity contributions or training compensation due to the club.
- **Transfer Currency (TC):** currency of the receivables as specified in the transfer or loan agreement with the new club.
- **Fixed transfer compensation:** (to be entered in TC) the original unconditional amount received or receivable from the new club to which the player's registration has been transferred out permanently or on loan.
- **Realised conditional transfer compensation:** (to be entered in TC) any conditional amounts included in the transfer agreement that are realised in the player registration period and received or receivable from the former club.
- **Unrealised conditional transfer compensation:** (to be entered in TC) any conditional amounts included in the transfer agreement that are not yet realised in the player registration period and not yet received or receivable from the former club. Any such amount is noted, but not included in the transfer proceeds when calculating the player transfer balance under indicator 6.
- **Description:** (list all conditions) brief summary of conditions attached to the contract along with the profit-sharing fee percentage if there is a sell-on clause and the deduction percentage agreed as a shared fee for training and compensation.
- **Solidarity contributions/training compensation:** (to be entered in TC) the net amount received or receivable for solidarity contributions or training compensation with respect to the transfer-out of a player in the player registration period. The licensee must only report the amount owned by the club. If these amounts must be paid to other clubs and only transit through the licensee's accounts, they must not be reported.
- **Reporting/local currency (LC):** currency used for the licensee's financial statements.
- **Other Direct Costs:** (to be entered in LC) the total fees paid or payable by the licensee to third parties in relation to the transfer-out of a player's registration, but excluding amounts paid or payable to agents or intermediaries, which are requested separately. This amount is deducted from the transfer proceeds.
- **Agent/intermediary fees:** (to be entered in LC) the fees paid or payable to an agent or intermediary in relation to the transfer-out of a player's registration. This amount includes any fees paid or payable by the club to an agent or intermediary on behalf of player concerned and is deducted from the transfer proceeds. It excludes any contingent payables.
- **Sell-on liabilities:** (to be entered in LC) the total fees paid or payable to the player's previous club in relation to the transfer-out of a player's registration. This amount is deducted from the transfer proceeds.

Amounts must be input as positive figures, in the currency of the transfer agreement, and rounded to the nearest thousand, e.g. €1,234,567 should be entered as €1,235.

APPENDIX IX: DUTY TO REPORT SUBSEQUENT EVENTS

In accordance with Article 67, the licensee must promptly notify the licensor in writing about any significant changes including, but not limited to, subsequent events of major economic importance up to at least the end of the licence season.

Examples of events or conditions that, individually or collectively, may be considered a significant change include, but are not limited to, the following:

- any alteration to the licensee's legal form or company structure, including, for example, changing its headquarters, name or club colours, or transferring shareholdings between different clubs;
- any alteration to the licensee's reporting perimeter;
- a material change to accounting policies, compared to the audited annual financial statements as submitted for club licensing;
- if a licensee is in breach of any conditions with respect to the issuing of the licence;
- if a licensee violates any of its obligations under the national club licensing regulations;
- fixed term borrowing approaching maturity without realistic prospects of renewal or repayment;
- indications of withdrawal of financial support by any of the material lenders to the licensee or any other entity in the reporting perimeter, including a breach of covenants;
- discovery of material fraud or errors that show the financial statements are incorrect;
- pending legal proceedings against the licensee or any other entity in the reporting perimeter are terminated, resulting in significant liabilities to be satisfied;
- The licensee's executive responsibilities are being undertaken by someone under some form of external appointment relating to legal or insolvency procedures;
- if the licensee (or the registered member of the UEFA member association that has a contractual relationship with the licensee under Article 12) or any other entity in the reporting perimeter seeks or receives protection from its creditors or is subject to insolvency proceedings pursuant to laws or regulations.

APPENDIX X: GUIDANCE FOR APPLYING TO ENTER INTO A VOLUNTARY AGREEMENT

As set out in **Article 57(5)** and **Annex XII**, under certain circumstances a licensee may apply to enter into a voluntary agreement with the CFCB that it will comply in future with the break-even requirement.

1. Eligibility for a voluntary agreement

A club is eligible to apply for a voluntary agreement if it meets the conditions set out in Annex XII A(2) and A(3).

