

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

Edition 2019

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1. INTRODUCTION

1.1. UEFA Club Licensing and Financial Fair Play Regulations

The objectives of the UEFA Club Licensing and Financial Fair Play Regulations (Edition 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).

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 for the entire 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 in accordance with 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 to fulfil in respect of the monitoring process (Article 55). These responsibilities include communicating to licensees about information submission requirements and deadlines, and acting to support their licence applicants/licensees in fulfilling the monitoring requirements. Licensors are also required to undertake certain assessment procedures in respect of monitoring documentation submitted by licensees (Annex IX F and G).

The CL/FFP IT Solution is also used by clubs when submitting information for benchmarking in accordance with Article 2(1).

1.2. Purpose of this FFP Toolkit

1.2.1. Club monitoring requirements

This CL/FFP IT Solution Toolkit (the FFP Toolkit) provides guidance to help stakeholders understand what is required of licensees when providing financial information by means of the CL/FFP IT Solution developed by UEFA.

The FFP Toolkit 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**); and
- 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 versions of toolkits and guidance documents in respect of the club monitoring requirements.

If there is any discrepancy between this FFP Toolkit and the Regulations, the Regulations always prevail. The information contained in this FFP Toolkit is without prejudice of any eventual determination made by the UEFA Club Financial Control Body (“CFCB”) with regard to the enforcement of the Regulations.

1.2.2. Requirements for clubs to submit information by the April deadline

This FFP Toolkit also provides guidance about the requirements for clubs to submit information by the April deadline set by UEFA for the purpose of benchmarking, covering:

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

Subsequently, in the case of those licensees subject to the club monitoring requirements, the 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 implemented an IT system (hereinafter referred to as the “CL/FFP IT Solution”) for the purpose of:

- gathering information from the licence applicants/licensees within the scope of the implementation, assessment and enforcement of the Regulations; and
- sharing information and documents with the licensors concerning their affiliated clubs within the scope of the implementation, assessment and enforcement of the Regulations.

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

- licence applicants/licensees;
- licensors; and
- 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 on behalf of UEFA in respect of club licensing and financial fair play.

Each registered user of the CL/FFP IT Solution is required to adhere to certain requirements, as set out in the terms and conditions of use for the CL/FFP IT Solution. If a licence applicant/licensee does not accept these terms and conditions, then it will not be able to access the CL/FFP IT Solution for submission of the relevant club monitoring information.

Additional technical guidance about accessing and using the CL/FFP IT Solution is set out in **Appendix I** and is available on request 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 related deadlines set by UEFA.

The input schedules to be completed, 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/or March);
- breached indicators;
- the licensee’s selection of adjustments for calculating the break-even result; and
- 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, including the provision of information and documents in respect of all entities of relevance to the licensee’s reporting perimeter. The licensee must provide the licensor and the CFCB with all necessary information and/or relevant 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)).

Prior to submission of information using 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 packages in the CL/FFP IT Solution is clear, accurate, reliable and complete in accordance with the requirements included in the Regulations, directives, toolkits and other information communicated to licensees.

The CFCB at all times will 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

According to 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 according to 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 until at least the end of the licence season.

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

A "significant change" is an 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 if it had occurred prior to submission of the documentation. 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 effect, or a statement (with supporting reasons) that 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 submitted by the licensee.

2. SUMMARY OF THE ANNUAL CLUB MONITORING PROCESS

The club monitoring process (Article 54) refers to the submission and assessment of information (including any related decisions) about the club monitoring requirements. The UEFA administration manages the club monitoring process.

2.1. Club monitoring process key steps

1. Ahead of each licence season, the UEFA administration (i) notifies the licensors of the club monitoring process, documentation requirements and the deadlines for submission of 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 set by UEFA 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, and it is possible for an actual submission deadline to vary from the months stated.

2. The licensor determines the national deadlines for reviewing the documentation and notifies the licence applicants/licensees of these dates. The deadline set by a licensor for submitting information must of necessity be earlier than the equivalent deadline set by UEFA at steps 4, 7, 12 and 16.
3. The licensor ensures 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 set by UEFA**, all licence applicants (or their licensors) must submit financial information for benchmarking purposes:
 - club information (using the **club information package**); and
 - financial information (using the **financial information package**).

Note: This information is for 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's submission of information is performed by entering and uploading information into 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-1 and T-2 (using the **club information package**);
 - break-even information for reporting periods T-1 and T-2 (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 undertakes assessment procedures in respect of the licensee's submitted documentation. As part of its assessment, the licensor may request additional/revised information from the licensee.
7. **By the July deadline set by UEFA**, the licensor submits the validated documentation to UEFA administration (in respect of steps 5 and 6). In submitting this documentation, the licensor is confirming that its assessment procedures have been completed and it must highlight any matters that may be of relevance to the CFCB.
8. By the deadline set by UEFA (to be shortly after the end of a player registration period), if requested under Article 62 indicator 6, the licensee must submit player transfer balance information 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, and the licensor must complete the licensor's assessment procedures and then submit the player transfer balance package to UEFA.

9. If the licensee exhibits any of the conditions described under indicators 1 to 6 of Article 62, or if otherwise requested by the CFCB, then by the deadline set by the licensor, the licensee must submit its completed monitoring documentation to the licensor, including:
 - club information for the relevant reporting period(s) (using the **club information package**);
 - break-even information (using the **financial information package**) covering:

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;
- Projected break-even information for reporting period T+1;
- 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, then the licensee must submit its completed monitoring documentation to the licensor by the deadline set by licensor, including:
 - overdue payables documentation at 30 September (using the **overdue payable package**).
 11. The licensor undertakes assessment procedures in respect of the licensee's submitted documentation. As part of the assessment procedures, the licensor may request additional/revised information from the licensee. *Note: If the break-even information first submitted for reporting period T is based on unaudited financial statements, then the licensor will not need to perform assessment procedures until the monitoring documentation is re-submitted by the licensee and is based on audited financial statements (see steps 13, 15 and 16).*
 12. **By the October deadline set by UEFA**, 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 procedures have been completed and it must highlight any matters 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 to the licensor 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**) covering:
 - updated break-even information for reporting period T based on audited annual financial statements;
 - projected break-even information for reporting period T+1;
 - 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 undertakes assessment procedures in respect of the licensee's submitted documentation. As part of its assessment, the licensor may request additional/revised information from the licensee.
 16. **By the March deadline set by UEFA**, the licensor submits the validated documentation to UEFA administration (in respect of steps 13, 14 and 15). In submitting this documentation, the licensor is confirming that its assessment procedures have been completed and it must highlight any matters 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 (as submitted at steps 7, 8, 12 and/or 16) and takes the appropriate decisions, including the possibility of concluding a settlement agreement with the licensee, taking into consideration other factors as defined in Appendix XI, and takes appropriate measure(s) without delay in accordance with the Procedural rules governing the UEFA Club Financial Control Body.
 18. The CFCB and/or UEFA administration may request additional information from the licensee/licensor 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. GUIDANCE FOR THE CLUB INFORMATION PACKAGE

The club information package (**CI package**) in the CL/FFP IT Solution is for:

- the submission of **legal group structure** and **reporting perimeter information**; and
- the submission of **contact details** relating to the licensee.

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. Responsibilities of licensees

3.1.1. Summary of documentation to be submitted

Schedules	Requirements	For April	For July	For October/March			FFP Toolkit guidance reference
		T-1	T-1 & T-2	T	T+1	T-3 & T-4	
Club information	Check the information disclosed in the schedule: <ul style="list-style-type: none"> – the reporting currency – the reporting period closing month If incorrect, then 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: <ul style="list-style-type: none"> – legal form of the licensee – ultimate controlling party Disclose the required reporting information : <ul style="list-style-type: none"> – reporting perimeter – stadium recognition and ownership – audit opinion on financial statements – protection from creditors and/or insolvency proceedings – length of reporting period 	✓	✓	✓	✗	✗	• Section 3.1.5 • Appendix II
Activity details	Disclosure of the football activities included in the reporting perimeter, by 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 document is attached to the club information package.	✗	✓	✓	✓	✗	• Section 3.1.8
Attachment	Attach the legal group structure document (also identifying the reporting perimeter) to the club information package.	✗	✓	✓	✗	✗	• Section 3.1.5

3.1.2. Submitting the club information package – April deadline

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

For those licensees subject to club monitoring, this information will pre-populate 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 the July deadline set by UEFA), all licensees must submit the duly completed club information package for each of the reporting periods T-2 and T-1.

For some licensees, the information in the club information package for T-2 and/or T-1 will be pre-populated with the information from a previous year's club information package.

By the deadline set by the licensor (which will be ahead of the October and/or March deadlines set by UEFA), those licensees required to submit the financial information package covering T and T+1 (see section 4.1.3) must also update and submit the club information package at the same time.

3.1.4. Club information schedule – Currency and reporting period information

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

- (i) the pre-populated **reporting currency** shown in the club information schedule is different from the presentation currency of the annual financial statements of the reporting entity/ies; and/or
- (ii) the pre-populated **reporting period closing month** shown 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 that is 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 relevant 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" (not applicable).

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

- full legal name and legal form of the licensee;
- If the licensee is not also the registered member of the national association and/or its affiliated league, the full legal name and legal form of the registered member;
- details about the ultimate controlling party of the licensee:
 - name of the ultimate controlling party; and
 - legal form of the ultimate controlling party, being either (1) a person (2) an association (3) a foundation (4) a limited company (5) no controlling party, or (6) a government;
 - If the ultimate controlling party is a limited company (option 4), names of all parties that have a 10% or greater direct and/or indirect ownership of the licence applicant/licensee, and/or 10% or greater voting rights and/or have significant influence over the ultimate controlling party; and

- name(s) of the party(ies) having significant influence (as per Article 3) over the licensee (if applicable); and
- name of any other football club, in respect of 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, and/or any involvement or influence whatsoever in relation to the governance of its financial and operating policies

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

- Identify if the reporting perimeter covers only one entity (“single entity”) or, if the reporting perimeter covers more than one entity, disclose if 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 in respect of 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 an explanation about the justification for exclusion.
- Indicate how the stadium assets are reflected in the reporting perimeter – either (1) the stadium is fully included within fixed assets, (2) the stadium is fully included as an investment, (3) the stadium 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) government owned, (3) owned by the parent company, owner of the football club or other related party, (4) owned by another party.
- Indicate whether there is a note about players’ economic rights in the annual financial statements or supplementary information.
- 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.
- Identify 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.

For club monitoring, the licensee must attach the legal group structure document(s) for each relevant reporting period to the club information package, including the reporting perimeter as defined in Article 46bis, which should be clearly indicated on the document. In respect of reporting period T-1, this same documentation was also to be 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 provide a declaration 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 from the UEFA administration and/or the CFCB to the licensee:

- full legal name and postal address of the licensee;
- email address of the licensee;
- telephone and fax numbers of the licensee; and
- confirmation that the contact details are the same as those contained in the latest excerpt from a public register or from the relevant UEFA member association's club register.

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. Responsibilities of licensors

3.2.1. Introduction

In accordance with Articles 54 and 55, each licensor has important responsibilities to fulfil in respect of the club monitoring process, including assessment of certain aspects of each licensee's submitted information and confirmation of such to the UEFA administration and CFCB.

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

If the licensor identifies a potential issue and/or error, then it is expected that the licensor will first contact the licensee and request the licensee to clarify the issue and/or correct the error in the CL/FFP IT Solution (for re-submission of the package(s) to the licensor).

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

3.2.2. Assessment procedures

Except for the club information package submitted by the April deadline and for which the licensor does not need to conduct any assessment procedures, the licensor's assessment procedures for the club information package are, as a minimum, as follows:

Schedule	Licensor's assessment procedures
Management representation	<ul style="list-style-type: none"> Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Club information	<ul style="list-style-type: none"> For the reporting period T-2 and T-1: assess whether or not the 'legal information' and 'Reporting information' corresponds to the information as submitted for club licensing. For the reporting period T: read the licensee's 'Legal information' and 'Reporting information' in respect of reporting period T and make additional enquiries of the licensee if there is any information that may be incomplete and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable information sources; and highlight any changes and/or concerns to the UEFA administration by completing the 'If exceptions identified, please describe' cell.
Activity details	<ul style="list-style-type: none"> For each reporting period, assess whether the declaration that all revenues and costs related to each of the football activities listed in Article 46bis(3) has been included in the reporting perimeter.
Attachment	<ul style="list-style-type: none"> Check that 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.

4. GUIDANCE FOR THE FINANCIAL INFORMATION PACKAGE

The **financial information package** in the CL/FFP IT Solution is for:

- the submission of financial information for benchmarking purposes (Article 2); and
- the submission and assessment of 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.

4.1. Responsibilities of licensees

4.1.1. Summary of documentation to be submitted

Schedules	Requirements	For April	For July	For October/March			FFP Toolkit guidance reference
		T-1	T-1 & T-2	T	T+1	T-3 & T-4 *	
Balance sheet	Complete the balance sheet schedule .	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Section 4.1.5 • Appendix III (A)
Balance sheet reconciliation	Complete the balance sheet reconciliation schedule .	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Section 4.1.5 • Appendix III (B)
Profit and loss account	Complete the profit and loss account schedule .	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • 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:	✗	✓	✓	✗	✓	<ul style="list-style-type: none"> • Section 4.1.5 • Appendix III (C)
Sustainable debt indicator	If applicable, complete the sustainable debt indicator schedule about debt directly attributable to the construction and/or substantial changes to the stadium and/or other training facilities	✗	✓	✓	✗	✗	<ul style="list-style-type: none"> • Section 4.1.8
Adjustments schedules	First complete the adjustments summary schedule . If applicable, complete the relevant supplementary adjustment schedules .	✗	✓	✓	✓	✓	<ul style="list-style-type: none"> • Section 4.1.6 • Appendix IV
Cash flow	Complete the cash flow schedule .	✓	✓	✓	✓	✓	<ul style="list-style-type: none"> • Section 4.1.5 • Appendix III (D)
Going concern and negative equity	Complete the going concern and negative equity schedule .	✗	✓	✗	✗	✗	<ul style="list-style-type: none"> • Section 4.1.8
Contributions	If applicable, complete the Contributions schedule for the monitoring period.	✗	✗	✓ **	✓	✗	<ul style="list-style-type: none"> • Appendix V (A)
Attachment	Attach the audited financial statements	✗	✓	✓	✗	✗	<ul style="list-style-type: none"> • Section 4.1.5
Management representation	Complete the management representation schedule .	✗	✓	✓			<ul style="list-style-type: none"> • Section 4.1.13

* : Disclosure of 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 also includes disclosure of contributions in reporting periods T-1 and T-2.

4.1.2. Submitting the financial information package

By the April deadline set by UEFA, 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.

The financial information entered 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 and for 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 information in the financial information package will be pre-populated with information from a previously submitted financial information package. The information must be checked and amended, if necessary, before submission. If input previously, the financial information package schedules will also disclose the figures for the preceding reporting period. In the schedules, this is referred to as T-2.

