

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

**Edition 2014**

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## 1. INTRODUCTION

### 1.1. The club monitoring requirements

The *UEFA Club Licensing and Financial Fair Play Regulations* (hereafter “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 *UEFA Club Licensing and Financial Fair Play Regulations*.

The club monitoring requirements for licensees are:

- **break-even requirement** (Articles 58 to 63);
- **future financial information – enhanced** (Article 64);
- **no overdue payables towards football clubs - enhanced** (Article 65);
- **no overdue payables towards employees and/or social/tax authorities - enhanced** (Article 66); 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).

The break-even requirement entered into force for the annual financial statements of the reporting period ending in 2012, for the first monitoring period assessed in the 2013/14 licence season. The second monitoring period will be assessed in the 2014/15 licence season.

All licensees that have qualified 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 clubs will be exempt from the break-even requirement in accordance with Article 57(2).

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 G & H).

### 1.2. Purpose of this Toolkit

This CL/FFP IT Solution Toolkit – Edition 2014 (“the FFP Toolkit”) provides guidance to help stakeholders understand the requirements for the provision of financial information by licensees via the CL/FFP IT Solution developed by UEFA (see section 1.3).

The FFP Toolkit is divided into sections with guidance covering:

- club monitoring process (section 2 and Appendix I);
- financial statements package (**the FS package**) (section 3 and Appendix II, IV);
- club information package (**the CI package**) (section 4 and Appendix III);
- break-even package (**the BE package**) (section 5 and Appendices IV, V, VI, VII, VIII, IX); and
- overdue payables package (**the OP package**) (section 6).

All “Appendices” mentioned in this CL/FFP IT Solution Toolkit 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 Toolkit and the Regulations, the Regulations always prevail. The information contained in this 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.

### 1.3. 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 (refer to **Appendix XI** for further details). 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.

UEFA will make available additional technical guidance about accessing and using the CL/FFP IT Solution.

The URL of the CL/FFP IT Solution is currently <https://CL/FFP.uefa.ch/fcprod/>

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

The licensee must cooperate with the licensor, the UEFA administration and the CFCB in respect of their requests and enquiries. The licensee must provide the licensor and the CFCB with all necessary information and/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) and (b)).

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 licensee must co-operate with their licensor, the UEFA administration and the CFCB in respect of all 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.

### 1.5. Licensee's duty to report subsequent events

According to Article 56(c) 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. Furthermore according to Article 67(1) 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 X**.

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 CLUB MONITORING PROCESS

The club monitoring process (Article 54) is the process that refers to the submission and assessment of information (including the decisions thereon) in relation to the club monitoring requirements. It is managed by UEFA. **Appendix I** sets out the **key dates and deadlines for the 2014/15 monitoring process** and describes which documentation requirements are applicable.

### 2.1. Club monitoring process key steps

1. The UEFA administration communicates to licensors and licensees about the club monitoring process, documentation requirements and the deadlines for submission of documentation to UEFA.
2. The licensor determines national deadlines for review of documentation and communicates these to the licence applicants/licensees.
3. By the deadline communicated by UEFA all licence applicants (or their licensors) must submit minimum financial statements information (using the **FS package**) for benchmarking purposes. *Note: The submission of this information will pre-populate the BE package as further explained in **section 3** and **Appendix II**.*
4. The licensor ensures that as a minimum all licensees qualified on sporting merit for UEFA club competitions have signed the CL/FFP IT Solution - Terms and Conditions contained in **Appendix XI** and have returned them to UEFA in order for the relevant licence applicants/licensees to be granted access for the use of the CL/FFP IT Solution that must be used for the submission of information to UEFA.
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 prepare and submit their completed monitoring documentation, including:
  - the club information (using the **CI package**);
  - no overdue payables information as at 30 June, including Transfer payables, Employee payables and Social/tax payables (using the **OP.06 package**); and
  - break-even information for each of reporting periods T-1 and T-2 (using the **BE.06 package**).
6. The licensor undertakes assessment procedures in respect of the licensee's submitted documentation. As part of their assessment, the licensor may request additional/revised information from the licensee.
7. By the set deadline, the licensor submits the validated documentation to UEFA administration. 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. If the licensee exhibits any of the conditions described by indicators 1 to 4 of Article 62, or if otherwise requested by the CFCB, then by the set deadline the licensee must prepare and submit to the licensor their completed monitoring documentation, including:
  - break-even information for reporting period T and information about contributions (using the **BE.09 package**);
  - future financial information for reporting period T+1 (using the **BE.09 package**);
  - break-even information for reporting periods T-3 and T-4 (if applicable); and
  - no overdue payables documentation as at 30 September (using the **OP.09 package**) if the licensee has breached indicator 4 (Overdue payables as at 30 June), or if otherwise requested by the CFCB.
9. 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.*
10. By the set deadline, the licensor submits the validated documentation to UEFA. 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.

11. The CFCB, supported as appropriate by the UEFA administration and independent experts, undertakes the assessment of the monitoring documentation and takes the appropriate decisions in accordance with *Procedural rules governing the UEFA Club Financial Control Body*.
12. The CFCB and/or UEFA administration may request additional information from the licensee/licensor during the whole monitoring process. The licensor and the licensee must cooperate with the CFCB in respect of its requests and enquiries (Article 55 and 56). 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 53(3)).

### 3. GUIDANCE FOR THE FINANCIAL STATEMENTS PACKAGE

The Financial Statements package (**FS package**) in the CL/FFP IT Solution is for the submission of financial information in respect of a licence applicant's reporting perimeter in order to

- be used to pre-populate some elements of the BE package (Profit and loss account, Balance sheet and Cash flow schedules) for those licensees subject to the club monitoring requirements in the following licence season as explained in **Appendix II**.
- develop benchmarking, in accordance with Article 2.

#### 3.1. Information to be submitted

The licence applicant is required to provide the following information in the FS package, in respect of the reporting period ending in the previous calendar year. For the 2014/15 monitoring process, the following financial data for the financial reporting period ended in 2013 is required:

FS Package schedules		Responsibility	Guidance reference
1.	Balance Sheet	Complete the <b>Balance Sheet</b> schedule, including the following reconciliations/note: (i) Equity; (ii) Intangible fixed assets - player registration (iii) Tangible and intangible fixed asset note: additions	- Section 3.3 - Appendix III (C) - Appendix IV (A)
2.	Profit and Loss account	Complete the <b>Profit and Loss account</b> schedule. If necessary for the appropriate understanding of the financial data, provide additional explanations about the following profit and loss account lines by using the relevant comment boxes: - Exceptional income - Exceptional expense - Other income - Other expense - Income from non-football operations - Expenses from non-football operations	- Section 3.3 - Appendix III (C) - Appendix IV (B)
3.	Cash Flow Statement	Complete the <b>Cash Flow Statement</b> schedule.	- Section 3.3 - Appendix III (C) - Appendix IV (C)
4.	Club information	Complete the <b>Club information</b> schedule, including the following: (i) legal information (ii) reporting information a. reporting perimeter b. stadium recognition and ownership c. audit opinion on financial statements d. player economic rights e. length of reporting period	- Section 3.4

#### 3.2. Timing of submission

The licence applicant must prepare the information in the FS package and submit to their licensor for onward submission to the UEFA administration by the set deadline notified by the UEFA administration. The key dates and deadlines for the 2014/15 license season are shown in **Appendix I**.

The financial information to be input to the FS package must be based on and reconciled to the financial statements and underlying accounting records for the licence applicant's reporting perimeter for the reporting period ended in the previous calendar year. Audited financial information must be used as the basis for preparation of the FS package.

For some licence applicants, the information in the FS package will be pre-populated from information that was previously input to the BE.09 package. A licence applicant/licensor must still check the information in the FS package and amend as appropriate.

### 3.3. Profit and loss account, balance sheet and cash flow statement information

The financial information must cover the same reporting perimeter for which financial information must be prepared and submitted for the purposes of club licensing and club monitoring.

The layout and information requests within these FS package schedules are based on the corresponding schedules in the BE package (refer to **section 5.1.3**). The licence applicant must input figures to the FS package schedules in accordance with the account line definitions in Annex VI and as further explained in **Appendix IV**.

Figures must be input to the schedules as follows:

- in the licensee's presentation currency;
- rounded to the nearest thousand (e.g. EUR 1,234,567 should be entered as EUR 1,235);
- for the balance sheet, all items must be input as positive figures;
- for the profit and loss account, all income items must be input as positive figures and all expenses items as negative figures;
- for the cash flow statement, all items of cash inflow must be input as positive figures and all items of cash outflow as negative figures.

#### 3.3.1. Reconciliation of equity in the balance sheet

This requires the following disclosures:

- Total equity/reserves at the start of the period;
- Prior period adjustment / change of reporting perimeter (from previous period);
- Profit/loss for the period (after dividends);
- Capital increase/equity contribution ;
- Change in revaluation reserve ;
- Other movements in equity/reserves during the period.

#### 3.3.2. Reconciliation of intangible fixed assets (player registrations) in the balance sheet

For those licence applicants that use the capitalisation and amortisation method of accounting for player registrations, the Balance Sheet schedule in the FS package also requires a reconciliation of the movements of the cost, amortisation and net book value of intangible assets (player registrations).

This requires the following disclosures:

- 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;
- the cost of player registration additions during the period;
- the historical cost and accumulated amortisation of any player registrations disposed during the period;
- the amortisation charge for the period, as entered into the Profit and Loss account schedule; and
- where applicable, the impairment charge against player registrations during the period.

#### 3.3.3. Note on tangible and intangible fixed assets additions

For those licence applicants that recognized tangible and/or intangible fixed asset additions, the Balance Sheet schedule in the FS package requires details of such additions during the reporting period.

This requires the following disclosures:

- Additions - Land and buildings
- Additions - Assets under construction
- Additions - Other fixed assets
- Transfers out - From assets under construction
- Additions - Intangible (non-player) assets



### 3.4. Club information

Within the FS package the license applicant must submit **legal** and **reporting information** for the reporting period. The license applicant must ensure that the required disclosures are fully completed. If an information request is not applicable, then enter “Not applicable.”

The license applicant must provide the following **legal information**:

- Identify the legal entity which is the license applicant:
  - Full legal name of the license applicant; and
  - Legal form of the license applicant.
- If the license applicant is not also the registered member of the national association and/or its affiliated league, disclose
  - Full legal name of the registered member; and
  - Legal form of the registered member.
- Disclose details about the ultimate controlling party of the license applicant:
  - Name of the ultimate controlling party.
  - Legal form of the ultimate controlling party

The ultimate controlling party is the individual or legal entity that ultimately controls the entity, by holding a controlling interest in the licence applicant, or having control over the license applicant through means other than their equity stake, e.g. voting rights, board representation or shareholder agreement.

The license applicant 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, then disclose if the entities are presented as a consolidated group (“consolidated financial statements”) or some other combination (“combined financial statements”).
- If consolidated financial statements, indicate the full legal name of the reporting entity for which there is consolidated financial information.
- If combined financial statements, indicate the full names of all entities included in the reporting perimeter.
- If applicable, list the name of each subsidiary of the license applicant 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 and the main owner of the stadium
- Indicate if there is a note on players economic rights in the financial statements or supplementary information
- Identify the nature of the audit opinion in respect of the annual financial statements.
- The length of the reporting period if different to twelve months.

### 3.5. Licensor’s role in respect of the FS package

The licensor may agree to help licence applicants to prepare the information; the licensor must ensure this information is submitted to the UEFA administration by the set deadline.

Whilst the FS package is submitted to the UEFA administration via the licensor, there are no formal assessment procedures that must be performed by the licensor.

## 4. GUIDANCE FOR THE CLUB INFORMATION PACKAGE

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

- the submission of **administrative information** relating to the licensee, and
- the submission and assessment of **the reporting perimeter** determined by the licensee.

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.

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

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

### 4.1. Responsibilities of licensees

#### 4.1.1. Summary of documentation to be submitted

CI Package schedules	Responsibility	Guidance reference
1. Club information	Check the information as disclosed in the schedule: (i) the <b>reporting currency</b> and (ii) the reporting period <b>closing month</b> . If incorrect, then please contact the UEFA administration before inputting any information into any packages.	- Section 4.1.3
	Disclose the required legal information : (i) Legal form (ii) Ultimate controlling party Disclose the required reporting information: (i) reporting perimeter (ii) stadium recognition and ownership (iii) audit opinion on financial statements (iv) player economic rights (v) length of reporting period	- Section 4.1.4 - Appendix III
	<b>Attach the legal group structure to the CI package.</b>	- Section 4.1.4
2. Contact details	Enter the contact details of the licensee to be used by the UEFA Administration and CFCB	- Section 4.1.5
3. Management representation	Complete the <b>management representation</b> to validate the information.	- Section 4.1.6

#### 4.1.2. Timing of submission

For the licence season 2014/15, all licensees must provide the prescribed information in the CI package for each of the reporting periods T-2, T-1 and T at the same time as the BE.06 and OP.06 packages are submitted.

In accordance with Article 67, licensees must promptly notify their licensor (and consequently the UEFA administration) if there are any changes to the club information in respect of reporting period T, and thereafter such licensees may be requested to submit an updated version of the CI package.

Those licensees that are required to also prepare and submit the BE.09 and/or OP.09 packages must make management representations (within the respective packages) that the information in the previously submitted CI package in respect of reporting period T and/or at the assessment date is complete and accurate.

#### 4.1.3. Currency and reporting period information

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

- the pre-populated **currency** showing in the Club information schedule is different to the presentation currency of the annual financial statements of the reporting entity/ies, and/or

- (ii) the pre-populated reporting period **closing month** is different to 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, as published by the European Central Bank or other appropriate sources (Article 57(3)). Refer to additional guidance in **Appendix VIII** with regard to financial information which is denominated in a currency other than euros.

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

#### 4.1.4. Legal and reporting information

Within the CI package the licensee must submit **legal** and **reporting information** for each relevant reporting period (T-2, T-1 and T).

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 “Not applicable.” If a required disclosure is the same as the previous reporting period, then the user can copy and paste the information from one cell to another.

For each reporting period, the licensee must provide the following **legal information**:

- Identify the legal entity which is the licensee:
  - Full legal name of the licensee; and
  - Legal form of the licensee.
- If the licensee is not also the registered member of the national association and/or its affiliated league, disclose
  - Full legal name of the registered member; and
  - Legal form of the registered member.
- Disclose details about the ultimate controlling party of the licensee:
  - Name of the ultimate controlling party.
  - Legal form of the ultimate controlling party

The ultimate controlling party is the individual or legal entity that ultimately controls the entity, by holding a controlling interest in the licensee, or control over the licensee through means other than their equity stake, e.g. voting rights, board representation or shareholder agreement.

For each reporting period, 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, then disclose if the entities are presented as a consolidated group (“consolidated financial statements”) or some other combination (“combined financial statements”).
- If consolidated financial statements, indicate the full name of the reporting entity for which there is consolidated financial information.
- If combined financial statements, indicate the full names of all entities included in the reporting perimeter.
- If applicable, list the name of each subsidiary of the licensee that is excluded from the reporting perimeter, and an explanation about the justification for exclusion.
- Indicate whether or not the activities described in Article 46bis(2) and Article 46bis(3) are included in the financial statements of an entity in the reporting perimeter.
- Indicate how the stadium assets are reflected in the reporting perimeter and the main owner of the stadium
- Indicate if there is a note on players economic rights in the financial statements or supplementary information
- Identify the nature of the audit opinion in respect of the annual financial statements.
- The length of the reporting period if different to twelve months.

For club licensing (Article 46) the licence applicant must provide the licensor with the overall legal group structure (e.g. presented in a chart) for reporting period T, duly approved by management.

For club monitoring, this same documentation must be attached to the CI package for submission to the UEFA administration.

#### 4.1.5. Contact details

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

- Full legal name and postal address of the licensee.
- Email address of the licensee.
- Fax number.
- Telephone number.
- Confirm that the contact details are the same as those contained in the latest extract from a public register and/or from relevant UEFA member association's club register

#### 4.1.6. Management representation

The licensee must validate the CI package prior to submission by completing the Management representation schedule, certifying 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 included in the Regulations, directives, toolkits and other information communicated to licensees.

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

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

### 4.2. Responsibilities of licensors

#### 4.2.1. 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 CFCB.

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

#### 4.2.2. Assessment procedures

As a minimum, the licensor's assessment procedures in respect of the CI package are as follows:

Licensor assessment schedule – CI package	
Schedule	Licensor's assessment procedures
Management representation	- 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	- 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 ' <i>If exceptions identified, please describe</i> ' cell.

## 5. GUIDANCE FOR THE BREAK-EVEN PACKAGES

The Break-even package (**BE package**) in the CL/FFP IT Solution is for the submission and assessment of financial information in respect of a licensee's reporting perimeter for the break-even requirement (Articles 58 to 63) and, for those licensees required to comply, for the future financial information requirement (Article 64).

For each licence season there are two BE packages in the CL/FFP IT Solution:

- the **BE.06 package** which is mandatory for all licensees qualified for a UEFA club competition. This package (in particular the profit and loss account, balance sheet and cash flow) will be pre-populated with figures from the **FS package** as previously input and submitted, or from a previously submitted BE package. Further guidance on the FS package is provided in **section 3** and **Appendix II & IV**.
- the **BE.09 package** which is mandatory if a licensee is considered to be in breach of an indicator 1 to 4 of Article 62 (see **section 5.1.6**), or if otherwise requested by the CFCB. Further guidance for the BE.09 package, including the timing of submissions, is provided in **section 5.1.2** and **Appendix VI**.

### 5.1. Responsibilities of licensees

#### 5.1.1. Summary of documentation to be submitted

BE package schedules		Responsibility	BE.06 package [T-1 & T-2]	BE.09 package [T & T+1]	Guidance reference
1.	Balance Sheet	Complete the <b>Balance Sheet</b> schedule.	✓	✓	- Section 5.1.3 - Appendix IV (A)
2.	Profit and Loss Account	Complete the <b>Profit and Loss Account</b> schedule.  If applicable, complete the <b>supplementary schedules</b> to provide additional disclosure about particular profit and loss account lines.  (i) breakdown of gate receipts (ii) breakdown of sponsoring and advertising (iii) breakdown of broadcasting rights (iv) breakdown of commercial revenues (v) breakdown of other operating income (vi) breakdown of cost of sales/materials (vii) breakdown of employee benefits expense (viii) breakdown of other operating expenses (ix) breakdown of player trading (x) breakdown of finance income/costs (xi) breakdown of other income or expenses	✓	✓	- Section 5.1.3 - Appendix IV (B)
3.	Adjustments	If applicable, complete the <b>Adjustments</b> schedules:  (i) transaction(s) with related parties (ii) results of non-football operations (iii) excess proceeds on disposal of tangible fixed asset (iv) expenditure on youth development activities (v) expenditure on community development (vi) finance costs directly attributable to the construction of tangible fixed assets (vii) exclusion of non-monetary items (viii) player trading adjustments	✓	✓	- Section 5.1.4 - Appendix V
4.	Cash Flow Statement	Complete the <b>Cash Flow Statement</b> schedule	✓	✓	- Section 5.1.3 - Appendix IV (C)
5.	Going concern and negative equity	Complete the <b>Going concern and negative equity</b> schedule	✓	✗	- Section 5.1.6

BE package schedules		Responsibility	BE.06 package [T-1 & T-2]	BE.09 package [T & T+1]	Guidance reference
6.	Contributions	If applicable, complete the schedule for <b>contributions</b> for the monitoring period.	×	✓	- Appendix VI (D)
7.	Transitional factor	If applicable, a licensee may complete the <b>transitional factor</b> schedule (for players under contract before 1 June 2010).	×	✓	- Appendix VI (I)
8.	Future Financial Information	Complete the <b>Future Financial Information</b> schedules: (i) Balance Sheet, (ii) Profit and Loss Account, (iii) Adjustments, and (iv) Cash Flow Statement.	×	✓	- Section 5.1.10 - Appendix VI (H)
9.	Management representation	Complete the <b>Management representation</b> schedule.	✓	✓	- Section 5.1.12

### 5.1.2. Break-even information and timing of submission

A monitoring period is the period over which a licensee is assessed for the purpose of the break-even requirement. As a rule, a monitoring period covers three reporting periods comprising:

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

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

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

All licensees qualified for a UEFA club competition must prepare (for exceptions see **section 5.1.5**) and submit the break-even information in respect of each of the reporting periods T-1 and T-2 using the BE.06 package.

If a licensee exhibits any of the conditions described by indicators 1 to 4 of Article 62, then it is considered to be in breach of an indicator and must also prepare and submit by the relevant deadline the break-even information for reporting period T (using the BE.09 package) as follows:

- licensees with a reporting period T ending on or before 31 July must submit break-even information for T based on audited financial statements by the October deadline; or
- licensees with a reporting period T ending after 31 July (and by no later than the following 31 December) may first submit break-even information for T based on and reconciled to unaudited financial information by the October deadline. Thereafter, by the March deadline during the licence season, such licensees must prepare and submit updated break-even information for reporting period T that is based on and reconciled to their audited financial statements and underlying accounting records.

### 5.1.3. Profit and loss account, Balance sheet and Cash flow statement

The licensee must input information for each relevant reporting period into the Profit and loss account, Balance sheet and Cash flow statement schedules in the BE packages as set out in the prescribed formats in the CL/FFP IT Solution.

The Profit and loss account, Balance sheet and Cash flow schedules in a BE package will be pre-populated with figures from the FS package if previously input and submitted, or from a previously submitted BE package. Further guidance is provided in **section 3** and **Appendix II**.

It is the licensee's responsibility to ensure that the BE package is fully and accurately completed for club monitoring.

Certain figures to be input in the BE package will already be calculated and disclosed in the licensee's previously submitted club licensing documentation. Other figures may require calculation by the licensee's management from the underlying accounting records of the entity/ies in the reporting perimeter. Further guidance is provided in **Appendix IV**.

Some licensees must also complete some of the following supplementary schedules as part of a licensee's submission of the BE package by the set deadline:

- breakdown of gate receipts ;
- breakdown of sponsoring and advertising ;
- breakdown of broadcasting rights ;
- breakdown of commercial revenues ;
- breakdown of other operating income ;
- breakdown of cost of sales/materials;
- breakdown of employee benefits expense ;
- breakdown of other operating expenses ;
- breakdown of player trading ;
- breakdown of finance income/costs; and
- breakdown of other items (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 and Adjustments schedules, and is automatically notified to the licensee in the BE package. The supplementary schedules require a licensee to disclose more information about particular profit and loss account lines and/or adjustments.

Figures must be input to the BE package in the licensee's presentation currency and rounded to the nearest thousand. If applicable, the figures entered in the BE package will be automatically converted from the presentation currency into euros by application of the exchange rates in the CL/FFP IT Solution, being the average exchange rate for each relevant reporting period. Further guidance is provided in **Appendix VIII**.

#### 5.1.4. 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 the Articles 58 and 60 by the licensee inputting figures into the Profit and loss account and Adjustments schedules in the BE package in the CL/FFP IT Solution.

In order to calculate the relevant income and relevant expenses, certain adjustments will automatically be identified in the BE package to effectively exclude the amount (if any) for each of the following account lines:

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

The licensee must also input further information for the following manual adjustments to be included in the calculation of the break-even result:

- excess proceeds on disposal of tangible fixed asset – asset being replaced;
- excess proceeds on disposal of tangible fixed asset – other asset not being replaced;

- 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;  
*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.*
- expenditure on youth development activities;
- expenditure on community development activities;
- finance costs directly attributable to the construction of tangible fixed assets;
- exclusion of non-monetary items; and
- player trading adjustments, if a licensee using the income and expense method of accounting for player registrations in its annual financial statements chooses to apply the capitalisation and amortisation method for the purpose of the break-even calculation.

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

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").

### 5.1.5. Exemption from the break-even requirement

All licensees qualified for a UEFA club competition must prepare and submit the break-even information in respect of each of the reporting periods T-1 and T-2 using the BE.06 package, except for a club exempt from the break-even requirement as a result of receiving special permission as defined in Article 15.

Furthermore, a licensee that demonstrates (having fully prepared and submitted the BE.06 package) it has relevant income and relevant expenses below €5 million for each of the two reporting periods T-1 and T-2 will be exempted from the break-even requirement and will not need to submit the BE.09 package (see **Appendix IX** for further guidance).

### 5.1.6. 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 a licensee exhibits any of the conditions described by indicators 1 to 4 (in Article 62) then it is considered to be in breach of the indicator and the licensee is required to submit further information during the licence season.

Indicator	Source of information for the indicators schedule in the BE.06 package	Minimum further information requirements for a licensee (using the BE.09 package), if an indicator is breached
1. Going concern	Information input into the going concern & negative equity schedule in the BE.06 package, based on the annual financial statements (for T-1) and interim financial statements (if applicable).	- break-even information for reporting period T ; and - future financial information (T+1).
2. Negative equity	Information input into the going concern & negative equity schedule in BE.06 package, based on the annual financial statements (for T-1) and interim financial statements (if applicable).	- break-even information for reporting period T ; and - future financial information (T+1).
3. Break-even result	Based on the information submitted in the BE.06 package for the break-even calculation for T-2 and T-1.	- break-even information for reporting period T ; and - future financial information (T+1).



4. Overdue payables	Based on the information submitted for the assessment of no overdue payables (in the OP.06 package).	<ul style="list-style-type: none"> <li>- break-even information for reporting period T ;</li> <li>- future financial information (T+1); and</li> <li>- no overdue payables documentation as at 30 September (using the OP.09 package).</li> </ul>
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### 5.1.7. Aggregate break-even result for a monitoring period

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

In the case of an aggregate break-even deficit for a monitoring period, the licensee may demonstrate that the aggregate deficit is reduced by a surplus (if any) resulting from the sum of the break-even results from the two reporting periods prior to T-2 (i.e. reporting periods T-3 and T-4).

The following table illustrates the reporting periods that are relevant for assessment of the monitoring period in each of the first five licence seasons, 2013/14 to 2017/18:

As assessed in licence season:	Reporting period				
	T	T-1	T-2	T-3	T-4
2013/14	2013	2012	n/a	n/a	n/a
2014/15	2014	2013	2012	n/a	n/a
2015/16	2015	2014	2013	2012	n/a
2016/17	2016	2015	2014	2013	2012
2017/18	2017	2016	2015	2014	2013

### 5.1.8. 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 table below illustrates the maximum aggregate break-even deficit for the assessment of the break-even requirement for each of the licence seasons 2013/14 to 2017/18:

As assessed in licence season:	Acceptable deviation	
	If no contributions, aggregate break-even deficit up to:	If excess over €5 million is covered by contributions, aggregate break-even deficit up to:
2013/14	€5 million	€45 million
2014/15	€5 million	€45 million
2015/16	€5 million	€30 million
2016/17	€5 million	€30 million
2017/18	€5 million	€30 million

In due course, the UEFA Executive Committee will define the maximum level of acceptable deviation for the 2018/19 licence season and beyond.

