



City Football Group Tax Strategy June 2018

This document sets out City Football Group's ('CFG') Tax Strategy as it relates to UK taxation. It applies to all CFG's UK entities which are listed at the end of this document. In this strategy, references to 'CFG' or 'the Group' are to all these entities.

This strategy has been produced to comply with the requirements as set out in Schedule 19 of the Finance Act 2016.

The Board of Directors of CFG ('the Board') have approved this document which constitutes the Group's UK Tax Strategy for the year ended 30 June 2018. This is our first published Tax Strategy, it will be reviewed annually and any amendments will be approved by the Board. The principal activity of the Group is the operation of professional football clubs as well as the provision of football and commercial services.

1. Our approach to risk management and governance arrangements in relation to UK taxation

The UK tax team are responsible for the day to day management of the UK tax affairs of CFG and work with the Finance Director to ensure the Tax Strategy is clear, to identify any tax risks which need to be addressed and to implement processes, so the tax risks are minimised. The Finance Director reports any tax risks to the Chief Financial Officer and the Audit and Risk Committee who are responsible for the Tax Strategy and the management of any tax risks. The Audit and Risk Committee are also responsible for reporting these risks to the Board, who have the ultimate responsibility.

The aim is for full compliance with all statutory obligations, tax regulations and full disclosure to HMRC.

CFG applies professional diligence and judgment in relation to the management and processes associated with tax matters which could affect the Group's compliance with its tax obligations and acts with integrity and transparency in relation to all tax matters. Where appropriate, advice is sought from third party tax specialists to obtain technical expertise to support the decision-making process.

The Group recognises the value of having strong, well-documented policies and processes in relation to taxation. It therefore undertakes significant work on an annual basis with external advisors in relation to the Senior Accounting Officer regime to both test the efficiency of these processes and to continually seek to improve them.

The staff who process and manage any matters which have tax implications have the appropriate training and experience and seek to operate in line with this Tax Strategy.

The tax related processes in place include appropriate authority limits whereby trained members of staff from the finance team must approve all transactions to ensure they are in accordance with CFG's policy and are correctly treated for tax purposes. Our accounting systems and processes are frequently reviewed by Internal Audit.

2. Our attitude towards UK tax planning

CFG's attitude to tax planning is consistent with the code of business conduct ensuring compliance with laws, regulations and policies along with accurate business records and reporting.

The Group recognises its responsibility to pay the appropriate amounts of tax arising in the UK as required under the laws and regulations of UK tax legislation. CFG do not engage in artificial transactions for the sole purpose of reducing UK taxation.

However, the Group will consider undertaking a transaction in a tax efficient way which is aligned to the commercial objectives of the business and in line with the obligations to its shareholders. CFG will not enter into any tax arrangements which will risk the reputation of the Group or is viewed as likely to damage their relationship with HMRC.

CFG strives to comply with all regulatory obligations by identifying risks, inclusive of those related to tax. Processes are then put in place to mitigate these risks.

3. The level of risk in relation to UK taxation that the Group is prepared to accept

CFG aims to have a level of certainty over the tax treatment prior to transactions being entered into wherever possible. However, inevitably there are some instances where there is a level of uncertainty. Where this is the case, CFG will liaise with HMRC in order to get an advance ruling where practicable.

Where CFG's interpretation of tax guidance differs to that of HMRC, external advice will be sought from third party tax specialists and the Group will only act on the basis of a more likely than not opinion.

Industry specific tax risks remain which are monitored and managed by the Finance Director, who will inform the Chief Financial Officer, the Audit and Risk Committee and the Board in line with the broader approach to risk management outlined in this Tax Strategy.

4. Our approach towards dealings with HMRC

CFG looks to maintain a strong, transparent, open and honest working relationship with HMRC through regular communications. We currently have as a minimum, annual meetings with our CRM to discuss any tax issues.

The Group strives to discuss any key developments and changes in the business with HMRC where practicable along with any potential impacts of those developments.

Where the tax treatment interpreted by CFG in relation to any issues differs from that expected of HMRC, CFG will work effectively with them to find a resolution as quickly as possible.

List of entities covered by this Tax Strategy

- City Football Group Limited
- Manchester City Limited
- Manchester City Football Club Limited
- Manchester City Investments Limited
- Manchester City Women's Football Club Limited
- City Football Marketing Limited
- City Football Services Limited
- City Football Image Rights Limited
- City Football UK Holdings Limited