At the same time as the submission of 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 pre-populate 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 periods and monitoring periods

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

The **current monitoring** period comprising:

- T, being the reporting period ending in the same calendar year that the UEFA club competitions commence;
- T-1, being the reporting period ending in the calendar year before commencement of the UEFA club competitions; and
- T-2, being the reporting period preceding T-1.

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

- T+1, being the 12 month period commencing immediately after the statutory closing date of the reporting period T;
- T, being the reporting period ending in the same calendar year that the UEFA club competitions commence; and
- T-1, being the reporting period ending in the calendar year before commencement of the UEFA club competitions.

4.1.4. Timing of submission of the financial information package for club monitoring

For the purpose of the break-even requirement, a licensee must submit financial information for a reporting period ending in each 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 the July deadline set by UEFA, all licensees that qualify for a UEFA club competition must submit the break-even information for each of the T-1 and T-2 reporting periods, 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 the deadline set by UEFA, 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 annual financial statements and underlying accounting records, along with their projected break-even information for reporting period T+1, using the financial information package schedules, 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. Thereafter, by the March deadline, such licensees must submit **updated break-even information** for reporting period T, based on and reconciled with their audited financial statements and underlying accounting records, along with their projected break-even information for reporting period T+1, using the Financial Information package schedules, by the March deadline.

In calculating the aggregate break-even deficit, a licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) 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 applicable schedule in the financial information package, by the October/March deadline. Once the licensee has activated and completed the information, the sum of the break-even results for the two reporting periods prior to the monitoring period 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 the financial information package, as set out in the prescribed formats in the CL/FFP IT Solution.

The financial information to be entered 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 for those licensees required to submit the financial information package by the October/March deadline.

The licensee is recommended to retain its reconciliation to 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 input into 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 exchange rates in the CL/FFP IT Solution, which is the average exchange rate for that reporting period. 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 items of cash inflow must be entered as positive figures and all items of cash outflow as negative figures.

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

If applicable, a licensee must also complete one or more of the **supplementary schedules** when submitting the financial information package, 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; and
- 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/or 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 in the financial information package in the CL/FFP IT Solution.

In order to calculate the relevant income and relevant expenses, **certain adjustments will be automatically identified in the adjustments summary schedule** to effectively exclude the amount (if any) for each of 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; and
- 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 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.

The following **manual adjustments** may be made to 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.
- exclusion of 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.
- exclusion of 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 and/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; and/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; and
- adjustment for a financial contribution as set out in 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, when this has no impact on the break-even result (**FS reclassification**); and
- by the CFCB, based on the assessment of the monitoring documentation, to make adjustments to certain account lines that will impact the calculation of the break-even result (**BE correction**).

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

4.1.7. Exemption from the break-even requirement

By the deadline set by the licensor, which will be ahead of the July deadline set by UEFA, all licensees that qualify for a UEFA club competition must prepare and submit the club information package for T-1 and the financial information package for T-1 and T-2.

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

The relevant income and expenses for a reporting period are calculated in the CL/FFP IT Solution based on the figures entered by the licensee in the profit and loss account and adjustments schedules.

As stated in Article 57, if the reporting period is greater or less than 12 months, the €5m 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. See further guidance in **Appendix VI**.

4.1.8. Indicators

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

- If it exhibits any of the conditions described by indicators 1 to 6 in Article 62, or if otherwise requested by the CFCB, then by the deadline set by the licensor, which will be ahead of the October/March set by UEFA, the licensee must complete and submit the club information package and financial information package for T and T+1, as detailed in **Annex II and Annex III**.
- If a licensee breaches indicator 5 and/or 6, then it must also be assessed for the purpose of the break-even requirement for the projected monitoring period (covering reporting periods T-1, T and T+1).

A licensee will be assessed against the following six indicators from Article 62:

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

The licensee must complete the going concern and negative equity schedules in the financial information package to be submitted 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 for debt directly attributable to the construction and/or substantial changes to the stadium and/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 and greater than seven times the average of the 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), less the amount of debt that is directly attributable to the construction and/or substantial changes to the stadium and/or training facilities, from the inception of this debt until 25 years after the date when the asset is 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**

For those licensees required to submit break-even information for reporting period T, the licensee may complete the sustainable debt indicator schedule for the debt directly attributable to the construction and/or substantial changes to the stadium and/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 and greater than seven times the average of the 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 and/or training facilities:

Stadium and/or training facilities:

- asset description(s): description of the asset type for 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 and/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 and/or substantial changes to a stadium and/or training facilities:

- debt provider: enter the name of the debt provider that advances cash to fund the asset construction and/or substantial modification. It must be entered by asset type and provider.
- debt closing balance (LC): amount of debt as at the end of the reporting period expressed in the local currency of the licensee.
- explanation (including debt type, contract currency and amount); describe the principle 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):
- number of years 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 deadline set by UEFA (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

Those licensees required to submit projected break-even information for T+1 or for subsequent reporting periods must prepare that information 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 those applied for the preparation of the annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in 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 that are adequately disclosed in the notes to the projected financial information, when the underlying rationale for 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.

Those licensees subject to assessment of the projected monitoring period may be requested to provide an updated version 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 licence season 2019/20,

- 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 licence season 2019/20, the licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) 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 monitoring period in order for a licensee to be deemed to be 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 and/or related parties.

In order to be considered for the break-even requirement, the licensee must input into the contributions schedule 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/or (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; and/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 the reporting period T are recognised in the reporting period T+1 and have been taken into consideration to determine the acceptable deviation in respect of the current monitoring period, then for the projected monitoring period and later monitoring periods the contributions will be considered as having been recognised in reporting period T.

If a licensee has a reporting period of greater or less than 12 months, then 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 applicable for the assessment of 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 reporting periods T-2, T-1 and T; or
 - an aggregate break-even deficit for reporting periods T-2, T-1 and T that is within the acceptable deviation, having also taken into account the surplus (if any) resulting from the sum of the break-even results in reporting periods 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 reporting periods T-1, T-1 and T+1; or
 - an aggregate break-even deficit for reporting periods T-1, T and T+1 that is within the acceptable deviation, having also taken into account the surplus (if any) resulting from the sum of the break-even results in reporting periods 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 and/or, if applicable, for the projected monitoring period. These scenarios 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 describing any supporting documentation attached to the package; and
- details of any prior period adjustments, either due to the correction of errors stated in the annual financial statements, a previous input error in the CL/FFP IT Solution and/or a change of reporting perimeter, by entering a brief description in the box provided and describing any supporting documentation attached to the package.

4.2. Responsibilities of licensors

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 that must be performed by the licensor.

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

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

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

Schedule	Licensor's assessment procedures
Management representation	<ul style="list-style-type: none"> Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Profit and loss account, balance sheet and cash flow schedules	<ul style="list-style-type: none"> 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/or supplementary information previously submitted for club licensing. The licensor's minimum assessment procedures in respect of the licensee's profit and loss account, balance sheet and cash flow schedules must include for each relevant reporting period: <ul style="list-style-type: none"> a comparison of the "profit/loss after taxation" as reported in the profit and loss account schedule against "profit/loss after taxation" in the relevant audited financial statements as already held for club licensing; a comparison of the "net assets/liabilities" as reported in the balance sheet schedule against 'net assets/liabilities' in the relevant audited financial statements as already held for club licensing; and a comparison of the "net cash inflow/(outflow)" as reported in the cash flow statement schedule against the "net cash inflow/(outflow)" in the relevant audited financial statements as already held for club licensing.
Transactions with related parties	<ul style="list-style-type: none"> The licensor must assess whether transactions with related parties disclosed in the audited financial statements and/or supplementary information (as already held for club licensing) have also been entered in the relevant schedule in the CL/FFP IT Solution. For each relevant reporting period, the disclosure of the names and amounts of transactions with related parties in the "transactions with related parties' schedule" must be compared against the relevant audited financial statements and/or supplementary information as already held for club licensing.
Going concern and negative equity	<ul style="list-style-type: none"> Check that the information in the going concern and negative equity schedule is consistent with the financial statements (for reporting period T-1 and, if applicable, the interim financial statements) as already held for club licensing.

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

The licensor's assessment procedures in respect of the financial information package must be completed for the licensee's submission, 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 by the set deadline their break-even information for T based on and reconciled with their audited financial statements. The licensor must have completed their assessment procedures in respect 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 perform assessment procedures in respect of break-even information for T that is based on unaudited financial information. The licensor must complete their assessment procedures 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 UEFA administration by the March deadline.

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

Schedule	Licensor's assessment procedures
Management representation	<ul style="list-style-type: none"> • Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Profit and loss account, balance sheet and cash flow schedules	<ul style="list-style-type: none"> • 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 and/or supplementary information for reporting period T, the licensor's minimum assessment procedures in respect of the licensee's profit and loss account and balance sheet schedules must include: <ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 and/or supplementary information.
Contributions	<ul style="list-style-type: none"> • The licensor must assess whether contributions from equity participants in each of the reporting periods T-2, T-1 and/or T correspond to the audited financial statements as follows: <ul style="list-style-type: none"> ○ 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. GUIDANCE FOR THE OVERDUE PAYABLES PACKAGES

The **overdue payables package** in the CL/FFP IT Solution 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 application of the pre-populated exchange rates in the CL/FFP IT Solution (sourced from the European Central Bank or other appropriate sources) to reflect the exchange rates as at the assessment date.

5.1. Responsibilities of licensees

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 also have the option of completing 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 titled 'payables summary'.

5.1.2. Transfer payables

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

PLAYER TRANSFERS THAT MUST BE DISCLOSED

Within the transfer payables schedule, the licensee must disclose:

- 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 to be paid 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 solidarity/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.
- All existing player registrations for which an outstanding amount is due 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.
- 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.

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 transfer.

Payables are those amounts due to football clubs as a result of transfer activities (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 transfer activities 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;
- **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 was 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 has been 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 has been transferred in; for international transfers this date should be the same as that required to be entered in FIFA's Transfer Matching System; and
- **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 of the player's transfer-in to the licensee.

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

101665

Dutch

Choose Transfer Type: LOAN **TRANSFER** OUT OF CONTRACT

Transfer Status {1/1} Overdue, Deferred, Disputed, Pending Solidarity / Training

Transfer Currency {1/1} CHF

National Association of Former Club {1/1} None Other Club

Former Club {1/1} Other Club FC DO BRASIL

Date of Transfer: 31/07/2018

Length of contract (in months): 24 CONTINUE

For each category below, please indicate whether the transfer includes any balance amount relating to:

	No Amount	CHF
Fixed Transfer Compensation (FTC)	<input type="checkbox"/>	0
Max. Conditional transfer compensation (MCTC)	<input type="checkbox"/>	0
Realised Conditional transfer compensation (RCTC)	<input type="checkbox"/>	0
Total Payable at Assessment Date	<input type="checkbox"/>	0

EUR

Intermediary fee or other professional costs (on FTC/RCTC paid to date) ☐ 0 CONTINUE

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 has been 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 and/or training compensation, as any such amounts will be classified as 'solidarity/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.
- total payable at the assessment date** i.e. the total amount due to the other club(s) at the date of the assessment. The total amount includes:
 - fixed transfer compensation;
 - realised conditional transfer compensation;
 - solidarity/training compensation;
 - joint and several liability payable to another football club as a result of a decision by a competent authority for the termination of a contract by a player.

- **intermediary fee or other costs:**

- The total amount of fees 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; and
- the total amount of 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.

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/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/training compensation). If a competent authority recognises a club jointly and severally liable for the termination of a contract by a player, this must be also 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 previous club of the player.

	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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		0		
2	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		0		

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

- 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/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.

The licensee must disclose:

- The category of deferred payable, i.e. whether it is fixed transfer compensation, realised conditional transfer compensation, and/or solidarity/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 must 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 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 the licensee has one or more instalments for which there is 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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

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 training/solidarity 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 solidarity and 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/TRAINING COMPENSATION

The licensee must disclose whether at the assessment date some information about any amount due to the player's previous club for solidarity/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 and/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 Correspondence Date	Former club to whom solidarity is due	Comments
1	0	<input type="checkbox"/>	<input type="checkbox"/>				
2	0	<input type="checkbox"/>	<input type="checkbox"/>				

For these amounts, the licensee must disclose:

- the amount pending for solidarity/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 (optional)

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

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:

🏠 | 📄 INSERT NEW TRANSFER
TRANSFER TABLE RECEIVABLE

Club Currency: EUR €

Club EUR 1

Player name	Buyer Club	Transfer Type	Transfer Currency	Transfer Status	Previous Transfer Status	Overdue / Disputed / Deferred Amount	Date of Transfer		
2018									
101665	Other	Loan	EUR	Overdue, Deferred, Disputed, Pending Solidarity / Train		2,000	30/06/2017	✖	➡

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 of the CL/FFP IT Solution 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 licensee must submit the information as described in the employee table schedule in the CL/FFP IT Solution.

Each licensee must input:

- 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.
- 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; and
 - 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 as at the assessment date that were in dispute; and
 - amounts to employees as at the assessment date which have been deferred, as per an agreement in writing with the employee.

In turn, the financial information in the employee table schedule is automatically aggregated, translated 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 and/or defined by law.

For the purpose of 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; and

- the administrative, technical, medical and security staff specified in Articles 28 to 33 and 35 to 39, being the general manager, finance officer, media officer, medical doctor(s), physiotherapist(s), youth teams 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, nor any deferrals or any disputes, then it does not need to disclose further information unless otherwise requested by the licensor and/or the CFCB.

If the licensee declares that it does have overdue, deferred and/or disputed payables towards employees as at the assessment date, then it must disclose further information as set out in the employee table schedule and as 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 employment position, by selecting 'player' (i.e. a professional player), 'coach' (i.e. head coach of first squad, assistant coach of first squad, head of youth development programme, or youth coach), or 'staff' (i.e. general manager, finance officer, media officer, medical doctor, youth teams medic, physiotherapist, security officer, supporter liaison officer or disability access officer); and
- the amount that is 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 that is 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 in respect of overdue payables at the assessment date) made since the assessment date and by the date of the licensee's submission of 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** at 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;
- a description of the **status** of the dispute;
- a **brief summary** explain the nature of the case, the **type of payable** being disputed (e.g. salary, bonus, signing fees, etc.) and the current status; and
- 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 which have been deferred**, as per an agreement in writing 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; and
- 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 which has been accepted in writing by the employee(s) concerned that extends the due date beyond the applicable assessment date. The agreement in writing 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 of the CL/FFP IT Solution by the 30 June assessment date, and some licensees must also complete the equivalent schedule by the 30 September assessment date.

Amounts must be 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; and
 - 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 were in dispute; and
 - payables to social/tax authorities at the assessment date which have been deferred, as per an agreement in writing with the social/tax authority.

In turn, the financial information in the social/tax table schedule is automatically aggregated, translated to euros and included in the payables summary schedule (see **section 5.1.2.3**).