Example

By way of illustration, a club is eligible to apply (by 31 December 2019) for a voluntary agreement which will enter into force from the 2020/21 UEFA club competitions if:

- it has been granted a valid licence to enter the 2019/20 UEFA club competitions by its national licensor, but has not qualified for a 2019/20 UEFA club competition, i.e. in the season that precedes the entry into force of the voluntary agreement; or
- it has qualified for and entered a 2019/20 UEFA club competition (i.e. for the season that precedes the entry into force of the voluntary agreement) and proves that the aggregate break-even result for the reporting periods ending in 2017, 2018 and 2019 is within acceptable deviation (i.e. the current monitoring period that precedes the entry into force of the voluntary agreement); or
- it has been subject to a significant change in ownership or control during the period 1 January to 31 December 2019, i.e. within the 12 months preceding the application deadline of 31 December 2019. For example, there is a new ultimate controlling party that is not a related party of the previous ultimate controlling party.

Notwithstanding a club satisfying any of the three conditions described above, a club is only eligible to apply to enter into a voluntary agreement with the CFCB if it has not been party to a voluntary agreement or subject to a disciplinary measure or settlement agreement as set out in the Procedural Rules Governing the UEFA Club Financial Control Body in respect of the reporting period ending in 2019, i.e. the last reporting period.

2. Deadlines and key steps for applying to enter into a voluntary agreement

The application deadline is 31 December preceding the licence season in which the voluntary agreement would come into force. Ahead of each licence season, the key dates and deadlines for the application process will be communicated by the UEFA administration.

Key steps

1. A licensee wishing to apply for a voluntary agreement must by the deadline notify the UEFA administration (ffpsupport@uefa.ch) and ask it to open (i) Any relevant schedules in the club information and financial information packages, and (ii) the business plan package. The licensee's request must include contact details comprising its full legal name, postal address, email address and telephone number.
2. By the deadline, a licensee must submit the following to the UEFA administration:
    - The relevant schedules in the **club information package** and the **financial information package**, if not previously submitted, including the club information and break-even information for the financial reporting periods T-2, T-1 and T, and also the projected break-even information for the reporting period T+1;
    - The **business plan package**, including the projected break-even information for at least the financial reporting periods T+2, T+3 and T+4. The licensee may attach additional supporting documentation. Note: The business plan schedules will also include the break-even information for reporting periods T and T+1, pre-populated from the submission of the financial information package.
3. **By 31 December preceding the licence season in which the voluntary agreement would come into force**, the licensee must submit to the CFCB its application for a voluntary agreement (in the form to be communicated by the UEFA administration) which, if such an agreement is subsequently concluded, would come into force for the reporting period T+1 and cover several reporting periods.

3. Information requirements for applying to enter into a voluntary agreement

The projected break-even information must:

- be submitted in the prescribed format as set out in the financial information package (for T+1) and in the business plan package (for at least T+2, T+3,T+4), including a balance sheet, a profit and loss account and a cash flow statement;
- be prepared on a basis consistent with that required for T+1, including that it must be based on reasonable and conservative assumptions as set out in the Regulations and further explained in this FFP Toolkit (see **Section 4.1.9**);
- demonstrate the licensee's ability to continue as a going concern until at least the end of the period covered by the voluntary agreement, by also entering the amounts of future commitments by equity participants or related parties to make contributions to at least cover the aggregate projected break-even deficits for all the future reporting periods intended to be covered by the voluntary agreement;
- demonstrate the licensee's compliance with the break-even requirement at least for the current monitoring period to be assessed in the final licence season covered by the voluntary agreement.

Example

For a club applying for a voluntary agreement by 31 December 2019 to enter into force from the 2020/21 UEFA club competitions and covering the four reporting periods ending 2020 (T+1), 2021 (T+2), 2022 (T+3) and 2023 (T+4), the club must demonstrate compliance with the break-even requirement for the current monitoring period to be assessed in licence season 2023/24 and covering the reporting periods ending 2021, 2022 and 2023.