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 in the reporting periods T-2, T-1, T and/or in the accounting records up to 31 December of the year in which the UEFA club competitions commenced (i.e. in the accounting records during part of reporting period T+1, if the end date of T is before 31 December).

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 VII** for further guidance.

The break-even calculation schedule in the BE.09 package summarises the break-even result for each reporting period, the aggregate break-even result for the monitoring period, contributions and a comparison with the acceptable deviation.

### 5.1.9. Fulfilment of the break-even requirement

In summary, the break-even requirement is fulfilled if:

- no indicator is breached and the licensee has a break-even surplus for each of the reporting periods T-2 and T-1; or
- the licensee has an aggregate break-even surplus for reporting periods T-2, T-1 and T; or
- the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T which is within the acceptable deviation, having also taken into account the surplus (if any) in reporting periods T-3 and T-4 (if applicable).

The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T exceeding the acceptable deviation, having also taken into account the surplus (if any) in reporting periods T-3 and T-4 (if applicable). These scenarios are further illustrated in **Appendix VI (G)**.

### 5.1.10. Future financial information

A licensee must prepare future financial information if it has breached any of indicators 1 to 4, or if otherwise requested by the CFCB.

Future financial information must cover the reporting period T+1, being the 12-month period commencing immediately after the closing date of reporting period T. In accordance with Article 64, future financial information must be prepared and submitted in the prescribed format as contained in the FFI schedules in the BE.09 package, comprising:

- a budgeted profit and loss account (with comparative annual figures for the reporting period T);
- a budgeted cash flow (with comparative annual figures for the reporting period T);
- a budgeted balance sheet (with comparative annual figures for the reporting period T);
- explanatory notes, including assumptions that are not unreasonable, risks and a comparison of the figures for reporting periods T+1 and T; and
- a calculation of the projected break-even result for reporting period T+1, based on the budgeted profit and loss account and adjustments.

The licensee must submit by the relevant deadline the future financial information for reporting period T+1 (using the BE.09 package) as follows (see **Appendix VI (H)** for further guidance):

- for those licensees with a reporting period T ending on or before 31 July, future financial information (including the projected break-even result) for the reporting period T+1 must be submitted by the October deadline;
- for those licensees with a reporting period T ending after 31 July (but no later than the following 31 December), future financial information (including the projected break-even result) for the reporting period T+1 must be submitted by the March deadline at the same time as their break-even information for the reporting period T that is based on audited financial statements.

### 5.1.11. Other factors to be considered by the CFCB in respect of the break-even requirement

According to Article 68 if one of the monitoring requirements is not fulfilled, then the CFCB makes a decision taking into consideration 'Other factors' as defined in Annex XI, and takes the appropriate measure(s) without delay in accordance with the procedure defined in the *Procedural rules governing the UEFA Club Financial Control Body*.

Other factors described in this document are:

- the impact of exchange rates (**Appendix VIII**);
- the projected break-even result for the reporting period T+1 (**Appendix VI (H)**);
- the 'players under contract before 1 June 2010' (**Appendix VI (I)**).

### 5.1.12. Management representations

The licensee must validate the BE package prior to submission by completing the Management representation schedule, certifying 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 included in the 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.

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

- any unusual items contained in the BE package that have not otherwise been disclosed, by entering a brief description in the box provided and describing any supporting documentation attached to the package (e.g. significant event with major economic impact, force majeure); and
- any prior period adjustment(s) by entering a brief description in the box provided and describing any supporting documentation attached to the package (only if prior year figures have been modified, e.g. change in accounting policy).

## 5.2. Responsibilities of licensors

### 5.2.1. Introduction

Refer to **section 4.2.1**.

### 5.2.2. Assessment procedures for reporting periods T-1 and T-2 in the BE.06 package

As a minimum, the licensor's assessment procedures in respect of the BE.06 package are as follows:

Licensor assessment schedule - BE.06 package	
Schedules	Licensor's assessment procedures
Management representation	- Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Going concern and negative equity	- Check that the information in the going concern and negative equity schedule is consistent with the financial statements (for reporting period T-1 and, if applicable, the interim financial statements) as already held for club licensing.
Profit and loss account, balance sheet and cash flow statement	- 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 statement schedules must include for each relevant reporting period: <ul style="list-style-type: none"> <li>• a comparison of the 'Profit/loss after taxation' as reported in the Profit and loss account schedule against the 'Profit/loss after taxation' in the relevant audited financial statements as already held for club licensing;</li> <li>• a comparison of the 'Net assets/liabilities' as reported in the Balance sheet schedule against the 'Net assets/liabilities' in the relevant audited financial statements as already held for club licensing; and</li> <li>• 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.</li> </ul>
Transactions with related parties	- 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.

### 5.2.3. Assessment procedures for reporting period T in the BE.09 package

The licensor's assessment procedures in respect of the BE.09 package must be completed for the licensee's submission which is based on and reconciled to 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 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) may first submit break-even information for T based on unaudited financial information by the October deadline. At 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 their audited financial statements and underlying accounting records) in time for submission to UEFA administration by the March deadline.

As a minimum, the licensor's assessment procedures in respect of the BE.09 package are as follows:

Licensor assessment schedule - BE.09 package	
Schedule	Licensor's assessment procedures
Management representation schedule	- Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Profit and loss account, balance sheet schedules and cash flow statement schedules	- To check that amounts contained in the break-even information submitted by the licensee are consistent with the amounts contained in the audited financial statements 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"> <li>a comparison of the 'Profit/loss after taxation' as reported in the Profit and loss account schedule against the 'Profit/loss after taxation' in the audited financial statements; and</li> <li>a comparison of the 'Net assets/liabilities' as reported in the Balance sheet schedule against the 'Net assets/liabilities' in the audited financial statements.</li> <li>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</li> </ul>
Transactions with related parties	- The licensor must assess whether transactions with related parties disclosed in the audited financial statements and/or supplementary information for reporting period T have also been entered in the relevant schedule in the CL/FFP IT Solution as follows: <ul style="list-style-type: none"> <li>a comparison of the disclosure of the names and amounts of transactions with related parties in the 'Transactions with related parties schedule' with the audited financial statements and/or supplementary information.</li> </ul>
Contributions from equity participants	- 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"> <li>for each relevant reporting period, check that the amounts disclosed as contributions from equity participants in the contributions schedule are recorded as such in the relevant audited financial statements.</li> </ul> <p>- <i>Note: this assessment procedure only addresses contributions from equity participants, and not contributions from a related party.</i></p>

## 6. GUIDANCE FOR THE OVERDUE PAYABLES PACKAGES

The Overdue payables package (**OP package**) in the CL/FFP IT Solution is for the submission and assessment of financial information in respect of a licensee’s reporting perimeter for the monitoring requirements for No overdue payables towards football clubs (Article 65) and No overdue payables towards employees and/or social/tax authorities (Article 66).

For each licence season there are two OP packages in the CL/FFP IT Solution:

- the **OP.06 package** as at 30 June which is mandatory for all licensees qualified for a UEFA club competition, and
- the **OP.09 package** as at 30 September which is required if a licensee is in breach of indicator 4 as defined in Article 62 (i.e. the licensee has overdue payables at 30 June), or if otherwise requested by the CFCB.

### 6.1. Responsibilities of licensees

#### 6.1.1. Summary of documentation to be submitted

OP Package schedule		Responsibility	OP.06 package [30 June]	OP.09 package [30 Sept]	Guidance reference
1.	Transfer payables	Complete the <b>Transfer Payables</b> schedule	✓	✓	- Section 6.1.2
2.	Employee payables	Complete the <b>Employee Payables</b> schedule	✓	✓	- Section 6.1.3
3.	Social/Tax Payables	Complete the <b>Social/Tax Payables</b> schedule	✓	✓	- Section 6.1.4
4.	Management representation	Complete the <b>management representation</b> schedule to validate the information before submission	✓	✓	- Section 6.1.6

The input information is then summarised in the output schedules titled “Transfer payables table” and “Payables summary”.

#### 6.1.2. Transfer payables

The licensee must prepare and submit the information as prescribed in the Transfer payables schedule in the CL/FFP IT Solution.

##### 6.1.2.1 Player transfers that must be disclosed

The licensee must disclose the specified information in the Transfer payables schedule in respect of all transfers-in of players who:

- Are registered with the licensee at the assessment date, or were previously registered with the licensee, and in respect of which there is an amount outstanding to another club(s) at the assessment date;
- Are registered with the licensee at the assessment date, or were previously registered with the licensee, and in respect of which there is a dispute with another club(s) at the assessment date (being a dispute opened with a competent authority), regardless of whether or not the licensee has an amount recorded as outstanding in its accounting records as at the assessment date; and
- Are a professional player and were transferred-in and registered with the licensee at any time between the 1 July in the year preceding the assessment date (e.g. 1 July 2013 for the 2014/15 licence season) and the assessment date, regardless of whether or not the licensee has an amount recorded as outstanding in its accounting records as at the assessment date and/or a dispute. This includes the transferring-in of out of contract players, but excludes youth players signing their first professional contract, unless this triggers a solidarity/training compensation payable.

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 rather than an additional line being added, 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.

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

Payables are those amounts due to football clubs as a result of transfer activities, including training compensation and solidarity contributions as defined in the *FIFA Regulations on the Status and Transfer of Players*, as well as any amount due upon fulfilment of certain conditions.

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 initial data entry table for each player transfer:

- Player’s name, as shown on the player’s registration document;
- Name of the former club from which the player’s registration has been transferred permanently or on loan. If this club name is not an option in the pre-populated list, ‘Other’ should be selected from the list and the name of the club entered manually in the ‘If other, please specify’ cell;
- Whether the player has been transferred permanently to the licensee club (select ‘Transfer’) or temporarily loaned to the licensee club (select ‘Loan’);
- Currency of the payables as specified in the transfer or loan agreement with the former club;
- Date on which the player’s registration has been transferred-in permanently or on loan. For international transfers, this date should be the same as that required to be entered to FIFA’s Transfer Matching System (TMS); and
- A declaration confirming the existence or absence of a transfer payable and/or disputed amount at the assessment date, by entering a ‘1’ in the applicable ‘Open’ or ‘Closed’ cell.

The initial data entry table in the Transfer payables schedule:

Player name		Former club	If other, please specify	Loan or Transfer	Transfer currency	Date of transfer			Please enter 1 in the correct box		Transfer currency	Agreed transfer compensation - total	Please enter in club reporting currency			Third Party Ownership Rights (% relinquished)	Co-ownership Rights (% relinquished)	Length of contract (original duration in years)	Agreed sell-on-clause to be paid to a former club. Enter ‘1’ if yes	
						Day	Month	Year	Open transfer	Closed transfer			Club reporting currency	Total Agent fees (LC)	Other direct costs on transfer (LC)					

- For each player transfer which is ‘closed’ (i.e. there is no amount outstanding to another club(s) and nor is there a disputed amount at the assessment date), the licensee only needs to disclose information in respect of ‘Agreed Transfer Compensation’.
- For each player transfer which is ‘open’ (i.e. there is an amount outstanding to another club(s) and/or a disputed amount at the assessment date), the licensee must disclose certain additional information in respect of ‘Agreed transfer compensation’, ‘Conditional transfer compensation’ and ‘Solidarity/training compensation’, as separately set out in the Transfer payables schedule as described further below.

In respect of each player transfer, the licensee must provide certain other information:

- ‘Length of contract (original duration in years)’ - being the number of years (to the nearest round number) of the employment contract with the player, as originally contracted at the time of the player’s transfer-in to the licensee.
- ‘Agent Fees (total on transfer)’ - being the total amount of fees paid and/or payable by the licensee to agent(s) in relation to the transfer-in of a player’s registration. This amount excludes any contingent payables. This amount includes any fees paid/payable by the licensee to agent(s) on behalf of the player concerned. The amount must be entered to the nearest thousand and in the reporting currency of the licensee concerned.
- ‘Other direct costs of acquiring the registration’ - being the total amount of fees paid and/or payable by the licensee to third parties in relation to the transfer-in of a player’s registration, but excluding amounts

paid/payable to football clubs and excluding amounts paid/payable to agents (which are requested separately). The amount must be entered to the nearest thousand and in the reporting currency of the licensee concerned.

- ‘Third Party Ownership Rights (% relinquished)’ - as at the assessment date, being the percentage of economic rights or similar in respect of the player that were owned by a party other than the club/licensee (where the other party is not another football club).
- ‘Co ownership Rights (% relinquished)’ - as at the assessment date, being the percentage of economic rights or similar in respect of the player that were held by another football club (excluding agreed transfer compensation, conditional transfer compensation, and solidarity/training compensation).
- Future transfer ‘sell-on clause’ - which arises if the licensee transfers a player to another club, and an amount becomes payable to a former club of the player.

### 6.1.2.2 Agreed transfer compensation

‘Agreed transfer compensation’ is the original unconditional amount paid and/or payable to the former club from which the player’s registration has been transferred permanently or on loan. This amount does not change over time (in the currency of the payables).

For the avoidance of doubt, ‘Agreed 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’ when/if a condition is satisfied and a payable arises;
- Solidarity contributions and/or training compensation, as any such amounts will be classified as ‘Solidarity/training compensation’; or
- Any amounts paid/payable to parties other than a football club (e.g. agents).

The licensee must enter the total amount paid and payable for ‘Agreed transfer compensation - total’, and the amount of ‘Agreed transfer compensation - paid by the assessment date’. The balance of these two amounts is the ‘Agreed transfer compensation - payable as at the assessment date’. Amounts must be input as positive figures, in the currency of the transfer contract, and rounded to the nearest thousand (e.g. EUR 1,234,567 should be entered as EUR 1,235).

The licensee must enter certain details for each instalment that makes-up the ‘Agreed transfer compensation - payable as at the assessment date’:

- The instalment amount payable at the assessment date (to be rounded to the nearest thousand);
- The due date for the instalment to be paid, per the original transfer agreement between the clubs;
- Where applicable, the ‘Post deferrals due date’ for the instalment to be paid, per an agreement in writing between the clubs; and
- Where applicable, the amount and date of any payment in respect of any overdue instalments that has been made since the assessment date and by the date of the licensee’s submission of the information to the licensor.

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.

If a licensee has concluded an agreement in writing whereby the dates and/or the amounts of instalments have been revised from the original transfer agreement, then the licensee must enter the details of the instalments due at the assessment date and must enter the revised due dates in the cells for ‘Post deferrals due date’.

In accordance with Annex VIII, transfer payables at the assessment date which were originally due to be paid before the assessment date can only be disclosed as disputed (rather than overdue payables) if the licensee has a legitimate dispute open with a competent authority.

If the licensee has an instalment(s) in respect of which there is a legitimate dispute, then the licensee must complete the Disputes schedule, as shown below:

Player Name Former Club # other please specify Transfer / Loan Transfer Currency													
Party opening dispute	Date when claim/	proceedings has been brought/	have been opened	Disputed amount	Type of dispute	Competent authority hearing claim	Case number	Has/have claim/proceedings been contested? (Yes/No)	Date(s) when claim/	proceedings has/have	been contested	Status	Summary
	DD	MM	YY						DD	MM	YY		
Assessment date = end of 09.2012													
Mandatory fields = color coded in light blue													

Within the Disputes schedule the licensee must disclose:

- The name of the party that opened the dispute and the date at which the proceedings were opened;
- The amount payable at the assessment date that is subject to a dispute (to be rounded to the nearest thousand);
- The type of payable which is being disputed (e.g. Solidarity/Training compensation, etc.);
- The competent authority with whom the dispute has been opened, the dispute case number (e.g. FIFA case number) and disclose if the proceedings have been contested;
- The status of the dispute (e.g. pending, awaiting grounds of decision, closed);
- A brief summary of the case, to further explain the nature of the case and current status; and
- Relevant case documentation by attaching the document(s) to the OP package on submission.

### 6.1.2.3 Conditional transfer compensation

‘Conditional transfer compensation’ is the amount payable to another football club because certain conditions have been satisfied at some point between the date of the transfer-in and the assessment date. That is, at the assessment date the ‘conditional transfer compensation’ payable is unconditional.

The licensee must enter certain details for each instalment of ‘Conditional transfer compensation’ as at the assessment date:

- The instalment amount payable at the assessment date (rounded to the nearest thousand);
- The due date for the instalment to be paid, per the original transfer agreement between the clubs;
- Where applicable, the ‘Post deferrals due date’ for the instalment to be paid, per an agreement in writing between the clubs; and
- Where applicable, the amount and date of any payment in respect of the instalment, made since the assessment date and by the date of the licensee’s submission of the information to the licensor.

If the licensee has an instalment(s) in respect of which there is a legitimate dispute, then the licensee must complete the Disputes schedule and disclose:

- The amount payable at the assessment date that is subject to a dispute (to be rounded to the nearest thousand);
- The name of the party that opened the dispute and the date at which the proceedings were opened;
- The type of payable which is being disputed (e.g. Solidarity/Training compensation, etc.);
- The competent authority with whom the dispute has been opened, the dispute case number (e.g. FIFA case number) and disclose if the proceedings have been contested;
- The status of the dispute (e.g. pending, awaiting grounds of decision, closed);
- A brief summary of the case, to further explain the nature of the case and current status; and
- Relevant case documentation by attaching the document(s) to the OP package on submission.

### 6.1.2.4 Solidarity/training compensation

The licensee must disclose:

- The total amount payable in respect of ‘Solidarity/training compensation’ as at the assessment date (to be rounded to the nearest thousand); and



- The total amount of payables in respect of ‘Solidarity/training compensation’ that was overdue as at the assessment date (to be rounded to the nearest thousand).

If the licensee has an instalment(s) in respect of which there is a legitimate dispute, then the licensee must complete the Disputes schedule and disclose:

- The amount payable at the assessment date that is subject to a dispute (to be rounded to the nearest thousand);
- The name of the party that opened the dispute and the date at which the proceedings were opened;
- The type of payable which is being disputed (e.g. Solidarity/Training compensation, etc.);
- The competent authority with whom the dispute has been opened, the dispute case number (e.g. FIFA case number) and disclose if the proceedings have been contested;
- The status of the dispute (e.g. pending, awaiting grounds of decision, closed);
- A brief summary of the case, to further explain the nature of the case and current status; and
- Relevant case documentation by attaching the document(s) to the OP package on submission.

### 6.1.2.5 Transfer payables summary for each player transfer

The Transfer payables summary (converted in Euros according to **section 6.1.2.6**) sets out, for each player transfer, the total amount of transfer payables at the assessment date analysed by ‘Agreed transfer compensation’, ‘Conditional transfer compensation’ and ‘Solidarity/training compensation’, and separately identifying:

- The amount of overdue payables - analysed by
  - (i) amounts paid since the assessment date, and
  - (ii) overdue payables not paid since the assessment date; and
- The amount of transfer payables that is not overdue – analysed by
  - (i) amounts that have been deferred by written agreement,
  - (ii) amounts in dispute, and
  - (iii) payables that are not due at the assessment date.

The amounts in the Transfer payables summary (in Euros) are presented in Euros to enable comparisons between licensees.

Illustration of the Transfer payables summary (in Euros) for each player transfer, within the Transfer payables schedule:

EURO summary (€'000)	Total payables as at assessment date	Overdue payables	Overdue payables paid post assessment date	Overdue payables not paid post assessment date	Payables not overdue	Deferred payables	Payables in dispute	Payables not due as at assessment date
Agreed transfer compensation								
Conditional transfer compensation								
Solidarity/training compensation								

In turn, the information in the Transfer payables summary (in Euros) is automatically aggregated and included in the Payables summary schedule (see **section 6.1.5**), and some of the information is included in the Transfer payables table (see **section 6.1.2.7**).

### 6.1.2.6 Conversion of the payables information in Euros

If applicable the amounts will be translated from the original currency of the payables to Euros by application of the pre-populated exchange rates in the CL/FFP IT Solution (sourced from the European Central Bank and/or other appropriate sources) and as displayed in the Transfer payables schedule. As soon as practicable after the assessment date, the exchange rates in the CL/FFP IT Solution will be updated to reflect the exchange rates as at the assessment date.

### 6.1.2.7 Transfer payables table

For all player transfers disclosed by the licensee as 'open', certain information input by the licensee is automatically summarised in the Transfer payables table output schedule, as illustrated below.

Player name	Former club	If other, please specify	Loan or Transfer	Transfer currency	Date of transfer			In transfer currency	In Euros	In transfer currency	In Euros	In transfer currency	In Euros	In transfer currency	In Euros
					Day	Month	Year	Amount due at assessment date	Amount due at assessment date	Amount overdue at assessment date	Amount overdue at assessment date	Amount disputed as at assessment date	Amount disputed as at assessment date	Deferred amount as at assessment date	Deferred amount as at assessment date
					TOTAL										

### 6.1.2.8 Transfer payables controls

The licensee must ensure that all input errors have been addressed prior to submission of the OP package. The controls tab within the CL/FFP Solution will help identify the errors which must be rectified. For any errors regarding transfer payables the licensee will be directed, via a link in the controls tab, to the Transfer payables controls schedule.

### 6.1.3. Employee payables

#### 6.1.3.1 Information to be input by all licensees

Each licensee must disclose certain information in the employee payables 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 input as positive figures, in the reporting currency of the licensee's annual financial statements (as disclosed in the CI package), and rounded to the nearest thousand (e.g. EUR 1,234,567 should be entered as EUR 1,235).

Each licensee must input:

- The total amount of payables to employees 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 payables and deferred payables.
- A declaration confirming the existence or absence of overdue payables towards employees, by entering a '1' in the applicable 'yes' or 'no' cells for each of:
  - 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 the existence or absence of payables towards employees that are not overdue but are disputed and/or deferred, by entering a '1' in the applicable 'yes' or 'no' cells for each of:
  - Payables to employees at the assessment date that were in dispute; and
  - Payables to employees at the assessment date which have been deferred, per an agreement in writing with the employee.

In turn, the financial information in the Employee payables schedule is automatically aggregated, translated to Euros (using the same exchange rates as described in **section 6.1.3.3**), and included in the Payables summary schedule (see **section 6.1.5**).

For the avoidance of doubt, payables are those amounts due to employees as a result of contractual or legal obligations towards employees covering all forms of consideration. 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), security officer, supporter liaison 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.

The initial data entry requirements in the Employee payables schedule:

Total employee payables at end of 2014.June	<input type="text"/>			
Do you have any of the following?	Please enter '1' for Yes	Please enter '1' for No	Amounts in xxx	Amounts in EUR
Overdue at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Overdue paid post end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Disputed at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Deferred at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Reporting currency	<input type="text"/>			

- 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 payables schedule and as further described below.

### 6.1.3.2 Additional information to be disclosed by licensees where applicable

If the licensee declares that it does have **overdue payables** towards employees as at the assessment date, then it must disclose the following information in the Employee payables schedule:

- Employee's name;
- Employee's employment position, by selecting one of the three categories being 'Player' (meaning a professional player), or 'Coach' (meaning any of head coach of first squad, assistant coach of first squad, head of youth development programme, and/or youth coach), or 'Staff' (meaning any of general manager, finance officer, media officer, medical doctor, physiotherapist, security officer, and/or supporter liaison 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 name;
- Employee's employment position; and
- 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. Any such payments should be disclosed in the relevant month cell, in order to match against the overdue payable amount and month.

If the licensee has a payable in respect of which there is a legitimate **dispute**, then the licensee must complete the 'Disputes schedule and disclose:

- Employee's name;
- Employee's employment position;

- The name of the party that opened the dispute and the date at which the proceedings were opened;
- The amount that is subject to a dispute, 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 type of payable which is being disputed (e.g. salary, bonus, signing-on-fees, etc.);
- The competent authority with whom the dispute has been opened, the dispute case number, as provided by the competent authority with whom the dispute has been opened and disclose if the proceedings have been contested;
- A description of the status of the dispute;
- A brief summary of the case, to further explain the nature of the case and current status; and
- Relevant case documentation by attaching the document(s) to the OP package on submission.

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 disputed (rather than overdue payables) if the licensee has a legitimate dispute open with an appropriate competent authority (in accordance with Annex VIII).

If a licensee has payables to employees at the assessment date which have been **deferred**, 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 employment position, selecting from the options of 'Player', 'Coach' or 'Staff' (see above);
- The amount that is 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 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 employee, per an agreement in writing 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.

### 6.1.3.3 Conversion of the payables information in Euros

If the reporting currency is other than Euros, amounts payable will be translated from the reporting currency to Euros by application of the pre-populated exchange rates in the CL/FFP IT Solution (sourced from the European Central Bank and/or other appropriate sources) and as displayed in the schedule. As soon as practicable after the assessment date, the exchange rates in the CL/FFP IT Solution will be updated to reflect the exchange rates as at the assessment date.

## 6.1.4. Social/tax payables

### 6.1.4.1 Information to be input by all licensees

Each licensee must disclose certain information in the Social/tax payables 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 input as positive figures, in the reporting currency of licensee's annual financial statements (as disclosed in the CI package), and rounded to the nearest thousand (e.g. EUR 1,234,567 should be entered as EUR 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 the existence or absence of overdue payables towards social/tax authorities, by entering a '1' in the applicable 'yes' or 'no' cells for each of:
  - 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 the existence or absence of payables towards social/tax authorities that are not overdue but are disputed and/or deferred, by entering a '1' in the applicable 'yes' or 'no' cells for each of:
  - 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, per an agreement in writing with the social/tax authority.

In turn, the financial information in the Social/tax payables schedule is automatically aggregated, translated to Euros (see **section 6.1.3.3**) and included in the Payables summary schedule (see **section 6.1.5**).

The initial data entry requirements in the Social/tax payables schedule:

Total social/tax payables at end of 2014.June	<input type="text"/>			
Do you have any of the following?	Please enter '1' for Yes	Please enter '1' for No	Amounts in xxx	Amounts in EUR
Overdue at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Overdue paid post end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Disputed at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Deferred at end of 2014.June	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Reporting currency	<input type="text"/>			

- 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, 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 social/tax authorities at the assessment date, then it must disclose further information as set out in the Social/tax payables schedule and as further described below.

#### 6.1.4.2 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 payables schedule:

- Name of relevant social/tax authority; and
- 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:

- Name of relevant social/tax authority; and
- 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 the licensee has payables in respect of which there is a **dispute**, then the licensee must also disclose:

- Name of relevant social/tax authority;
- The name of the party that opened the dispute and the date at which the proceedings were opened;

- The amount that is subject to a dispute, 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 type of payable which is being disputed (e.g. sales tax, income tax, etc);
- The competent authority with whom the dispute has been opened, the dispute case number, as provided by the competent authority with whom the dispute has been opened and disclose if the proceedings have been contested;
- A description of the status of the dispute;
- A brief summary of the case, to further explain the nature of the case and current status; and
- Relevant case documentation by attaching the document(s) to the OP package on submission.