If the licensee declares that it does not have any overdue payables towards social/tax authorities at the assessment date, nor any deferrals or any disputes, it does not need to disclose further information unless otherwise requested by the licensor and/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 to the social/tax authority (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 that is 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:

- the name of relevant social/tax authority.
- the amount of any payment (to the social/tax authority in respect of overdue payables at the assessment date) made since the assessment date and by the date of the licensee’s submission of the information to the licensor. Any such payments should be disclosed in the relevant month cell, in order to match 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 as detailed in Section 5.1.3.2 above.

If a licensee has payables to social/tax authorities at the assessment date which have been **deferred** on the basis of an agreement in writing with the relevant social/tax authority, the licensee must disclose the following information:

- the name of relevant social/tax authority;
- the amount that is subject to deferral, and the month in which it was originally due to be paid to the social/tax authority (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); and
- the post deferrals due date(s) for the amount(s) to be paid to the social/tax authority, as per an agreement in writing with the social/tax authority.

For the avoidance of doubt, payables to social/tax authorities at the assessment date which 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 an agreement which has been accepted in writing by 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 (translated to euros) for:

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

The payables summary schedule also separately identifies:

- the amount of overdue payables – analysed by
 - (i) amounts settled since the assessment date, and

- (ii) overdue payables not settled since the assessment date;
- transfer amounts not overdue – analysed by:
 - (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 and/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 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/or describing any documentation attached to the package.

5.2. Responsibilities of licensors

5.2.1. Assessment procedures for the no overdue payables requirements

Refer to **Section 3.2.1** for the duties of the licensor.

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

Schedule	Licensor's assessment procedures
Management representation schedule	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 the 1 July in 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. <ul style="list-style-type: none"> ○ 'Player details' refers to the player's name, identity of the former club, whether the player's registration was transferred in permanently ('permanent'), temporarily ('loan') or out-of-contract ('free agent'), and the date of the transfer. • Read 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

Schedule	Licensor's assessment procedures
	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	<ul style="list-style-type: none"> • Read 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	<ul style="list-style-type: none"> • Read 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. *

* 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. GUIDANCE FOR THE 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 (for 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. Responsibilities of licensees

For the purposes of **indicator 6 in Article 62**, if requested the licensee must submit to the licensor the completed player transfer balance package for a licensee's player transfer information in respect of 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. Responsibilities of licensors

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

Schedule	Licensor's assessment procedures
Management representation schedule	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> ○ '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. • Read 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 procedures
Player transfer balance schedule – transfer-out of player registrations	<ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> ○ '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. • Read 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 deadline set by UEFA.

6.2. Business plan package

6.2.1. Responsibilities of licensees

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 relevant 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 with the aim of future compliance with the break-even requirement. Further guidance about the process for 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. Responsibilities of licensors

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

6.3. Settlement agreement package

6.3.1. Responsibilities of licensees

If requested, those licensees subject to a settlement agreement must submit the settlement agreement package when submitting player transfer information.

6.3.2. Responsibilities of licensors

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

APPENDIX I: GUIDANCE FOR USING THE CL/FFP IT SOLUTION

User login for the CL/FFP IT Solution

- Licence applicants/licensees must log in to the CL/FFP IT Solution: <https://uefa-c1.board.com/>.
- Access the CL/FFP IT Solution using a PC or Mac and 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?' summarises the workflow status for the relevant packages at the time of login for the next submission deadlines as set by UEFA.
- Packages available for selection.
- List of language options.

To return to the Club Homepage click on the  icon.

Selecting schedules in a package

- The homepage for each package displays the relevant data input and validation and submission schedules to be submitted.
- The homepage of each package may also display output reports, which are read-only schedules automatically updated from information in the data input schedules.
- The user opens a schedule by clicking on a tile.
- Data input schedules must be fully completed before completing the required validation and submission schedules.



Entering data in a schedule

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

Attaching documents to a package

- Attach documents by clicking on the Attachments icon and following the instructions.
- Attachments must be a Zip compressed format and must be 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 by a user.

Submitting a package

- Once all data input and validation and submission schedules (for licensees, including the management representation schedule) and all control checks have been resolved, the user can submit the package by selecting the submission icon.

Licensors returning a package to a licensee

- Once the licensee's package(s) have been submitted to their licensor, the licensor must carry out the assessment procedures and complete the licensor assessment schedule.
- On completion of the assessment procedures, the licensor may either:
 - return the packages for the licensee to enter additional information and resubmit the package(s) to the licensor for further assessment; or
 - submit the packages, including the licensor assessment schedule, to UEFA using the submission 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 (including the reporting perimeter as defined in Article 46bis, clearly identified on the document) for that reporting period. The structure should be presented in a chart/diagram and approved by its management. For the T-1 reporting period, 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 document** 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), via statutes or agreements (e.g. contractual arrangements).

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. members club);
- a foundation (e.g. an entity governed by trustees);
- a limited company (e.g. a non-listed company or a listed company), only if there is no controlling shareholder of such company; or
- a government (e.g. 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 which 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 has 10% or more indirect ownership of the licence applicant/licensee's shares or its voting rights, through its shareholding in a parent entity of the licence applicant/licensee. 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% and must, therefore, be disclosed in the legal group structure.

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

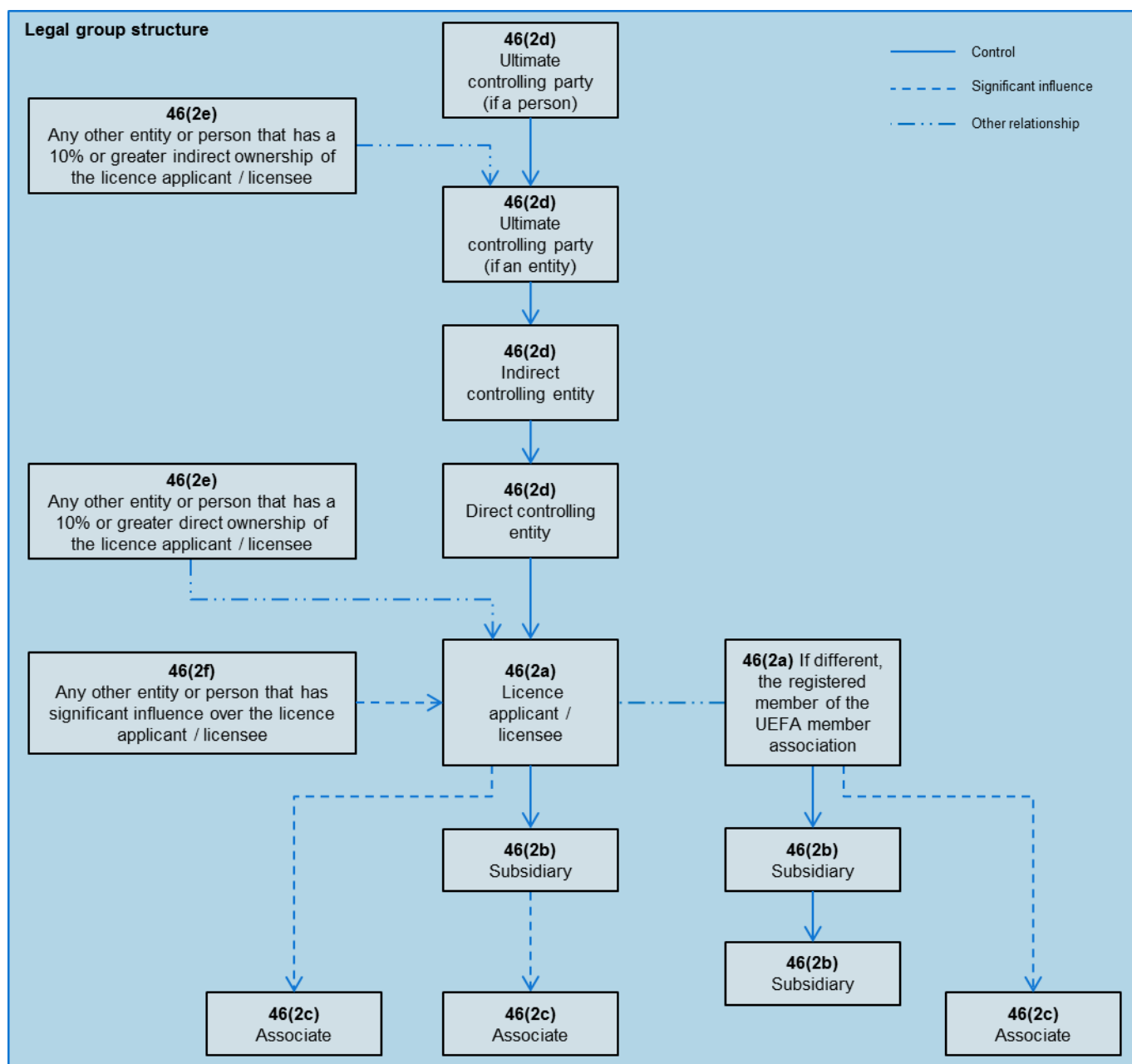
Significant influence may be gained by share ownership (e.g. more than 20% ownership/voting rights), statutes or other means (e.g. contractual arrangements). In addition, a party or aggregate parties with the same ultimate controlling party (excluding UEFA, a UEFA member association or an affiliated league) is deemed to have significant influence if it provides an amount equivalent to 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 and/or CFCB may ask the licence applicant/licensee to provide information about additional persons and/or entities not otherwise included on the legal group structure document. For example, any other subsidiary or associate of a direct controlling entity, indirect controlling entity, or ultimate controlling entity of the licence applicant/licensee.

Illustration of legal group structure



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 its 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 in respect of which financial information must be prepared and submitted for the purposes of club licensing and club monitoring.

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

In accordance with 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 which generates revenues and/or performs services and/or incurs costs in respect of 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, etc.),
 - financing (including financing secured or pledged against the assets of the licence applicant),
 - use and management of stadium and training facilities;
 - women's football; and
 - youth sector;
- d) any entity, irrespective of whether it is included in the legal group structure, which generates revenues and/or performs services and/or incurs costs in respect of football activities as defined in Article 46bis(3a and 3b):
 - employing/engaging personnel (as defined in Article 50) including payment of all forms of consideration to employees arising from contractual or legal obligations; and
 - acquiring/selling player registrations (including loans).

In accordance with 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)) and/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 and/or 3b), being football activities for employing/engaging personnel (as defined in Article 50), including payment of all forms of consideration to employees arising from contractual or legal obligations and/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 situation of each licensee, **the reporting perimeter will comprise** either:

- i) **solely the licence applicant/licensee (single entity)**, as the entity which is the registered member of the UEFA member association and/or its affiliated league, for which financial information is prepared covering 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 prepared on a consolidated basis 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 prepared on a combined basis as if they were a single company.

Illustrative examples

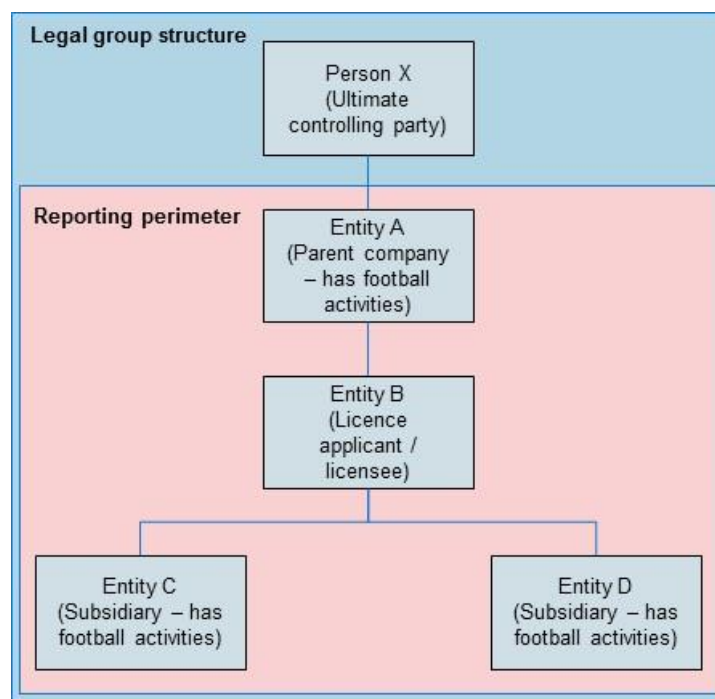
Example 1

The legal group structure:

- Entity B is the licence applicant and registered member of a UEFA member association and/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, as per Art. 46bis(2c/d), because Entity A generates revenues and/or performs services and/or incurs costs in respect of football activities; and
- Entities C and D, as per Art. 46bis(2b), because Entities C and D generate revenues and/or perform services and/or incur costs in respect of football activities.



Note: Financial statements will be prepared on a consolidated basis.

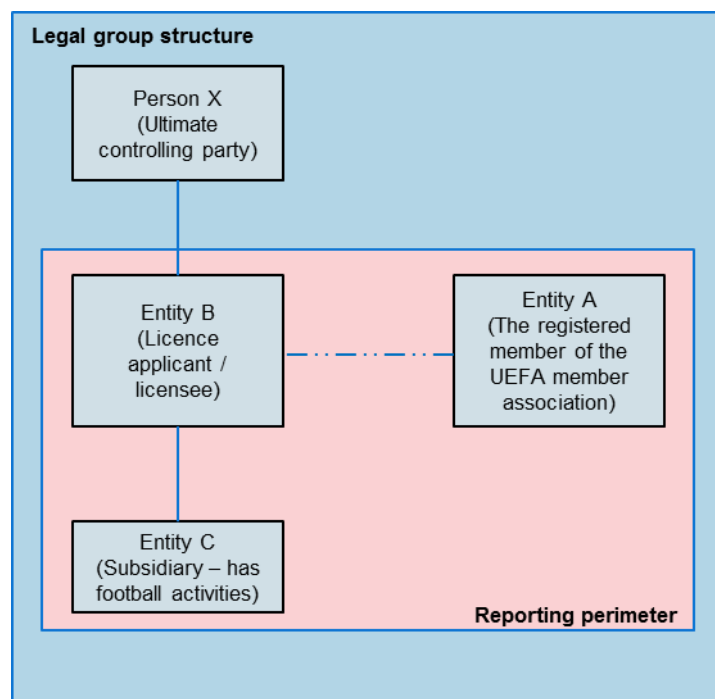
Example 2

The legal group structure:

- Entity B is the licence applicant and has a contractual relationship with Entity A. As per Article 12, Entity B is described as 'a football company'.
- Entity A is the registered member of a UEFA member association and/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, as per Art. 46bis(2a); and
- Entity C, as per Art. 46bis(2b), because Entity C generates revenues and/or performs services and/or incurs costs in respect of football activities.



Note: Financial statements will be prepared on a combined basis.

