

THE FOOTBALL ASSOCIATION

# **CLUB LICENSING MANUAL**

## **FOR PARTICIPATION IN UEFA CLUB COMPETITIONS**

For applications made during season 2020/21  
(in respect of UEFA Club Competitions to be played in season 2021/22)

### **Addendum**

#### **Background**

The Licensing Manual was approved by the Premier League Board on 28 October 2020, the Professional Game Board of The Football Association on 4 December 2020 and provided to UEFA for review on 9 December 2020.

On 15 February 2021 UEFA issued Circular 07/2021 making changes to the UEFA Club Licensing and Financial Fair Play Regulations (2018 edition) that are to be applied for applications for a UEFA Club Licence in Season 2021/22. This Addendum has been prepared in response to the UEFA Circular to make the required changes to the Licensing Manual.

This Addendum was approved by the Premier League Board on 26 February 2021, the Professional Game Board of The Football Association on 9 March 2021 and provided to UEFA for review on 12 March 2021.

## FINANCIAL CRITERIA

No.	UEFA Article	Grade	Description of UEFA Article
27.	46, 46 bis, 47, and 47bis	A	Annual financial statements – audited

Compliance with Rules E.3 and E.4 and the above additional requirements will be deemed to be compliance with the UEFA criterion save in the following cases:

1. The Licence shall be refused where the requirements of Remarks 1, 2 and 3 above are not met.
2. The auditors' report on the Annual Accounts has, in respect of going concern, ~~either a material uncertainty or~~ a qualified 'except for' opinion. In this case the Club's application for the UEFA Club Licence shall be refused unless further documentary evidence (not necessarily limited to Future Financial Information) is submitted which is accepted by the board of the Football Association as indicative of the Club's ability to continue as a going concern until at least the end of the Licence season.
3. The auditors' report on the Annual Accounts has in respect of a matter other than going concern an emphasis of matter, an other matter or a qualified 'except for' opinion. In this case the board of the Football Association shall consider the implications thereof and whether it warrants refusal of the Club's application for the UEFA Club Licence. The board of the Football Association or the Board may also require the Club to submit such further documentary evidence as it considers appropriate.
4. The auditors' report on the Club's Annual Accounts has a disclaimer of opinion, an adverse opinion or makes reference to an Event of Insolvency (as defined in Rule E.23) having occurred since 1 June 2020 to the Club or to any Parent Undertaking of it included within the Group Accounts. In such cases the Club's application for the UEFA Club Licence shall be refused.

No.	UEFA Article	Grade	Description of UEFA Article
29.	49, 50 and 50bis	A	Payables overdue

#### Remarks

In relation to an application for the UEFA Club Licence:

(a) to (e) as per the Licensing Manual.

- (f) any amounts identified as overdue in relation to the application of Rule E.9.2 (employees and PAYE/NI) may not result in the refusal of a UEFA Club Licence where the aggregate amount of the overdue payables as a percentage of the aggregate employee benefit expenses reported in the Annual Accounts of the Club (or of its Group) provided under Rule E.3 is no greater than 15% and is proportional to the forecast decrease as a consequence of COVID in all revenues (matchday and non-matchday) generated by the Club/Group from domestic competitions in the accounting year ending in 2021. A Club must also submit proposals by 7 April 2021 (or such later date as the Board shall specify) for the payment of such overdue payables by no later than 30 June 2021.

Compliance with Rule E.9 and the Remarks above will be deemed to be in compliance with the UEFA criteria.

The required proof will be established as follows:

1) to 8) as per the Licensing Manual.

- 9) where a Club wishes to utilise the contents of Remark (f) then supporting calculations and documentation must be provided by 7 April 2021 (or such later date as the Board shall specify) together with proposals for the payment of any such overdue payables by 30 June 2021.

#### Documents

Bullets as per the Licensing Manual.

- Documentation in relation to Remark (f) (where applicable) including supporting calculations approved by an Authorised Signatory.

No.	UEFA Article	Grade	Description of UEFA Article
31.	52	A/B <sup>6</sup>	Future Financial Information

#### Premier League Rule

E.11 and E.12 as per the Licensing Manual

#### Remarks

In relation to an application for a UEFA Club Licence:

- (a) the projected cash flow to be submitted pursuant to Rule E.11 is to include comparative figures for the periods covered by the Annual Accounts and interim accounts submitted pursuant to Rules E.3 and E.6;
- (b) the content of the Future Financial Information shall be consistent with the disclosure requirements and accounting principles set out in this Manual for the annual and interim accounts submitted pursuant to Rules E.3 and E.6. Additional line items or notes must be included if they provide clarification or if their omission would make the Future Financial Information misleading.

Failure to submit Future Financial Information shall not lead to refusal of a Club's UEFA Club Licence Application unless the following applies.

If the auditor's report on the Annual Accounts or interim accounts submitted by a Club includes in respect of going concern ~~a material uncertainty~~ or a qualified opinion or conclusion, or the annual or interim accounts disclose higher net liabilities than at the previous accounting reference date:

- (a) Future Financial Information must be submitted and will be subject to assessment to include the following minimum checks:
  - i) compliance with Rules E.11 and E.12
  - ii) mathematical accuracy;
  - iii) through discussion with the Club's management and review of the Future Financial Information, determination whether the Future Financial Information has been prepared using disclosed assumptions and risks; and
  - iv) the opening balances contained within the Future Financial Information are consistent with the balance sheet in the immediately preceding Annual Accounts or interim accounts;
  - v) if applicable, consideration of any other documentation that supports or otherwise relates to the Future Financial Information.
- (b) Failure to submit Future Financial Information or if the assessment of it is indicative (in the absolute discretion of the Board and/or the first instance body as required) that the Club will not be able to meet its financial commitments as they fall due and continue as a going concern until the end of the licence season will result in the UEFA Club Licence being refused.

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<sup>6</sup> See remarks relating to this section

In all other circumstances failure to submit Future Financial Information shall not lead to refusal of the UEFA Club Licence. However, Clubs' attention is drawn to the fact that, separately from the licensing process, they are required to submit Future Financial Information pursuant to Rule E.11, and failure to do so shall be dealt with under Section W as a breach of Premier League Rules, and may also be taken into account by the Board under Rule E.14 (see in particular Rule E.14.3).

A Club may be requested to provide a letter of comfort in a form acceptable to the Board in support of its Future Financial Information.