4. Possibility of entering into a voluntary agreement

The CFCB will review each application and the information provided and the club will be contacted for any additional information required and the possible conclusion of a voluntary agreement.

As set out in Annex XII, as part of any such voluntary agreement between the CFCB and a club, a club must:

- submit any irrevocable commitments from equity participants or related parties to contribute an amount at least equal to the aggregate future break-even deficits in all the reporting periods covered by the voluntary agreement. This irrevocable commitment must be evidenced by a legally binding agreement between the licensee and the equity participants or related parties and, if required by the CFCB, it must also be secured by means of either:
  - payments into an escrow account, or
  - any other such form of security as the CFCB considers satisfactory. For example, a guarantee from another company in the legal group structure outside the reporting perimeter.
- Demonstrate to the satisfaction of the CFCB its ability to meet the targets and obligations agreed in the voluntary agreement.

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UEFA Club Licensing and Financial Fair Play
CL/FFP IT Solution Toolkit

Toolkit addendum 2021

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1. INTRODUCTION

1.1. Addendum to the UEFA Club Licensing and Financial Fair Play Regulations

On 18 June, the UEFA Executive Committee approved temporary emergency measures in an addendum to the Club Licensing and Financial Fair Play Regulations (Edition 2018) (CL/FFP). The Executive Committee decision specifically relates to the following points.

A. Other monitoring requirements – Overdue payables for the 2020/21 licence season
B. Monitoring requirements – Break-even rule for the 2020/21 and 2021/22 monitoring periods

The consultation process showed that the break-even requirement has mostly been thought of as a cost-control mechanism, with spending incentivised towards long-term goals and not short-term gambling. The pandemic has caused a 'revenue crisis' for football rather than 'overspending'. In this exceptional case, many clubs will struggle to satisfy the break-even requirement. Prior to the abrupt and unforeseen halt in incoming revenue, most licensees were adhering to the spirit of financial fair play and had allocated costs according to expected revenues. The disruption in normal economic activities will continue to affect licensees' operating revenues such as matchday, broadcasting and commercial and sponsorship income. Due to the very nature of football clubs, common sense must prevail when applying the break-even rule in such exceptional circumstances and specific intervention is needed.

The UEFA Executive Committee approved the addendum to the UEFA Club Licensing and Financial Fair Play Regulations (Edition 2018), which will come into force immediately.

As a consequence, all licensees that qualify for a UEFA club competition must comply with the club monitoring requirements as per the regulations and the related addendum, regardless of whether their participation in a UEFA competition ceases before the end of the licence season.

1.2. Key elements covered by the addendum

In accordance with the Executive Committee decision described above, the CL/FFP IT Solution Toolkit (FFP Toolkit) has been updated to take account of the regulatory changes. This Toolkit addendum is intended to help users understand the modifications of the overdue payable and break-even requirements when providing financial information using the CL/FFP IT Solution developed by UEFA.

The FFP Toolkit addendum provides guidance about the break-even rule for the 2020/21 and 2021/22 monitoring periods and the financial information package (Section **3** and **Appendix I,**).

The appendix mentioned herein refers to this FFP toolkit addendum.

Regarding the articles not amended by the Executive Committee on 18 June, the "UEFA Club Licensing and Financial Fair Play CL/FFP IT Solution Toolkit, 2020" remains in place and users should continue to refer to the FFP Toolkit (first part of this document).

The FFP toolkit addendum is limited to the addendum to the CL/FFP regulations approved by the Executive Committee on 18 June and the requirements below.

1.2.1. Monitoring requirements – Break-even rule for the 2021/22 monitoring periods

- **Article 59(1) and 62(1)**

  - The assessment of the 2020 financial year has been postponed for one season and will be assessed together with the 2021 financial year.

  - The 2020/2021 monitoring period has been curtailed and only covers two reporting periods (financial years ending in 2018 and 2019).

  - The monitoring period for 2021/2022 has been extended and covers four reporting periods (financial years ending in 2018, 2019, 2020 and 2021).

- **Article 59(2) and Annex X(A)(4) and Annex X(G)**

- The 2020 and 2021 financial years will be assessed together as one single period.
- The adverse impact of the pandemic will be attenuated by averaging the combined deficit of 2020 and 2021 and by allowing other specific Covid-19 adjustments.