Example 3

The legal group structure:

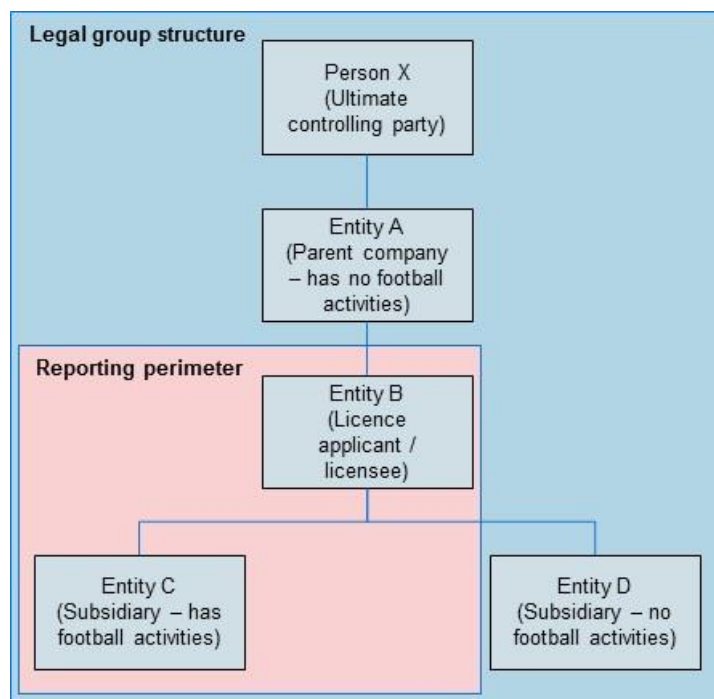
- Entity B is the licence applicant and registered member of a UEFA member association and/or its affiliated league.
- Entity A is the direct controlling entity of Entity B. Entity A has no football activities.
- Person X is the ultimate controlling party of Entity A and Entity B.
- Entity C is a subsidiary 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, as per Art. 46bis(2b), because Entity C generates revenues and/or performs services and/or incurs costs in respect of football activities.

The reporting perimeter may exclude Entity D, as per 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, and then the licensee must consider if adjustments are required for the break-even calculation under Annex X (B11 / C1m).



Note: If Entity D is excluded from the reporting perimeter, then financial statements will be prepared on a combined basis. Alternatively, if Entity D was included in the reporting perimeter, then financial statements will be prepared on a consolidated basis.

Example 4

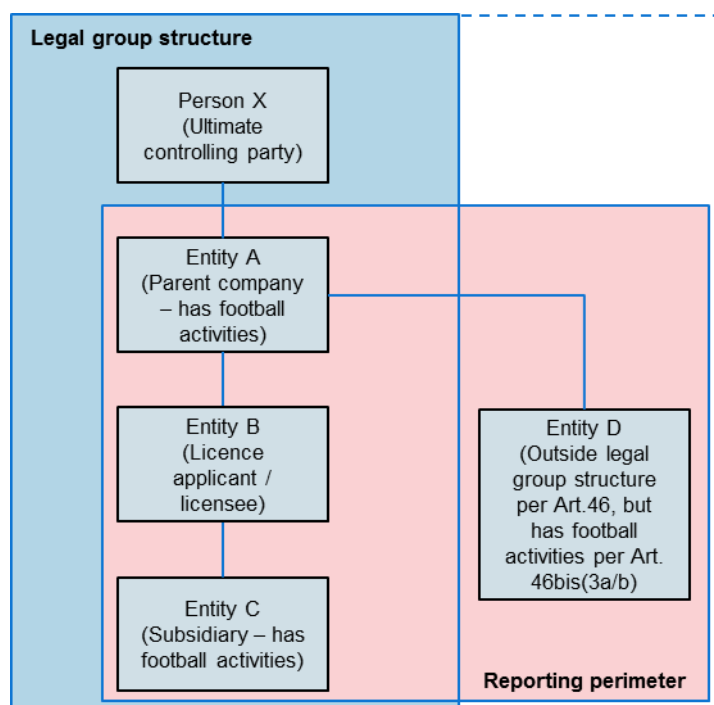
The legal group structure as per Article 46:

- Entity B is the licence applicant and registered member of a UEFA member association and/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 as per 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 and/or performs services or incurs costs in relation to football activities;
- Entity C, as per Art. 46bis(2b), because Entity C generates revenues and/or performs services and/or incurs costs in respect of football activities.; and
- Entity D, as per Art. 46bis(2d).



Note: Financial statements will be prepared on a consolidated basis.

C. Consolidation / combination requirements – Annex VII

The steps involved in creating combined or consolidated financial statements are basically the same. The major difference between consolidated financial statements and combined financial statements has to do with the ownership of the entities involved.

In situations where the reporting perimeter includes a **group**, whereby a parent company has controlling interest in one or more subsidiary companies, the licence applicant must **consolidate** the financial results and position of the parent and the subsidiaries into 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.

In situations where 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 into 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 in order to get an appropriate overall picture.

The preparation and presentation 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 (to not duplicate ownership balances), 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 in the financial information package: 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 in the CL/FFP IT Solution, 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 12 months after the balance sheet date; or
- 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 which are subject to an insignificant risk of changes in value.

Accounts receivable from player transfers

- Amounts receivable in respect of 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 that are under common control, including parents, 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, accrued income), other than those categorised separately as receivable from player transfers and/or from group entities and other related parties.

Tax assets

- Tax assets are 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 and/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 refer to the balance of capitalised costs and associated depreciation/impairment in respect of 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 within 12 months after the balance sheet date; or
- 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 type of borrowing facility with a bank.

Bank and other loans

- Loans in current liabilities are defined as loans (not from related parties), or parts thereof, which are due to be settled within 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 within 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 the following 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 that are under common control, including parents, 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 the following 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 in respect of a player for whom it holds the registration, amounts payable to such other party should not be disclosed under accounts payable relating to player transfers, but should instead be disclosed in 'other accounts payable'.

Accounts payable to employees

- Amounts payable to employees in respect of employee benefit expenses.

Accounts payable to social/tax authorities

- Accounts payable to social/tax authorities are the taxes payable in future periods in respect of current tax liabilities.

Other tax liabilities

- Other tax liabilities, including deferred tax liabilities.

Accruals and deferred income

- These include accruals and deferred income.

Other accounts payable

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

Provisions

- Provisions are a subset of liabilities, being a liability of uncertain timing or amount, e.g. legal claim.
- Provisions will be classified as current or non-current based on the liability at the balance sheet date for the following 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 relating to players' transfers and accounts payable relating to players' transfers;
- accounts payable to social/tax authorities (non-current).

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

Within the financial information package, there is a balance sheet reconciliation schedule for reconciliations of total equity, player registrations, and tangible fixed assets. Some licensees also need, on request, 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, along with other movements in equity/reserves in the reporting period and included in the equity reconciliation, correctly reconciles with total equity in the balance sheet schedule. Only if applicable, the licensee may also use the line “Prior period adjustment/change of reporting perimeter (from previous period)”, which is defined below.
- If there are no other movements in equity/reserves, and no items of recognised income or expense other than the 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 equate to the total equity balance at the end of the reporting period.

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

Reconciliation of player registration accounting

Those 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 during 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 to prior period;
- cost of player registration additions 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

Those 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 to prior 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), then any such amount must be disclosed as part of the ‘costs of right-of-use assets (operating leases)’ and thereby included in the calculation of the break-even result.

Prior period adjustment/change of reporting perimeter (from previous reporting period)

Prior period adjustments for the correction of errors may either arise in the annual financial statements of a reporting entity or may be due to 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 a change of accounting policy.

The reasons for the restatement and/or prior period error and the impact on the break-even result for each reporting period and in aggregate for a monitoring period will be considered. 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 in respect of each relevant player registration:

Player identification:

- name of the player;
- 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 to be entered into FIFA's Transfer Matching System;
- duration of contract (Years) – being the aggregate number of years of the employment contract(s) from the original start date of the contract (as above), to the contracted end of current employment contract (rounded to nearest month).

Costs of acquiring a player's registration:

- aggregate cost at start of period – the total accumulated costs in respect 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 as incurred during the reporting period, comprising amounts paid and/or payable for fixed transfer compensation, realised conditional transfer compensation, and solidarity/training compensation. This excludes any internal development or other costs;
- other capitalised costs in the period – other costs of acquiring a player's registration incurred during the reporting period, being amounts paid and/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 in the period – deduction for the accumulated costs of a player's registration at the time of the transfer-out of the player's registration;
- aggregate cost at end of period – being the sum of aggregate cost at 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 in respect of 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 charge to the profit and loss account incurred during the reporting period;
- accumulated amortisation of player registrations disposed 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 expense to the profit and loss account incurred during the reporting period;
- aggregate amortisation at end of period, i.e. the sum of aggregate 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 – being the calculated net book value in respect of the player's registration at the start of the reporting period;
- NBV at end of period - being the calculated net book value in respect of the player's registration at the end of the reporting period.

Other information:

- Sell-on rights (or similar) – being the description and (if possible) quantification of any sell-on rights to a football club that formerly held the player's registration, excluding training compensation and/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 the licensee's reporting perimeter for each relevant reporting period, as set out in the financial information package in the CL/FFP IT Solution, 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 listed below.

- The account lines highlighted in green  are used to determine relevant income (net of adjustments).
- The account lines highlighted in red  are used to determine relevant expenses (net of adjustments).
- The account lines highlighted in yellow  will be automatically adjusted in the CL/FFP IT Solution, to be excluded from the calculation of 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; and
- 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 fully and properly completed and that revenues/expenses are analysed/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 displayed percentage of the relevant total.

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 otherwise notified by the UEFA administration.

The disclosure requirements in respect of 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 Sales/Materials - Other/Non-Split		
Total Cost of Sales/Materials		
Players - Wages and Salaries		
Players - Social Security Contributions		
Players Benefits Expenses - Other/Non-Split		
Total Players Benefits Expenses		
Other Employees - Wages and Salaries		
Other Employees - Social Security Contributions		
Other Employees Benefits Expenses - Other/Non-Split		
Total Other Employees Benefits Expenses		
Employee Benefits Expenses - Other/Non-Split		
Total Employee Benefit Expenses		
Depreciation of Tangible Fixed Assets		
Impairment of tangible fixed assets		
Amortisation of Other Intangible Assets (excluding player registrations)		
Impairment of other intangible assets (excluding player registrations)		
Total Depreciation, Amortisation & Impairment (excluding player registrations)		
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 attending the club's football matches by means of paid entrance, e.g. general admission season ticket, single matchday tickets, or a premium/hospitality ticket package. If a club provides tickets to some spectators free of charge (or for a nominal charge), there should be no upwards adjustment to revenue. Gate receipts should be recorded net of discounts, levies, VAT and other sales-related 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, revenue derived from season tickets, 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, being some form of arrangement whereby the club provides some type of benefit(s) for paying members in respect of their match attendance and involvement with the football club;
- gate receipts relating to premium ticket/match day with hospitality access provided;
- gate receipts relating to national competition matches;
- gate receipts relating to UEFA club competition matches; and
- other gate receipts, such as those relating to friendly matches.

If a licensee does not provide a gate receipts analysis as set out above, it must input the total gate receipts figure into the “gate receipts – other/non-split” account line.

Other revenue streams generated on a matchday (e.g. sales of food and beverages, and match programmes) should be separately included in the relevant 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 detailed analysis and explanations covering:

- gate receipts relating to matches in national competitions – revenue analysed by the different types of matches and the number of matches played;
- gate receipts relating to matches in UEFA club competitions – revenue analysed by competition and the number of home matches played;
- season ticket revenue – revenue analysed by types of season ticket packages;
- membership fees; and
- other gate receipts.

Explanatory comments should be provided by the licensee, 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 to other licensees playing in the same national competitions.

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

Sponsorship and advertising revenue is derived from arrangements by which the club receives monies from a party in exchange for some form of rights provided to the other party in order to be associated in some way with the club and/or advertise through a variety of channels associated with the club (e.g. pitch-perimeter and other board advertising, or match programme advertising).

For the purpose of the break-even information, sponsorship and advertising may be analysed by the following account lines:

- **Manufacturer sponsor**, being the amount of sponsorship and advertising revenue (if any) derived from the arrangement with the party that provides the first team's kit and other apparel, excluding any amount from such party that relates to merchandising sales (which should be included in commercial/merchandising).
- **Main sponsor**, being the amount of sponsorship and advertising revenue derived from the arrangement with the party which is 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, which 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 derived from other sponsors which may also appear on a team's shirts/apparel must be included in the account line sponsorship and advertising – other.

- **Stadium sponsor**, being the amount of sponsorship and advertising revenue (if any) derived from the arrangements with 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 derived from other sponsors in respect of the stadium (e.g. for naming rights for a particular stand within the stadium) must be included in the account line “sponsorship and advertising – other”.
- **Pitch perimeter and board advertising**, being sponsorship and advertising revenue derived from arrangements for other parties to have 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 manufacturer or kit or stadium sponsor to this account line.
- **Other sponsorship and advertising**, being any other amounts not otherwise categorised.

If a licensee does not provide an analysis of sponsorship and advertising revenue as set out above, it must input the total sponsorship and advertising figure into the account line “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 - unadjusted (LC)	Explanations
2018							
Kit Sponsor (Manufacturer) 1	<input type="checkbox"/>						
Sponsorship and Advertising - Kit-Sponsor (Manufacturer)	<input type="checkbox"/>						
Sponsorship and Advertising-Kit Sponsor (Manufacturer) in the P&L	<input type="checkbox"/>						
Check	<input type="checkbox"/>						
Main shirt sponsor 1	<input type="checkbox"/>						
Sponsorship and advertising - Main shirt sponsor	<input type="checkbox"/>						
Sponsorship and advertising - Main shirt sponsor in P&L	<input type="checkbox"/>						
Check	<input type="checkbox"/>						
Stadium sponsor 1	<input type="checkbox"/>						
Sponsorship and advertising - Stadium Sponsors	<input type="checkbox"/>						
Sponsorship and advertising - Stadium Sponsors in P&L	<input type="checkbox"/>						
Check	<input type="checkbox"/>						
Pitch-perimeter and board advertising 1 (>20% of total)	<input type="checkbox"/>						
Other sponsorship arrangement 1	<input type="checkbox"/>						
Sponsorship and advertising - Pitch-perimeter and board advertising	<input type="checkbox"/>						
Sponsorship and advertising - Pitch-perimeter and board advertising in P&L	<input type="checkbox"/>						
Check	<input type="checkbox"/>						
Second shirt Sponsor 1 (if none put 0)	<input type="checkbox"/>						
Other shirt Sponsor 1 (if none put 0)	<input type="checkbox"/>						
Other arrangements 1 (>20% of total)	<input type="checkbox"/>						
Sponsorship and advertising - Other	<input type="checkbox"/>						
Sponsorship and advertising - Other in P&L	<input type="checkbox"/>						
Check	<input type="checkbox"/>						

When requested, a licensee must complete the supplementary schedule to provide more detailed analysis 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;
- the amount of revenue recognised during the reporting period that was not contingent, i.e. was guaranteed to be received regardless of other factors; and

- the amount of 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 by which the club receives monies in respect of 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 analysed by the following account lines:

- broadcasting rights revenue relating to a club's participation in matches in national competitions; and
- broadcasting rights revenue for a club's participation in other types of matches and/or other types of football club generated content for broadcast. Note that monies received from a club's participation in UEFA club competitions in a season must be separately included in "revenue – UEFA solidarity & prize money".