For the avoidance of doubt, payables to social/tax authorities at the assessment date which were originally due to be paid to the social/tax authorities before the assessment date can only be disclosed as disputed (rather than overdue payables) if the licensee has a legitimate dispute open with an appropriate competent authority (in accordance with Annex VIII).

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

- 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, 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.

### 6.1.5. Payables summary

The Payables summary output schedule is automatically populated from data input to other schedules in the OP package. The amounts in the Payables summary are in Euros, to enable comparisons between licensees. The schedule summarises the disclosed payables at the assessment date (translated to Euros) in respect of:

- Transfer payables, categorised by 'Agreed transfer compensation', 'Conditional transfer compensation' and 'Solidarity/training compensation';
- Employee payables; and
- Social/tax payables.

The table 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; and
- The amount of transfer payables that is not overdue – analysed by
  - (i) amounts that have been deferred by written agreement,
  - (ii) amounts in dispute, and
  - (iii) payables that are not due at the assessment date (and not subject to deferral or dispute).

Illustration of the Payables summary schedule:

Transfer payables (€'000)	Total payables as at assessment date	Overdue payables	Overdue payables paid post assessment date	Overdue payables not paid post assessment date	Payables not overdue	Deferred payables	Payables in dispute	Payables not due as at assessment date
Agreed transfer compensation								
Conditional transfer compensation								
Solidarity/training compensation								
<b>Total</b>								

Employee payables (€'000)	Total payables as at assessment date	Overdue payables	Overdue payables paid post assessment date	Overdue payables not paid post assessment date	Payables not overdue	Deferred payables	Payables in dispute	Payables not due as at assessment date
<b>Total</b>								

Social/tax payables (€'000)	Total payables as at assessment date	Overdue payables	Overdue payables paid post assessment date	Overdue payables not paid post assessment date	Payables not overdue	Deferred payables	Payables in dispute	Payables not due as at assessment date
<b>Total</b>								

Total payables (€'000)	Total payables as at assessment date	Overdue payables	Overdue payables paid post assessment date	Overdue payables not paid post assessment date	Payables not overdue	Deferred payables	Payables in dispute	Payables not due as at assessment date
<b>Total</b>								

### 6.1.6. Management representation

The licensee must validate the OP package prior to submission by completing the Management representation schedule, certifying 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 included in the Regulations, directives, toolkits and other information communicated to licensees.

The licensee must check and confirm that for each player transfer in the Transfer payables schedule, the licensee has input the date on which the player's registration has been transferred-in 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.

## 6.2. Responsibilities of licensors

### 6.2.1. Introduction

Refer to **section 4.2.1**.

### 6.2.2. Assessment procedures for the no overdue payables requirements

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 and 66 are as follows:

Licensor assessment schedule – OP.06/OP.09 packages	
Schedule	Licensor's assessment procedures
Management representation schedule	- Check that the licensee's signatory in the management representation schedule is on the list of authorised signatories as already held for club licensing.
Transfer payables schedule	- Compare the player details in the 'Transfer payables table' to the information already disclosed to the licensor for the purpose of players' registrations, to check that all professional players transferred-in from another club and registered between the 1 July in the year preceding the assessment date and the assessment date have been disclosed in the 'Transfer payables table'. - 'Player details' refers to the player name, identity of the former club, whether the player's registration has been transferred-in permanently ('Transfer') or temporarily ('Loan'), and the date of the transfer. - Read the licensee's completed 'Transfer payables' schedule (including the 'Transfer payables table') 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

Licensor assessment schedule – OP.06/OP.09 packages	
Schedule	Licensor's assessment procedures
	the licensee from club licensing and/or other reasonable information sources*.
Employee payables schedule	- Read the licensee's completed 'Employee payables' schedule 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*.
Social/tax payables schedule	- 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 and/or inaccurate based on the licensor's existing knowledge of the licensee from club licensing and/or other reasonable information sources*.

*\*Examples of information sources include media reports, notifications of dispute cases, and correspondence from other football bodies, football clubs, the licensee's directors and employees, and social/tax authorities.*



## APPENDIX I: KEY DATES AND DEADLINES FOR THE 2014/15 MONITORING PROCESS

Deadlines for clubs/licensors in order to submit the required club monitoring information to the UEFA Administration via the CL/FFP IT Solution are as follows:

Date	Description
30 April 2014	<p><u>Scope</u>: Top division clubs (as a minimum all licence applicants)</p> <p>Deadline to submit to the UEFA administration:</p> <ul style="list-style-type: none"> <li>• <b>FS.2014.01 package</b> covering financial data for the entities in the license applicants' reporting perimeter for their financial reporting period ending in 2013 (i.e. being the reporting period T-1 for the 2014/15 licence season).</li> </ul>
30 June 2014	Key date for the assessment of the no overdue payables requirements.
[tbd] June/July 2014	<p>Deadline<sup>(1)</sup> for the licensee to submit to the licensor their validated monitoring documentation as described in the following step.</p> <p>Note <sup>1</sup>: The submission deadline date for licensees to be defined ("tbd") by the licensor.</p>
15 July 2014	<p><u>Scope</u>: All clubs participating in the 2014/15 UEFA club competitions</p> <p>Deadline for the licensor to submit to the UEFA administration the licensee's monitoring documentation and to confirm that the licensor's assessment procedures have been completed. Licensee's documentation includes:</p> <ul style="list-style-type: none"> <li>• <b>CI.2014.01 package</b> including the club information<sup>(2)</sup> for reporting periods ended/ending in 2012 (T-2), 2013 (T-1) and 2014 (T);</li> <li>• <b>BE.2014.06 package</b> including break-even information for the reporting periods ended in 2012 (T-2) and 2013 (T-1); and</li> <li>• <b>OP.2014.06 package</b> including no overdue payables documentation as at 30 June 2014 including Transfer payables, Employee payables and Social/tax payables.</li> </ul> <p>Note <sup>2</sup>: Any subsequent changes to club/legal information in respect of reporting period T must be resubmitted to the UEFA administration by 15 October 2014 as part of the CI package. The licensee has an ongoing obligation to promptly notify their licensor about any subsequent changes.</p>
30 September 2014	<p>Key date for the additional<sup>(3)</sup> assessment of the no overdue payables requirements.</p> <p>Note <sup>3</sup>: Only applicable to licensees who had overdue payables at 30 June 2014, or if otherwise requested by CFCB.</p>
[tbd] October 2014	<p>For those licensees required to comply, deadline<sup>(4)</sup> for the licensee to submit to the licensor their validated monitoring documentation as described in the following step.</p> <p>Note <sup>4</sup>: The submission deadline date for licensees to be defined ("tbd") by the licensor.</p>
15 October 2014	<p><u>Scope</u>: All clubs participating in the 2014/15 UEFA club competitions which are in breach of an indicator or if otherwise requested by the CFCB</p> <p>Deadline for the licensor to submit to the UEFA administration the licensee's monitoring documentation and to confirm that the licensor's assessment procedures have been completed. Licensee's documentation includes:</p> <ul style="list-style-type: none"> <li>• <b>BE.2014.09 package</b> in the CL/FFP IT Solution covering: <ul style="list-style-type: none"> <li><u>For clubs with reporting period T ending on or before 31 July 2014</u> <ul style="list-style-type: none"> <li>○ break-even information<sup>(5)</sup> for the reporting period ending in 2014 (T)<sup>(6)(7)</sup> based on audited financial statement;</li> <li>○ future financial information including the projected break-even result for the reporting period ending in 2015 (T+1);</li> <li>○ contributions for the monitoring period (if applicable); and</li> <li>○ information for the transitional factor for players under contract before 1 June 2010 (if applicable).</li> </ul> </li> <li><u>For clubs with reporting period T ending after 31 July 2014 (no later than 31 December 2014)</u></li> </ul> </li> </ul>

Date	Description
	<ul style="list-style-type: none"> <li>○ break-even information for the reporting period ending in 2014 (T) based on unaudited financial information.</li> <li>● <b>OP.2014.09 package</b> including no overdue payables documentation as at 30 September 2014 for those licensees that breached indicator 4 (Overdue payables at 30 June 2014), or if otherwise requested by the CFCB.</li> </ul> <p>Note <sup>5</sup>: The break-even requirement entered into force for the financial statements of the reporting period ending in 2012. Therefore, for the monitoring period assessed in the 2014/15 licence season, a licensee is not required to submit break-even information for the reporting periods T-3 and T-4.</p> <p>Note <sup>6</sup>: Licensees with a reporting period T ending on or before 31 July 2014 must submit break-even information for T based on audited financial statements. The licensor must have completed their assessment procedures in respect of this monitoring documentation.</p> <p>Note <sup>7</sup>: Licensees with a reporting period T ending after 31 July 2014 (and by no later than 31 December 2014) may first submit break-even information for T based on unaudited financial information. The licensor will not need to perform assessment procedures in respect of break-even information for T that is based on unaudited financial information.</p>
<b>[tbd] by March 2015</b>	<p>For those licensees which first submitted break-even information for their reporting period ended in 2014 (T) based on unaudited financial statements, deadline<sup>(8)</sup> set for the licensee to submit to the licensor their validated updated monitoring documentation as described in the following step.</p> <p>Note <sup>8</sup>: The submission deadline date for licensees to be defined (“tbd”) by the licensor.</p>
<b>16 March 2015</b>	<p><u>Scope</u>: <i>All clubs participating in the 2014/15 UEFA club competitions which submitted unaudited financial data<sup>(8)</sup> as of 15 October 2014.</i></p> <p>Deadline for the licensor to submit to the UEFA administration the licensee’s updated monitoring documentation and to confirm that the licensor’s assessment procedures have been completed. Licensee’s documentation includes:</p> <ul style="list-style-type: none"> <li>● <b>BE.2014.09 package to be updated</b> in the CL/FFP IT Solution covering: <ul style="list-style-type: none"> <li>○ break-even information for the reporting period ended in 2014 (T) based on audited financial statements;</li> <li>○ contributions for the monitoring period (if applicable);</li> <li>○ information for the transitional factor for players under contract before 1 June 2010 (if applicable); and</li> <li>○ future financial information including the projected break-even result for the reporting period ending in 2015 (T+1).</li> </ul> </li> </ul>
<b>30 April 2015</b>	<p>Deadline to submit to the UEFA administration:</p> <ul style="list-style-type: none"> <li>● <b>FS.2015.01 package</b> in the CL/FFP IT Solution including financial data<sup>(9)</sup> for the entities in the licensee’s reporting perimeter for their financial reporting period ended in 2014.</li> </ul> <p>Note <sup>9</sup>: For those licensees that have already submitted break-even information for their reporting period ended in 2014 based on audited financial statements (using the BE.2014.09 package), then their FS.2015.01 package will be pre-populated.</p>
<b>31 May 2015</b>	End of the 2014/15 licence season.

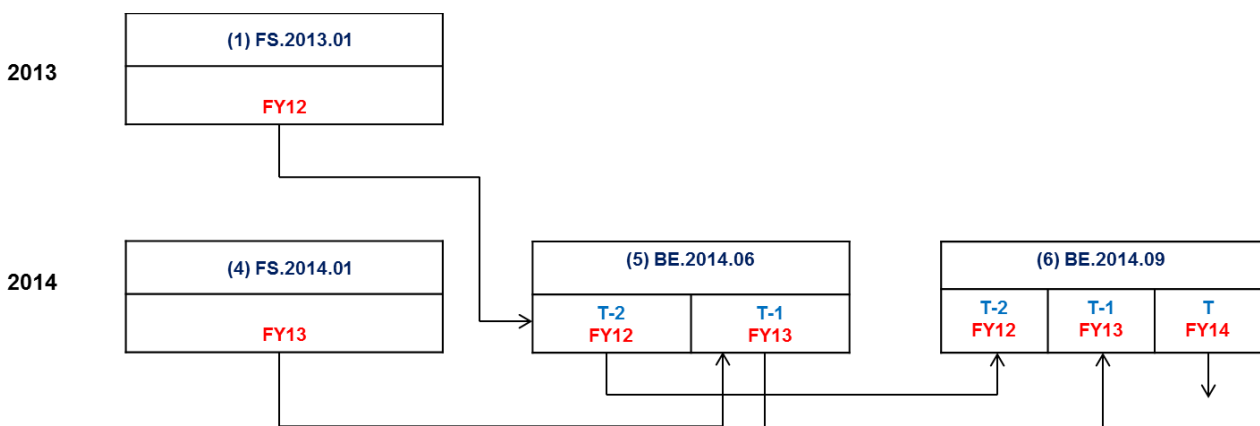
## APPENDIX II: THE LINKAGE BETWEEN THE FS PACKAGE AND THE BE PACKAGES

For those licensees that become subject to club monitoring in the following licence season, the information that has been input to the FS package will pre-populate some elements of the BE.06 package for the reporting period T-1. And, for some licence applicants, the FS package will be pre-populated from information input to the BE.09 package in the current licence season. For the avoidance of doubt, whenever a package is pre-populated, a licence applicant/licensee must still check the completeness and accuracy and update the information accordingly prior to submission.

The diagrams below illustrate the Profit and Loss account, Balance Sheet and Cash Flow Statement information flows between the FS package and the BE packages for the first two licence seasons (2013/14 and 2014/15).

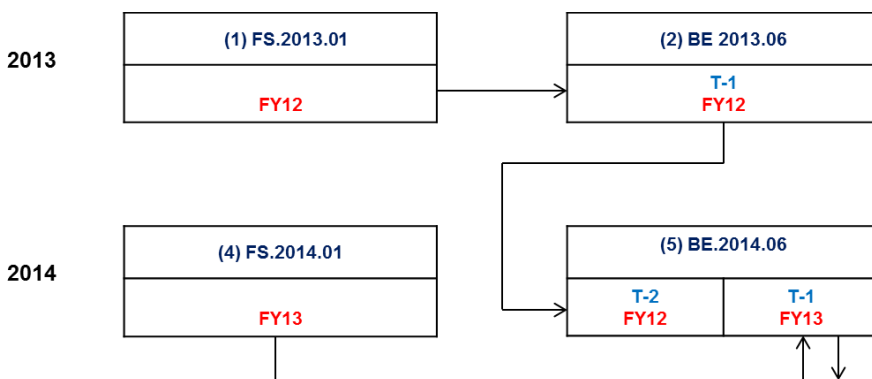
As shown below, these information flows are different for depending on whether or not a licensee had to complete BE packages in the 2013/14 licence season and/or whether or not a licensee is required to complete the BE.2014.09 package.

### Scenario 1: The licensee did not compete in a UEFA competition in the 2013/14 season



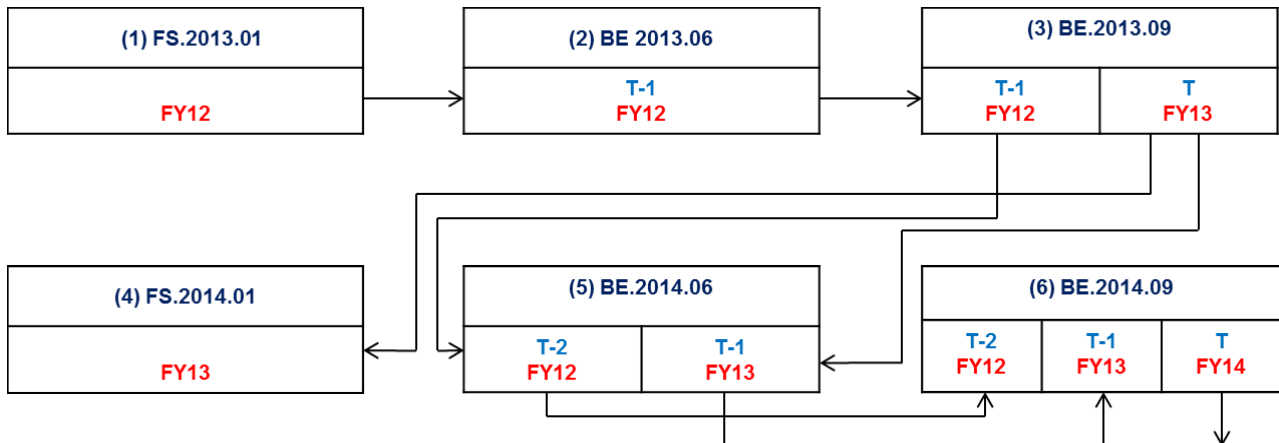
Steps (2) and (3) not applicable as the licensee did not compete in a UEFA competition in the 2013/14 licence season

### Scenario 2: The licensee competed in a UEFA competition in the 2013/14 season, but was not required to complete the BE.2013.09 package and is not required to complete the BE.2014.09 package



Steps (3) and (6) are not applicable.

**Scenario 3:** The licensee competed in a UEFA competition in the 2013/14 season and was required to complete the BE.2013.09 package, and is also required to complete the BE.2014.09 package



- (1) Ahead of licence season 2013/14, all licence applicants were required to input financial information in the FS.2013.01 package for their reporting period ended in 2012 (i.e. FY12) and submit, via their licensor, to the UEFA administration by 30 April 2013.
- (2) For the 2013/14 licence season, the information entered in FS.2013.01 (step 1) for FY12 pre-populated the corresponding schedules in the BE.2013.06 package for reporting period T-1. The licensee was required to submit the full requirements of the BE.2013.06 package (including adjustments for the break-even calculation for FY12) by the deadline communicated by their licensor.
- (3) For those licensees required to also submit the BE.2013.09 package, the information entered in BE.2013.06 (step 2) for FY12 pre-populated the corresponding schedules in the BE.2013.09 package for reporting period T-1. The licensee was required to submit the full requirements of the BE.2013.09 package, including the financial information for their reporting period ending in 2013 (T), by the deadline communicated by their licensor.
- (4) Ahead of licence season 2014/15, all licence applicants are required to input financial information in the FS.2014.01 package for FY13. This will be pre-populated from the BE.2013.09 package (step 3) for those licensees that were required to complete it. Those licensees which were not required to complete BE.2013.09 will need to input this FY13 information,. The licensee/licence applicant must submit the FS.2014.01 package to the UEFA administration by 30 April 2014 (or alternative date, as notified by the UEFA administration).
- (5) For the 2014/15 licence season, the information in BE.2014.06 for FY12 and FY13 will be pre-populated from the corresponding schedules in the BE.2013.09 package (step 3). The licensee must submit the full requirements of the BE.2014.06 package by the deadline communicated by their licensor.
- (6) For those licensees required to prepare and submit the BE.2014.09 package, the information for FY12 and FY13 will be pre-populated from the BE.2014.06 package (step 5) into the corresponding schedules in the BE.2014.09 package, covering reporting periods T-2 and T-1. The licensee must submit the full requirements of the BE.2014.09 package, including the financial information for their reporting period ending in 2014 (T), by the deadline communicated by their licensor.

## APPENDIX III: GUIDANCE FOR CI PACKAGE – THE REPORTING PERIMETER

### A. The legal group structure

As set out in Article 46, the licence applicant must provide the licensor with the overall legal group structure (e.g. presented in a chart), duly approved by management. For club monitoring, this same documentation must be attached to the CI package for submission to the UEFA administration.

The legal group structure includes:

- i) the entity which is the member of the UEFA member association and, if different, the entity which is the licence applicant/licensee; and
- ii) in respect of the entity (or entities) from (i) above, any subsidiary, any associated entity and any controlling entity up to the ultimate parent company and ultimate controlling party; and
- iii) any associated company or subsidiary of such parent company.

A subsidiary is an entity that is controlled by a parent entity, whether by straightforward ownership (e.g. greater than 50% ownership/voting rights) or through other means (e.g. contractual arrangements). An associate is an entity over which an investor entity has significant influence. Where an investor entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case.

The ultimate controlling party (of the entity which is the member of the UEFA member association and, if different, the entity which is the licensee) is the individual or legal entity that ultimately controls the entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The ultimate controlling party details to be disclosed will usually be one of the following (list not exhaustive):

- a. the name of the top private company in the group structure and any individuals with a 20% or greater shareholding in that private company,
- b. a listed company (and the names of any entity or individual that has a 20% or greater shareholding),
- c. an entity(ies) or individual(s) who holds a controlling interest in or significant influence over the licensee through means other than their equity stake, e.g. voting rights, board representation or shareholder agreement.

### B. The reporting perimeter

As set out in Article 46*bis*, 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 licensing, a licence applicant must use the same reporting perimeter for the preparation and submission of financial information for each of the financial criteria.
- 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, future financial information, and the no overdue payables requirements) and it must also be the same reporting perimeter as used to fulfill the club licensing criteria, unless there has been a change of circumstances. For the purpose of the break-even calculation, the determination of the reporting perimeter might trigger some adjustments as further illustrated below.

Depending on the situation of each licensee, the reporting perimeter will comprise either:

- i) **solely the 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 legal group of two or more entities (consolidation)**, including 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 registered member entity, for which financial information is prepared on a combined basis as if they were a single company.

If the licensee is a football company (as per Article 12 (1b)), then the financial information must cover both the football company and the registered member (and other entities, if there are other entities in the reporting

perimeter), being either combined or consolidated financial statements as if they were a single company (i.e. scenario (ii) or (iii) as described above).

## C. Determination of the reporting perimeter

### 1. Entities to be included in the reporting perimeter

The reporting perimeter must include:

- a. the licence applicant/licensee and, if different, the registered member
- b. any subsidiary of the entity(ies) as per (a) above unless (Article 46bis(4)):
  - (i) its main activity is not related to the activities, locations, assets or brand of the football club; or
  - (ii) it is immaterial compared with the overall group made by the licence applicant/licensee;
- c. any entity that has accounted in its books/paid compensation to employees (as defined in Article 50) and/or costs/proceeds of acquiring/selling player's registrations (Article 46bis(2)).

Inclusion of an entity in the reporting perimeter means that the financial statements of the entities included in the reporting perimeter must be either combined or consolidated as if they were a single company (Annex VII B(1)) as explained below.

#### **Consolidated versus combined financial statements**

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

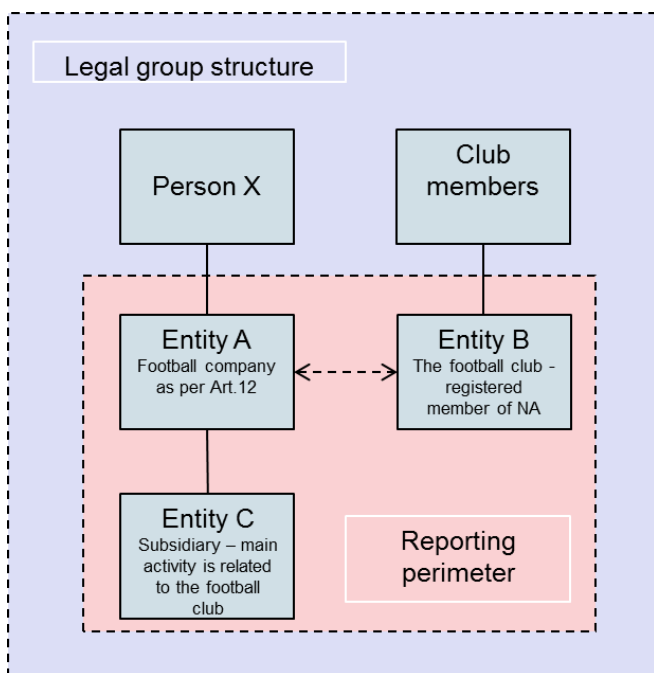
A parent company with controlling interest in subsidiary companies must consolidate the financial results of the parent and the subsidiaries into one set of statements. The rationale behind this requirement is that because these companies are all operating together as a single enterprise they should report their results as though they were a single entity.

There are some business enterprises, however, where there are multiple companies operating as a single company even though there is no parent-subsidiary relationship between them. In this case, although there is no GAAP requirement to do so, the Regulations require the financial statements of the entities to be combined in order to get an accurate overall picture.

The preparation and presentation of combined and consolidated financial statements are basically 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); in combined statements equity accounts are typically added together (unless the companies have ownership in each other).

### Illustrative example



#### Example 1:

Entity B (the registered member of a UEFA member association and/or its affiliated league) has a contractual relationship with Entity A. As per Article 12, Entity A is described as 'a football company'.

The reporting perimeter must cover, as a combination, both Entity A and Entity B, and also includes Entity C (as a subsidiary of Entity A).

## 2. Other entities that might be included in the reporting perimeter

To understand whether other entities included in the legal group structure (other than those specified under (1) above) should be included in the reporting perimeter, it is important to distinguish between:

- a) **football activities** which refer to ticketing, sponsorship and advertising, broadcasting, merchandising and hospitality, club operations (e.g. administration, matchday activities and travel), financing, use and management of stadium and training facilities, and youth sector (Article 46bis(3)); and
- b) **non-football activities (operations)** which refer to products or services or a group of related products or services that are subject to risks and returns that are different from those of the football activities (e.g. other sporting activities or property developments), and that can be either:
  - (i) related to the football club, if somehow related to its locations (activities physically based at or in close proximity to a club's home stadium and/or training facilities), assets or brand (e.g. an hotel that commercially exploits the brand of the football club); or
  - (ii) not related to the football club.

Wherever the regulations provide an option to include or not an entity in the reporting perimeter, the licensee must apply its choice on a consistent basis from one year to another and take into account the potential implications on the break-even calculation of such an inclusion/exclusion as explained under (3) below..

Due to the large variety of existing legal group structures it is not possible to determine a priori and with exactitude which other entities must be part of the reporting perimeter (except those defined under (1) above). This depends on the legal form of the licence applicant/licensee as well as its legal group, ownership structure and control/influence relationships.

In principle the reporting perimeter should:

- include all entities in the legal group structure and in particular those which generate revenues and/or perform services and/or incur costs in respect of the **football activities** as defined in a) above.
- exclude all entities in the legal group structure whose main activity is connected to **non-football activities not related to the football club** as defined in b)ii) above or which are **immaterial** compared with the overall group made by the licence applicant/licensee.

The licensee must declare whether the football activities (Article 46bis(3)) have been reflected in the reporting perimeter and provide a detailed explanation should this not be the case (e.g. no stadium maintenance fees since the stadium belongs to the municipality).

The licensee must also justify in detail the exclusion from the reporting perimeter of an entity included in the legal group structure (e.g. direct controlling entity not included in the reporting perimeter as its main activity is not related to the football activities but to the telecommunication industry).