If there is any discrepancy between this FFP Toolkit addendum, the Regulations and their addendum, the Regulations and their addendum always prevail. The information contained in this FFP Toolkit addendum is without prejudice to any decision by the UEFA Club Financial Control Body (CFCB) with regard to enforcing the Regulations.

2. FINANCIAL INFORMATION PACKAGE

2.1.1. Summary of documentation to be submitted

Schedules	Requirements	For April	For August	For November / March	
		T-1	T-1 & T-2	T	T-3 & T-4 *
Balance sheet	Complete the **balance sheet schedule**.	✓	✓	✓	✓
Balance sheet reconciliation	Complete the **balance sheet reconciliation schedule**.	✓	✓	✓	✓
Profit and loss account	Complete the **profit and loss account schedule**.	✓	✓	✓	✓
Profit and loss account – supplementary schedules	If applicable, complete the **supplementary schedules** to provide additional disclosure about particular profit and loss account lines.	×	✓	✓	✓
Sustainable debt indicator	If applicable, complete the **sustainable debt indicator schedule** about debt directly attributable to construction or substantial changes to the stadium or other training facilities	×	✓	✓	×
Adjustment schedules	First complete the **adjustment summary schedule.** If applicable, complete the relevant supplementary **adjustment schedules**.	×	✓	✓	✓
Cash flow	Complete the **cash flow schedule**.	✓	✓	✓	✓
Going concern and negative equity	Complete the **going concern and negative equity schedule**.	×	✓	×	×
Contributions	If applicable, complete the **contributions** schedule for the monitoring period.	×	×	✓ **	×
Attachment	Attach the audited financial statements.	×	✓	✓	×
Management representation	Complete the **management representation schedule**.	×	✓	✓	

* Disclosing information for reporting periods T-3 and T-4 is optional for the licensee.

** The contributions schedule to be submitted by the November/March deadline includes disclosure of contributions in reporting periods T-1 and T-2.

2.1.2. Submitting the financial information package

By the April deadline, all relevant licence applicants/licensees submitted the relevant schedules in the financial information package – comprising the profit and loss account, balance sheet, balance sheet reconciliation and cash flow schedules.

Entries in the financial information package must be based on and reconciled with the audited annual financial statements and underlying accounting records for the reporting perimeter in the reporting period ending in the year prior to the April deadline. In the schedules, this is referred to as T-1.

The financial information package will be prepopulated with entries from a previous financial information package. This information must be checked and, if necessary, amended before submission as it will comprise the figures for the preceding reporting period. In the schedules, this is referred to as T-2.

When submitting the financial information package by the August deadline, the licence applicant must also submit the club information package.

2.1.3. Reporting and monitoring periods

The current monitoring period assessed in the licence season 2021/22 covers the following reporting periods:

a. Reporting periods ending in 2020 and 2021 (reporting period T)
b. Reporting period ending in 2019 (T-1)
c. Reporting period ending in 2018 (T-2)

2.1.4. Timing of submission of the financial information package

For the break-even requirement, a licensee must submit financial information for a reporting period ending in each relevant calendar year, regardless of their actual statutory closing date.

The figures to be input into the CL/FFP IT Solution must be based on and reconciled with the relevant annual financial statements and underlying accounting records of the entities in the licensee's reporting perimeter.

By the deadline set by the licensor, which will be ahead of UEFA's August deadline, all licensees that qualify for a UEFA club competition must submit the break-even information for T-1 and T-2, using the **financial information package**.

Then by the deadline set by the licensor, which will be ahead of UEFA's deadlines in November and March, all licensees that qualify for UEFA club competitions must submit the break-even information for T based on and reconciled with their audited financial statements and underlying accounting records using the **financial information package:**

- Licensees with a **reporting period T ending on or before 31 July** must submit break-even information for T by the November deadline.
- Licensees with a **reporting period T ending after 31 July** must submit break-even information for T by the March deadline.