If a licensee is in receipt of monies from a competition organiser that is generated from the sale of both broadcast rights and other commercial rights and if the amount derived from the sale of other commercial rights is separately identifiable, then it must be included in 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 an analysis of broadcasting rights revenue as set out above, then it must enter the total broadcasting rights figure in the account line '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 detailed analysis and explanations covering:

- broadcast rights revenue relating to a club's participation in matches in national competitions – revenue analysed by the different types of matches; and
- other broadcast rights revenue, disclosing separately any broadcast arrangements contributing more than 20% of the total broadcast rights revenue.

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

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

Revenue from commercial activities is derived from commercial activities other than sponsorship and advertising and the sale of broadcasting rights. Such commercial revenue may be derived from activities relating to a specific

match (e.g. food and beverage sales from both general admission matchday spectators and premium/corporate matchday packages, and sales of match programmes), or from other commercial activities.

For the purpose of the break-even information, revenue from commercial activities may be analysed by the following account lines:

- commercial revenue relating to matches in national competitions;
- merchandising, being revenue derived from sales of goods, such as replica club shirts and other club-branded apparel/goods;
- non-matchday use of a club's facilities (e.g. conferencing at the stadium and music events);
- membership (non-matchday related), being some form of arrangement whereby the club provides some type of benefit(s) for paying members in respect of matters other than attending matches; and
- any other commercial activities revenue not otherwise categorised above (e.g. lottery, licence fees and royalties for use of the club's brand, and commission).

If a licensee does not provide an analysis of commercial revenue as set out above, then it must input the total commercial revenue figure into the account line "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 detailed analysis and explanations covering:

- commercial revenue relating to a club's participation in matches in national competitions – revenue analysed by the different types of matches;
- merchandising revenue, with any arrangements contributing more than 20% of total commercial revenue to be separately disclosed;
- the revenue generated from non-match day usage of facilities, with revenue from major events such as hosting pop concerts to be separately disclosed from other events;
- membership (non-matchday related), being some form of arrangement whereby the club provides some type of benefit(s) for paying members in respect of matters other than attending matches; and

- other commercial revenue, disclosing separately any commercial arrangements contributing more than 20% of total commercial revenue.

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

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

UEFA solidarity and prize money is revenue for a licensee derived from UEFA's solidarity distributions for the benefit of clubs, and/or revenue for a licensee from UEFA for fulfilment of a club's obligations regarding participation 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 analysed by 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/or commercial activities for national competitions, and excludes any amount separately identifiable as UEFA solidarity payments, each of which must be categorised accordingly;
- subsidies, grants or other money from the government of the territory of the relevant licensee;
- donations received from non-related parties (other than national football bodies and/or government);
- contributions/donations received from related parties;
- income from non-football operations (not otherwise included in another revenue account line);
- exceptional income (not otherwise included in another revenue account line); and
- 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.

If a licensee does not provide an analysis of other operating income as set out above, it must input the total of other operating income into the account line "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/municipal 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/municipal 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 detailed analysis and explanations covering:

- subsidies, donations or other amounts received from national football bodies;
- subsidies, grants or other amounts received from government in the territory of the relevant licensee, 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 if they are related to licensee);
- income from non-football operations;
- exceptional income; and
- 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 potential 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 detailed analysis 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; and
- other activities.

Explanatory comments should be provided by the licensee, covering matters such as significant variations compared to other reporting periods, inclusion of any unusual transactions and, if known and applicable, why there may be significant variations 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 analysed by type of employees, separately disclosing amounts in respect of “players and “other employees”, and may be further analysed by 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 analysis, “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 of the reporting entity, 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.

If a licensee does not provide an analysis of employee benefit expenses as set out above, it must enter the total employee benefit expenses in the account line ‘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				
<i>Players wages and salaries</i>				
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				
<i>Players social security contributions</i>				
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				
<i>Players Benefit exp. - Other/non split</i>				
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				
<i>Other Employees - Wages and Salaries</i>				
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				
<i>Other Employees - Social Security Contributions</i>				
Coaching staff - Social Security Contributions				
Other Employees - Social Security Contributions				
Total Other Employees - Social Security Contributions				
Total Other Employees - Social Security Contributions in the P&L				
Check				
<i>Other Employees - Other/Non Split</i>				
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 detailed analysis and explanations covering:

- players (excluding youth players) – employee benefits expenses analysed by wages and salaries (basic), image rights payments, bonuses/incentive payments, social security contributions, other employee benefits expenses, and the number of employees;
- youth players – employee benefits expenses analysed by total wages and salaries, social security contributions, other employee benefits expenses, and the number of employees;
- coaching staff – employee benefits expenses analysed by total wages and salaries, social security contributions, other employee benefits expenses, and the number of employees; and
- other employees (being all employees other than players, youth players and coaching staff) – employee benefits expenses analysed by total wages and salaries, social security contributions, other employee benefits expenses, and number of employees;

Explanatory comments should be provided by the licensee, covering matters such as significant variations compared to other reporting periods, inclusion of any unusual transactions and, if known and applicable, why there may be significant variations 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 less costs to sell and value in use.

The licensee must enter the appropriate figure for the depreciation/impairment 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 in respect of right-of-use assets that are operating leases, then any such costs must be separately disclosed as part of “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, less 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 analysed by the following account lines:

- matchday expenses, being expenses in respect of hosting of matches at the home stadium such as policing and stewarding;
- sponsorship and advertising expenses, being expenses in respect of the activities undertaken to generate sponsorship and advertising revenue;
- commercial activities expenses, being expenses in respect of the activities undertaken to generate commercial revenue;
- property and facilities expenses, being expenses incurred in respect of 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 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 of non-football operations (not otherwise included in another expense account line);
- exceptional expenses (not otherwise included in another expense account line); and
- any other operating expenses not otherwise 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 amounts of employee benefit expenses.

If a licensee does not provide an analysis of other operating expenses as set out above, it must input the total other operating expenses into the account line “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		

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

Other operating expenses – other should be further analysed, 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'.

For clubs that use the 'capitalisation and amortisation' method of accounting for player registrations in their annual financial statements, relevant income and relevant expenses must reflect this same accounting treatment.

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 when calculating the break-even result by completing the player accounting adjustment schedule. See **Appendix IV (L)** of this document for further details. The selected treatment must be applied on a consistent basis 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, then 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 and/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 period of a player's contract with the club 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 in the account line 'Amortisation of player registrations' rather than 'Costs of acquiring player registrations (including non-capitalised agent fees and loan fees)'.

Impairment of player registrations

For a reporting entity that uses the ‘capitalisation and amortisation’ method of accounting for player registrations, it should consider the need for recognition of an impairment loss of 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 on disposal of a player’s registration will be reported if the net disposal proceeds exceed the net book value of the player’s registration at the time of the transfer. Any such profit must be included within relevant income for the calculation of the break-even result.

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

This means that any profit arising on the disposal of economic rights or similar of 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.

Loss 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 within 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 costs of acquiring a player’s registration are 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				<input type="checkbox"/>	<input type="checkbox"/>		
Player trading 2				<input type="checkbox"/>	<input type="checkbox"/>		
Player trading 3				<input type="checkbox"/>	<input type="checkbox"/>		

When requested, a licensee must complete the supplementary schedule to provide more detailed analysis 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 (and/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; and
- 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 in respect of the transfer/loan of the player's registration.

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

Further guidance about making adjustments for the break-even calculation for 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 disposal proceeds and the carrying amount of the item at the time of disposal.

For the break-even calculation, 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 done automatically in the CL/FFP IT Solution.

If a licensee meets the conditions as defined in Annex X B (h) and chooses to provide supplementary information, it may include in the break-even calculation an amount for the excess proceeds on the disposal of a tangible fixed asset. 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) for the calculation of relevant income for the break-even result.

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

Annex X B (i) – The net foreign exchange result for 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)	<input type="text"/>	
Other arrangements	<input type="text"/>	
Total Finance income	<input type="text"/>	
Total Finance income in the P&L	<input type="text"/>	
Check	<input type="text"/>	
Finance expenses arrangement 1 (>20% of total)	<input type="text"/>	
Other arrangements	<input type="text"/>	
Total Finance expenses	<input type="text"/>	
Total Finance expenses in the P&L	<input type="text"/>	
Check	<input type="text"/>	
Net Foreign Exchange Gains/(Losses)	<input type="text"/>	
Net Finance income / expense	<input type="text"/>	

When requested, a licensee must complete the supplementary schedule to provide more detailed analysis and explanations covering finance income/costs arrangements.

Financing arrangements between the licensee and another entity (such as a bank, other financial institution, other type of entity providing finance arrangements, 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 and/or other related party, where 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, inclusion of any unusual transactions and, for those arrangements which contribute more than 20% of total finance income/costs and/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 on account line “net foreign exchange gains/losses”.

16. Other income and other expenses

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

Disclosure of amounts in other income and/or other expenses is expected to be rare because the typical income and expenses of football club activities should normally be included in one of the other account lines in the prescribed format of the profit and loss account schedule in the CL/FFP IT Solution.

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		

When requested, a licensee must complete the supplementary schedule to provide more detailed analysis and explanations covering any other income and any other expenses.

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

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

The tax figure – whether it be a credit or a debit in the profit and loss account – is excluded for the calculation of the break-even result. This line item will be adjusted automatically in the CL/FFP IT Solution for the calculation of 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 of dividends 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 on the basis of the level of equity that they own.

The figures for profit/loss after dividends paid and/or payable and/or 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 the changes in cash and cash equivalents for the licensee's reporting perimeter for a reporting period, disclosing changes from 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.**

Cash Flow	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 Sale of Player Registrations	
Cash (Payments) from Purchase 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 Party	
Cash (Payments) on Borrowings - Shareholders & Related Party	
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 less bank overdrafts in the Balance Sheet	
Check with the Balance Sheet	

Cash and cash equivalents reconciliation

The brought-forward amount of 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 amount of 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)”.

In turn, the amount of cash and cash equivalents at the end of the reporting period in the cash flow statement schedule will be checked against the equivalent items reported 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. Therefore, an investment normally qualifies as a cash equivalent only 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 borrowings. 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. Calculation of 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.

	Calculation of relevant income	Calculation of relevant expenses
Relevant amounts for calculation of the break-even result	<ul style="list-style-type: none"> • 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/or income from disposal of player registrations) • Excess proceeds on disposal of tangible fixed assets • Finance income and foreign exchange result 	<ul style="list-style-type: none"> • Expenses - Cost of sales/materials • Expenses - Employee benefits expenses • Expenses - Other operating expenses • Loss on disposal and amortisation/impairment of player registrations (and/or costs of acquiring player registrations) • Finance costs and dividends
Manual adjustments (if applicable), using adjustment schedules	<p>Relevant income must be <u>reduced</u> if any of the elements above include:</p> <ul style="list-style-type: none"> • 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 in respect of a player for whom the licensee retains the registration • Credit in respect of a reduction of liabilities arising from procedures providing protection from creditors 	<p>Relevant expenses must be <u>increased</u> if any of the elements above include:</p> <ul style="list-style-type: none"> • Expense transaction(s) with related party(ies) below fair value <p>Relevant expenses may be <u>reduced</u> if any of the elements above include:</p> <ul style="list-style-type: none"> • 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 and/or substantial modification of tangible fixed assets • Costs of leasehold improvement • Expenses of 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	<p>Relevant income excludes:</p> <ul style="list-style-type: none"> • Profit on disposal of tangible fixed assets • Tax income • Profit on disposal of intangible assets, excluding player registrations 	<p>Relevant expenses exclude:</p> <ul style="list-style-type: none"> • 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 fully complete the disclosure requirements in each relevant adjustments 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 for break-even information instead of the ‘income and expense method’, 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 any such reclassifications having 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 on the calculation of the break-even result (“**BE correction**”).

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

In summary, there are three key steps for a licensee to undertake in respect of transactions between an entity in the reporting perimeter and a related party:

- i) For each entity included in the reporting perimeter, identify **all transactions with related parties** in a reporting period by considering each possible related-party 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) Determine and 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 transactions (current and historic) and comparable transactions of other clubs.
- iii) If the **fair value is different to the recorded value of a transaction**, then relevant income/expenses must be adjusted accordingly by inputting details to the adjustment schedule in the Financial Information package (a downwards adjustment only in case of an income transaction; an upwards adjustment only in case of an expense transaction).

Note: For the purpose of the break-even calculation, as per Annex X.F, the licensee must apply certain adjustments in respect of the transfer of a player’s registration between clubs that are related parties.

1. Definition of a related party

The determination as to whether a relationship falls within one of the definitions in Annex X F can involve judgement focusing on 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, if anything, may have been disclosed in respect of 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.

In accordance with 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.

In accordance with 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 so as to obtain benefits 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, which 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 in 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 an amount equivalent to 30% or more of the licensee's total revenue in a reporting period.

Key management personnel are those persons having 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) of the entity.

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 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.

Illustrative examples

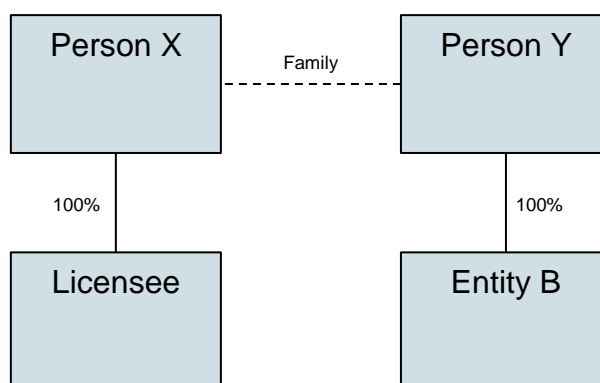
The illustrative examples set out various scenarios of relationships between parties and the resulting identification of related-party relationships.

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 a related party of the Licensee:

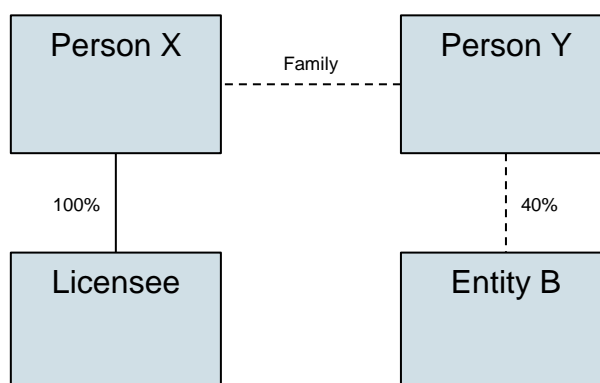
- Person X (Annex X F.2a);
- Person Y (F.2a); and
- Entity B (F.3g).