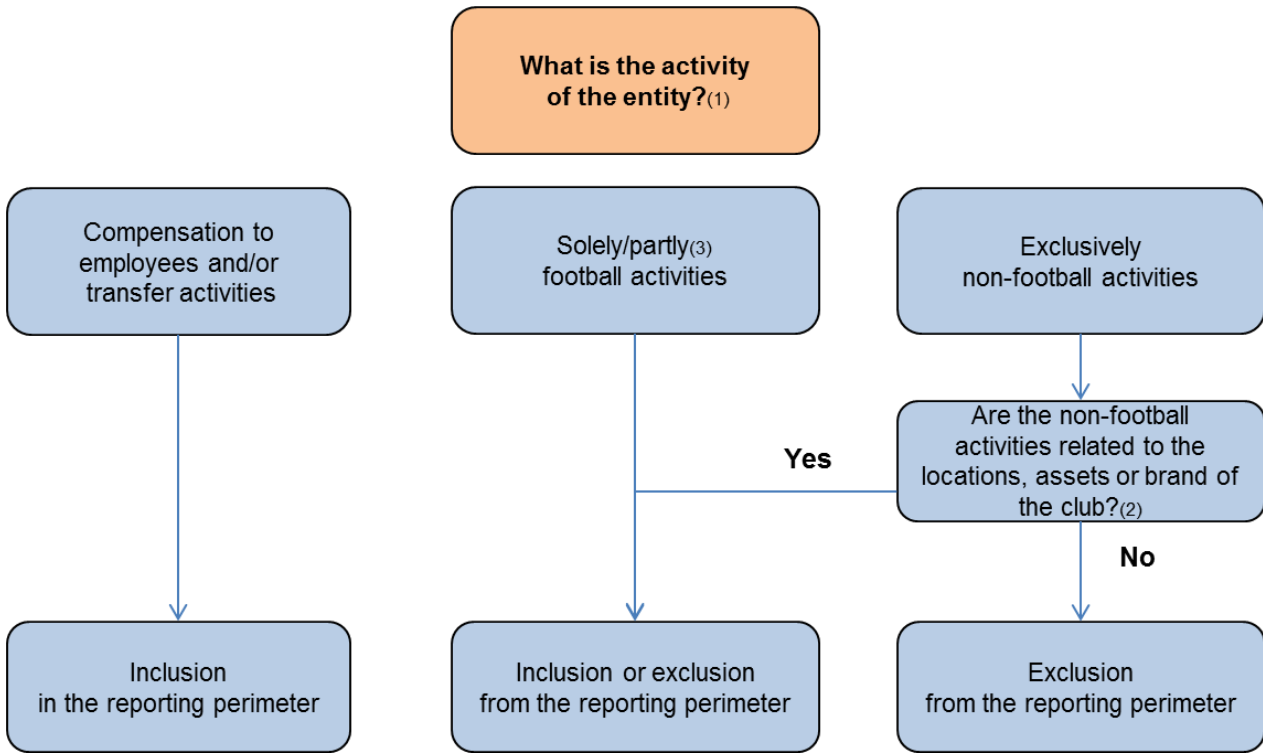
### 3. Potential implications for the break-even calculation

As a result of the determination of the reporting perimeter, the following adjustments might be necessary:

- a) If an entity in the legal group structure is excluded from the reporting perimeter but has incurred costs in respect of **football activities** (as defined in 2a) above) which are not reflected in the books of one of the entities included in the reporting perimeter, then these expenses must be included in the break-even calculation (Annex X C (f)) by way of an **upward adjustment**. For this purpose the licensee must use the adjustments schedule for 'Related party transactions' to add amounts to relevant expenses – see **Appendix V C**.
  - b) If an entity in the legal group structure is included in the reporting perimeter but has generated income which is related to **non-football activities not related to the club** (as defined in 2b)ii) above), then this income must be excluded from the break-even calculation (Annex X B (k)) by way of an **downward adjustment**. For this purpose the licensee must use the adjustments schedule for 'Non-football operations' – see **Appendix V D**.
-



**Guidance for identifying which entities in the legal group structure  
should be included in the reporting perimeter**



- (1) If the entity is not material compared with the overall group made by the licence applicant, the entity may be excluded (if applicable) from the reporting perimeter.
- (2) 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) Per Article 46*bis*(4), an entity may be excluded from the reporting perimeter if its main activity is not related to the activities, locations, assets or brand of the football club. The relative scale and importance of the main activity is determined on the basis of the entity's financial results (revenues, expenses, profitability), financial position (balance sheet assets, liabilities, equity), and apportionment of time by management.

*Illustrative examples*

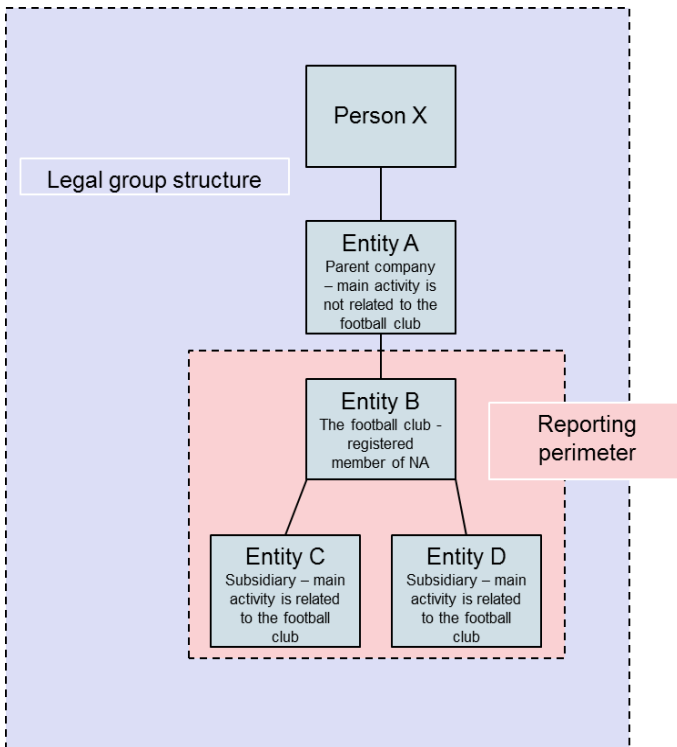
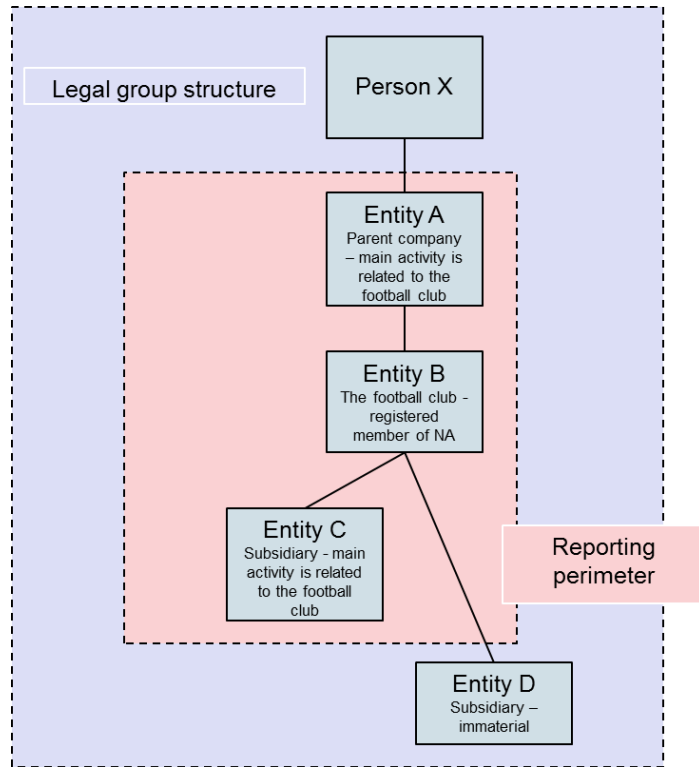
**Example 2:**

Entity B (the registered member of a UEFA member association and/or its affiliated league) is a subsidiary of Entity A. The main activities of Entity A relate to the football club.

The appropriately defined reporting perimeter includes Entity A and Entity B and its subsidiary Entity C.

Entity D is also a subsidiary, but is excluded from the reporting perimeter because it is immaterial compared with the licensee’s overall group.

*Note: If Entity A does include some activity that is not related to the locations, assets or brand of the football club, then the licensee must make adjustments to exclude these transactions in the calculation of the break-even result as illustrated in Appendix V part D.*



**Example 3:**

Entity B (the registered member of a UEFA member association and/or its affiliated league) is a subsidiary of Entity A.

The main activity of Entity A is not related to the activities, locations, assets or brand of the football club and is, therefore, excluded from the reporting perimeter.

The appropriately defined reporting perimeter includes Entity B and its subsidiaries (Entity C and D).

*Note: If Entity A does include some activity that relates to the football club (but these are not Entity A’s main activity), then the licensee must make adjustments to include these transactions in the calculation of the break-even result (using the related party adjustments schedule) as illustrated in Appendix V part C.*

## APPENDIX IV: GUIDANCE FOR FS & BE PACKAGES - INPUT SCHEDULES

### A. Balance sheet schedule

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 prepare and 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 input to the balance sheet schedule as follows:

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

<b>Balance Sheet</b>	<b>T-1</b>
<b>Current Assets</b>	
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	
<b>Total Current Assets</b>	
<b>Non-Current Assets</b>	
Tangible fixed assets	
Intangible assets - players	
Intangible assets - other	
Accounts receivable from player transfers	
Accounts receivable from group entities & related parties	
Tax assets	
Investments	
Other non-current assets	
<b>Total Non-Current Assets</b>	
<b>Total Assets</b>	
<b>Current Liabilities</b>	
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	
Short-term provisions	
Other Current Liabilities	
<b>Total Current Liabilities</b>	
<b>Non-Current Liabilities</b>	
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	
Deferred income	
Other tax liabilities	
Long-term provisions	
Other Non-current liabilities	
<b>Total Non-Current Liabilities</b>	
<b>Total liabilities</b>	
<b>Net assets/(liabilities)</b>	

<b>Equity</b>	
Share/fund capital	<input type="text"/>
Retained earnings	<input type="text"/>
Other Reserves	<input type="text"/>
<b>Total Equity</b>	<input type="text"/>
<b>Total Equity and Total liabilities</b>	
<input type="text"/>	
<b>Total equity reconciliation check</b>	
Total equity - brought forward at beginning of period	<input type="text"/>
Post year end changes / change of reporting perimeter (from previous reporting period)	<input type="text"/>
Profit/(Loss) after dividends	<input type="text"/>
Capital increase/equity contributions	<input type="text"/>
Change in revaluation reserve	<input type="text"/>
Other movements in equity/reserves during the period	<input type="text"/>
Total equity - carried forward at end of period	<input type="text"/>
<b>Reminder of closing total equity in the Balance Sheet</b>	<input type="text"/>

## 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.

### 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 E.

### 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 (4b), locally trained players must not be included in the balance sheet as only the cost of the players purchased is to be capitalised.

## Intangible assets – other

- An intangible asset is an identifiable non-monetary asset without physical substance. It includes all intangible assets other than intangible assets 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.
- Finance leases should be included within loans. Finance leases are liabilities in respect of a lease arrangement that transfers substantially all the risks and rewards incidental to the ownership of an

asset. Title may or may not eventually be transferred. A lease that is not a finance lease is an operating lease.

- Finance 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.

### 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 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 E.

### 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. 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.

## 4. Reconciliation checks

- The licensee must ensure that brought-forward total equity, together with the profit or loss after dividends as recorded in the profit and loss account schedule and other movements in equity/reserves in the reporting period (as included in the equity reconciliation), correctly reconciles to 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)'.
- 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.

## 5. Net debt

For the purpose of the Regulations, net debt is defined as:

- net player transfers balance (i.e. the net of accounts receivable from player transfers and accounts payable for player transfers); plus
- net borrowings (i.e. bank overdrafts, bank and other loans, accounts payable to group entities and other related parties); and less cash and cash equivalents.

## B. Profit and loss account schedule

The licensee must prepare and submit profit and loss account information for each relevant reporting period as set out in the prescribed formats in the BE package in the CL/FFP IT Solution, based on the audited financial statements, supplementary information (for club licensing) and underlying accounting records for the licensee's reporting perimeter.

Figures must be input to the profit and loss account schedule as follows:

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

The Profit and loss account lines are listed below. The account lines highlighted in green , red  and yellow  represent the minimum level of disclosure in the Profit and loss account schedule, and are the same as the minimum disclosure requirements for club licensing.

- 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 certain additional information in their BE package, by both

- Completing some of the relevant supplementary schedule(s) if applicable:
  - breakdown of gate receipts
  - breakdown of sponsoring and advertising
  - breakdown of broadcasting rights
  - breakdown of commercial revenues
  - breakdown of other operating income
  - breakdown of cost of sales/materials
  - breakdown of employee benefits expense

- breakdown of other operating expenses
- breakdown of player trading
- breakdown of finance income/costs
- breakdown of other items (other income or expenses)
- 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 is automatically notified to the licensee in the BE package (by X), or as 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.

<b>Profit and Loss Account</b>			complete supplementary schedule
P1000	Gate receipts - national competitions		
P1010	Gate receipts - UEFA club competitions		
P1030	Gate receipts - season tickets		
P1040	Gate receipts - membership fees		
P1050	Gate Receipts- other/non-split		
	<b>Total Gate Receipts</b>		
P1100	Sponsorship and advertising - manufacturer sponsor		
P1110	Sponsorship and advertising - main sponsor		
P1120	Sponsorship and advertising - stadium sponsor		
P1130	Sponsorship and advertising - pitch-perimeter and board advertising		
P1140	Sponsorship and advertising - other/non-split		
	<b>Total Sponsorship &amp; Advertising</b>		
P1200	Broadcasting rights - national competitions		
P1220	Broadcasting rights - other/non-split		
	<b>Total Broadcasting Rights</b>		
P1300	Commercial - national competitions		
P1330	Commercial - merchandising		
P1340	Commercial - non-matchday usage of facilities		
P1350	Commercial from Membership (non matchday related)		
P1370	Commercial - other/non-split		
	<b>Total Commercial</b>		
P1400	UEFA club competitions - broadcasting rights, commercial, prize money		
P1410	UEFA club competitions - solidarity payments		
P1420	UEFA solidarity and prize money - other/non-split		
	<b>Total UEFA Solidarity and Prize Money</b>		
P1500	Subsidies, donations or other amounts from national football bodies		
P1510	Subsidies, grants or other amounts from state or municipal authorities		
P1530	Donations from non related parties		
P1540	Contributions/donations from related parties		
P1560	Income from non-football operations		
P1575	Exceptional Income		
P1580	Other operating income - other/non-split		
	<b>Total Other Operating Income</b>		
	<b>Total Revenue</b>		



P1910	Cost of sales/materials - other/non-split			
	<b>Total Cost of Sales/Materials</b>			
P2000	Players - wages and salaries			
P2020	Players - social security contributions			
P2030	Players benefits expenses - other/non-split			
	Total Players Benefits Expenses			
P2100	Other employees - wages and salaries			
P2120	Other employees - social security contributions			
P2130	Other employees benefits expenses - other/non-split			
	Total Other Employee Benefits Expenses			
P2200	Employee benefits expenses - other/non-split			
	<b>Total Employee Benefits Expenses</b>			
	Depreciation of tangible fixed assets			
	Amortisation of other intangible assets (excluding player registrations)			
	Impairment of tangible fixed assets and/or other intangible assets			
	<b>Total Depreciation, Amortisation &amp; Impairment (excluding player registrations)</b>			
P2545	Matchday expenses			
P2550	Sponsorship and advertising expenses			
P2555	Commercial activities expenses			
P2560	Property & facilities expenses			
P2570	Expenses of non-football operations			
P2585	Exceptional expenses			
P2590	Other operating expenses - other/non-split			
	<b>Total Other Operating Expenses</b>			
	<b>Total Operating Expenses (excluding player registration)</b>			
	<b>Player trading</b>			
P2600	Amortisation of intangible fixed assets (player registrations)			
P2605	Impairment of intangible fixed assets (player registrations)			
P2610	Profit on disposal of intangible fixed assets (player registrations)			
P2620	Loss on disposal of intangible fixed assets (player registrations)			
P2700	Cost of acquiring player registrations			
P2710	Income from disposal of player registrations			
	<b>Total player trading</b>			
P3030	Profit/(loss) on disposal of tangible fixed assets			
P3040	Profit/(loss) on disposal of other intangible fixed assets			
	<b>Total Profit/(Loss) on Disposal of Fixed Assets</b>			
P4000	Finance income			
P4010	Finance expense			
P4015	Net Foreign Exchange Gains/(Losses)			
	<b>Net Finance Income/(Expense)</b>			
P5000	Other income (non operating)			
P5100	Other expenses (non operating)			
	<b>Net Non-operating Income/(Expense)</b>			
	Tax income/(expense)			
	<b>Profit / (Loss) after Tax</b>			
X-PL-0100	Dividends			
	<b>Profit/(Loss) after Dividends</b>			

## 1. Revenue – gate receipts

**Annex X B(1)(a):** Includes revenue derived from general admission and corporate match attendance, from both season tickets and matchday tickets, in relation to national competitions (league and cup), UEFA club competitions and other matches (friendly matches and tours). Gate receipts also include membership fees.

Gate receipts are revenue derived from spectators attending the club's football matches from whatever type of arrangement exists for a person to gain entry to the stadium, e.g. general admission season ticket, single matchday tickets, or a premium/corporate 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 analysed by the following account lines:

- gate receipts relating to matches in national competitions;
- gate receipts relating to matches in UEFA club competitions;
- season ticket revenue; for the purposes of this analysis, gate receipts revenue derived from season tickets (for both general admission and premium/corporate tickets) may either be included in this account line or appropriately 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; 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 notified in the BE package, licensees may be required to provide additional information in their BE package for Revenue – gate receipts, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

	Reporting period T-1	
	Revenue in reporting period - unadjusted (LC)	Number of matches
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		
<b>Gate Receipts - National Competitions</b>		
UEL matches - home matches		
UCL matches - home matches		
Other		
<b>UEFA club competitions</b>		
General admission		
Corporate/premium attendees - individuals		
Corporate/premium attendees - boxes/bulk		
Other		
<b>Gate Receipts - Season Tickets</b>		
<b>Gate Receipts - Membership Fees</b>		
<b>Gate Receipts - Other</b>		
<b>Total Gate Receipts</b>		

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 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(1)(b):** Includes revenue derived from main sponsor, other sponsors, pitch-perimeter and other board advertising, and other sponsorship and advertising.

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 arrangements with the party which is the primary sponsor (typically as advertised on 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 kit front. 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; and
- 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 notified in the BE package, licensees may be required to provide additional information in their BE package for Revenue – sponsorship and advertising, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

Revenue - Sponsorship and advertising	Reporting period T-1										
	Revenue in reporting period - unadjusted (LC)	Sponsor name	Contracting legal entity	Related party (yes/no)	Contract start date			Summary of rights/benefits	Revenue recognised that was not contingent	Revenue recognised that was contingent	Describe basis for accounting treatment
					DD	MM	YY				
Manufacturer sponsor											
<b>Sponsorship and Advertising - Manufacturer Sponsor</b>											
Main sponsor											
<b>Sponsorship and Advertising - Kit sponsor</b>											
Stadium sponsor											
<b>Sponsorship and Advertising - Stadium sponsor</b>											
Pitch-perimeter and board advertising (>20% of total) Other arrangements											
<b>Sponsorship and Advertising - Pitch-perimeter and board advertising</b>											
Other arrangements											
<b>Sponsorship and Advertising - Other</b>											
<b>Total Sponsorship &amp; Advertising</b>											

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;
- the name of the legal entity which contracted to provide the sponsorship revenue;
- 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;
- 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; and
- a description of the basis for the accounting treatment of the revenue recognition. This should include the reason(s) for the recognition of any contingent revenue, the reason(s) for the recognition of revenue during the reporting period of a multi-year sponsorship contract, and the basis of treatment for any bundled sponsorship contract, for example if the contract includes both the stadium naming rights and the licensee's kit.

### 3. Revenue – broadcasting rights

**Annex X B(1)(c):** Includes revenue derived from sale of broadcasting rights to television, radio, new media and other broadcast media, in relation to national competitions (league and cup) and other matches (friendly matches and tours).

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 relating to matches in national competitions; and

- broadcasting rights for other types of matches and/or other types of football club generated material for broadcast. Note that monies received from participation in UEFA club competitions 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, it must input the total broadcasting rights figure into the account line Broadcasting rights – other/non-split.

### Supplementary schedule

As notified in the BE package, licensees may be required to provide additional information in their BE package for Revenue – broadcasting rights, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

	Reporting period T-1	
	Revenue in reporting period - unadjusted (LC)	Explanatory comments
League		
National cup 1		
National cup 2 (if applicable)		
Other		
<b>Broadcasting Rights - National competitions</b>		
Arrangement 1 (>20% of total)		
Other arrangements		
<b>Broadcasting Rights - Other</b>		
<b>Total Broadcasting Rights</b>		

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

- broadcast rights revenue relating to 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(1)(d):** Includes revenue derived from merchandising, food and beverage sales, conferencing, lottery and other commercial activities not otherwise categorised.

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 notified in the BE package, licensees may be required to provide additional information in their BE package for Revenue – commercial activities, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

	Reporting period T-1	
	Revenue in reporting period - unadjusted (LC)	Explanatory comments
League - home matches		
National cup 1 - home matches		
National cup 2 (if applicable) - home matches		
Other		
<b>Commercial - National competitions</b>		
Main merchandising arrangement (>20% of total)		
Other arrangements		
<b>Commercial - Merchandising</b>		
Major events		
Other events / usage		
<b>Commercial - Non-matchday usage of facilities</b>		
From Membership (>20% of total)		
Other arrangements		
<b>Commercial from Membership (non matchday related)</b>		
Other commercial income (>20% of total)		
Other arrangements		
<b>Other</b>		
<b>Total Commercial</b>		

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

- commercial revenue relating to 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

Includes revenue derived from the sale of broadcasting rights, commercial agreements and prize money in relation to competing in UEFA club competitions, as well as UEFA solidarity revenue.

UEFA solidarity and prize money is revenue received from UEFA solidarity distributions and from participation in UEFA club competitions (excluding gate receipts, which must be included in Gate receipts).

## 6. Revenue – other operating income

**Annex X B(1)(e):** Includes all other operating income not otherwise described above, including revenue derived from other activities such as subsidies, rent, dividends and income from non-football operations.

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 amounts from state or municipal authorities in the territory of the relevant licensee;
- donations received from non-related parties (other than national football bodies, state or municipal authorities);
- 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 rent and dividends.

Further guidance about non-football operations is given in **Appendix V (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 notified in the BE package, licensees may be required to provide additional information in their BE package for Revenue – other operating income, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

	Reporting period T-1	
	Revenue in reporting period - unadjusted (LC)	Explanatory comments
From National Association		
From other football body		
<b>Subsidies, donations or other amounts from national football bodies</b>		
Authority 1 (>20% of total)		
Other state/municipal authorities		
<b>Subsidies, grants or other amounts from state/municipal authorities</b>		
Donor 1 (>20% of total)		
Other donors		
<b>Donations from non related parties</b>		
<b>Contributions/donations from related parties</b>		
<b>Income from non-football operations</b>		
<b>Exceptional income</b>		
<b>Other operating income - other</b>		
<b>Total Other Operating Income</b>		

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 state or municipal authorities 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 state or municipal authorities if they are related to licensee);
- income from non-football operations; and
- exceptional 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. Total revenue

Total revenue is the aggregate of revenue from gate receipts, broadcasting rights, sponsorship and advertising, commercial activities, UEFA solidarity and prize money, and other operating income. It is automatically calculated in the Profit and loss account schedule based on the input data.

Total revenue is used to determine the ratios described in Article 62, being (a) employee benefit expenses relative to total revenue, and (b) net debt relative to total revenue.

## 8. Expenses – cost of sales/materials

**Annex X C(1)(a):** Includes cost of sales for all activities, such as catering, merchandising, medical care, kits and sports materials.

For the purpose of the break-even information, licensees must provide the total cost of sales/materials.

### **Supplementary schedule**

As notified in the BE package, licensees may be required to provide additional information in their BE package for Expenses – cost of sales/materials, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.



Cost of sales/materials	Reporting period T-1	
	Expenses in reporting period - unadjusted (LC)	Explanatory comments
Merchandising arrangement 1 (>20% of total)		
Other merchandising arrangements		
Catering sales		
Medical care		
Kits and sports materials		
Other activities		
<b>Total Cost of Sales / Materials</b>		

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.

## 9. Expenses – employee benefit expenses

**Annex X C(1)(b):** Includes all forms of consideration in exchange for services rendered during the reporting period by employees, including directors, management and those in charge of governance.

Employee benefits expenses cover all forms of consideration including, but not limited to, short-term employee benefits (such as wages, salaries, social security contributions, profit sharing and bonuses), non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services), post-employment benefits (payable after completion of employment), other long-term employee benefits, termination benefits, and share-based payment transactions.

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, football coaches, medical staff, administrative staff, matchday staff, members of the executive body and the employees of non-football operations.

Wages and salaries in respect of players and other employees 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 state/municipality social security or pension scheme, 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 input the total employee benefit expenses into the account line Employee benefit expenses – other/non-split (P2200).

Attention is drawn to Article 46*bis*(2a) that requires the licensee’s reporting perimeter to include all entities that account for compensation (meaning all forms of consideration) paid to employees (as defined in Article 50) arising from contractual or legal obligations.

### **Supplementary schedule**

As notified in the BE package, licensees may be required to provide additional information in their BE package for Expenses – employee benefit expenses, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

Employee benefits expenses	Reporting period T-1			
	Expenses in reporting period - unadjusted (LC)	Explanatory comments	Number of employees	Amount per employee (LC)
<b>Players (excluding youth players)</b>				
Wages and Salaries				
Bonuses/incentive payments				
Image rights				
Other wages and salaries				
<b>Players - Wages and Salaries</b>				
<b>Players - Social Security Contributions</b>				
<b>Players Benefits Expenses - Other</b>				
<b>Players (excluding youth players) - total</b>				
<b>Youth players</b>				
Total wages and salaries				
Social security contributions				
Other				
<b>Youth players - total</b>				
<b>Total Player Benefits Expenses</b>				
<b>Other employees</b>				
Other Employees - Wages and Salaries				
Other Employees - Social Security Contributions				
Other Employees Benefits Expenses - Other				
<b>Other employees - total</b>				
<b>Employee benefits expenses - other</b>				
<b>Total Employee Benefit Expenses</b>				

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; and
- other employees (being all employees other than players) – 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.

