

# CLUB LICENSING MANUAL TOOLKIT

## LEGAL GROUP STRUCTURE / REPORTING PERIMETER

### LEG 1.05 / FIN 1.01.A

#### **A – CONTEXT AND AIM OF THE CRITERIA**

This criteria is designed to get official confirmation of the licence applicant's Legal Group Structure and Reporting Perimeter.

##### **Definitions:**

**Reporting Perimeter** is the company or entity or group of entities which is included in the financial statements supplied to 30<sup>th</sup> November.

**Significant Influence** is the ability to influence, but not control financial and operating policy decision making. Significant influence may be gained by share ownership, statute or agreement. A party is deemed to have a **significant influence if it provides an amount equivalent to 30%** or more of the licence applicant's total revenue in a reporting period.

**Subsidiary** is any entity that is controlled by another entity.

**Ultimate Controlling Party** is the person or legal entity that ultimately controls the entity which is the licence applicant. It may be:

- A person
- An association (e.g. Members Club)
- A foundation (e.g. an entity governed by trustees)
- A limited company, only if there is no controlling shareholder of such company

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#### **B – REQUIREMENTS**

##### **Legal Group Structure**

All Licence Applicants must provide information about the executive management of the Licence Applicant:

- the name and address of the Licence Applicant's Chairperson;
- the names, addresses and positions of each Member of the Licence Applicant's Executive Body;
- a list of authorised signatories (last name, first name, home address) for the Licence Applicant and the type of signature required (individual, collective, etc).
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(An authorised signatory is the person/s entitled to sign legal documentation on behalf of the licence applicant's legal entity, not necessarily the persons entitled to sign cheques etc.)

The licence applicant must also provide the licensor with the overall legal group structure at the statutory closing date of 30<sup>th</sup> November. This must be presented in a chart and duly approved by management. The documents must clearly identify and include information on:

- a) the licence applicant, and, if different, the registered member of the FAI;
- b) any subsidiary of the licence applicant, and, if different, the registered member of the FAI;

- c) any associate entity of the licence applicant, and, if different, the registered member of the FAI;
- d) any direct or indirect controlling entity of the licence applicant up to and including the ultimate controlling party;
- e) any party that has a 10% or greater, or indirect ownership of, or otherwise significant influence over the licence applicant, or 10% or greater voting rights;
- f) any party with a significant influence over the licence applicant;
- f) any other football club, in respect of which any of the parties identified in (a) to(f) or any of their key management personnel have any ownership interest, voting rights, and/or any involvement or influence whatsoever in relation to the governance of its financial and operating policies.

Significant influence - Ability to influence but not control financial and operating policy decision-making.

Significant influence may be gained by share ownership, statute or agreement. For the avoidance of doubt, a party or in aggregate parties with the same ultimate controlling party (excluding UEFA, a UEFA member association and an affiliated league) is deemed to have significant influence if it provides within a reporting period an amount equivalent to 30% or more of the licensee's total revenue in a reporting period.

For any entity in the **legal group structure**, the following must be supplied:

- a) Name of legal entity;
- b) Type of legal entity;
- c) Information on main activity and any football activity of legal entity;
- d) Percentage of ownership interest (and, if different, percentage of voting power held);

For any subsidiary of the licence applicant, and, if different, the registered member of the FAI, the following information must also be provided:

- e) Share capital;
- f) Total assets;
- g) Total revenues;
- h) Total equity.

The Licence Applicant must provide details of the reporting perimeter, i.e. the entity or combination of entities in respect of which financial information has to be provided as per financial criteria FIN 1.01 (i.e. single entity, consolidated or combined financial statements).

### **Reporting Perimeter**

The reporting perimeter must include details of:

- a) The licence applicant, and if different, the registered member of the FAI.
- b) Any subsidiary of the licence applicant and if different, the registered member of the FAI.
- c) Any other entity included in the legal group structure which generates revenue and/or performs services and/or incurs costs in respect of the football activities as defined in i) & ii) below:

**Football Activities include:**

- a. Employing/engaging personnel, including payment of all forms of consideration to employees arising from contractual or legal obligations.
- b. Acquiring/selling players registrations (including loans)
- c. Ticketing
- d. Sponsorship and advertising
- e. Broadcasting
- f. Merchandising & hospitality
- g. Club operations (e.g. administration, matchday activities, travel, scouting etc.)
- h. Financing (including financing secured or pledged against the assets of the licence applicant)
- i. Use and management of stadium and training facilities
- j. Youth sector

**Exclusions:** An entity may be excluded from the reporting perimeter only if:

- a. Its activities are entirely unrelated to the football activities defined above and/or the locations, assets or brand of the football club; or
- b. It is immaterial compared with all the entities that form the reporting perimeter and it does not perform any of the football activities defined in i) and ii) above; or
- c. The football activities it performs are already entirely reflected in the financial statements of one of the entities included in the reporting perimeter.

The licence applicant must submit a declaration by an authorised signatory which confirms:

- a) That all revenues and costs related to each of the football activities listed above have been included in the reporting perimeter, and provide a detailed explanation should this not be the case; and
- b) Whether any entity included in the legal group structure has been excluded from the reporting perimeter, justifying any such exclusion with reference to the exclusions above.

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

- i) solely the licence applicant/licensee (single entity), for which financial information is prepared covering solely the single reporting entity; or
- ii) a group of two or more entities (consolidation), including the licence applicant and, if different, the registered member entity, for which financial information is prepared on a consolidated basis as if they were a single company; or
- iii) two or more entities (combination), including the licence applicant and, if different, the registered member entity, for which financial information is prepared on a combined basis as if they were a single company.

**LEG 1.05**

**NAMES AND ADDRESSES OF EXECUTIVE BODY**

**CLUB NAME** \_\_\_\_\_ **BOARD OF MANAGEMENT " ENTER YEAR"**

Please state the names and addresses of each member of the Board of management / management committee of the licence applicant:

Name	Position	Address
	<b>Chairperson</b>	

**TO BE COMPLETED FOR CRITERIA LEG 1.05 & FIN 1.01.A**

**Licence Applicant** (legal entity) [ ]

**Legal Form of Entity** [ ]

**Ultimate controlling party:** [ ]

**Name of any shareholders who hold 10% or greater ownership/voting rights:**

[ ]

[ ]

[ ]

[ ]

**Name of any other party having significant influence as per definition above:**

[ ]

[ ]

**Reporting Entity** (Single/ other please tick) **single** [ ] or **consolidated** [ ]

If consolidated, please provide the details, in an organisation chart, of all entities included in the reporting perimeter. Please include all subsidiaries, and any entity in the legal group structure which generates revenue and/or incurs costs in respect of football activities.

Signed: \_\_\_\_\_  
[Auditor]

\_\_\_\_\_  
[Club Chairman or Director of Company]

Date: \_\_\_\_\_

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