**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 a related party of the Licensee:

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

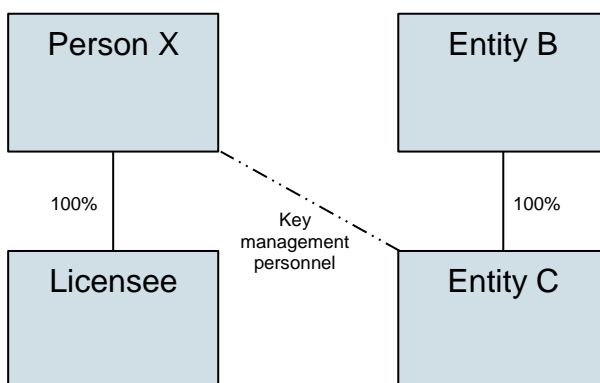
**Example 3**

- 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 a related party of the Licensee:

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

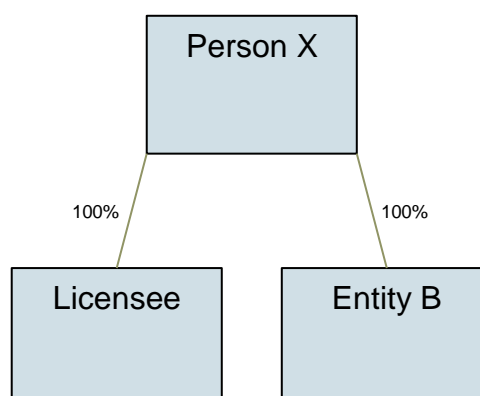
Note: Entity B is not related to the Licensee.

**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 a related party of the Licensee:

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

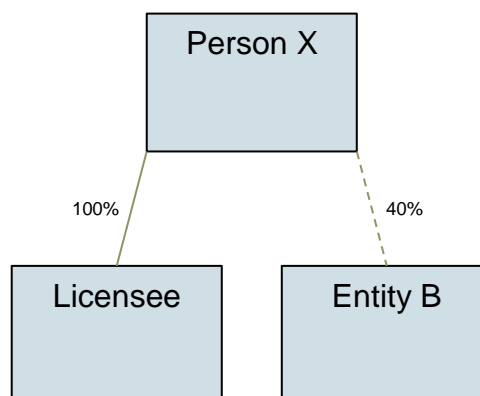


Example 5

- 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 a related party of the Licensee:

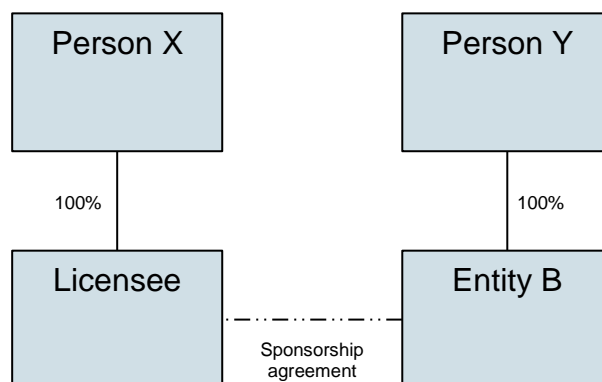
- Person X (Annex X F.2a); and
- Entity B (F.3h).

**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 a related party 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 price 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 and/or use of executive boxes;
- any transaction with a related party whereby goods or services are provided by the club, and
- proceeds from a player transfer to a related party.

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

- monies received as a donation; and
- debt waivers.

Contributions from a related party may only be taken into consideration in the determination of the acceptable deviation (as defined in Article 61) as part of the assessment of 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:

- any expense transaction with a related party whereby goods and/or services are provided to an entity in the reporting perimeter;
- employee benefits expenses in respect of employees of entities outside of the reporting perimeter if these employees contribute to the activities of entities in the reporting perimeter;

- finance expense related to debt funding from a related party; and
- costs of acquisition for transfer of a player 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. An arrangement or a transaction is deemed to be 'not transacted on an arm's length basis' if it has been entered into on terms more favourable to either party to the arrangement 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 transaction date 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 to arrive at a transaction (e.g. the details of offers from other parties), the outcome of similar transactions (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 price has been charged or not. In the second case, transactions are usually not included in the accounting records (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 apply certain adjustments in respect of the transfer of a player's registration between clubs that are related parties.

Example 1:

Club A transfers a player to club B for EUR 200m. After six months, club B transfers the player to club C for EUR 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: Because 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 (EUR 50m), and (ii) the net book value in respect of the costs of acquiring the player's registration in its financial statements (EUR 150m).

It is a loss of EUR 150 million so 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 EUR 50m; (i.e. EUR 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 EUR 200m; (i.e. EUR 100m amortisation per year).

The break-even result of club C will be adjusted with an additional amortization expense of EUR 75m = EUR 100m minus EUR 25m.

Example 2:

Club A has a player registration in his financial statements of EUR 10m net book value (having originally acquired the player for EUR 40m). Club A transfers the player to its related party club B for EUR 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 (EUR 100m), and (ii) the net book value in respect of the costs of acquiring the player's registration in its financial statements (EUR 10m). The calculated profit on disposal is EUR zero, so an adjustment to the break-even result of EUR 90m will neutralise the profit of club A from this transaction between related parties.

Club B must calculate the amortisation based on the greater of (i) the acquisition costs (EUR 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 (EUR 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 the licensee is making an adjustment for the break-even calculation.

The licensee must first select the relevant 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 (being 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 different 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; and

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 and/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, then the fair value adjustment is instead made through the schedule for excess proceeds on tangible fixed assets (see **Appendix IV (H)**).

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

1. Guidance

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

Appropriate adjustments may be made such 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 and/or impairment of player registrations must be included in the break-even result as per Annex X.A.2(d) (i.e. there must not be adjustments to exclude amortisation and/or impairment of player registrations);
- the amortisation and/or impairment of intangible assets (excluding player registrations), such as goodwill, is a non-monetary debit/charge item that is automatically excluded anyway from the break-even result as per 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 expense in respect of fixed assets do not result in the entity receiving the right to receive a fixed amount of cash or cash equivalents, hence 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, hence 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) is in respect of 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 treatment 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 also identify non-monetary debits/charges, and may also include adjustment 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; and
- 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 and/or expenses of non-football operations not related to the club - Annex X (B1I / C1m)

1. The meaning of non-football operations

The income and expenses of non-football operations are a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services that is subject to risks and returns that are different from those of the football club operations.

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

In determining whether or not there are non-football operations in the licensee's reporting perimeter, the factors that should be considered 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; and
- the way in which operating results are reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the operations and assess its performance.

2. The 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:

- non-football activities/operations which 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; and

- ii) **non-football activities/operations which 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 which are related to the locations of the football club are operations physically based at or in close proximity to a club's home stadium and/or training facilities such as a hotel, restaurant, conference centre, business premises (for rental), health-care centre, or other sports teams. And, non-football operations which are related to the brand of the football club are operations 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 the development of a non-football operation has been financed from the football club's own resources or not), and the completeness of financial reporting of the non-football operations (all expenses).

3. Potential implications for the break-even calculation

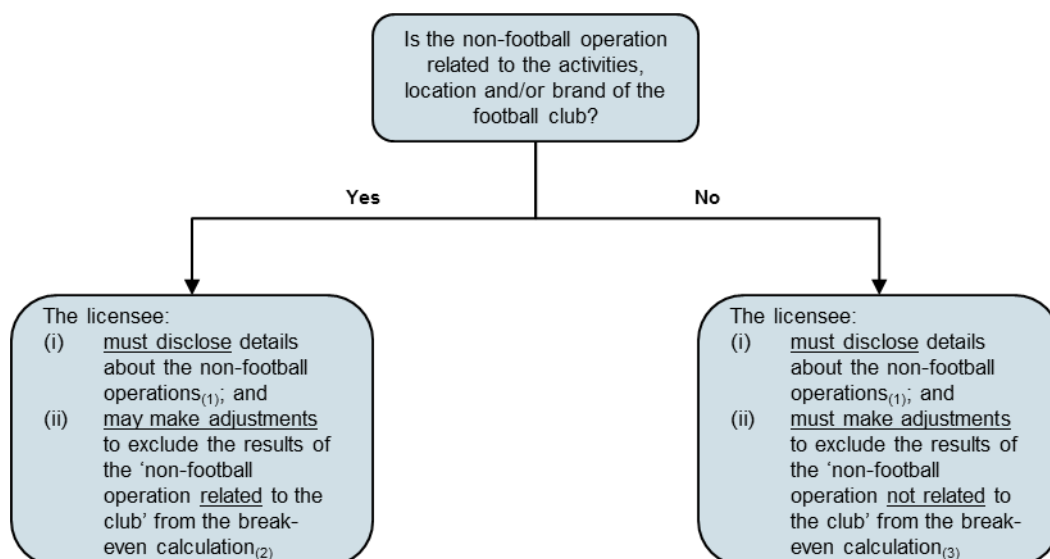
For non-football operations not related to the club:

- 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 which 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 is making an adjustment for the break-even calculation.
- (2) If a licensee's reporting perimeter does include an entity which has 'non-football operations related to the club' (e.g. other sports), then the licensee may process exclusion adjustments and thus 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 on a consistent basis 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”, then 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 has to use the “non-football operations” adjustment schedule to:

- input 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); and
- provide any 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 an 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 detailed analysis and explanations covering both:

- non-football operations adjusted for 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; and
- non-football operations not adjusted for 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 and/or brand.

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

1. Information to be disclosed

If a licensee chooses to have 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 amount of directly attributable expenditure on youth development activities as contained within each appropriate line of the Profit and Loss Account schedule; and
- in the explanation cell, any additional commentary considered necessary to assist understanding of 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 of the reporting perimeter, then the licensee will still be required to disclose the breakdown of expenditure if it chooses to have an adjustment for expenditure on youth development expenses.

Costs of employee benefits for employees who are youth players aged 18 or over as at the statutory closing date of the licensee 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, the costs of employee benefits for a player who is aged under 18 as at the statutory closing date of the licensee and who plays 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 have an adjustment for expenditure on community development activities, then 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 amount of directly attributable expenditure on community development activities as contained within each appropriate line of the Profit and Loss Account schedule; and
- in the explanation cell, any additional commentary considered necessary to understand 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 have 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 amount of directly attributable expenditure on women's football activities as contained within each appropriate line of the Profit and Loss Account schedule; and
- in the explanation cell, any additional commentary considered necessary to understand the adjustment.

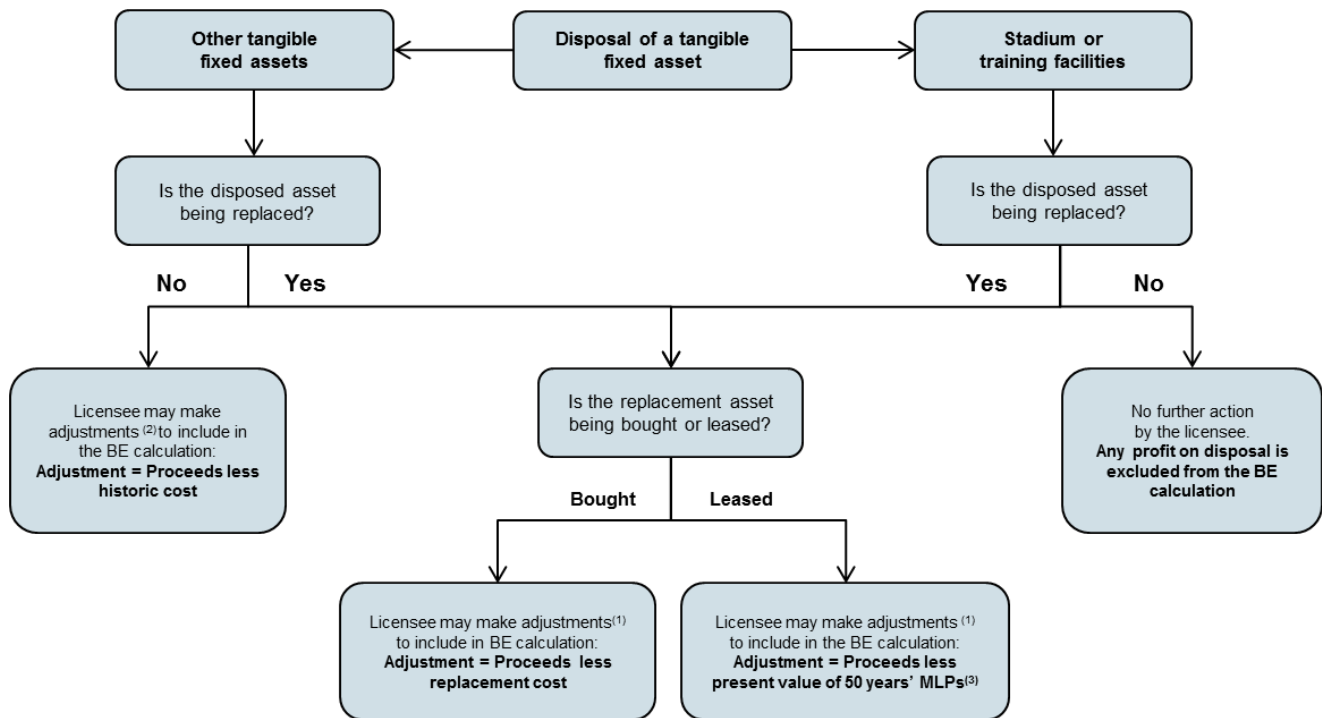
The further level of detail required for expenditure on women's football activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below.

	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

Guidance for treatment of disposals of tangible fixed assets for the break-even calculation



- (1) Where a disposed asset is being replaced, an adjustment to include an amount in relevant income in the break-even calculation is to be processed 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) Where a disposed asset other than a club's stadium or training facility is not being replaced, an adjustment to include an amount in relevant income in the break-even calculation is to be processed 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) Reference to "present value of 50 years' MLPs" refers to the present value of 50 years' 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 included as relevant income in the same reporting period in which the profit (or loss) on disposal of the relevant asset(s) 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 near to such stadium (for example, 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 take place on a regular basis.

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 there must not be an excess proceeds adjustment.

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 the 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 by 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 the 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 condition necessary for it to be capable of operation.

6. Full cost of the replacement asset

Full cost of the replacement asset includes all costs to acquire or construct the new asset and bring it to the location and condition 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 an estimate (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 that time of submission of the break-even documentation. Subsequently, 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 had it been known at the time of preparation of the schedule must be notified to the licensor/CFCB.

7. Present value of 50 years' minimum lease payments

For the purposes of the break-even requirement, if the replacement asset is to be leased, the Annex X B (1)(g) require the licensee to calculate a figure that is equivalent to the present value of the sum of 50 years' minimum lease payments.

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

Illustrative example:

Year (N)	Minimum lease payment (MLP)	Borrowing rate (BR)	Discount factor		PVMLP EUR000
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 is not determinable, 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 is not determinable, the rate that, at the inception of the lease, the licensee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset. Generally, most lease arrangements are secured, and therefore a secured loan rate would normally be appropriate.
- If the quantum of lease payments are wholly or partly to be determined based on another variable (e.g. revenue, match attendances), 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 quantum of lease payments for 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 quantum of the minimum lease payment for each year after the final year for which the lease payment is specified should be equivalent to the quantum in that final year.
- Subsequently, 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 had it been known at the time of preparation of the schedule must be notified to the licensor/CFCB.