## 10. Expenses – other operating expenses

**Annex X C(1)(c):** Includes all other operating expenses, such as match expenses, rental costs, administration and overhead expenses, and expenses of non-football operations. In accordance with the minimum disclosure requirements in Annex VI C, depreciation, amortisation and impairment of fixed assets are not included in other operating expenses and are to be separately disclosed in the profit and loss account.

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 state/municipal authorities). For the avoidance of doubt, this account line must not include depreciation/impairment of tangible fixed assets;
- 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 contained in **Appendix V (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 notified in the BE package, licensees may be required to provide additional information in their BE package for Expenses – other operating expenses, by both completing the relevant supplementary schedule (extract below) and ensuring that the necessary disclosures are also recorded in the Profit and loss account schedule.

Other operating expenses	Reporting period T-1	
	Expenses in reporting period - unadjusted (LC)	Explanatory comments
Police and stewarding		
Other		
<b>Matchday expenses</b>		
<b>Sponsorship and advertising expenses</b>		
<b>Commercial activities expenses</b>		
Stadium site		
Training facilities		
Other properties		
<b>Property and facilities expenses</b>		
<b>Expenses of non-football operations</b>		
<b>Exceptional expenses</b>		
<b>Other operating expenses - Other</b>		
<b>Total Other Operating Expenses</b>		

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

- matchday expenses, split between policing and stewarding costs and other matchday expenses;
- sponsorship and advertising expenses;
- commercial activities expenses;
- property and facilities expenses, split between the stadium site, the training facilities and other properties;
- expenses of non-football operations (not otherwise included in another expense account line);
- exceptional expenses (not otherwise included in another expense account line); and
- other operating expenses.

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.

## 11. Expenses – depreciation/impairment of tangible fixed assets

**Annex X C(2)(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 depreciation and/or impairment of tangible fixed assets in a reporting period may be excluded from the calculation of the break-even result because the aim is to encourage investment and expenditure on facilities and activities for the long-term benefit of the club.

The licensee must enter the appropriate figure for the depreciation of tangible fixed assets. For the break-even calculation, the annual charge for depreciation of tangible fixed assets is excluded from relevant expenses; this adjustment will be visible in the CL/FFP IT Solution.

The licensee must enter the figure for impairment of tangible fixed assets, aggregated with the figure for impairment of other intangible fixed assets (excluding player registrations), in the account line Impairment of tangible fixed assets and/or other intangible fixed assets. For the break-even calculation, any charge for impairment of tangible fixed assets (and/or other intangible fixed assets) is excluded from relevant expenses; this adjustment will be visible in the CL/FFP IT Solution.

## 12. Expenses – amortisation/impairment of intangible fixed assets (excluding player registrations)

**Annex X C(2)(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 to sell.

The amortisation and/or impairment loss of intangible fixed assets other than in respect of the cost of acquiring player registrations in a reporting period may be excluded from the calculation of the break-even result. For the avoidance of doubt, the amortisation/impairment of the costs of acquiring player registrations must be included in the calculation of the break-even result for a reporting period.

The licensee must enter the appropriate figure for the amortisation of intangible fixed assets (excluding player registrations). For the break-even calculation, the annual amortisation of intangible fixed assets (other than player registrations) is excluded from relevant expenses; this adjustment will be visible in the CL/FFP IT Solution.

The licensee must enter the figure for impairment of other intangible fixed assets (excluding player registrations), aggregated with the figure for impairment of tangible fixed assets, in the account line Impairment of tangible fixed assets and/or other intangible fixed assets. For the break-even calculation, any charge for impairment of other intangible fixed assets (and/or tangible fixed assets) is excluded from relevant expenses; this adjustment will be visible in the CL/FFP IT Solution.

## 13. Player trading

### Method of accounting for player registrations

For data entry into the profit and loss account schedule, the licensee must input the figures from its annual financial statements. With regard to the method of accounting for player registrations in its annual financial statements, a licensee will apply either the capitalisation and amortisation method or the income and expense method.

**Annex X C(1)(d):** For the purpose of the break-even calculation:

- For clubs which 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;
- For clubs which use the ‘income and expense’ method of accounting for player registrations in their annual financial statements, the club can elect to apply either the ‘income or expense’ or the ‘capitalisation and amortisation’ method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

If a licensee which uses the income and expense method of accounting for player registrations in its annual financial statements elects to apply the capitalisation and amortisation method, it must make appropriate adjustments for the calculation of the break-even result by fully completing the alternative method for player accounting adjustment schedule. See **Appendix V (I)** of this document for further details.

### Amortisation/impairment of player registrations and loss on disposal of player registrations or costs of acquiring player registrations

**Annex X C(1)(d):** For the calculation of relevant expenses, whether a club includes either (i) amortisation/impairment of player registrations and loss on disposal of player registrations or (ii) costs of acquiring player registrations will depend on each club’s method of accounting for player registrations in its financial statements and the application of the requirements defined below:

- i) 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.

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.

- ii) For a reporting entity that uses the ‘income and expense’ method of accounting for player registrations, the costs of acquiring a player’s registration is recorded in a reporting period.

For the avoidance of doubt, for the calculation of relevant income/expenses and the break-even result :

- all forms of consideration to and/or for the benefit of players (such as signing-on fees) must be treated as employee benefit expenses and are not costs of acquiring a player’s registration.
- finance costs arising in respect of borrowings should be treated as finance costs and are not costs of acquiring a player’s registration even if the borrowings were obtained to help finance the acquisition of player registrations.
- the costs/proceeds of acquiring/selling a player’s registration must be recorded in the books of the entities in the reporting perimeter.

Further guidance for an entity that uses the capitalisation and amortisation method of accounting for player registrations, in accordance with Annex VII C:

- if the period of a player’s contract with the club falls entirely within an annual reporting period, then 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 P2600 rather than P2700.
- if the period of a player’s contract with the club is extended, the carrying value plus any additional direct contract renegotiation costs are to be amortised over the extended period of the player’s contract.
- only direct costs of acquiring a player’s registration can be capitalised and, for accounting purposes, costs relating to the youth sector must not be included in the balance sheet. Costs relating to the youth sector that meet the definition of expenditure on youth development activities may be excluded from the

calculation of the break-even result, for which the licensee must complete the appropriate adjustments schedule (see **Appendix V** of this document for further information).

Further guidance for an entity that uses the income and expense method of accounting for player registrations, in accordance with Annex VII C:

- costs of acquiring a player's registration includes transfer compensation to another football club, fees to agents/intermediaries, and other direct costs of acquiring the registration.

### Profit on disposal of player registrations or income from disposal of player registrations

**Annex X B(1)(f)** : For the calculation of relevant income, whether a club includes either (i) profit on disposal of player registrations or (ii) income from disposal of player registrations will depend on each club's method of accounting for player registrations in its financial statements and application of the requirements defined below:

- i) For a club 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.

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

The net disposal proceeds should equate to the monetary income from the disposal of the player's registration.

As set out in Annex VII C, for a licensee's financial statements for club licensing any profit in respect of a player for whom the licensee retains the registration must not be recognised in the profit and loss account. 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 profit and loss account and, thereby, the break-even calculation, following the permanent transfer of a player's registration to another club.

For example, during its reporting period ending in 2014 club A disposes of 50% of the economic rights of player X for a profit of €1 million, but retains the player's registration. For club licensing, the financial statements for reporting period ending in 2013 must defer the profit on disposal. During its reporting period ending in 2015, club A disposes of the remaining 50% of the economic rights of player X for a profit of €1 million and permanently transfers the player's registration to another club. For club licensing, the financial statements for reporting period ending in 2015 recognise the profit on disposal of €2 million.

It is also noted that for club licensing each licensee must have made certain disclosures in its annual financial statements (or supplementary information) for any player for whom the economic rights or similar were not fully owned. As set out in Annex VI E, the required disclosures are the name of the player and the percentage of economic rights or similar held by the licence applicant/licensee at the beginning of the reporting period (or on acquisition of the registration) and at the end of the reporting period.

### Supplementary schedule

As notified in the BE package, licensees may be required to provide information in their BE package for player trading, by completing the relevant supplementary schedule (extract below).

Player trading	Reporting period T-1								
	Player name	Name of club to which the player's registration transferred	Registration transfer date			Net disposal proceeds received and receivable	Net book value of the player's registration	Profit on disposal	Explanatory comments
			DD	MM	YYYY				
Player 1									
Player 2									
Player 3									
Other players									
Profit on disposal of intangible fixed assets (player registrations)									

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 transferred;
- the date the player's registration transferred to the acquiring club;

- net disposal proceeds received and receivable from the acquiring club (and, if applicable, from other parties); and
- net book value of the player's registration at the date the player's registration transferred to the acquiring club.

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.

#### 14. Profit/loss on disposal of tangible fixed assets

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(1)(g) 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 V (B)** of this document for further guidance about this type of adjustment.

#### 15. Profit/loss on disposal of intangible fixed assets (excluding player registrations)

The profit/loss on disposal of an intangible fixed asset (excluding player registrations) 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 disposal of intangible fixed assets (excluding player registrations) is to be excluded from the break-even result; this adjustment will be done automatically in the CL/FFP IT Solution.

#### 16. Finance income

**Annex X B(1)(h):** Finance income is in respect of interest revenue arising from the use by others of entity assets yielding interest.

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.

##### ***Supplementary schedule***

As notified in the BE package, licensees may be required to provide additional information in their BE package for Finance income / Finance costs, by completing the relevant supplementary schedule (extract below).

#### 17. Finance costs

**Annex X C(1)(e):** Finance costs include interest and other costs incurred by an entity in respect of the borrowing of funds, including interest on bank overdrafts and on bank and other loans, and finance charges in respect of finance leases.

Finance costs must be disclosed separately in the profit and loss account schedule for the calculation of relevant expenses for the break-even result.

If applicable, the finance costs in an entity's financial statements and, consequently, in the licensee's break-even calculation will also include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

##### ***Supplementary schedule***

As notified in the BE package, licensees may be required to provide additional information in their BE package for Finance income / Finance costs, by completing the relevant supplementary schedule (extract below).

	Reporting period T-1	
	Amount in reporting period - unadjusted (LC)	Explanatory comments
Finance income arrangement 1 (>20% of total)		
Other arrangements		
<b>Finance income</b>		
Finance expenses arrangement 1 (>20% of total)		
Other arrangements		
<b>Finance expenses</b>		
Net Foreign Exchange Gain/(Losses)		
<b>Net finance income/(expenses)</b>		

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 in respect of financing must be separately disclosed on account line "Net foreign exchange gains/losses"..

## 18. Other income and expenses

Other income and other 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 notified in the BE package, licensees may be required to provide additional information in their BE package for other income and other expenses, by completing the relevant supplementary schedule (extract below).

Other items	Reporting period T-1	
	Amount in reporting period - unadjusted (LC)	Explanatory comments
Element 1		
Element 2		
<b>Other income (non operating)</b>		
Element 1		
Element 2		
<b>Other expenses (non operating)</b>		



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

## 19. Tax income/expense

**Annex X C(2)(c):** Tax expense in respect of income tax includes all domestic and foreign taxes that are based on taxable profit. Taxable profit (tax loss) is the profit (loss) for a reporting period upon which income taxes are payable (recoverable). Tax expense is the amount recognised for a reporting period in respect of the current and future tax consequences of transactions and other events.

Tax expense does not include value added taxes or tax and social security contributions in respect of employees.

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.

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.

## 20. Profit or loss after taxation

The calculated profit or loss after taxation for the reporting period in the profit and loss account schedule in the CL/FFP IT Solution must match the profit or loss after taxation as recorded in the appropriate annual financial statements.

## 21. Dividends

**Annex X C(1)(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.

The figure for profit/loss after dividends in the profit and loss account schedule is automatically included as part of a reconciliation in the balance sheet schedule.

## 22. Prior period adjustments

In the Management representations schedule in the BE package, the licensee must disclose any prior period adjustment(s) by entering a description in the box provided and describing any supporting documentation attached to the package.

Such 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 to 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 CFCB will consider both 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.

It is also noted that in accordance with Article 67 the licensee has an ongoing duty to promptly notify the licensor in writing about any significant changes since documentation was previously submitted for either club licensing or club monitoring purposes.

## C. Cash flow statement

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

The licensee must prepare and submit cash flow statement information for each relevant reporting period as set out in the prescribed format in the CL/FFP IT Solution, based on the annual financial statements, supplementary information and underlying accounting records.

The minimum disclosures are net cash inflow/outflow from operating activities, cash inflow/outflow from investing activities, cash inflow/outflow from financing activities, and other cash inflow/outflow.

Figures must be input to the cash flow statement schedule as follows:

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

### 1. Cash flow from operating activities

Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financial activities. Therefore, they generally result from the transactions and other events that enter into the determination of net profit or loss.

### 2. Cash flows from investing activities

Investing activities are the acquisition and disposal of long-term assets (including player registrations and tangible fixed assets) and other investments not included in cash equivalents.

### 3. Cash flow from financial activities

Financing activities are activities that result in changes in the size and composition of the contributed equity share capital and borrowings of the entity, including in respect of shareholders, related parties and financial institutions.

### 4. Other cash flows

These are other cash flows not otherwise categorised as operating, investing or financing activities.

## 5. Cash and cash equivalents reconciliation

The brought-forward amount of cash and cash equivalents (as per the cash flow statement), together with the net cash flow in the reporting period, should aggregate to the brought-forward amount of cash and cash equivalents (as per the cash flow statement). Only if applicable, the licensee may also use the line 'Prior period adjustment / change of reporting perimeter (from previous period)'.

In turn, the amount of cash and cash equivalents at the end of the reporting period (as per 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.

<b>Cash Flow Statement</b>	
<b>Net cash inflow/(outflow) from operating activities</b>	<input type="text"/>
<b>Cash flows from Investing Activities</b>	
Cash receipts from sale of player registrations	<input type="text"/>
Cash (payments) from purchase of player registrations	<input type="text"/>
Cash receipts from sale of tangible fixed assets	<input type="text"/>
Cash (payments) from purchase of tangible fixed assets	<input type="text"/>
Cash inflow/(outflow) from investing activities / non-split	<input type="text"/>
<b>Cash inflow/(outflow) from investing activities</b>	<input type="text"/>
<b>Cash flows from financing activities</b>	
Cash receipts from borrowings - shareholders & related party	<input type="text"/>
Cash (payments) on borrowings - shareholder & related party	<input type="text"/>
Cash receipts from borrowings - financial institutions	<input type="text"/>
Cash (payments) on borrowings - financial institutions	<input type="text"/>
Cash receipts from increase in capital/equity	<input type="text"/>
Cash (payments) on dividends paid to owners/shareholders	<input type="text"/>
Cash inflow/(outflow) from financing activities / non-split	<input type="text"/>
<b>Cash inflow/(outflow) from financing activities</b>	<input type="text"/>
<b>Other cash inflow/(outflow)</b>	<input type="text"/>
<b>Net cash inflow/(outflow) in reporting period</b>	<input type="text"/>
<b>Cash and cash equivalents reconciliation:</b>	
Brought forward at start of reporting period	<input type="text"/>
Post year end changes / change of reporting perimeter (from previous reporting period)	<input type="text"/>
Net cash flow in reporting period	<input type="text"/>
Carried forward at end of period	<input type="text"/>
<b>Reminder of Cash and cash equivalents less Bank overdrafts in the Balance sheet</b>	<input type="text"/>

## APPENDIX V: GUIDANCE FOR BE PACKAGE - ADJUSTMENTS

### A. Calculation of relevant income, relevant expenses and the break-even result

**Article 58 (1, 2, 4):** Relevant income is defined as revenue from gate receipts, broadcasting rights, sponsorship and advertising, commercial activities and other operating income, plus either profit on disposal of player registrations or income from disposal of player registrations, excess proceeds on the disposal of tangible fixed assets and finance income. It does not include any non-monetary items or certain income from non-football operations.

Relevant expenses is defined as cost of sales, employee benefits expenses and other operating expenses, plus either amortisation or costs of acquiring player registrations, finance costs and dividends. It does not include depreciation/impairment of tangible fixed assets, amortisation/impairment of intangible fixed assets (other than player registrations), expenditure on youth development activities, expenditure on community development activities, any other non-monetary items, finance costs directly attributable to the construction of tangible fixed assets, tax expenses or certain expenses from non-football operations.

Relevant income and expenses from related parties must be adjusted to reflect the fair value of any such transactions.

Relevant income, relevant expenses and the break-even result for a reporting period are calculated based on the figures input to the Profit and loss account schedule and the Adjustments schedules.

For each of the following lines in the Profit and loss account schedule, **the following adjustments will be processed automatically in the CL/FFP IT Solution** for the calculation of the break-even result:

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

**The licensee must manually input information in the following Adjustments schedules for appropriate adjustments to be included in the calculation of the break-even result:**

- excess proceeds on disposal of tangible fixed asset – asset being replaced;
- excess proceeds on disposal of tangible fixed asset – other asset not being replaced;
- fair value adjustment(s) for transaction(s) with related parties;

*In the supplementary schedules 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;

*In the supplementary schedules 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.*

- expenditure on youth development activities;
- expenditure on community development activities;
- finance costs directly attributable to the construction of tangible fixed assets;
- exclusion of non-monetary items;
- player trading adjustments.

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

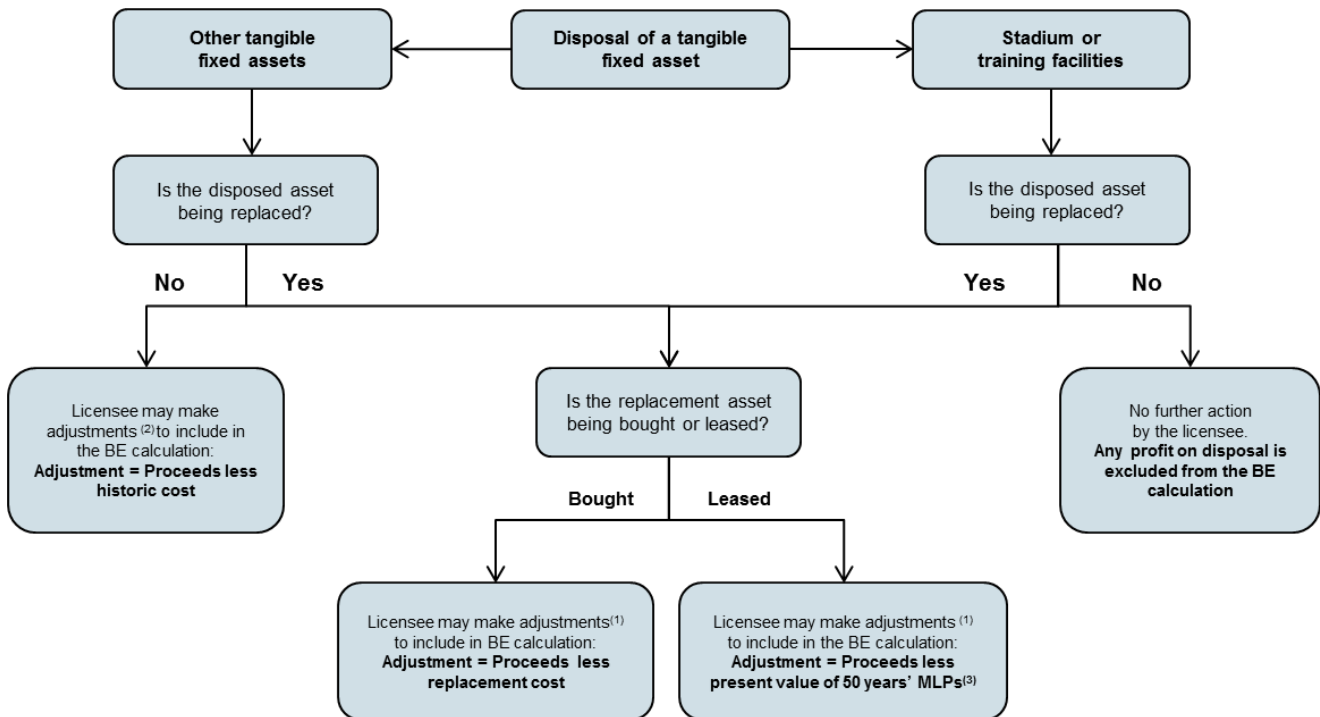
Further adjustments may also be made to a licensee's relevant income and relevant expenses: (i) by the UEFA administration to reclassify amounts between account lines, with any such reclassifications having no impact on the break-even result ("FS reclassification"), and (ii) by the CFCB, based on the 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. Excess proceeds on disposal of tangible fixed assets

**Annex X A (1)(g):** The profit on disposal of tangible fixed assets (including, but not limited to, a club's stadium and training facilities) in a reporting period must be excluded from the break-even result, with the following two exceptions:

- i) If a tangible fixed asset other than a stadium or training facilities is not being replaced, then the profit on disposal recognised in the income statement can be taken into account as a relevant income up to the difference between the proceeds on disposal and the historical cost of the asset which was recognised as a tangible fixed asset in the financial statements of the reporting entity.
- ii) If a club demonstrates that it is replacing a sold fixed asset, then the profit on disposal recognised in the income statement can be taken into account as a relevant income up to:
  - the difference between the proceeds on disposal and the full cost of the replacement asset which is recognised, or to be recognised, as a tangible fixed asset in the financial statements of the reporting entity;
  - the difference between the proceeds on disposal and the present value of 50 years' minimum lease payments in respect of the replacement asset to be used by the club under a lease/rental arrangement.

### 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 supplementary schedule for "Excess proceeds on disposal of tangible fixed assets (asset being replaced)". 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 supplementary schedule for "Excess proceeds on disposal of tangible fixed assets (other asset not being replaced)". 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

## 1. 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.

## 2. 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.

## 3. 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.

## 4. 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.

## 5. 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.

## 6. 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 €'000
1	100	0.05	$1/(1+0.05)^1$	0.952	95
2	100	0.05	$1/(1+0.05)^2$	0.907	91
3	100	0.05	$1/(1+0.05)^3$	0.864	86
4	100	0.05	$1/(1+0.05)^4$	0.823	82
5	100	0.05	$1/(1+0.05)^5$	0.784	78
.....	...	...	...	...	...
50	100	0.05	$1/(1+0.05)^{50}$	0.087	9
Present value of 50 years' minimum lease payments			1,826		

- The present value of minimum lease payments should be calculated using the interest rate implicit in the lease.
- If the interest rate implicit in the lease 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.

**7. Information to be disclosed in the supplementary schedules**

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

Excess proceeds on disposal of tangible fixed assets- being replaced							
	T-1-LC	Profit on disposal of asset	Proceeds from disposal	Replacement asset - full cost	Replacement asset - minimum lease payments	Adjustment	Explanation
Profit/(Loss) on Disposal of Tangible Fixed Assets							
Total Excess proceeds on disposal of tangible fixed assets- being replaced							

Excess proceeds on disposal of tangible fixed assets- other not being replaced							
	T-1-LC	Profit on disposal of asset	Proceeds from disposal	Historical cost	Adjustment	Explanation	
Profit/(Loss) on Disposal of Tangible Fixed Assets							
Total Excess proceeds on disposal of tangible fixed assets- other not being replaced							

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 €3,000k. The historical cost of the asset was €1,000k and at the time of disposal it was recorded in the financial statements at a net book value of €600k.

Profit on disposal of asset in the financial statements	Proceeds less historic cost
Calculation: Proceeds: €3,000 Net book value: €600 Profit: €2,400	Calculation: Proceeds: €3,000 Historical cost: €1,000 Balance: €2,000
Outcome: amount to be included in the break-even calculation = €2,000	

#### Example 2:

A club disposes of its old stadium, receiving net proceeds of €75,000k. The historical cost of the stadium was €40,000k and at the time of disposal it was recorded at a net book value of €15,000k. The club buys/develops a new stadium as a replacement asset, which costs €65,000k.

Profit on disposal of asset in the financial statements	Proceeds less replacement cost
Calculation Proceeds: €75,000 Net book value: €15,000 Profit: €60,000	Calculation Proceeds: €75,000 Replacement cost: €65,000 Proceeds less replacement cost: €10,000
Outcome: amount to be included in the break-even calculation = €10,000	

#### Example 3:

A club disposes of its old stadium, receiving net proceeds of €30,000k. The historical cost of the stadium was €20,000k and at the time of disposal it had a net book value of €5,000k. The club leases a new stadium as a replacement asset, for which it has an annual minimum lease payment of €1,000k 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: €30,000 Net book value: €5,000 Profit: €25,000	Calculation Proceeds: €30,000 50 years' MLPs: €1,000 x 50 = €50,000 Present value of 50 years' MLPs: €18,300 Proceeds less PV of 50 years' MLPs: €11,700
Outcome: amount to be included in the break-even calculation = €11,700.	



## C. Transactions with related parties

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 that is included in the reporting perimeter, identify and disclose in the supplementary schedule in the BE package **all transactions with related parties** in a reporting period by considering each possible related-party relationship (disclosure about each related party transaction must be done regardless of whether or not the licensee is doing 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; and
- 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 adjustments schedule in the BE package (a downwards adjustment only in case of an income transaction; an upwards adjustment only in case of an expense transaction).

Annex X E defines related party, related-party transactions, fair value of related-party transactions, and the necessary adjustments for the break-even calculation.

### 1. Definition of a related party

Annex X E sets out the **definition of a related party** to an entity in the reporting perimeter.

The determination as to whether a relationship falls within one of the categories defined in the Annex X E can involve judgement focusing on the substance of a relationship and not merely its legal form.

For the BE 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 contracts 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.

#### Annex X E:

1. A related party is a person or entity that is related to the entity that is preparing its financial statements (the 'reporting entity').
2. A person or a close member of that person's family 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.
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) 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);
  - c) Both entities are joint ventures of the same third party;
  - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - f) The entity is controlled or jointly controlled by a person identified in paragraph 2; or
  - g) 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).
4. With reference to paragraphs 1 to 3 above, the following definitions apply:
  - a) Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity. They may include 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.

- b) Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
  - c) A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.
  - d) Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).
  - e) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
  - f) Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
  - g) An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.
5. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form. The following are not related parties:
- a) Two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
  - b) Two venturers simply because they share joint control over a joint venture.
  - c) Providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
  - d) A customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

## 2. Related-party transaction

### Annex X E:

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

## 3. Fair value of transactions with related parties

### Annex X B (1) (j): Adjustments in respect of income transactions with related parties above fair value

For the purpose of the break-even result, the licensee must determine the fair value of any related party transaction(s). If the estimated fair value is different to the recorded value, then the relevant income must be adjusted accordingly, bearing in mind, however, that no upward adjustments can be made to relevant income.

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

- sale of sponsorship rights by a club to a related party;
- sale of corporate hospitality tickets and/or use of an executive box by a club to a related party; and
- any transaction with a related party whereby goods or services are provided to a club.