A licensee may demonstrate that the aggregate break-even deficit is reduced by a surplus resulting from the **sum of the break-even results of the two reporting periods prior to the monitoring period,** by selecting 'Yes' in the management representation schedule and then completing the relevant schedule in the financial information package, by the November/March deadline. Once the licensee has completed the information, the sum of these break-even results will automatically appear on the licensee's break-even calculation output report schedule.

2.1.5. Aggregate break-even result for the current monitoring period

The current monitoring period assessed in the licence season 2021/22 covers the following reporting periods:

- Reporting periods ending in 2020 and 2021 which will be considered as one single reporting period (reporting period T)
- Reporting period ending in 2019 (T-1)
- Reporting period ending in 2018 (T-2)

The aggregate break-even result is the sum of the break-even results of each of the reporting periods covered by the relevant monitoring period. If the aggregate break-even result is positive, i.e. equal to zero or above, then the licensee has an aggregate break-even surplus for the monitoring period. If the aggregate break-even result is negative, i.e. below zero, then the licensee has an aggregate break-even deficit for the monitoring period.

The break-even result in reporting period T consists of the sum of the break-even result reported for the period ending in 2020 and the break-even result reported for the period ending in 2021.
If the result is a deficit, it is halved.
To reduce the remaining break-even deficit, appropriate adjustments may be performed to address the adverse financial impact generated by COVID-19.

In the case of an aggregate break-even deficit for the monitoring period assessed for the 2021/22 licence season, the licensee may demonstrate that the aggregate deficit is reduced by a surplus resulting from the sum of the break-even results of the reporting periods ending in 2017 (T-3) and 2016 (T-4) for the current monitoring period.

2.1.6. COVID-19 adverse financial impact adjustment

Appropriate adjustments may be made to take account of the adverse financial impact caused by COVID-19 in the break-even calculation. The COVID-19 adverse financial impact is defined as the loss of revenues between the average revenues (as listed below) relevant in calculating the break-even result recognised in the reporting periods ending in 2020 and 2021 and the corresponding anticipated average revenues forecast for the same periods.

Anticipated average revenues for the reporting periods ending in 2020 and 2021 are, as a minimum, equivalent to the revenues (as listed below) relevant in calculating the break-even result recognised in the reporting period ending in 2019. This 2019 base can be increased if supported by legal or contractual arrangements (e.g. new broadcasting or sponsorship deal) concluded before the pandemic.

Adjustments are limited to the following revenue lines: Gate receipts, Sponsorship and advertising, Broadcasting rights, Commercial activities, Other operating revenue.

Any decrease in UEFA solidarity and prize money because UEFA distributions were reduced due to COVID-19 can be taken into account.

The licensee must select from the list of possible adjustments.

Total Club adjustments			**0**	**35,151**	**20,189**	**19,373**
	None	2020 & 2021				
Adjustment for COVID-19 (provisional until submission of BE 2021)	☐	☑		38,028		

Then the anticipated relevant income could be entered for each eligible revenues line.

	Relevant Income 2021	Relevant Income 2020	Relevant Income 2019	Anticipated Relevant Income 2021	Anticipated Relevant Income 2020	Explanation	Average Relevant Income	Average Anticipated Income	COVID Adjustment
Total Gate Receipts		51,488	45,027		65,005	Adjustment for: 1) Pro-rata season tickets not recognized +2) match day loss - :	51,488	65,005	13,517
Total Sponsorship and Advertising		80,566	132,814		92,874	Reduction contractual fees to sponsors+Opportiunity lost in H2;not considered	80,566	92,874	12,308
Total Broadcasting Rights		88,424	103,859		88,424	Not considered any adjustment for revenue deferred from 2020 to 2021 due to	88,424	88,424	
Total Commercial		5,217	2,807		14,197	Impact on merchandising and other commercial activities;not considered any ac	5,217	14,197	8,980
Total UEFA Solidarity and Prize Money		46,349	52,993		48,416	Reduction upplied by UEFA on UCL and UEL revenue;not considered any adjustı	46,349	48,416	2,067
Total Other Operating Income		21,079	19,339		22,235	Impact on other revenue;not considered any adjustment for revenue deferred fı	21,079	22,235	1,156
								Total	38,028

When the COVID-19 adjustment is opened, relevant income will be prefilled with the subtotals calculated from the related profit and losses' balances.