8. Information to be disclosed

As appropriate, the licensee must complete the Excess Proceeds on Disposal of Tangible Fixed Assets (asset being replaced) schedule and/or the Excess Proceeds on Disposal of Tangible Fixed Assets (other asset not being replaced) schedule. 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, being the amount recorded in the annual financial statements for the reporting period in respect of the specific asset, as included in the profit/loss on disposal of tangible fixed assets profit and loss account line;
- 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 that is not being replaced, the historical cost of the asset;
- as applicable, in respect of the replacement asset (if any), the figure for either the full replacement cost or the present value of 50 years' minimum lease payments;
- the excess proceeds adjustment, determined as:
 - for an asset that is being replaced, the lower of profit on disposal and proceeds less replacement cost or proceeds less the present value of 50 years' minimum lease payments (as applicable);
 - for an asset other than stadium/training that is not being replaced, the lower of profit on disposal and proceeds less historic cost;
- 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 (being the full name of the person or full legal name of the entity, as appropriate), the recorded amount and the fair value amount; and
- if the asset is being replaced, a description of the replacement asset, development status, commentary on the cost of replacement or lease arrangements.

Illustrative 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 for the disposed asset are EUR 3m. The historical cost of the asset was EUR 1m and at the time of disposal it was recorded in the financial statements at a net book value of EUR 0.6m.

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

Example 2:

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

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

Example 3:

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

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

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

1. Guidance

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

The amount that may be adjusted is the actual interest expense (not otherwise capitalised) less any investment income on the temporary investment of the amount borrowed to which the interest relates. 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, until the date of completion of the asset.

After completion of the construction and/or substantial modification of an asset, 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, constructing and/or substantially modifying a qualifying asset, the amount of adjustable finance costs corresponds to the actual finance 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 that necessarily takes a substantial period of time to prepare for its intended use, which will usually be a stadium or football training facilities. Examples of substantial modification of a qualifying asset include the construction of 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 the temporary investment of 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 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 the calculation of the adjustment

The **commencement date for the adjustment calculation** is the date when all three conditions (as set out in the Regulations) are first met, being (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 commencement of the physical construction/substantial modification of the asset. The mere holding of an asset, without any associated development activities, does not entitle an entity to make an adjustment for related finance costs, for example, the holding of 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, the entity suspends development-related activities for an extended period, inclusion of the finance costs in the adjustment calculation should also cease until such time as 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 interruption 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 getting an asset ready for its intended use, or which result from a natural delay such as adverse weather conditions that are common to the location, can be included in the adjustment.

For the adjustment calculation, **finance costs should cease to be included in the adjustment** when substantially all of the activities necessary to prepare the qualifying asset for its intended use are complete. An asset is normally ready for its intended use when the physical construction of the asset is complete, even when routine administrative work continues. If minor modifications are all that are still outstanding, this indicates that substantially all the activities are complete.

4. Information to be disclosed

The following information must be disclosed in the adjustment schedule for finance costs directly attributable to the construction and/or substantial modification of tangible fixed assets by selecting the finance costs line in the Profit and Loss Account schedule:

- the amount of adjustable finance costs, being finance costs directly attributable to the construction of tangible fixed assets as defined in the Annex X C (k);

- In the explanation cell, as a minimum:
 - 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”; and
 - whether the funds are borrowed specifically for the purpose of acquiring, constructing and/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 and/or impairment of an intangible asset (excluding player registrations) may be excluded from relevant expenses, if the intangible asset does not generate or generated relevant income.

If the licensee has an intangible asset that generates or generated relevant income, then 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:

- description of the intangible asset;
- declaration that the intangible asset does not generate or generated relevant income;
- the amount of amortisation/impairment expense in respect of 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

K. Costs of leasehold improvement – Annex X C (I)

1. Guidance

A licensee may exclude from the calculation of the break-even result subsequent construction and/or substantial modification costs it has incurred on a tangible fixed asset that has been leased for at least ten years if such costs: (i) can be measured reliably, (ii) will result in future economic benefits to flow 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.

Those licensees which do not capitalise leasehold improvements and meet the criteria outlined above may exclude such costs from the break-even result by completing the adjustment schedule shown below. Within the explanation, the licensee must disclose the length of the original lease and the remaining term of the lease as at the end of the reporting period.

For the avoidance of doubt, for those licensee which do capitalise leasehold improvements, the depreciation expense in the profit and loss account is automatically adjusted to exclude depreciation costs from the break-even result, and therefore no further adjustment is required for the calculation of the break-even result.

Examples of leasehold improvements include the construction of executive boxes or the addition of new seats.

L. Adjustments for player accounting: UEFA requirements for player accounting (Annex X C (d)) and Income in respect of a player for whom the licensee retains the registration (Annex X B (m))

1. Guidance

There are two types of player transfers adjustments:

(i) UEFA requirements for player accounting

To meet the requirements of the Regulations, a licensee that uses the 'income and expense method' in its annual financial statements and elects to apply the 'capitalisation and amortisation method' for the purposes of the break-even calculation must apply certain minimum accounting requirements as described in Annex VII C(4) and prepare a player identification table as described in Annex VI F for each relevant reporting period, that may be requested by the licensor and/or CFCB.

(ii) Income/profit in respect of a player for whom the licensee retains the registration

As detailed in the "Player transfers" section (**Appendix III, B (12)**) an adjustment must be made for any income/profit in respect of a player for whom the licensee retains the registration.

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 for the calculation of the break-even result following the permanent transfer of the player's registration to another club. An adjustment must be made to exclude any profit on disposal generated 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 of Player X for a profit of EUR 1m, but retains the player's registration. For break-even purposes, the licensee must make an adjustment to exclude the profit on disposal for the reporting period ending 2019. During its reporting period ending 2020, Club A disposes of the remaining 50% of the economic rights of Player X for a profit of EUR 1m and permanently transfers the player's registration to another club. For break-even purposes, the licensee must make an adjustment to recognise profit on the disposal of EUR 2m 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 for the UEFA requirement for player accounting, 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)	Profit figure, as calculated from player identification table
Loss on disposal of intangible assets (players)	Loss figure, as calculated from player identification table

Account line description	Source of adjustment figure
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

For the adjustment for income/profit in respect of a player for whom the licensee retains the registration, a negative figure should be entered for any income/profit to be excluded from the break-even result. In the “Explanation” cell the licensee should include the player’s name and the level of any player’s 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. In the “Explanation” cell, the licensee should include the player’s name and 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 in respect of a reduction of liabilities arising from procedures providing protection from creditors – Annex X B (n)

1. Guidance

If a licensee’s profit and loss account includes a credit/income amount in respect of a reduction of liabilities arising from procedures providing protection from creditors, the licensee must make an adjustment to effectively exclude the credit/income amount from the break-even calculation.

For the purpose of this adjustment, procedures providing protection from creditors means 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 providing protection from creditors, a licensee may benefit from a reduction of liabilities (i.e. the amount due from a licensee to creditors is reduced) and thereby recognise a credit/income in its profit and loss account. For the purpose of the break-even calculation, 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 relevant account line of the Profit and Loss Account schedule that contains the credit/income, and enter to the Credit Arising from Procedures Providing Protection from Creditors adjustment schedule:

- the amount of the adjustment for any credit in respect of a reduction of liabilities arising from procedures providing protection from creditors; and
- 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 the entity(ies) within the reporting perimeter that was/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. The 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, for the break-even calculation a licensee may make an adjustment 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 and/or related parties – Annex X E and Article 61

1. Definition of contributions

- 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), less capital reductions.
- ii) **Gifts/donations received from a related party:** that is an unconditional gift made to the reporting entity by a related party which increase the reporting entity's equity without any obligation for repayment or to do anything in consideration for receiving them. For example, a waiver of 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 to be considered as a contribution will be no more than an amount equivalent to the difference between the actual income in a reporting period and the fair value of the transaction(s) in a reporting period as already recognised in the calculation of the break-even result (see Annex X B(1)(k)).

The cash or goods must have been received by the reporting entity, as opposed to just some form of promise or commitment from the equity participants and/or the related party.

The following types of transaction are **not** “contributions from equity participants and/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 in that the entity has a present obligation to act or perform in a certain way;
- contributions from owners in respect of instruments classified as liabilities.

Regardless of the recognition of contributions in an entity's annual financial statements, the amount that can be recognised for the purpose of the break-even requirement must be no 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 and/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 reporting periods T, T-1 or T-2; and/or
- in the accounting records up until the deadline for submission of the break-even information for reporting period T.

If contributions occurring until the deadline for submission of 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 in respect of 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

Licensee A has a statutory reporting date of 30 June. For the assessment of 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 (EUR million)	5	5	5	5	5	5*
Contributions taken into consideration for the current monitoring period assessment in 2018/19 (EUR million)	Not applicable	Not applicable	5	5	5 + 5*	Not applicable

* The contribution of EUR 5m in the reporting period ending 30 June 2019 (T+1) occurred and was recognised between 1 July 2018 and the deadline for submission of the break-even information for reporting period T (i.e. the October 2018 deadline set by UEFA). The licensee elects to have this contribution taken into consideration for the current monitoring period assessed in licence season 2018/19, i.e. treated as if the EUR 5m contribution had occurred in the financial statements for the reporting period ending 30 June 2018 (T). Therefore, total contributions to be taken into consideration for the current monitoring period assessed in 2018/19 are EUR 20m.

Example 2: Current monitoring period

For the assessment of the break-even requirement for the current monitoring period in the following 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 (EUR million)	5	5	5	5	5* + 2**
Contributions taken into consideration for the current monitoring period assessment in 2019/20 (EUR million)	Not applicable	Not applicable	5	5 + 5*	2

* For the assessment of the break-even requirement for the current monitoring period assessed in licence season 2019/20, the contribution of EUR 5m that occurred and was recognised between 1 July 2018 and the deadline for submission of the break-even information for reporting period T (i.e. the October 2018 deadline set by UEFA), and was taken into consideration to determine the acceptable deviation in respect of 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 reporting period T-1).

** Additionally, a further contribution of EUR 2m has occurred and been recognised after October 2018 deadline and prior to the end of the reporting period ending 30 June 2019. For the assessment of the current monitoring period for licence season 2019/20, this contribution of EUR 2m is treated as occurring in reporting period T.

Therefore, total contributions to be taken into consideration for the current monitoring period assessed in 2019/20 are EUR 17m.

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 and/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 one of the reporting periods T or T-1; and/or
- in the accounting records for the reporting period T+1 up until the end of the licence season.

Example 3: Projected monitoring period

For the assessment of the break-even requirement for the projected monitoring period in the 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 (EUR million)	0	5	5	5	5* + 2**
Contributions taken into consideration for the projected monitoring period assessment in 2019/20 (EUR million)	Not applicable	Not applicable	5	5 + 5*	2**

* For the assessment of the break-even requirement for the projected monitoring period assessed in licence season 2018/19, the contribution of EUR 5m that occurred and was recognised between 1 July 2018 and the deadline for submission of the break-even information for reporting period T (i.e. the October 2018 deadline set by UEFA), and was taken into consideration to determine the acceptable deviation in respect of the current monitoring period assessed in licence season 2018/19, must be treated as if it was a contribution in the reporting period ending 30 June 2018 (T) – as per examples 1 and 2 above.

** Additionally, a further contribution of EUR 2m has been recognised in the accounting records in the period after the October 2018 deadline and prior to 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 EUR 2m is treated as occurring in reporting period T+1.

Any contribution made after 31 May 2019 would not be relevant for the assessment of the projected monitoring period.

Therefore, total contributions to be taken into consideration for the projected monitoring period assessed in 2018/19 are EUR 17m.

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:**
 - the name of the equity participant,
 - the date of the transaction,
 - the type of consideration (e.g. cash, debt waiver, other consideration),
 - other explanatory comments, and
 - the amount allocated to the respective reporting period;
- **For monies received from a related party as a donation (Annex X E 3a):**
 - the name of the related party,
 - the date of the transaction,
 - the type of consideration (e.g. cash, debt waiver, other consideration),
 - other explanatory comments, and
 - the amount allocated to the respective reporting period; and
- **For income transactions from a related party (Annex X E 3b):**
 - the profit and loss account line in which the income transaction is included,
 - the date of the transaction,
 - the name of the related party,
 - the nature of the transaction, and
 - the amount allocated to the respective reporting period, the amount being the difference between the amount recorded in the profit and loss account and the fair value of the transaction; these details should match the information disclosed in the separate schedule for related-party transactions – see **Appendix IV (B)**.

The amount in each reporting period must be disclosed separately for reporting periods T-2, T-1, T (including any amount in period T+1 that is being treated as occurring in reporting period T, as detailed above), and T+1. Amounts are to be input into the schedule in the entity's presentation currency, as positive figures and rounded to the nearest thousand.

In the Contributions schedule, the input information is included in a summary table. If applicable, the total amount of disclosed contributions for each reporting period is translated to euros at the average rate of the relevant reporting period. The total amount of disclosed contributions is then utilised for the assessment of the break-even requirement.

B. Calculation of 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/or the projected monitoring period; and
- if applicable, the aggregate break-even surplus being 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, then it will be compared with the acceptable deviation.

In the Break-Even calculation schedule, the result is illustrated:

- by calculating the aggregate break-even result for the monitoring period;
- by including any break-even surplus for the sum of the break-even results of the two reporting periods prior to the monitoring period;
- by identifying the amount of contributions from equity participants and/or related parties occurring in the relevant time period – the amount of contributions to be considered is capped at EUR 25 million;
- by showing the applicable level of acceptable deviation – i.e. EUR 5 million plus any contributions up to the maximum level of EUR 25 million; and
- by 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, then 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 assist licensees own assessment of their break-even information.

2. Potential outcomes of the assessment of the break-even result

Scenarios in respect of the outcome of the assessment of the break-even requirement are illustrated by examples below.

Illustrative examples:

The maximum level of acceptable deviation is an amount of up to EUR 30 million, in so far as the excess over EUR 5 million is entirely covered by contributions. Figures are in millions of euros (EUR m). All examples are in respect of the same licence season.

Scenario 1 : Licensee with a break-even surplus for both reporting periods T-2 and T-1, and that does not submit break-even information for the 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 reporting periods T-2 and T-1 and does not have to submit break-even information for the reporting period T.

Example 1:

Reporting period	T-2	T-1	T
Annual break-even result	+2	+1	n/a
Outcome: The submission of reporting period T is not requested 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 aggregated break-even surplus.

Article 64(1a): The break-even requirement is fulfilled, if the licensee is assessed on the current monitoring period and it 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 (EUR 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 aggregated break-even deficit within the acceptable deviation having also taken into account the surplus of T-3 and T-4.

Article 64(1b): The break-even requirement is fulfilled, if the licensee is assessed on the current monitoring period and, it has an aggregate break-even deficit for reporting periods T-2, T-1 and T which is within the acceptable deviation (as defined in Article 61), having also taken into account the surplus (if any) in the reporting periods T-3 and T-4 (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 into account the sum of the surplus of T-3 and T-4)	-4		
Contributions from equity participants and/or related parties	0		
Acceptable deviation	-5		
Outcome: requirement fulfilled			
The aggregate break-even result (having taken into account the sum of the surplus of T-3 and T-4) is a deficit of EUR 4 million, which is within the acceptable deviation of EUR 5 million (deficit), so the break-even requirement is fulfilled. .			