Examples of related-party transactions that must be adjusted because they must always be excluded from relevant income are:

- monies received by a club from a related party as a donation; and
- settlement of liabilities on behalf of the club by a related party.

Contributions from a related party may only be taken into consideration in the determination of the acceptable deviation as part of the assessment of the break-even requirement.

#### **Annex X C (1) (f): Adjustments in respect of expense transactions with related parties below fair value**

For the purposes of the break-even calculation, the licensee must determine the fair value of any related party transaction(s). If the estimated fair value is different to the recorded value, then the relevant expenses must be adjusted accordingly, bearing in mind, however, that no downward adjustments can be made to relevant expenses.

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.

If a related party outside the licensee's reporting perimeter incurs expenses and/or performs services on behalf of the football club and the fair value of such transactions is not otherwise recognised in expenses in the reporting perimeter, 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 supplementary schedule 'Transactions with related parties' (see 4 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 schedule - capital contributions from a related party' - see **Appendix VI (D)**.

This situation may sometimes arise if the reporting perimeter excludes an entity because its main activity is not related to the activities, location, assets and brand of the football club, but the excluded entity has some football activities. In such a case then any such costs must be adjusted for the break-even calculation by using the adjustments schedule for 'Related party transactions', to add amounts to relevant expenses.

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 supplementary schedule 'Transactions with related parties' (see 4 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 schedule - Income transactions from a related party' - see **Appendix VI (D)**.

## **4. Information to be disclosed in the supplementary schedules**

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 disclose the following information:

- the profit and loss account line that contains the related party transaction(s);
- the amount of the transaction(s) as recorded in the annual financial statements and underlying accounting records (in aggregate, if more than one related party transaction);
- the fair value of the transaction(s) (in aggregate, if more than one related party transaction);
- brief explanatory comments about the transaction;
- the difference (i.e. adjustment), if any, between the recorded value and the fair value.

This information should be entered in to the **Transaction(s) with Related Party(ies) schedule**, as follows:

Transaction(s) with related party(ies)					
Select account line(s)	T-1-LC	Amount of RP transaction(s) recorded in the P&L	Fair Value of RP transaction(s)	Explanation	Adjustment
Total of transaction(s) with related party(ies)					

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;
- the difference (i.e. adjustment), if any, between the recorded value and the fair value; and
- a summary of the different types of evidence to support the deemed fair value of the transaction.

The detailed transactions schedule must reconcile to the account line schedule.

This information should be entered in to the **Transaction(s) with Related Party(ies) - Detail schedule**, which is illustrated for Sponsorship and Advertising-Kit Sponsor below:

Transaction(s) with related party(ies) - Detail					
Account line	Nature of the transaction	Amount of RP transaction(s) recorded in the P&L	Fair Value of RP transaction(s)	Summary of evidence to support the fair value of the RP transaction	Adjustment (LC)
Sponsorship and Advertising-Kit Sponsor					

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 V (B)**).

## D. Non-football operations

According to **Annex X B(1)(k)**: The income of non-football operations only needs to be excluded from the calculation of relevant income if it is clearly and exclusively not related to the activities, locations or brand of the football club, in which case it must be excluded.

Examples of activities that may be reported in financial statements as non-football operations but for the purposes of the calculation of relevant income and expenses would not normally need to be adjusted include:

- operations based at, or in close proximity to, a club's stadium and training facilities such as a hotel, restaurant, conference centre, business premises (for rental), health care centre, other sports teams; and
- operations clearly using the name/brand of a club as part of their operations.

According to **Annex X C(1)(k)**:

The expenses of non-football operations which are clearly and exclusively not related to the activities, locations or brand of the football club may be excluded from the calculation of relevant expenses.

## 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 legal group and/or 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 segment 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:

- i) **non-football activities/operations which are related to the activities, locations and/or brand of the football club**, for which the income and expenses may be excluded from the break-even calculation; or
- ii) **non-football activities/operations which are clearly and exclusively 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.

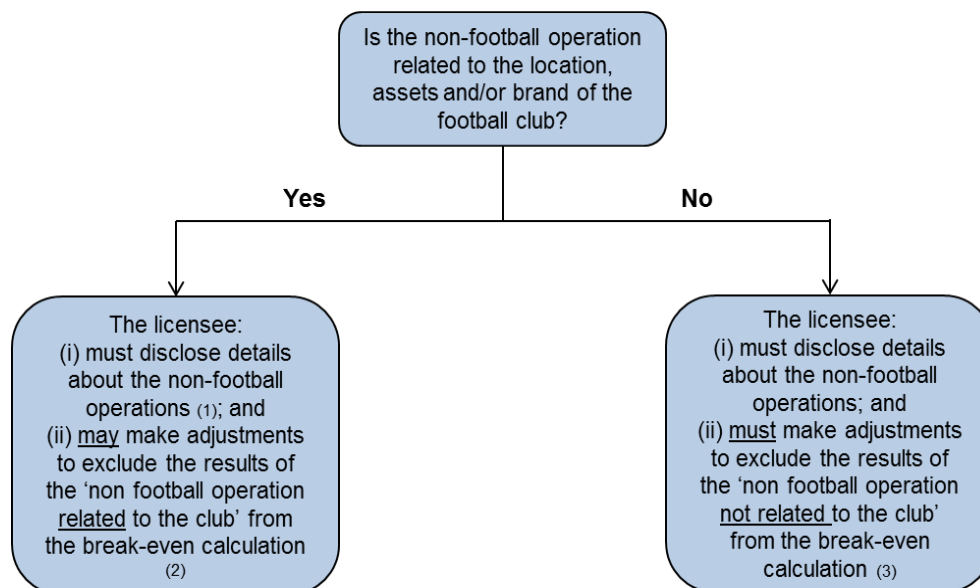
In general, non-football operations which are related to the locations of the football club are operations physically based at or in close proximity to a club's home stadium and/or training facilities. And, non-football operations which are related to the brand of the football club are operations clearly 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

With regard to non-football operations, a licensee must take care to ensure that both the **reporting perimeter is appropriately defined**. As explained in **Appendix III**, if an entity which is included in the reporting perimeter has non-football operations the following applies:

**Guidance for treatment of non-football operations of an entity in the reporting perimeter  
for the break-even calculation**



- (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 expenses) of the 'non-football operations related to the club' for the purpose of the break-even calculation by using the adjustments 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 thus exclude the results (all income and expenses) of the 'non-football operations not related to the club' for the purpose of the break-even calculation by using the adjustments schedule for 'Non-football operations' (see also **Appendix III C3b**).

#### 4. Information to be disclosed in the supplementary schedules

If the licensee processes exclusion adjustments for the break-even calculation, it has to use the adjustments schedule 'Non-football operations' and :

- select each of the relevant profit and loss account lines (the total value of the account line will be displayed);
- input the amount of income or expense to be adjusted; and
- provide any further explanatory commentary, to extent not already disclosed in the detailed schedule as above.

Adjustments for non football operations				
Select account line(s)	T-1-LC	Non football operations	Explanation	Adjustment
Total non football operations adjustments				

Regardless of whether or not an adjustment is required/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 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 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 assets, location and/or brand.

Non-football operations adjusted for break-even calculation								
Reporting period T-1					Is the operation is based at or in close proximity to stadium and/or training facilities?		Does the operation clearly uses the name/brand of the club?	
Description of the non-football operation	Revenue (LC)	Expenses in employee benefit expenses (LC)	Expenses in other account lines (LC)	Net result in reporting period - unadjusted (LC)	Enter '1' for yes	Enter '1' for no	Enter '1' for yes	Enter '1' for no

Non-football operations not adjusted for break-even calculation								
Reporting period T-1					Is the operation is based at or in close proximity to stadium and/or training facilities?		Does the operation clearly uses the name/brand of the club?	
Description of the non-football operation	Revenue (LC)	Expenses in employee benefit expenses (LC)	Expenses in other account lines (LC)	Net result in reporting period - unadjusted (LC)	Enter '1' for yes	Enter '1' for no	Enter '1' for yes	Enter '1' for no

## E. Expenditure on youth development activities

### Annex X C (1)(g):

Appropriate adjustment may be made such that youth development expenses are excluded from the calculation of the break-even result. Expenditure on youth development activities means expenditure by a club that is directly attributable (i.e. would have been avoided if the club did not undertake youth development activities) to activities to train, educate and develop youth players involved in the youth development programme, net of any income received by the club that is directly attributable to the youth development programme. The break-even requirement allows a reporting entity to exclude expenditure on youth development activities from relevant expenses because the aim is to encourage investment and expenditure on facilities and activities for the long-term benefit of the club.

Activities that are considered as youth development activities include, but are not limited to:

- organisation of a youth sector;
- youth teams taking part in official competitions or programmes played at national, regional or local level and recognised by the member association;
- football education programme for different age groups (e.g. playing skills, technical, tactical and physical);
- education programme on the Laws of the Game;
- medical support for youth players; and
- non-football education arrangements.

Directly attributable expenses include, but are not limited to:

- costs of materials and services used or consumed in undertaking the youth development activities, such as accommodation costs, medical fees, educational fees, travel and subsistence, kit and clothing, facility hire;
- costs of employee benefits for employees wholly involved in youth development activities other than players,

such as the head of youth development programme and youth coaches, as defined in Articles 38 and 39, if their employment by the club is wholly for the youth development activities;

- ix) costs of employee benefits for employees who are youth players under the age of 18 as at the statutory closing date of the licensee. 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.

If a reporting entity cannot separately identify expenditure on youth development activities from other expenditure, then such expenditure will not be treated as expenditure on youth development activities. The following are not part of expenditure on youth development activities for the purpose of this requirement:

- x) player scouting costs;
- xi) fees to obtain the registration of a youth player, such as any fees paid to an agent or to another club;
- xii) selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the youth development activities;
- xiii) costs of employee benefits for employees only partly involved in youth development activities (for example, a coach having part-time involvement in youth development activities);
- xiv) costs of property, stadium and equipment and/or depreciation thereof (the depreciation of tangible fixed assets including, but not limited to, any such assets relating to youth development activities is separately excluded from relevant expenses).

In an entity's annual financial statements, the profit and loss account will include various expenses that a licensee's management may consider as relating to the youth sector. For calculating the break-even result, a licensee may make an adjustment for expenditure on youth development activities, which must be calculated in accordance with the definition contained in Annex X C (1)(g).

Articles 17 and 18 (part of the sporting criteria for club licensing) provide further guidance as to the definition of youth development activities.

Any income that is directly attributable to the youth development programme (such as grants/subsidies, sponsorship revenue specifically for the youth development programme, and any gate receipts from youth team matches) must be deducted from the total of expenses, such that the adjustment for expenditure on youth development activities is net of any such income.

## 1. Information to be disclosed in the supplementary schedules

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 selecting 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 selected line of the profit and loss account schedule; and
- in the explanation cell, any additional commentary considered necessary to assist understanding of the adjustment.

This adjustment schedule is shown below:

Expenditure on youth development activities				
Select account line(s)	T-1-LC	Expenditure on YDA	Explanation	Adjustment
Total of expenditure on youth development activities				

The further analysis required in the supplementary schedule, to reconcile to the total adjustment for expenditure on youth development activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below. Any income directly attributable to the youth development programme must be entered as a positive number.



**Expenditure on youth development activities**

<b>Expenditure on youth development activities</b>	<b>T-1 Expenditure on YDA</b>
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, clothing and equipment	
Facility costs	
Other costs directly attributable to youth development activities	
Income directly attributable to youth development programme	

**F. Expenditure on community development activities****Annex X C (1)(h):**

Appropriate adjustment may be made such that community development expenses are excluded from the calculation of the break-even result. Expenditure on community development activities means expenditure that is directly attributable (i.e. would have been avoided if the club did not undertake community development activities) to activities for the public benefit to promote participation in sport and advance social development.

Community development activities include, but are not limited to:

- i) the advancement of education;
- ii) the advancement of health;
- iii) the advancement of social inclusion and equality;
- iv) the prevention or relief of poverty;
- v) the advancement of human rights, conflict resolution or the promotion of religious or racial harmony or equality and diversity;
- vi) the advancement of amateur sport;
- vii) the advancement of environmental protection or improvement; or
- viii) the relief of those in need by reason of youth, age, ill health, disability, financial hardship or other disadvantage.

Directly attributable expenses include, but are not limited to:

- ix) costs of materials and services used or consumed in undertaking the community development activities;
- x) costs of employee benefits for employees wholly involved in community development activities;
- xi) donations to other entities for which the purpose is promote participation in sport and/or advance social development.

If a reporting entity cannot separately identify expenditure on community development activities from other expenditure, then such expenditure will not be treated as expenditure on community development activities. The following are not part of expenditure on community development activities for the purpose of this requirement:

- xii) selling, administrative and other general overhead expenditure unless this expenditure can be directly attributed to the community development activities;
- xiii) costs of employee benefits for employees only partly involved in community development activities (for example, a player having some form of involvement in community development activities);
- xiv) the costs of property, stadium and equipment and/or depreciation thereon (the depreciation of tangible fixed assets including, but not limited to, any such assets relating to community development activities is separately excluded from relevant expenses anyway).

In an entity's annual financial statements, the profit and loss account may include various expenses that a licensee's management may consider to be community activity expenses. For calculating the break-even result, a licensee may make an adjustment for expenditure on community development activities, which must be calculated in accordance with the definition contained in Annex X C (1)(h).

Following the same approach as for youth development activities, any income that is directly attributable to the community development activities (such as grants/subsidies, and sponsorship revenue specifically for community development activities) must be deducted from the total of expenses, such that the adjustment for expenditure on community development activities is net of any such income.

**1. Information to be disclosed in the supplementary schedules**

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 selecting 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 selected line of the profit and loss account schedule; and
- in the explanation cell, any additional commentary considered necessary to understand the adjustment.

This adjustment schedule is shown below:

Expenditure on community development activities				
Select account line(s)	T-1-LC	Expenditure on CDA	Explanation	Adjustment
Total of expenditure on community development activities				

The further analysis required in the supplementary schedule, to reconcile to the total adjustment for expenditure on community development activities (enter expenses as negative figures, rounded to the nearest thousand) is illustrated below. Any income directly attributable to community development activities must be entered as a positive number.

Expenditure on community development activities		T-1 Expenditure on CDA
<b>Expenditure on community development activities</b>		
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		
Income directly attributable to community development activities		

## G. Finance costs directly attributable to the construction of tangible fixed assets

**Annex X C (1)(j):** A licensee may exclude from the calculation of the break-even result any finance costs that are directly attributable to the construction of an asset for use for the club's football activities that have been expensed in a reporting period rather than capitalised as part of the cost of the asset, up until when 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 of an asset, all finance costs must be included in the calculation of the break-even result.

### 1. 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 or constructing 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, e.g. a stadium or football training facilities.

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.

## 2. 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 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.

## 3. Information to be disclosed in the supplementary schedule

The following information must be disclosed in the adjustment schedule for finance costs directly attributable to the construction 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 (1)(j);
- 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 or constructing a qualifying asset, or funded from a pool of general borrowings.

This information should be entered in to the ‘Finance costs directly attributable to the construction of tangible fixed assets’ schedule, which is illustrated below:

Finance costs directly attributable to the construction of tangible fixed assets				
	T-1-LC	Finance costs	Explanation	Adjustment
Finance expenses				
<b>Total of Finance costs directly attributable to the construction of tangible fixed assets</b>				

## H. Non-monetary items

**Annex X B (1)(i):** Appropriate adjustments must be made such that non-monetary credits are excluded from relevant income for the break-even calculation.

**Annex X C (1)(i):** Appropriate adjustments may be made such that non-monetary debits/charges are excluded from relevant expenses for the break-even calculation.

**Annex X B (1)(i):** Non-monetary items are items which do not meet the definition of monetary items. 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.

Examples of non-monetary items include:

- revaluations of tangible and intangible fixed assets;
- revaluations of inventories;
- write-backs of depreciation or amortisation charges in respect of fixed assets (including player registrations); and
- foreign exchange gains/(losses) on non-monetary items.

Adjustments for non-monetary items 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/impairment of the costs of acquisition of player registrations must be included in the calculation of the break-even result. A licensee must not have exclusion adjustments in respect of the amortisation/impairment of player registrations.

### 1. Revaluations and write-backs

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

Similarly, write-backs of depreciation or amortisation charges 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.

### 2. Foreign exchange gains/losses

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.

### 3. Information to be disclosed in the supplementary schedule

The licensee must identify each non-monetary credit and complete the adjustments 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 to the Non-monetary items schedule, which is illustrated below:

Non monetary items				
Select account line(s)	T-1-LC	Non-monetary amount	Explanation	Adjustment
Total Non monetary items				

## I. Alternative method for player accounting – player trading adjustments

**Annex X C (1)(d):** For the purpose of the break-even calculation:

For clubs which 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.

For clubs which use the ‘income and expense’ method of accounting for player registrations in their annual financial statements, the club can elect to apply either the ‘income and expense’ or the ‘capitalisation and amortisation’ method. The selected treatment must be applied on a consistent basis from one reporting period to the next.

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);
- prepare a player identification table as described in Annex VII D for each relevant reporting period, that may be requested by the licensor and/or CFCB; and
- complete the ‘Alternative method for player accounting adjustment’ schedule in the CL/FFP IT Solution, in order to input the relevant adjustments for the calculation of the break-even result for each relevant reporting period.

Ref	Account line description	Source of adjustment figure
P2600	Amortisation of intangible fixed assets (players)	Amortisation expense figure as calculated from player identification table
P2605	Impairment of intangible fixed assets (players)	Impairment expense figure as calculated from player identification table
P2610	Profit on disposal of intangible fixed assets	Profit figure, as calculated from player identification table
P2620	Loss on disposal of intangible fixed assets	Loss figure, as calculated from player identification table
P2700	Cost of acquiring player registrations	To adjust to zero
P2710	Income from disposal of player registrations	To adjust to zero

The 'Alternative method for player accounting' schedule is shown below:

<b>Alternative method for player accounting</b>				
Select account line(s)	T-1-LC	Alternative method- player acc	Explanation	Adjustment
Amortisation of intangible fixed assets (player registrations)				
Impairment of intangible fixed 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				
Income from disposal of player registrations				
<b>Total Alternative method for player accounting</b>				

## APPENDIX VI: GUIDANCE FOR BE PACKAGE - THE BE.09 PACKAGE

### A. Summary of documentation to be submitted

If a licensee exhibits any of the conditions described by indicators 1 to 4 of Article 62 (see **section 5.1.6**), then it is considered to be in breach of an indicator and must also prepare and submit the following break-even information in the BE.09 package:

	Schedule	Responsibility	Guidance reference
1.	<b>Balance Sheet</b>	Complete the Balance Sheet schedule.	- Section 5.1.3 - Appendix IV (A)
2.	<b>Profit and Loss Account</b>	Complete the Profit and Loss account schedule.	- Section 5.1.3 - Appendix IV (B)
3.	<b>Profit and Loss Account – supplementary schedules</b>	If applicable, complete the supplementary schedules to provide additional disclosure about particular profit and loss account lines: <ul style="list-style-type: none"> <li>- breakdown of gate receipts</li> <li>- breakdown of sponsoring and advertising</li> <li>- breakdown of broadcasting rights</li> <li>- breakdown of commercial revenues</li> <li>- breakdown of other operating income</li> <li>- breakdown of cost of sales/materials</li> <li>- breakdown of employee benefits expense</li> <li>- breakdown of other operating expenses</li> <li>- breakdown of player trading</li> <li>- breakdown of finance income/costs</li> <li>- breakdown of other items (other income or expenses)</li> </ul>	- Section 5.1.3 - Appendix IV (B)
4.	<b>Adjustments</b>	If applicable, complete the Adjustments schedules: <ul style="list-style-type: none"> <li>- transaction(s) with related parties;</li> <li>- results of non-football operations;</li> <li>- excess proceeds on disposal of tangible fixed asset</li> <li>- expenditure on youth development activities;</li> <li>- expenditure on community development activities;</li> <li>- finance costs directly attributable to the construction of tangible fixed assets;</li> <li>- exclusion of non-monetary items;</li> <li>- player trading adjustments.</li> </ul>	- Section 5.1.4 - Appendix V
5.	<b>Cash Flow Statement</b>	Complete the Cash Flow Statement schedule.	- Section 5.1.3 - Appendix IV (C)
6.	<b>Contributions</b>	If applicable, complete the schedule for contributions for the monitoring period.	- Appendix VI (D)
7.	<b>Transitional factor</b>	If applicable, complete the transitional factor schedule (for players under contract before 1 June 2010).	- Appendix VI (I)
8.	<b>Future Financial Information schedules</b>	Complete the Future Financial Information schedules: <ul style="list-style-type: none"> <li>- Balance Sheet,</li> <li>- Profit and Loss Account,</li> <li>- Adjustments, and</li> <li>- Cash Flow Statement.</li> </ul>	- Section 5.1.10 - Appendix VI (H)
9.	<b>Management representation</b>	Complete the Management representation schedule.	- Section 5.1.12

## B. Licensees required to submit the BE.09 package

Unless exempt from the break-even requirement, if a licensee exhibits any of the conditions described by indicators 1 to 4 of Article 62, then it is considered to be in breach of an indicator and the licensee must prepare and submit the information prescribed in the BE.09 package.

All such licensees must prepare and submit the BE.09 package to meet the **October deadline** for the UEFA administration to have received the documentation, including:

- **break-even information for T:**
  - licensees with a reporting period T ending on or before 31 July in the licence season must submit break-even information for T based on audited financial statements; and
  - licensees with a reporting period T ending after 31 July in the licence season (and by no later than the following 31 December) may first submit break-even information for T based on unaudited financial statements;
- if applicable, **Contributions schedule**;
- if applicable, **schedule for the transitional factor** ‘Players under contract before 1 June 2010’;
- **future financial information for reporting period T+1** (including their projected break-even result) for those licensees with a reporting period T ending on or before 31 July.

Additionally those licensees with a reporting period T ending after 31 July in the licence season (and by no later than the following 31 December) must submit an **updated version of their BE.09 package** to meet the March deadline for the UEFA administration to have received the documentation, comprising:

- **updated break-even information for T** based on audited financial statements;
- **updated Contributions schedule**; and
- **future financial information for reporting period T+1** (including their projected break-even result).

The licensor must complete their assessment procedures in respect of this updated version of the BE.09 package.

## C. Break-even information for reporting period T

The figures to be input to the BE.09 package for reporting period T must be based on and reconcile to the relevant financial statements and/or underlying accounting records.

For the submission of BE.09 package in October, whether the break-even information is based on historic or a combination of historic and budgeted figures, and whether the information is based on audited or unaudited financial information, depends on the end date of a licensee’s reporting period T.

The timing of submission of the break-even information for reporting period T will depend on the end date of a licensee’s reporting period T.

- **For licensees with a reporting period T ending on or before 31 July**
  - At the time of submission in October the break-even information will be based on historic financial statements that must have been audited.
  - When the break-even information for reporting period T is prepared and submitted, the licensee must enter “1” to confirm that the figures are based on audited annual financial statements.
- **For licensees with a reporting period T ending after 31 July (but no later than the following 31 December)**
  - At the time of submission in October the break-even information will be based on a combination of historic figures (that may be unaudited) and budgeted figures.
  - For example, a licensee with reporting period T ending on 31 December 2014 will submit at the time of first submission in October 2014 the break-even information that will be based on a combination of historic figures (say, eight months to 31 August 2014) and budgeted figures (say, four months to 31 December 2014).
  - Subsequently (by no later than the following March deadline), the licensee must submit updated break-even information for T based on historic financial statements that must have been audited.



- The licensor will set the deadline for submission and, in turn, the validated monitoring documentation must be submitted to the UEFA administration by no later than the set deadline (being 16 March 2015, for the 2014/15 licence season).
- If the figures for reporting period T are a combination of historic and budgeted figures, in the profit and loss account and cash flow statement schedules the licensee must enter the number of months for which the figures are actual/historic and the number of months for which the figures are budgeted.

T-1-LC	T-ACT-LC	T-BUD-LC	T-LC
			Please enter 1 in the pink cell to confirm that these amounts are audited
Number of months:		Number of months:	
▶ 9 ▶		▶ 3 ▶	▶ ▶ ▶

- The licensee may separately disclose the figures for the actual/historic months (based on the appropriate accounting records) and the budgeted figures for the remaining months (based on management's budget information). The figures in the balance sheet schedule will be based on management's budget information.
- When the updated break-even information for reporting period T is prepared and submitted, the licensee must enter "1" to confirm that the figures are now based on audited annual financial statements. The licensee must enter the actual/historic figures in all relevant schedules based on the audited annual financial statements and underlying accounting records.

T-1-LC	T-ACT-LC	T-BUD-LC	T-LC
			Please enter 1 in the pink cell to confirm that these amounts are audited
Number of months:		Number of months:	
▶ 12 ▶		▶ ▶ ▶	▶ 1 ▶

- For the avoidance of doubt, when the updated break-even information is submitted for reporting period T based on audited annual financial statements, there should be no figures entered in the budgeted columns in the profit and loss account and cash flow statement schedules.

## D. Contributions from equity participants and/or related parties

### Annex X D:

2. Contributions from equity participants are payments for shares through the share capital or share premium reserve accounts. That is, investing in equity instruments in their capacity as shareholder.
3. Contributions from a related party include:
  - a) Capital contributions being a contribution by a related party: that is an unconditional gift made to the reporting entity by a related party which increases 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.
  - b) 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. The monies must have been received by the reporting entity, rather than just some form of promise or commitment from the related party.
4. The following types of transaction are not 'contributions from equity participants and/or related parties':
  - i) positive movement in net assets/liabilities arising from a revaluation;
  - ii) creation or increase in the balance of other reserves where there is no contribution from equity participants;
  - iii) 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;

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.

If a licensee has received services from a related party that has been adjusted upwards (see **Appendix V (C)**), the difference between the recorded amount and the fair value can be recognised as a contribution and details should be disclosed in the 'Contributions schedule - Capital contributions from a related party'.

If a licensee has an income transaction from a related party that has been adjusted downwards (see **Appendix V (C)**), then the excess of the actual income over the fair value amount can be recognised as a contribution in the 'Contributions schedule – Income transactions from a related party'.

## 1. Timing of contributions

### Article 61:

3. Contributions from equity participants and/or related parties are taken into consideration when determining the acceptable deviation if they have occurred and been recognised:

- a) in the financial statements for one of the reporting periods T, T-1 or T-2; or
- b) in the accounting records up to 31 December of the year of the reporting period T.

The onus is on the licensee to demonstrate the substance of the transaction, which must have been completed in all respects and without any condition attached. An intention or commitment from owners to make a contribution is not sufficient for such a contribution to be taken into consideration.