Anticipated relevant income for 2020 and 2021 must be entered by the licensee with a short description of the adjustment.

The IT tool will calculate the average relevant income, the average anticipated income and calculate the maximum COVID-19 adjustment that can be used to decrease the average deficit of reporting period T.

2.1.7. The notion of acceptable deviation and contributions

No modification in the calculation of the acceptable deviation and contributions.

2.1.8. Fulfilment of the break-even requirement

The break-even requirement for the **current monitoring period is fulfilled** if the licensee has:

- an aggregate break-even surplus for T-2, T-1 and T; **or**

- an aggregate break-even deficit for T-2, T-1 and T that is within the acceptable deviation, having also taken into account any surplus resulting from the sum of the break-even results in T-3 and T-4.

The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit exceeding the acceptable deviation for the current monitoring period or, if applicable, for the projected monitoring period. These examples are further illustrated in **Appendix I.**

APPENDIX I: FINANCIAL INFORMATION PACKAGE

A. Calculating the break-even result

1. Break-even calculation schedule

The break-even calculation schedule summarises:

- the amounts of relevant income, relevant expenses, the break-even adjustments and the break-even result for each of the relevant reporting periods;
- the aggregate break-even result for the current monitoring period;
- if applicable, the aggregate break-even surplus, i.e. the sum of the break-even results for the two reporting periods prior to the monitoring period.

If the licensee's aggregate break-even result for the monitoring period is a deficit, it will be compared with the acceptable deviation.

The break-even calculation result is reached by:

- calculating the aggregate break-even result for the monitoring period;
- including any break-even surplus from the sum of the break-even results in the two reporting periods prior to the monitoring period;
- identifying the total contributions from equity participants and related parties in the relevant time period – the amount of contributions to be considered is capped at €25m;
- showing the applicable level of acceptable deviation – i.e. €5m plus any contributions up to the maximum level of €25m;
- showing any aggregate break-even deficit in excess of the acceptable deviation.

If a licensee has a reporting period greater or less than 12 months, the acceptable deviation is adjusted up or down according to the length of the monitoring period (see **Appendix VI)**.

The break-even calculation schedule is provided as an output schedule in the CL/FFP IT Solution to help licensees assess their own break-even information.

2. Potential break-even results

Various break-even requirement examples are shown below.

Examples

The maximum level of acceptable deviation is €30 million, in so far as the amount above €5 million is entirely covered by contributions. Figures are in millions of euros (€m). All examples refer to the same licence season.

Monitoring period 2021/22

Scenario 1: Licensee reports an aggregate break-even surplus.

The break-even result in reporting period T consists of the sum of the break-even result reported for the period ending in 2020 and the break-even result reported for the period ending in 2021.

The break-even requirement is fulfilled if the licensee is assessed on the current monitoring period and has an aggregate break-even surplus for reporting periods (2018) T-2, (2019) T-1, (2020, 2021) T.

Example 1: 2020 + 2021 >0, the aggregated break-even for the monitoring period is a surplus

Reporting period	T-2 2018	T-1 2019	T 2020 + 2021
Annual break-even result	+2	-1	3 +(-2)
Aggregated break-even 2020-2021 (sum)			1
Aggregate break-even result monitoring period 2021/22	+2		
Outcome: requirement fulfilled The sum of the break-even results for 2020 and 2021 is a surplus. It is added to the break-even results of 2018 and 2019. The aggregate break-even result for the current monitoring period is a surplus, so the break-even requirement is fulfilled.			

Example 2: 2020 + 2021 <0, COVID-19 adjustment < remaining aggregated deficit for 2020 and 2021, the aggregated break-even for the monitoring period is a surplus

Reporting period	T-2 2018	T-1 2019	T 2020 & 2021
Annual break-even result pre-COVID-19 adjustment			-1 + (-5)
Aggregated break-even 2020-2021 (average)			-3
COVID-19 adjustment			2
Annual break-even result	+2	-1	-1
Aggregate break-even result monitoring period 2021/22	0		
Outcome: requirement fulfilled The sum of the break-even results for 2020 and 2021 is a deficit. It is halved, then the COVID-19 adjustment is deducted from the remaining deficit. It is added to the break-even results of 2018 and 2019. The aggregate break-even result for the current monitoring period is a surplus, so the break-even requirement is fulfilled.			