Scenario 4: Licensee assessed on the current monitoring period and reports an aggregated 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 T-2, T-1 and T exceeding the acceptable deviation (as defined in Article 61), having also taken into account the surplus (if any) 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 EUR 5 million and EUR 30 million, where the excess deficit over EUR 5 million is not entirely covered by contributions; or
- in excess of EUR 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/or related parties	5		
Acceptable deviation	-10		
Outcome: requirement breached The aggregate break-even deficit (EUR 15 million) is not within the acceptable deviation (EUR 10 million deficit; being EUR 5 million plus EUR 5 million 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/or related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement breached The aggregate break-even deficit (EUR 60 million) is not within the acceptable deviation (EUR 30 million deficit; being EUR 5 million plus EUR 25 million contributions), so the break-even requirement is not fulfilled.			

Scenario 5: Licensee assessed on the current and the projected monitoring periods.

Article 64(1b): The break-even requirement is fulfilled if the licensee has aggregated break-even deficit for each of the current monitoring period (T-2, T-1 and T) and for the projected monitoring period ending (T-1, T, T+1) which 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 into account the sum of the surplus of T-3 and T-4)	-4		
Contributions from equity participants and/or 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 sum of the surplus of T-3 and T-4) is a deficit of EUR 4 million, which is within the acceptable deviation of EUR 5 million (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 into account the sum of the surplus of T-2 and T-3)	-3		
Contributions from equity participants and/or 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 into account the sum of the surplus of T-2 and T-3) is a deficit of EUR 3 million, which is within the acceptable deviation of EUR 5 million (deficit)			

The aggregate break-even result for both the current monitoring period and the projected monitoring period are within the acceptable deviation of EUR 5 million, so the break-even requirement is fulfilled.

Scenario 6: Licensee assessed on the current and the projected monitoring periods and reports an aggregated break-even deficit at least in 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 and/or for the projected monitoring period exceeding the acceptable deviation (as defined in Article 61), having also taken into account the surplus (if any) in 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 and/or projected monitoring period is either:

- between EUR 5 million and EUR 30 million, where the excess deficit over EUR 5 million is not entirely covered by contributions; and/or
- in excess of EUR 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/or related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement fulfilled for the current monitoring period			
The aggregate break-even deficit (EUR 10 million) is within the acceptable deviation (EUR 30 million deficit; being EUR 5 million plus EUR 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/or related parties	25 (maximum level)		
Acceptable deviation	-30		
Outcome: requirement breached for the projected monitoring period The aggregate break-even deficit (EUR 50 million) is not within the acceptable deviation (EUR 30 million deficit; being EUR 5 million plus EUR 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 the licensee has one of its monitoring period 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/or Financial Information package(s) is correct. If it is incorrect the licensee must contact UEFA administration before entering any data.

If a licensee changes its statutory closing date and consequently it does not have a statutory closing date in a particular calendar year, then the licensee must still prepare audited financial statements for a reporting period ending in that calendar year.

Illustrative example:

- A licensee changes its statutory closing date from 31 December 2017 to 30 June 2019, so the licensee has statutory financial statements covering the 12 months to 31 December 2017 and then 18 months to 30 June 2019.
- Therefore, the licensee has no statutory closing date ending in the calendar year of 2018.
- Under Article 48 the licensee must prepare and submit additional financial statements covering an interim period ending on a date within six months preceding the deadline for submission of the list of licensing decisions to UEFA (e.g. an interim period to 31 December 2018).

Therefore, for the 2019/20 licence season the break-even information 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); and
- 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 EUR 5 million in respect of each of the two reporting periods ending in the two years prior to commencement of the UEFA club competition in question.

As per Article 57, if the reporting period is greater or less than 12 months, the EUR 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 to the licensee's relevant income and expenses as appropriate.

Having submitted the break-even information, including information about the length of the reporting periods (as contained in the Club Information package and Financial Information package), the licensee will be notified if further break-even information is required.

C. Flexing acceptable deviation (Article 61(5))

In accordance with 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.

Illustrative example for a 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 licence season 2019/20.
- 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 of the reporting period** (or at the assessment date in the Overdue Payables package), using exchange rates published by the European Central Bank or other 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 package and Financial Information package is correct. If the pre-populated currency is incorrect then the licensee must contact the UEFA administration immediately, before inputting 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 which 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 conversion of accounts in local reporting currency into euros (Annex XI C)

The other factor in Annex XI (Impact of conversion of 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 the conversion of the financial results from the local/reporting currency into euros.

The break-even result for a reporting period as calculated in the local/reporting currency of the reporting entity will be translated into euros at the average rate of the reporting period, in accordance with the 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 the impact of conversion of accounts 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, in principle, not 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 and/or it 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.

Illustrative examples:

- In the illustrative examples below, 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, due to the adverse movement of its local reporting currency against the euro during period T in example 2, the licensee breaches the break-even requirement for the current monitoring period denominated in euros. If the exchange rate had remained at 1.5 in reporting period T, as shown in example 1, the licensee would have complied with the break-even requirement denominated in euros.
- In example 2, this adverse impact of the exchange rate against the euro will be taken into consideration by the CFCB as another factor within the meaning of 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 (EURm)	-16.0	5.0	11.0	0
Exchange rate	1.5	1.5	1.5	n/a
Break-even result (EURm)	-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 (EURm)	-16.0	5.0	11.0	0
Exchange rate	1.5	1.5	1.0	n/a
Break-even result (EURm)	-24.0	7.5	11.0	-5,500

APPENDIX VIII: PLAYER TRANSFER BALANCE PACKAGE

A. Player transfer balance (Article 62(3) - Indicator 6)

By the deadline set by UEFA (to be shortly after the end of a player registration period), if requested for Article 62(3) indicator 6 the licensee must submit player transfer balance information in respect of the defined player registration period (using the **Player Transfer Balance package**).

The player transfer balance for a player registration period is the net of:

- the aggregate costs in the player registration period of the transfer-in of players' registrations in respect of all new and existing player registrations, being all such costs paid or payable; and
- the aggregate proceeds in the player registration period of the transfer-out of players' registrations, being all such proceeds received and/or receivable (net of any direct costs of disposal).

If the aggregate costs of transferring-in players' registrations exceeds the aggregate proceeds of transferring-out players' registrations, then 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 deadline for the subsequent registration for the 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 deadline for submission of List A for matches from the first match in the group stage, and ends on the deadline for the subsequent registration for the 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 by reference to the Regulations of the UEFA Champions League for all licensees, irrespective of the UEFA club competition in which a licensee participates.

Note: Article 62(3) indicator 6 first came into force from 1 June 2018, so for licence season 2018/19 the first player registration period started on 1 June 2018 and ended on 3 September 2018, and the second player registration period started on 4 September 2018 and ended on 1 February 2019.

C. The aggregate costs of the transfer-in of players' registrations

Within the Player Transfer Balance schedule, the licensee must disclose:

- 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/training compensation becomes payable).
- All existing player registrations for which conditional transfer compensation becomes payable during the defined player registration period, irrespective of whether the transfer-in was in the defined player registration period or before.
- All existing player registrations that are extended beyond the original date of the player's contract with the licensee occurring 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 input to the Player Transfer Balance schedule:

- **Player's name;** the player's name as shown on the document of the player's registration.
- **Former club;** name of the previous club from which the player's registration has been transferred-in, either permanently or on loan.
- **Date of registration;** being the date the player's registration was transferred-in, or the player registered for the first time. For international transfers, this date should be the same as that required to be entered in FIFA's Transfer Matching System.
- **Acquisition costs;** being the costs of acquiring a player's registration incurred during the player registration period, being amounts paid and/or payable including fixed transfer compensation, realised conditional transfer compensation, and solidarity/training compensation to another football club and/or to a third party.
- **Transfer Currency ("TC");** 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 and/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/payable to the former club. Realised conditional transfer compensation can be in respect of either a new transfer-in during the player registration period, or 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/payable to the former club. Any such amount is noted, but not included in the costs of acquiring a player's registration for the calculation of the player transfer balance for indicator 6).
- **Description** (list all conditions); brief summary of the conditions for conditional transfer compensation in the transfer agreement.
- **Solidarity/training compensation** (to be entered in TC); the total amount paid and/or payable by the licensee in respect of "Solidarity/training compensation" in respect of new player registrations in the player registration period.
- **Reporting/Local Currency ("LC");** currency which is used for the licensee's financial statements.
- **Other Direct Costs** (to be entered in LC); being the amount of other direct costs paid and/or payable to third parties in relation to the transfer-in of a player's registration in the player registration period, but excluding amounts paid/payable to other football clubs and excluding amounts paid/payable to agents (which are requested separately).
- **Agent/intermediary fees** (to be entered in LC); being the amount of fees paid and/or payable to agents/intermediaries in relation to either (i) the transfer-in of a player's registration in the player registration period, or (ii) in respect of the extension of a player's contract with the licensee occurring in the player registration period. This amount includes any fees paid/payable by the licensee to an agent/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. The aggregate proceeds of the transfer-out of players' registrations

Within the Player Transfer Balance schedule, the licensee must disclose:

- a) All professional player registrations that were transferred-out (permanent and temporary/loan transfers) or who ceased to be registered with the licensee in the defined player registration period.
- b) All previous player registrations for which conditional transfer compensation becomes receivable during the defined player registration period, irrespective of whether the transfer-out was in the defined player registration period or before.

For each player, the following information must be input to the Player Transfer Balance schedule:

- **Player's name;** the player's name as shown on the document of the player's registration.
- **New club;** name of the new club to which the player's registration has been transferred-out, either permanently or on loan.
- **Date of transfer;** the date the player's registration transferred-out to the new club. For international transfers, this date should be the same as that required to be entered in FIFA's Transfer Matching System.
- **Transfer proceeds;** transfer fee proceeds of transferring-out a player's registration during the player registration period, being amounts received and/or receivable for fixed transfer compensation, realised conditional transfer compensation, and solidarity/training compensation for the licensee.
- **Transfer Currency ("TC");** currency of the receivable 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 and/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/ 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/receivable from the former club. Any such amount is noted, but not included in the transfer proceeds for the calculation of the player transfer balance for indicator 6.
- **Description** (list all conditions): brief summary of the conditions for conditional transfer compensation in the transfer agreement and/or disclose the percentage and basis if there is a sell-on clause and/or percentage of deduction agreed as shared-fee for training and compensation.
- **Solidarity/training compensation** (to be entered in TC): the net amount received and/or receivable in respect of "Solidarity/training compensation" in respect of the transfer-out of a player in the player registration period. The licensee must report only the amount owned by the club. If these amounts must be paid to other clubs and only transit via the licensee's accounts, they must not be reported.
- **Reporting /Local Currency ("LC");** currency which is used for the licensee's financial statements.
- **Other Direct Costs** (to be entered in LC) : being the total amount of fees paid and/or payable by the licensee to third parties in relation to the transfer-out of a player's registration, but excluding amounts paid/payable to agents/intermediaries (which are requested separately). This amount is deducted from the transfer proceeds.
- **Agent/intermediary fees** (to be entered in LC): being the amount of fees paid and/or payable to an agent/intermediary in relation to the transfer-out of a player's registration. This amount includes any fees paid/payable by the club to an agent/intermediary on behalf of player concerned. This amount is deducted from the transfer proceeds. This amount excludes any contingent payables.
- **Sell-on liabilities:** (to be entered in LC): being the total amount of fees paid and/or payable to the previous club of the player 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 until at least the end of the licence season.

Examples of events or conditions which, 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 in respect of the issue 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 or renewal or repayment;
- indications of withdrawal of financial support by any of the material lenders to the licensee and/or any other entity in the reporting perimeter, including a breach of covenant(s);
- discovery of material fraud or errors that show the financial statements are incorrect;
- determination of pending legal proceedings against the licensee and/or any other entity in the reporting perimeter that result in significant liabilities to be satisfied;
- the executive responsibilities of the licensee are being undertaken by a person(s) under some form of external appointment, relating to legal or insolvency procedures; and
- if the licensee (or the registered member of the UEFA member association which has a contractual relationship with the licensee within the meaning of Article 12) or any other entity in the reporting perimeter seeks or receives protection from its creditors and/or is subject to insolvency proceedings pursuant to laws or regulations.

APPENDIX X: GUIDANCE FOR APPLYING FOR 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 with the aim of future compliance with the break-even requirement.

1. Eligibility for applying to enter into a voluntary agreement

A club is eligible to apply to enter into a voluntary agreement if it meets the conditions set out in Annex XII A(2) and A(3).

Illustrative example:

By way of illustration, a club is eligible to apply (by 31 December 2019) to enter into a voluntary agreement to enter into force from the 2020/21 UEFA club competition 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. 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 and/or control during the period 1 January 2019 to 31 December 2019 (i.e. within the 12 months preceding the application deadline of 31 December 2019). For example, the ultimate controlling party has changed and the new ultimate controlling party 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 foreseen in the Procedural Rules Governing the UEFA Club Financial Control Body in respect of their reporting period ending in 2019 (i.e. the last reporting period).

2. Deadlines and key steps for the process 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 process for applying for a voluntary agreement will be communicated by the UEFA administration.

Key steps:

1. By the deadline communicated by UEFA, a licensee considering applying for a voluntary agreement must notify the UEFA administration (by email to ffpsupport@uefa.ch), and thereby request the UEFA administration to open (i) Any relevant schedules in the Club Information and Financial Information packages, and/or (ii) the Business Plan package in the CL/FFP IT Solution. The licensee's notification request must include contact details comprising its full legal name, postal address, email address and telephone number.
2. By the deadline communicated by UEFA, a licensee must submit to the UEFA administration:
 - If not previously submitted by the licensee, the relevant schedules in the **Club Information package** and the **Financial Information package**, 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; and/or
 - 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 also attach additional supporting documentation to the package. 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 their application request for entering into a voluntary agreement (in the form to be communicated by the UEFA administration) which, if such agreement is concluded in due course, would come into force for the reporting period T+1 and covering several reporting periods.

3. Information requirements for applying to enter into a voluntary agreement

The projected break-even information must:

- be prepared and 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 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 its ability to continue as a going concern until at least the end of the period to be covered by the voluntary agreement, including entering the amounts of future commitment(s) by equity participants and/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; and
- demonstrate 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.

Illustrative example

By way of illustration, for a club applying for a voluntary agreement by 31 December 2019 to enter into force from the 2020/21 UEFA club competition 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 covering the reporting periods ending 2021, 2022 and 2023.

4. Possibility for entering a voluntary agreement

The CFCB will review each application and the information provided and contact will be made with the respective club about any additional information requirements 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 an irrevocable commitment(s) by an equity participant(s) and/or related party(ies) to make contributions for an amount at least equal to the aggregate future break-even deficits for all the reporting periods covered by the voluntary agreement. This irrevocable commitment must be evidenced by way of a legally binding agreement between the licensee and the equity participant(s) and/or related party(ies) 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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