4. If contributions from equity participants and/or related parties occurring up to 31 December of the year in which the UEFA club competitions commence are recognised in a club's reporting period T+1 and have been taken into consideration to determine the acceptable deviation in respect of the monitoring period (T-2, T-1 and T) assessed in the licence season commencing in that same calendar year, then for later monitoring periods the contributions will be considered as having been recognised in reporting period T.

For contributions occurring between the end date of reporting period T and up to 31 December (of the year in which the UEFA club competitions commenced), the licensee may elect to have some or all such contributions taken into consideration to determine the acceptable deviation for the monitoring period being assessed in the licence season that commenced in that same calendar year. In effect, for the purpose of the break-even calculation, such contributions recognised in their financial statements for reporting period T+1 are treated as if they had occurred in reporting period T.

As also noted in the Article 61(4), if a licensee treats some or all contributions in this way, for the assessment of later monitoring periods the specified amount will be treated as if it had occurred in the financial statements covering that reporting period T (which will be T-1 in the following licence season, and so on).

### *Illustrative example:*

- Entity A has a statutory reporting date of 30 June.

For the assessment of the monitoring period break-even requirement in the 2014/15 licence season:

Reporting period	T-2	T-1	T	T+1
Year ending	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Effective contributions (€m)	5	5	5	5*
Contributions taken into consideration for monitoring period assessment in 2014/15 (€m)	5	5	5 + 5*	n/a

\* The contribution of €5 million in the reporting period ending 30 June 2015 (T+1) occurred and were recognised prior to 31 December 2014 (which is the year in which the UEFA club competitions commenced) and the licensee elects to have the contributions taken into consideration for the monitoring period assessed in the 2014/15 licence season i.e. treated as if they had occurred in the financial statements for reporting period ended 30 June 2014 (T). Therefore, total contributions to be taken into consideration for the monitoring period assessed in 2014/15 are €20 million.

For the assessment of the break-even requirement in the following licence season, 2015/16:

Reporting period	T-3	T-2	T-1	T	T+1
Year ending	30 June 2012	30 June 2013	30 June 2014	30 June 2015	30 June 2016
Effective contributions (€m)	5	5	5	5	0
Contributions taken into consideration for monitoring period assessment in 2015/16 (€m)	N/a	5	10**	0	0

\*\*For the assessment of the break-even requirement for the monitoring period assessed in licence season 2015/16, the contributions of €5 million that occurred and were recognised between 1 July 2014 and 31 December 2014 and were taken into consideration to determine the acceptable deviation in respect of the monitoring period assessed in licence season 2014/15 must be treated as if they were contributions in the reporting period ending 30 June 2014 (which is now reporting period T-1).

## 2. Information to be disclosed in the contributions schedule in the BE.09 package

The following information must be disclosed in the contributions schedule:

- **for contributions from equity participants:**
  - the name of the equity participant,
  - the date of the transaction,
  - type of consideration (e.g. cash, debt waiver, other consideration),
  - other explanatory comments, and
  - the amount allocated to the respective reporting period;
- **for capital contributions from a related party:**
  - the name of the related party,
  - the date of the transaction,
  - 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:**
  - 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 V (C)**.

The amount in each reporting period must be disclosed separately for reporting periods T-2, T-1 and T (and also any amount in period T+1 that occurred and was recognised prior to 31 December that the licensee elects to be treated as if in reporting period T). 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.

**Contributions**

Reporting period	T	T-1	T-2	Total
Contributions from equity participants				
Capital contributions from related party				
Income transactions from related party				
<b>Total contributions - LC</b>				
<b>Total contributions - EUR</b>				

"Contributions from equity participants" - Share capital increase by shareholders

Name of equity participants	Date (DD/MM/YYYY)	Type of consideration	Other comments	Amount - T (LC) (Including amounts from T+1 to be included in T)	Amount - T-1 (LC)	Amount - T-2 (LC)
Total						

"Capital contributions" - Gifts / donations from a related party

Name of related party	Date (DD/MM/YYYY)	Type of consideration	Other comments	Amount - T (LC) (Including amounts from T+1 to be included in T)	Amount - T-1 (LC)	Amount - T-2 (LC)
Total						

Difference of Income / Expenses transactions with a related party compared to the Fair Value

Describe account line	Date (DD/MM/YYYY)	Name of related party	Nature of the transaction	Amount - T (LC) (Including amounts from T+1 to be included in T)	Amount - T-1 (LC)	Amount - T-2 (LC)
Total						

**E. Acceptable deviation**

**Article 61 (1 and 2):** The acceptable deviation is the maximum aggregate break-even deficit for the monitoring period possible for a club to be deemed to be in compliance with the break-even requirement as defined in Article 63.

The acceptable deviation is EUR 5 million. However, it can exceed this level up to the following amounts only if such excess is entirely covered by contributions from equity participants and/or related parties:

- EUR 45 million for the monitoring period assessed in the licence seasons 2013/14 and 2014/15;
- EUR 30 million for the monitoring period assessed in the licence seasons 2015/16, 2016/17 and 2017/18;
- a lower amount as decided in due course by the UEFA Executive Committee for the monitoring periods assessed in the following years.

For the monitoring period assessed in each of the 2013/14 and 2014/15 licence seasons, the maximum level of acceptable deviation (i.e. the maximum aggregate break-even deficit) is an amount of up to €45 million, to the extent that any excess over €5 million is covered by contributions from equity participants and/or related parties.

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 VII** for further guidance.

*Illustrative examples:*

Licensee examples (€M)	A	B	C	D	E	F	G
Contributions	0	10	20	30	40	50	100
Maximum level of acceptable deviation	5	15	25	35	45	45	45

- Licensee example E has an aggregate break-even deficit of €45 million for the monitoring period. Contributions of €40 million entirely cover the excess of losses over €5 million.
- Licensee example G has received contributions from equity participants and/or related parties of €100m however the maximum level of acceptable deviation cannot exceed €45 million.

## F. The break-even calculation schedule

The break-even calculation schedule summarises:

- the amounts of relevant income, relevant expenses and the break-even result for each of the reporting periods T, T-1 and T-2 (in both the presentation currency and in euros);
- the aggregate break-even result for the monitoring period covering the reporting periods T, T-1 and T-2 (in both the presentation currency and in euros);
- if applicable, the aggregate break-even surplus of reporting periods T-3 and T-4 (in both the presentation currency and in euros); and
- the aggregate break-even result for the monitoring period (T, T-1 and T-2) adjusted, if applicable, for the aggregate break-even surplus of reporting periods T-3 and T-4 (in both the presentation currency and in euros).

Note: For the monitoring periods assessed in the 2013/14, 2014/15 and 2015/16 licence seasons, not all of T-2, T-3 and T-4 are applicable. Refer to the table in **section 5.1.7**.

If the licensee’s aggregate break-even result for the monitoring period is a deficit, then it will be assessed compared to the acceptable deviation.

In the Break-even calculation schedule the result is illustrated (in euros):

- by calculating the aggregate break-even deficit in excess of €5 million;
- 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 an amount equivalent to the difference between the maximum level of acceptable deviation and €5 million:
  - for each of licence seasons 2013/14 and 2014/15, capped at €40 million; and
  - for each of licence seasons 2015/16, 2016/17 and 2017/18, capped at €25 million.
- by comparing the aggregate break-even deficit in excess of €5 million and the amount of contributions.
  - If the aggregate break-even deficit is within the acceptable deviation, then the break-even requirement is fulfilled.
  - If the aggregate break-even deficit exceeds the acceptable deviation, then the break-even requirement is not fulfilled.

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 VII**). For the avoidance of doubt, the break-even calculation schedule is provided in the CL/FFP IT Solution to assist licensees own assessment of their break-even information.

Break-even calculation								
For the monitoring period assessed in licence season 20XX/YY								
<b>Summary of break-even results</b>		<b>T-LC</b>	<b>T-1-LC</b>	<b>T-2-LC</b>	<b>AGG-LC</b>	<b>T-3-LC</b>	<b>T-4-LC</b>	<b>AGG-LC</b>
Relevant income								
Relevant expenses								
Break-even result								
<b>Summary of break-even results</b>		<b>T-EUR</b>	<b>T-1-EUR</b>	<b>T-2-EUR</b>	<b>AGG-EUR</b>	<b>T-3-EUR</b>	<b>T-4-EUR</b>	<b>AGG-EUR</b>
Relevant income								
Relevant expenses								
Break-even result								
<b>Assessment of break-even result relative to acceptable deviation</b>		<b>LC</b>			<b>EUR</b>			
Aggregate break-even result for T-2, T-1 and T								
Aggregate break-even result (if applicable, adjusted for surplus in T-3 and T-4)								
<b>If aggregate break-even deficit:</b>								
Aggregate break-even deficit in excess of EUR 5 million								
Contributions from equity participants and/or related party(ies) (if applicable, up to EUR 40 million)								
Aggregate break-even deficit in excess of the acceptable deviation								

## G. Possible outcomes of the break-even assessment

In summary, there are four scenarios in respect of the outcome of the assessment of the break-even requirement. Below, these scenarios are illustrated by examples.

Note: For the monitoring periods assessed in the 2014/15 and 2015/16 licence seasons, not all of T-3 and T-4 are applicable. Refer to the table in **section 5.1.7**.

### *Illustrative examples:*

By way of illustration, the maximum level of acceptable deviation is an amount of up to €45 million, in so far as the excess over €5 million is entirely covered by contributions. Figures are in million €.

#### Scenario 1

**Article 63(1):** The break-even requirement is fulfilled if no indicator is breached and the licensee has a break-even surplus for reporting periods T-2 and T-1.

#### *Example 1: licence season 2014/15*

Reporting period (Reporting period ending in year)	T-2 (2012)	T-1 (2013)	T (2014)
Annual break-even result	+2	+1	N/a
Aggregate break-even result for monitoring period	+3		
<b>Outcome: requirement fulfilled</b>			
No indicators breached and break-even surplus in both T-1 and T-2, so licensee does not need to submit break-even information for T and the break-even requirement is fulfilled.			

#### Scenario 2

**Article 63(2a):** The break-even requirement is fulfilled, even if an indicator is breached, if the licensee has an aggregate break-even surplus for reporting periods T-2, T-1 and T.

#### *Example 2: licence season 2014/15*

Reporting period (Reporting period ending in year)	T-2 (2012)	T-1 (2013)	T (2014)
Annual break-even result	+2	-1	+3
Aggregate break-even result for monitoring period	+4		
<b>Outcome: requirement fulfilled</b>			
There is a break-even deficit for T-1 (€1m), so licensee must submit break-even information for T. The aggregate break-even result is a surplus, so the break-even requirement is fulfilled. .			

#### Scenario 3

**Article 63(2b):** The break-even requirement is fulfilled, even if an indicator is breached, if the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T which is within the acceptable deviation, having also taken into account the surplus (if any) in the reporting periods T-3 and T-4.

#### *Example 3a: licence season 2015/16*

Reporting period (Reporting period ending in year)	T-2 (2013)	T-1 (2014)	T (2015)
Annual break-even result	-3	-2	-2
Aggregate break-even result for monitoring period	-7		
Aggregate break-even surplus for T-3 in 2012 (T-4 not applicable)	+3		

<b>Aggregate break-even result (having taken into account the surplus T-3)</b>	-4
<b>Contributions from equity participants and/or related parties</b>	0
<b>Acceptable deviation</b>	-5
<b>Outcome: requirement fulfilled</b>	
The aggregate break-even result is a deficit of €4m which is within the acceptable deviation of €5m, so the break-even requirement is fulfilled. .	

**Example 3b: licence season 2014/15**

Reporting period (Reporting period ending in year)	T-2 (2012)	T-1 (2013)	T (2014)
<b>Annual break-even result</b>	-15	-5	-5
<b>Aggregate break-even result for monitoring period</b>	-25		
<b>Contributions from equity participants and/or related parties</b>	22		
<b>Acceptable deviation</b>	-27		
<b>Outcome: requirement fulfilled</b>			
The aggregate break-even deficit (€25m) is within the acceptable deviation (€27m; €5m+€22m), so the break-even requirement is fulfilled.			

**Scenario 4**

**Article 63(3):** The break-even requirement is not fulfilled if the licensee has an aggregate break-even deficit for reporting periods T-2, T-1 and T exceeding the acceptable deviation, having also taken into account the surplus (if any) in reporting periods T-3 and T-4.

In other words, for the monitoring periods assessed in 2013/14 and 2014/15, the aggregate break-even deficit is either:

- between €5 million and €45 million, where the excess deficit over €5 million is not entirely covered by contributions; or
- in excess of €45 million, regardless of any contributions.

**Example 4a: licence season 2014/15**

Reporting period (Reporting period ending in year)	T-2 (2012)	T-1 (2013)	T (2014)
<b>Annual break-even result</b>	0	-10	-5
<b>Aggregate break-even result for monitoring period</b>	-15		
<b>Contributions from equity participants and/or related parties</b>	5		
<b>Acceptable deviation</b>	-10		
<b>Outcome: requirement breached</b>			
The aggregate break-even deficit (€15m) is not within the acceptable deviation (€10m; €5m+€5m), so the break-even requirement is not fulfilled.			

**Example 4b: licence season 2014/15**

Reporting period (Reporting period ending in year)	T-2 (2012)	T-1 (2013)	T (2014)
<b>Annual break-even result</b>	0	-50	-30
<b>Aggregate break-even result for monitoring period</b>	-80		
<b>Contributions from equity participants and/or related parties</b>	40 (max)		
<b>Acceptable deviation</b>	-45		

**Outcome: requirement breached**

The aggregate break-even deficit (€80m) is not within the acceptable deviation (€45m; €5m+€40m), so the break-even requirement is not fulfilled.

**H. Future financial information****1. Future financial information requirement**

For club monitoring, according to Article 62, if the licensee is in breach of indicator 1 (going concern), 2 (negative equity), 3 (break-even), or 4 (overdue payables), or if otherwise requested by the CFCB, it must prepare and submit future financial information in the prescribed format (as set out in the BE.09 package) by the deadline set by the licensor.

The future financial information for club monitoring must be prepared on the following basis:

- using the same entity or combination of entities (i.e. the same reporting perimeter) as that used by the licensee for reporting period T (or where applicable period T-1) for the break-even information, unless there has been a change, in which case the licensee must have promptly notified the licensor in writing in accordance with Article 67;
- 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 currency as used for the licensee's preceding annual financial statements and entered to the nearest thousand;
- on a quarterly basis;
- using information and assumptions that are as up-to-date as practically possible. This means that the future financial information should be prepared during the month preceding submission; and
- using the prescribed format as set out in the FFI (future financial information) schedules in the BE.09 package of the CL/FFP IT Solution.

**2. Timing of submission of future financial information**

The timing of submission of future financial information will depend on the end date of a licensee's reporting period T.

- **For licensees with a reporting period T ending on or before 31 July**
  - Future financial information (including the projected break-even result) for the reporting period T+1 must be submitted by the October deadline.
- **For licensees with a reporting period T ending after 31 July (but no later than the following 31 December)**
  - Future financial information (including the projected break-even result) for the reporting period T+1 must be submitted at the same time as their break-even information for the reporting period T that is based on audited financial statements (i.e. by no later than the following March deadline). For the avoidance of doubt, those licensees with a reporting period T ending after 31 July do not need to submit future financial information for the reporting period T+1 by the initial October deadline.

**3. The reporting period for future financial information**

In accordance with the Article 64, future financial information for club monitoring purposes must cover the 12-month period commencing immediately after the statutory closing date of reporting period T and must include comparative information, i.e. the annual figures for reporting period T.

*Illustrative examples*

**Example 1:** For the club monitoring process for 2014/15, for a licensee with a statutory closing date of 30 June 2014 (reporting period T):

- the future financial information must cover the 12-month period between 1 July 2014 and 30 June 2015 (reporting period T+1),



- the comparative figures will cover the reporting period 1 July 2013 to 30 June 2014 (T) and based on audited annual financial statements.

**Example 2:** For the club monitoring process for 2014/15, for a licensee with a statutory closing date of 31 December 2014 (reporting period T):

- the future financial information must cover the 12-month period between 1 January 2015 and 31 December 2015 (reporting period T+1)
- the comparative figures will cover the reporting period 1 January 2014 to 31 December 2014 (T).

#### 4. Information to be submitted

The future financial information must be prepared on the basis set out above and input into the following FFI schedules (as set out in the BE.09 package):

- **FFI – profit and loss account schedule**, being the budgeted profit and loss account, with comparative annual figures for reporting period T and explanatory notes (including assumptions that are not unreasonable, risks and a comparison of the figures for T+1 and T). This schedule also displays the calculated break-even result.
- **FFI – adjustment schedule**. In order to calculate the break-even result for reporting period T+1, adjustments will need to be budgeted/estimated and input into this schedule. The calculated break-even result for T+1 is presented in the FFI – profit and loss account schedule.
- **FFI – balance sheet schedule**, being the budgeted balance sheet, with comparative annual figures for reporting period T and explanatory notes (including assumptions that are not unreasonable, risks and a comparison of the figures for T+1 and T).
- **FFI – cash flow statement schedule**, being the budgeted cash flow, with comparative annual figures for reporting period T, and explanatory notes (including assumptions that are not unreasonable, risks and a comparison of the figures for T+1 and T).

The comparative information for reporting period T in the FFI schedules will be automatically pre-populated from the data input into the separate profit and loss account, balance sheet and cash flow statement schedules in the BE.09 package.

If applicable, the figures will be automatically converted from the presentation currency into euros, by application of the exchange rates in the CL/FFP IT Solution.

#### 5. The projected break-even result

If one of the monitoring requirements is not fulfilled then the CFCB makes a decision taking into consideration other factors as defined in Annex XI including, but not limited to, the licensee's projected break-even result.

The CFCB may also request a licensee's longer term business plan in order to better understand the strategy of the club.

### I. Transitional factor – players under contract before 1 June 2010

The **BE.09 package** includes a schedule for the 'Transitional factor – players under contract before the 1 June 2010' that a licensee may complete, if the licensee wants this transitional factor to be considered by the CFCB in accordance with Annex XI 2 (i.e. for the monitoring periods assessed in the seasons 2013/14 and 2014/15).

#### 1. Information to be input into the transitional factor schedule

The licensee must determine the appropriate aggregate amount of employee benefit expenses in the reporting period ending in 2012 in respect of those players who had a contract with the club prior to 1 June 2010 and whose contracts covered (partly or fully) the financial year ending in 2012.

The following information must be disclosed in the transitional factor schedule in the **BE.09 package** in the CL/FFP IT Solution in respect of each relevant player:

- the player's name;
- for player contracts in place prior to 1 June 2010:

- the start date; and
- the end date (being the end date that was in place, prior to any changes since 1 June 2010);
- the total amount of employee benefit expenses in respect of the player as recorded in the reporting period ending in 2012;
- for player contract changes since 1 June 2010:
  - the date of the contract change; and
  - the revised end date.
- the amount of employee benefit expenses in the reporting period ending in 2012 for inclusion in the calculation of this transitional factor. This must exclude the value of any increase in employee benefit expenses arising from a renegotiation since 1 June 2010.

Amounts must be entered as positive figures, in the local currency and rounded to the nearest thousand. If applicable, the total amount of disclosed expenses will be translated to euros at the average rate of the licensee’s reporting period ending in 2012.

### *Illustrative examples of disclosures in the transitional factor schedule*

For the purpose of these examples, the licensee’s financial reporting period was the year ended 30 June 2012 (“FY12”).

- **Example 1:** The player contract in place prior to 1 June 2010 covered the whole of the licensee’s reporting period ended in 2012, and there has been no renegotiated contract since 1 June 2010 (and before the end of FY12). Therefore, the full amount of the employee benefit expenses of €75,000 can be included for the transitional factor.
- **Example 2:** The player contract in place prior to 1 June 2010 covered the whole of the licensee’s reporting period ended in 2012. There has been a renegotiated contract since 1 June 2010 (i.e. renegotiated on 1 July 2011), whereby employee benefit expenses to the player in FY12 increased from €75,000 to €100,000. Therefore, €75,000 is included for the transitional factor, which excludes the renegotiated incremental amount of €25,000.
- **Example 3:** The player contract in place prior to 1 June 2010 covered the whole of the licensee’s reporting period ended in 2012. There has been a renegotiated contract since 1 June 2010 (i.e. renegotiated on 1 July 2011), whereby employee benefit expenses to the player in FY12 decreased from €100,000 to €75,000. Therefore, €75,000 is included for the transitional factor.
- **Example 4:** The player contract in place prior to 1 June 2010 covered only one month of the licensee’s reporting period ended in 2012. There has been a renegotiated contract since 1 June 2010 (i.e. renegotiated on 1 July 2011), whereby employee benefit expenses to the player in FY12 stayed the same (at €120,000), but the contract expiry date was extended for two years. In such case the club is entitled to include €120,000 for the transitional factor, which is the employee benefit expense that was in force prior to 1 June 2010.

Transitional factor: Players under contract before 1 June 2010						
Name of player	Contract signature date (dd/mm/yyyy) Prior to 1 June 2010	Contract expiry date (dd/mm/yyyy)	Employee benefits expense in FY12 (LC)	Contract change date (dd/mm/yyyy) Since 1 June 2010	Updated contract expiry date (dd/mm/yyyy)	Employee benefits expenses in FY12 for the calculation (LC)
Example 1	01.07.2009	30.06.2013	75			75
Example 2	01.07.2009	30.06.2013	100	01.07.2011	30.06.2014	75
Example 3	01.07.2009	30.06.2013	75	01.07.2011	30.06.2014	75
Example 4	01.07.2009	31.07.2011	120	01.07.2011	31.07.2013	120
<b>Total - LC</b>						<b>345</b>
<b>Total - EUR</b>						<b>345</b>

## 2. Conditions to be satisfied

### Annex XI 2

For the first two monitoring periods, i.e. monitoring periods assessed in the 2013/14 and 2014/15 licence seasons, the following additional transitional factor is to be considered by the CFCB:

#### *Players under contract before 1 June 2010*

If a licensee reports an aggregate break-even deficit that exceeds the acceptable deviation and it fulfils both conditions described below, then this would be taken into account in a favourable way:

- i) the licensee reports a positive trend in the annual break-even results (proving it has implemented a concrete strategy for future compliance); and
- ii) the licensee proves that the aggregate break-even deficit is only due to the annual break-even deficit of the reporting period ending in 2012 which, in turn, is due to contracts with players undertaken prior to 1 June 2010 (for the avoidance of doubt, all renegotiations on contracts undertaken after such date would not be taken into account).

This means that a licensee that reports an aggregate break-even deficit that exceeds the acceptable deviation but that satisfies both conditions described under i) and ii) above should, in principle, not be sanctioned.

### **Condition (i): Positive trend in annual break-even results**

For the first monitoring period assessed in the 2013/14 licence season, the trend is assessed by comparing the break-even result of the reporting periods ending in 2012 and 2013. For the second monitoring period as assessed in the 2014/15 licence season, the trend is assessed by comparing the break-even result of the reporting periods ending in 2012, 2013 and 2014.

### **Condition (ii): reason for the aggregate break-even deficit exceeding the acceptable deviation**

For a club to satisfy condition (ii), it must prove that:

- a) the aggregate break-even deficit in excess of the acceptable deviation is only due to the break-even deficit of the reporting period ending in 2012; i.e. the aggregate break-even deficit in excess of the acceptable deviation is equal or lower than the deficit of the reporting period ending in 2012; and
- b) the break-even deficit of the reporting period ending in 2012 is due to contracts entered with players before 1 June 2010; i.e. the employee benefit expenses reported in FY12 due to players under contract before 1 June 2010 are equal or higher than the deficit of the reporting period ending in 2012.

With regard to (b) above:

- (i) The amount of the transitional factor is calculated as the aggregate of employee benefit expenses in the reporting period ending in 2012 in respect of those players who had a contract with the club prior to 1 June 2010.
- (ii) Relevant to the calculation are the employee benefit expenses resulting from contracts with players, and no other type of costs. So, costs to acquire the registration of a player (such as transfer fees to another club, fees to agents or the amortisation of player registration expenses) are not taken into account for the purpose of this transitional factor.
- (iii) If a contract with a player before 1 June 2010 was renegotiated at any time since 1 June 2010, any rise in the value of any such contract as a result of contract renegotiations is not taken into account for the purpose of this mitigating factor (any decrease in the value of any such contract is however taken into account).
- (iv) If a contract with a player before 1 June 2010 was renegotiated at any time since 1 June 2010, any decrease in the value of any such contract as a result of contract renegotiations is taken into account for the purpose of this mitigating factor.
- (v) If a contract with a player before 1 June 2010 was due to expire prior to a club's financial reporting period ending in 2012 but has been renegotiated since 1 June 2010 to extend it to cover the financial reporting period ending in 2012, the employee benefit expenses in force prior to 1 June 2010 of any such player can be taken into account for the purpose of this mitigating factor (unless the value of the contract has decreased as explained under iv) above).

*Illustrative examples*

Illustrative examples for five clubs (A, B, C, D and E) assessed in the 2013/14 licence season

Club	A	B	C	D	E
Break-even (BE) deficit for FY12	6	25	25	25	110
Break-even (BE) deficit for FY13	2	15	15	20	30
Aggregate break-even deficit	8	40	40	45	140
Contributions from equity participants and/or related parties (if applicable, up to €40 million)	0	30	30	20	40
Acceptable deviation (€5 million + contributions)	5	35	35	25	45
<b>Aggregate break-even deficit in excess of the acceptable deviation</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>20</b>	<b>95</b>

Condition (i): Positive trend in annual break-even results

Change – FY13 vs FY12	+4	+10	+10	+5	+80
<b>Condition (i) (positive trend) OK or not?</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>

Condition (ii): reason for the aggregate break-even deficit exceeding the acceptable deviation

Aggregate break-even deficit in excess of the acceptable deviation compared to BE deficit of FY12	3 ≤ 6	5 ≤ 25	5 ≤ 25	20 ≤ 25	95 ≤ 110
<b>Condition (ii) part (a) (aggregate break-even deficit in excess of acceptable deviation only due to BE deficit of FY12) – OK or not?</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>
Employee benefit expenses reported in FY12 due to players under contract before 1 June 2010	3	30	10	30	120
Employee benefit expenses reported in FY12 due to players under contract before 1 June 2010 compared with BE deficit of FY12	3 < 6	30 ≥ 25	10 < 25	30 ≥ 25	120 ≥ 110
<b>Condition (ii) part (b) (break-even deficit FY12 due to expenses in FY12 of players under contract before 1 June 2010) – OK or not?</b>	<b>✗</b>	<b>✓</b>	<b>✗</b>	<b>✓</b>	<b>✓</b>
<b>Condition (ii) OK or not?</b>	<b>✗</b>	<b>✓</b>	<b>✗</b>	<b>✓</b>	<b>✓</b>

## APPENDIX VII: GUIDANCE FOR BE 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 prepare and submit financial information based on and reconciled to 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 **Section 4.1.3**, the licensee must ensure that the pre-populated reporting period closing month shown in the CI package 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 2013 to 30 June 2015, so the licensee has statutory financial statements covering the 12 months to 31 December 2013 and then 18 months to 30 June 2015.
- Therefore, the licensee has no statutory closing date ending in the calendar year of 2014.
- 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 2014).