Scenario 2: Licensee reports an aggregate break-even deficit within the acceptable deviation having also taken into account the T-3 and T-4 surpluses.

Example 3: 2020 + 2021 <0, the aggregated break-even for the monitoring period is a deficit

Reporting period	T-2 2018	T-1 2019	T 2020 & 2021
Annual break-even result pre-COVID-19 adjustment			-6+ (-10)
Aggregated break-even 2020-2021 (average)			-8
COVID-19 adjustment			2
Annual break-even result	+2	-9	-6
Aggregate break-even result monitoring period 2021/22	-13		
Sum of break-even results for T-3 and T-4	3		

Reporting period	T-2 2018	T-1 2019	T 2020 & 2021
Aggregate break-even result (once the sum of the T-3 and T-4 surpluses are taken into account)	-10		
Contributions from equity participants and related parties	6		
Acceptable deviation	-11		

Outcome: requirement fulfilled

The sum of the break-even results for 2020 and 2021 is a deficit. It is halved, then the COVID-19 adjustment is deducted from the remaining deficit. It is added to the break-even results of 2018 and 2019.

The aggregate break-even result (once the T-3 and T-4 surpluses are taken into account) is a deficit of €10m, which is within the acceptable deviation of €11m (deficit), so the break-even requirement is fulfilled.

Scenario 3: Licensee assessed on the current monitoring period and reports an aggregate break-even deficit.

For the current monitoring period, once any surpluses in reporting periods T-3 and T-4 have been taken into account, the aggregate break-even deficit is either:

- between €5m and €30m, where the excess deficit over €5m is not entirely covered by contributions; or
- in excess of €30 million, regardless of any contributions.

Example 4a: No contribution

Reporting period	T-2 2018	T-1 2019	T 2020 & 2021
Annual break-even result pre-COVID-19 adjustment			-6+ (-10)
Aggregated break-even 2020-2021 (average)			-8
COVID-19 adjustment			2
Annual break-even result	+2	-9	-6
Aggregate break-even result monitoring period 2021/22	-13		
Sum of break-even results for T-3 and T-4	3		
Aggregate break-even result (once the sum of the T-3 and T-4 surpluses are taken into account)	-10		
Contributions from equity participants and related parties	0		
Acceptable deviation	-5		
Outcome: requirement breached The sum of the break-even results for 2020 and 2021 is a deficit. It is halved, then the COVID-19 adjustment is deducted from the remaining deficit. It is added to the break-even results of 2018 and 2019. The aggregate break-even result (once the T-3 and T-4 surpluses are taken into account) is a deficit of €10m, which is not within the acceptable deviation of €5m (deficit), so the break-even requirement is not fulfilled.			

Example 4b: Contributions not sufficient to cover the deficit

Reporting period	T-2 2018	T-1 2019	T 2020 & 2021
Annual break-even result pre-COVID-19 adjustment			-6+ (-10)
Aggregated break-even 2020-2021 (average)			-8
COVID-19 adjustment			2
Annual break-even result	+2	-9	-6
Aggregate break-even result monitoring period 2021/22	-13		
Sum of break-even results for T-3 and T-4	3		
Aggregate break-even result (once the sum of the T-3 and T-4 surpluses are taken into account)	-10		
Contributions from equity participants and related parties	2		
Acceptable deviation	7		
Outcome: requirement breached The sum of the break-even results for 2020 and 2021 is a deficit. It is halved, then the COVID-19 adjustment is deducted from the remaining deficit. It is added to the break-even results of 2018 and 2019. The aggregate break-even result (once the T-3 and T-4 surpluses are taken into account) is a deficit of €10m, which is not within the acceptable deviation of €7m (deficit), so the break-even requirement is not fulfilled.			