Therefore, for the 2015/16 licence season the break-even information will comprise:

- for T-2, the 12 months to 31 December 2013 (based on audited annual financial statements)
- for T-1, the 12 months to 31 December 2014 (based on audited interim financial statements to 31 December 2014); and
- for T, the 6 months to 30 June 2015 (based on the audited financial statements for the 18 months to 30 June 2015, as adjusted for the interim financial statements to 31 December 2014).

### B. Flexing threshold levels for exemption

As detailed in **Appendix IX**, other than a club receiving special permission as defined in Article 15, a licensee can only be exempt if it can demonstrate it has relevant income and relevant expenses below €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 €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 CI package), the licensee will be notified if further break-even information is required.

### C. Flexing acceptable deviation

Consistent with the approach outlined above, 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 reporting period 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 2013 and therefore a monitoring period of 18 months, instead of 24 months, for the initial break-even assessment for licence season 2013/14.

- 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 monitoring period	If no contributions, aggregate break-even deficit up to:	If excess over €5 million is covered by contributions, aggregate break-even deficit up to:
	31-Dec-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16			
2013/14	12	6				18	€m	€m
2014/15		6	12	12		30	3.8	33.75
2015/16			12	12	12	36	4.2	37.5
							5.0	30.0

*Illustrative example for reporting period greater than 12 months:*

- The illustration below is for a licensee which, following a change in its statutory closing date, has a 15 month reporting period in 2013 and therefore a monitoring period of 27 months, instead of 24 months, for the initial break-even assessment for licence season 2013/14.
- The level of acceptable deviation, without and with contributions, is flexed up for a monitoring period containing a reporting period of greater than 12 months:

As assessed in licence season:	Reporting periods (number of months)					Months in monitoring period	If no contributions, aggregate break-even deficit up to:	If excess over €5 million is covered by contributions, aggregate break-even deficit up to:
	31-May-12	31-Aug-13	31-Aug-14	31-Aug-15	31-Aug-16			
2013/14	12	15				27	€m	€m
2014/15		15	12	12		39	5.6	50.6
2015/16			12	12	12	36	5.4	48.8
							5.0	30.0

## APPENDIX VIII: GUIDANCE FOR BE PACKAGE - EXCHANGE RATES (OTHER THAN €)

### A. Applicable exchange rates

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 OP package), using exchange rates published by the European Central Bank or other appropriate source if the applicable rate is not available from the European Central Bank.

As detailed in **Section 4.1.3**, the licensee must check that the pre-populated information for the club's currency in the CI package is correct. If the pre-populated currency is incorrect the licensee must contact UEFA administration immediately, before inputting any data.

For historical periods covering T-2, T-1 and T the local 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 changes in exchange rates

Each reporting entity has a selected presentation currency for its annual financial statements. An entity may have transactions in currencies other than its presentation 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 changes in exchange rates in Annex XI.

The "other factor" listed under the impact of changes in exchange rates refers solely to the impact on the licensee's break-even result in euros of changes in exchange rates over time.

The break-even result for a reporting period as calculated in the presentation 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, the amount of the impact of changes in exchange rates will be taken into consideration.

#### *Illustrative examples*

- In the illustrative examples below, the licensee complies with the break-even result using the currency applied in its financial statements in both scenario 1 and scenario 2. However, due to the adverse movement of its currency against the euro during period T in scenario 2, it breaches the break-even result denominated in euros. If the exchange rate had remained at 1.5 in reporting period T, as shown in scenario 1, the club would have complied with the break-even requirement denominated in euros.
- This adverse impact of the exchange rate against the euro will be taken into consideration.

#### Scenario 1

Reporting period	T-2	T-1	T	Aggregate for monitoring period
Break-even result local currency	-16,000	5,000	11,000	0
Exchange rate	1.5	1.5	1.5	n/a
Break-even result (€'000)	-24,000	7,500	16,500	0

#### Scenario 2:

Reporting period	T-2	T-1	T	Aggregate for monitoring period
Break-even result local currency	-16,000	5,000	11,000	0
Exchange rate	1.5	1.5	1.0	n/a
Break-even result (€'000)	-24,000	7,500	11,000	-5,500

## APPENDIX IX: GUIDANCE FOR EXEMPTION FROM THE BREAK-EVEN REQUIREMENT

### A. Basis for a licensee to be exempt from the break-even requirement

**Article 57(2):** The following clubs are exempt from the break-even requirement:

- a) A club that qualifies for a UEFA club competition on sporting merit and is granted special permission as defined in Article 15.
- b) A licensee that demonstrates 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 before commencement of the UEFA club competition. Such an exemption decision is taken by the CFCB and is final.

### B. Granting of special permissions

Article 15 and Annex IV state that, based on an extraordinary application, UEFA may grant special permission to a club to enter the corresponding UEFA club competition. Such a club is exempt from the break-even requirement for the licence season concerned and does not need to prepare and submit break-even information, unless otherwise requested by the CFCB.

### C. Licensee with relevant income and expenses below €5 million

Other than a club exempt from the break-even requirement as a result of being granted special permission as defined in Article 15, all licensees that qualify for a UEFA club competition must firstly prepare and submit the CI package and the BE.06 package in the CL/FFP IT Solution.

To demonstrate that a licensee has both relevant income and relevant expenses each below €5 million, it must prepare and submit the break-even information for each of the reporting periods T-1 and T-2 (if not already submitted) as set out in the following schedules in the BE.06 package:

- going concern and negative equity;
- profit and loss account;
- adjustments;
- balance sheet;
- cash flow statement; and
- management representation.

As per Article 57, if the reporting period is greater or less than 12 months, the €5 million threshold (relevant income/ expenses) for exemption is adjusted up or down according to the length of the reporting period. The flexed threshold level is then compared to the licensee's relevant income and expenses as appropriate. See further guidance in **Appendix VII**.

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

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



## APPENDIX X: GUIDANCE FOR 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 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 club's material lenders, 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 club that result in claims that are unlikely 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
- some form of insolvency and/or liquidation situation arises.

## APPENDIX XI: CL/FFP IT SOLUTION – TERMS AND CONDITIONS

### 1. CL/FFP IT Solution

- 1.1. UEFA has implemented a system (hereinafter referred to as the "**CL/FFP IT Solution**") for the purpose of gathering and sharing information and documents with the Member Associations of UEFA or their affiliated League ("**Licensors**") and the clubs affiliated to those Licensors ("**Clubs**") within the scope of the implementation, assessment and enforcement of the UEFA Club Licensing and Financial Fair Play regulations ("**Regulations**") (the "**Permitted Purpose**") and in the manner described in paragraph 6.2 below. The URL of the CL/FFP IT Solution is currently <https://CL/FFP.uefa.ch/fcprod/>, and may be changed by UEFA at its discretion.
- 1.2. Access to the CL/FFP IT Solution is restricted to Registered Users. In these Terms and Conditions, unless the context otherwise requires, "**Registered Users**" means (as the case may be):
- Clubs;
  - Licensors; and
  - UEFA. For the purposes of these Terms and Conditions, references to "**UEFA**" shall mean the Union des Associations Européennes de Football of Route de Genève 46, Case postale, CH-1260 Nyon 2, Switzerland and shall include, without limitation, all UEFA officers and employees responsible for the Regulations and/or the CL/FFP IT Solution, members of the Club Financial Control Body ("**CFCB**") and authorised third parties working on behalf of UEFA in respect of the Regulations.

### 2. Acceptance

Please read these Terms and Conditions carefully. By accessing the CL/FFP IT Solution, the relevant Registered User signifies its agreement with and understanding of these Terms and Conditions. If the Registered User does not accept these Terms and Conditions, the Registered User should not access the CL/FFP IT Solution and must promptly notify UEFA accordingly. Registered Users must adhere to the Terms and Conditions at all times.

### 3. Amendments

- 3.1. Subject to paragraph 3.2, any amendments and/or updates to these Terms and Conditions will be notified to the affected Registered Users and/or posted on the CL/FFP IT Solution.
- 3.2. In respect of any amendments and/or updates to these Terms and Conditions that (in UEFA's reasonable opinion) extend the definition of "Permitted Purpose" and/or increase the Clubs' and/or Licensors' liabilities pursuant to these Terms and Conditions, UEFA agrees that it shall consult with the affected Registered Users prior to implementing such amendments and/or updates.

### 4. Grant of Rights and Access Control

- 4.1. Subject to the Registered User's compliance with these Terms and Conditions, UEFA hereby grants the Registered User a non-exclusive right to access and use the CL/FFP IT Solution for the Permitted Purpose.
- 4.2. The rights granted to the Registered User are personal to the Registered User and may not be sold, sub-licensed, assigned, transferred or otherwise disposed of by the Registered User without UEFA's specific prior written consent.
- 4.3. Registered Users' access to and use of the CL/FFP IT Solution is subject to UEFA's authentication process.
- Each Club and/or Licensor (as the case may be) shall notify UEFA (in writing (but not by email)) of the relevant person it wishes to be duly authorised on its behalf for the purposes of these Terms and Conditions (each an "Authorised Person"), each Authorised Person will (once approved by UEFA) be provided with: (i) a unique login name; and (ii) a unique password, (in each case) designated by UEFA (together the "Identification Tools").
  - Where a Licensor wishes that UEFA only accept notifications of Authorised Persons from particular designated representatives, the Licensors must notify UEFA in writing accordingly.

- UEFA shall confirm the registration of additional Authorised Persons to the relevant Registered User (through that Registered User's designated representative) promptly following the registration of such person.
- Each Authorised Person will be required to select their own unique password when first using the CL/FFP IT Solution. Each Club and Licensor will be provided with one unique login/password. The relevant Club or Licensor can use the same login/password to enable multiple additional (authorised) users to have 'read only' access to the CL/FFP IT Solution at the same time. Any use by such additional users of the CL/FFP IT Solution shall be deemed to be use by the corresponding Registered User.
- The Registered Users notify shall UEFA without delay of any changes to the identity or status of any Authorised Person(s) (in writing (but not by email) in the form attached as an Appendix to these Terms and Conditions), and immediately notify UEFA if it knows or has grounds for suspecting that any Identification Tools have become known to anyone other than such Authorised Person(s). If UEFA knows or has grounds for suspecting that any Identification Tools have become known to anyone other than the relevant Authorised Person(s), UEFA shall immediately notify the relevant (affected) Registered User.

4.4. The Registered Users (including, for the avoidance of doubt, UEFA) shall:

- a) be responsible and liable for all use of the CL/FFP IT Solution by their Authorised Person(s) and for all activities which occur using the corresponding Identification Tools whether by their Authorised Person(s) or otherwise;
- b) ensure at all times that the Identification Tools are kept confidential and not disclosed to any third party. If any Identification Tools are so disclosed to or otherwise become known by (or suspected to have been disclosed to or otherwise known by) any third party, the relevant Authorised Person(s) must immediately change their password and (where appropriate) request replacement identification from UEFA;
- c) only use the CL/FFP IT Solution in a manner consistent with these Terms and Conditions, comply with the reasonable procedures specified by or on behalf of UEFA and comply with all other reasonable instructions provided by UEFA from time to time;
- d) procure that their Authorised Person(s) comply with the provisions of (b) and (c) above; and
- e) at all times comply with applicable laws and regulations in respect of their use of the CL/FFP IT Solution.

4.5. For the purposes of these Terms and Conditions, all use of the CL/FFP IT Solution following access via the Identification Tools (including use on a read only basis as described above) shall be deemed to be carried out by the corresponding Registered User. Accordingly, if any persons using the Identification Tools of an Authorised Person(s) breach any provision of these Terms and Conditions then such breach shall be deemed to be a breach by the corresponding Registered User (including where the relevant person was not in fact an Authorised Person acting on behalf of the Registered User). Notwithstanding the preceding sentence and for the avoidance of doubt, Licensors and/or Clubs shall not be responsible for any breach of these Terms and Conditions to the extent caused by UEFA and/or another Registered User.

4.6. Clubs, Licensors, UEFA and/or their respective Authorised Persons acknowledge and accept that any rights they may have can only be exercised against another Registered User and not against the relevant Authorised Person(s) unless otherwise required by applicable laws.

4.7. UEFA reserves the right to refuse, cancel and/or suspend access to any Registered User and/or any Authorised Person, if UEFA determines, at its sole discretion, that such access is or may be damaging to UEFA's interests and/or the Regulations and/or the CL/FFP IT Solution.

## 5. Technical requirements

The Registered Users shall be fully responsible for: (a) ensuring that their computer systems comply with all applicable specifications and reasonable security precautions; and (b) all back-up and disaster recovery arrangements. The relevant specifications for the CL/FFP IT Solution will be notified by UEFA to the other Registered Users.

## 6. Privacy and Security

- 6.1 Registered Users are responsible for complying with any data protection laws to which they are subject. In this regard, UEFA shall comply with Swiss data protection laws when collecting and processing personal identifying information and data.
- 6.2 Access to the CL/FFP IT Solution is restricted by means of appropriate security measures (including the use of the Identification Tools referred to above). In this regard, the CL/FFP IT Solution is designed to:
- provide each Club (including their Authorised Person) with access to their own Club Content (as defined below) only;
  - provide each Licensor (including their Authorised Person) with access to the Club Content entered by Clubs affiliated to it only; and
  - provide UEFA with such access rights as may reasonably be required by UEFA in relation to the Permitted Purpose.

## 7. Collection and Usage of Information

- 7.1 UEFA collects personal identifying information when a Registered User/Authorised Person registers on the CL/FFP IT Solution and when a Registered User/Authorised Person enters and/or amends content on the CL/FFP IT Solution. Personal identifying information is also collected to identify a Registered User/Authorised Person within the CL/FFP IT Solution and to enable a Registered User/Authorised Person to access the permitted information and specific section(s).
- 7.2 UEFA automatically receives and records information on its server logs from a Registered User's browser including the Internet Protocol address (IP address) which identifies a Registered User's computer, UEFA's cookies information and the page requested. This information may be used to help identify and fight and/or track and/or trace any possible misuse and/or system abuse.
- 7.3 UEFA may only use Club Content:
- in connection with the Permitted Purpose (including in connection with the publication of the decisions of the CFCB and/or the Court of Arbitration for Sport (CAS/TAS));
  - for analysis, benchmarking, assessments, sanctions and/or disciplinary measures (including possible appeals);
  - in a non-personalised form (including publication in reports); and
  - in the circumstances set out in paragraph 7.5.

All use of Club Content shall be subject to the provisions of paragraph 12 below.

- 7.4 Where the collection and/or use of personal identifying information pursuant to these Terms and Conditions constitutes the processing of personal data within the meaning of applicable data protection laws, the relevant Registered Users consent, and shall procure that relevant third parties (including, where necessary, players) consent, to such processing in the manner and to the extent required by such applicable data protection laws.
- 7.5 UEFA will not sell or share any information gathered via the CL/FFP IT Solution with third parties outside the CL/FFP programme without the Registered User's prior specific written consent save where permitted pursuant to these Terms and Conditions or where required pursuant to applicable laws, or otherwise agreed in writing by the Registered Users. It is acknowledged that certain information (including Club Content) may need to be transferred to relevant authorities (including the Court of Arbitration for Sport (CAS/TAS)).
- 7.6 Registered Users/Authorised Persons/other relevant third parties shall be entitled to access any of their personal identifying information held by UEFA and/or request that any of their inaccurate or incomplete personal identifying information held by UEFA be rectified or amended, in each case, in accordance with applicable data protection laws.

## 8. Club Content

- 8.1 "**Club Content**" means all information and material of whatever nature which is entered by a Club in the CL/FFP IT Solution and/or which is requested by UEFA from time to time in relation to the Permitted Purpose (including, without limitation, club, team and player data, databases, documents, files, financial information of any kind, trade secrets, information on commercial/corporate/strategic agreements,

arrangements and/or partnerships and other corporate information). For the avoidance of doubt, Club Content may include information on any subsidiary, any associated entity and any controlling entity of a Club up to the ultimate parent company and/or ultimate controlling party and/or any associated company or subsidiary of such ultimate parent and/or controlling party and any other related parties as defined in the Regulations.

- 8.2 The Club agrees to supply to UEFA via the CL/FFP IT Solution the Club Content in such form as is reasonably requested by UEFA pursuant to UEFA's regulations, directives, toolkits and other information communicated to the Registered Users from time to time in relation to the Permitted Purpose. In addition, the Club shall provide, at the Club's cost, all updates of such information as may be required pursuant to the Regulations and such other on-going assistance to UEFA in respect of technical, administrative and service-oriented issues relating to the use and transmission of the Club Content through the CL/FFP IT Solution as UEFA may reasonably request.
- 8.3 After being entered by the Club in the CL/FFP IT Solution, the Club Content shall be verified by the Licensor to which the Club is affiliated in accordance with applicable UEFA regulations, directives, toolkits and other information communicated to the Registered Users from time to time in connection with the Regulations.
- 8.4 UEFA does not intend and the CL/FFP IT Solution is not designed to enable UEFA to modify or edit Club Content, save that UEFA may include supplementary commentary and/or other information alongside or otherwise connected to such Club Content. For the avoidance of doubt, any and all such UEFA commentary, amendments and information shall be deemed to be UEFA Content (as defined below).
- 8.5 Without prejudice to paragraph 12 below, UEFA will take all reasonable care to preserve the confidentiality of the Club Content. In this regard, UEFA will take all reasonable care to ensure that access to the Club Content within the CL/FFP IT Solution is restricted in the manner contemplated by paragraph 6.2 above. For the avoidance of doubt, Club Content may only be used for the purposes set out in paragraph 7.3 above.

## 9. UEFA Content

- 9.1 "**UEFA Content**" means all information and material of whatever nature included in the CL/FFP IT Solution which is not Club Content.
- 9.2 As part of the Regulations, UEFA may (in its sole discretion) make relevant UEFA Content available to **appropriate** Registered Users (for example, certain UEFA Content relating to a specific Club may need to be made available to such Club).
- 9.3 **Without** prejudice to paragraph 12 below, the relevant Registered Users will take all reasonable care to preserve the confidentiality of the UEFA Content. In this regard, the relevant Registered User(s) will take all reasonable care to ensure that access to the UEFA Content within the CL/FFP IT Solution is restricted in the manner contemplated by paragraph 6.2 above. For the avoidance of doubt, the UEFA Content may only be used for the Permitted Purpose and no commercial purposes whatsoever.

## 10. Club Undertakings

- 10.1 Each Club undertakes and certifies to UEFA that it (including its Authorised Person) has acted in good faith and taken all reasonable care to ensure that the Club Content entered within the CL/FFP IT Solution is clear, accurate, reliable and complete in accordance with the requirements included in the UEFA regulations, directives, toolkits and other information communicated to the Registered Users from time to time in connection with the Regulations. The Club shall use its best endeavours to ensure that all Club Content entered into the CL/FFP IT Solution by the Club and/or its Authorised Person is clear, accurate, reliable and complete.
- 10.2 Each Club shall use its best endeavours to obtain all necessary clearances, consents and permissions to enable the Club Content to be submitted via the CL/FFP IT Solution and to be used for the Permitted Purpose and in the manner set out in these Terms and Conditions. The Club shall, upon request, provide UEFA with a written confirmation and/or proof of such clearances, consents and permissions.
- 10.3 In no event shall UEFA have any liability as a result of inaccurate, unreliable and/or incomplete Club Content entered into the CL/FFP IT Solution by any Club. It is not intended that a Club should have any liability to UEFA as a result of: (a) inaccurate, unreliable and/or incomplete information entered into the CL/FFP IT Solution by the Licensor to which the relevant Club is affiliated; or (b) any breach of these Terms and Conditions by the Licensor to which the relevant Club is affiliated.

- 10.4 For the avoidance of doubt, Clubs are not required to submit Club Content via the CL/FFP IT Solution to the extent doing so would cause the Club to breach applicable laws.
- 10.5 If a Club is subject to certain applicable laws or regulations that may restrict it from submitting certain Club Content via the CL/FFP IT Solution (including, for example, requirements of entities listed on stock exchanges to maintain so called 'insider lists'), the Club should notify UEFA. In such circumstances, UEFA agrees to work with the relevant Club to try and identify and implement reasonable and appropriate solutions.

## 11. Licensor Undertakings

- 11.1 Each Licensor undertakes and certifies to UEFA that it (including its Authorised Person) has acted in good faith and taken all reasonable care in the verification of the Club Content entered within the CL/FFP IT Solution in accordance with the requirements included in the UEFA regulations, directives, toolkits and other information communicated to the Registered Users from time to time in connection with the Regulations. The verification process may involve the relevant Licensor including supplementary commentary and/or other information alongside or otherwise connected to such Club Content. The Licensor is solely responsible for the verification of all Club Content entered into the CL/FFP IT Solution by the Club and/or its Authorised Person. Any and all information or other data entered into the CL/FFP IT Solution by a Licensor pursuant to such verification processes shall be deemed to be Club Content relating to the relevant Club. For the avoidance of doubt, the provisions of paragraph 10.3 shall apply in respect of information entered into the CL/FFP IT Solution by the Licensor to which the relevant Club is affiliated.
- 11.2 Without prejudice to the confidentiality provisions set out below, each Licensor undertakes and certifies that it (including its Authorised Person) has taken all reasonable care and measures in order to preserve the confidentiality of the Club Content. In particular, Club Content entered into the CL/FFP IT Solution by one Club and/or verified by the Licensor shall not be accessible and/or divulged and/or otherwise made available by any means to any third party including (without limitation) any other club (including, in particular, any club affiliated to the same Licensor), save in respect of the access afforded to UEFA as contemplated by these Terms and Conditions as well as the UEFA regulations, directives, toolkits and other information communicated to the Registered Users from time to time in connection with the Regulations or as otherwise set out in paragraph 11.4.
- 11.3 In no event shall UEFA have any liability as a result of inaccurate, unreliable and/or incomplete information entered into the CL/FFP IT Solution by the Licensor. It is not intended that the Licensor should have any liability to UEFA as a result of: (a) inaccurate, unreliable and/or incomplete information entered into the CL/FFP IT Solution by the Clubs affiliated to that Licensor; or (b) any breach of these Terms and Conditions by any Club affiliated to that Licensor.
- 11.4 Paragraph 11.2 is not intended to prevent or restrict the Licensor from continuing to work with relevant third parties in respect of the Regulations matters provided that the extent of such third parties' involvement is subject to appropriate confidentiality undertakings and approved by the relevant Clubs.

## 12. Confidentiality

- 12.1 Each Registered User shall keep confidential the contents of all information disclosed through or obtained by the CL/FFP IT Solution save for disclosure to its advisers or auditors or where disclosure is required for the purpose of UEFA regulations or by a competent authority or by law.
- 12.2 Registered Users agrees to undertake whatever reasonable measures are necessary to preserve the confidentiality of the UEFA Content and the Club Content including ensuring compliance with this confidentiality undertaking by their employees, agents, advisers and auditors.

## 13. Costs

The use of the CL/FFP IT Solution (in accordance with the Terms and Conditions) shall be free of charge (no subscription fee) for the Registered Users. The Registered Users shall bear all other costs in relation to the CL/FFP IT Solution including (without limitation) all hardware and software installation and all Internet connection costs, access provider charges and communication costs.

## 14. Intellectual Property and Ownership of CL/FFP IT Solution

- 14.1 The CL/FFP IT Solution is owned by UEFA, and all rights are reserved by UEFA.

- 14.2 All rights, titles and interests (including all copyright and other intellectual property rights) in the CL/FFP IT Solution (including, without limitation, its look and feel, structure, layout and all UEFA Content) belong exclusively to UEFA in perpetuity. In addition, UEFA hereby reserves all rights in all trade marks, service marks, logos and other distinctive brand features of UEFA and the CL/FFP IT Solution whether now existing or developed in the future.
- 14.3 Subject to Registered Users' rights to use Club Content in the manner contemplated by these Terms and Conditions, all rights, titles and interests (including all copyright and other intellectual property rights) in the Club Content submitted by Clubs belong exclusively to the relevant Club in perpetuity and all rights, titles and interests (including all copyright and other intellectual property rights) in the Club Content submitted by Licensors belong exclusively to the relevant Licensor in perpetuity.
- 14.4 Nothing in these Terms and Conditions is intended to grant any Registered User any licence or right to use any names, logos, pictures or trade marks contained within the CL/FFP IT Solution.

## **15. Disclaimer**

- 15.1 All use of the CL/FFP IT Solution is on an "as is" and "as available" basis and at the Registered User's sole risk, without warranty, condition or term of any kind, either expressed or implied.
- 15.2 UEFA cannot (and does not) guarantee that the CL/FFP IT Solution will be fully-operational or error-free or free from viruses.

## **16. Force Majeure**

A Registered User will not be in breach of these Terms and Conditions if and to the extent that it is delayed or prevented from performing any of its obligations due to reasons beyond its control.

## **17. Severability**

If any of the provisions of these Terms and Conditions shall be determined by any competent authority to be invalid, unlawful or unenforceable to any extent, such provision shall, to that extent be severed from the remaining provisions which shall continue to be valid to the fullest extent permitted by law. The invalid provision(s) shall be replaced by any provisions(s) negotiated by the Registered Users (or by any provisions(s) decided by the competent authority) which best reflect(s) the purpose and spirit of these Terms and Conditions.

## **18. No Waiver**

Any waiver in respect of a breach of any provision of these Terms and Conditions shall only be effective if it is made in writing and specifically expressed as a waiver and shall not operate as, or be construed to be, a waiver of any other breach of such provision or of any breach of any other provision of these Terms and Conditions. No delay or omission in exercising any right, power or remedy provided by law or under these Terms and Conditions shall affect that right, power or remedy or operate as a waiver of it and the single or partial exercise of any such right, power or remedy shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

## **19. Applicable Law and Jurisdiction**

- 19.1 The Registered User agrees that the laws of Switzerland, without regard to conflicts of laws principles thereof, will apply to all matters relating to these Terms and Conditions and/or the Regulations and/or use of the CL/FFP IT Solution.
- 19.2 In the case of a dispute, the Registered User agrees to submit to the exclusive jurisdiction of the Court of Arbitration for Sport in Lausanne, Switzerland.

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