



IDEAS | PEOPLE | TRUST

THE ANNUAL SURVEY OF
FOOTBALL CLUB FINANCE DIRECTORS 2020

AFTER EXTRA TIME AND PENALTIES

HOW FOOTBALL CLUBS AND INVESTORS
ARE RESPONDING TO DEVELOPMENTS IN
FOOTBALL FINANCES

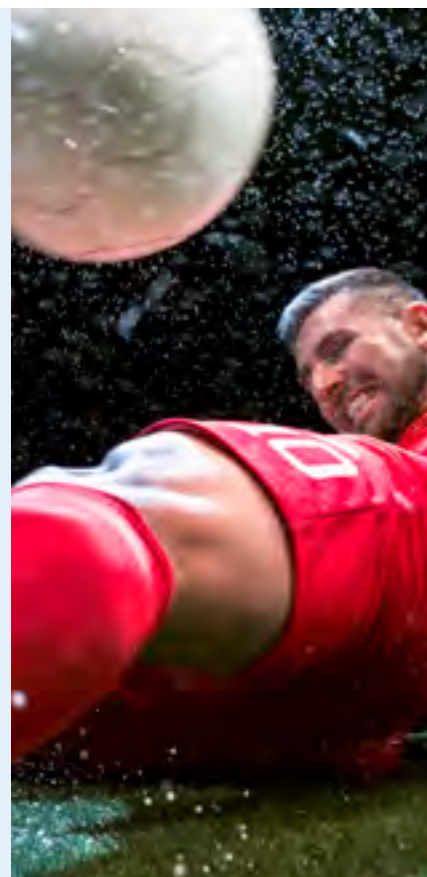


EXTRA TIME AND PENALTIES

THE ANNUAL SURVEY OF FOOTBALL CLUB FINANCE DIRECTORS 2020

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A WORD FROM IAN CLAYDEN

PARTNER, HEAD OF PROFESSIONAL SPORTS

Our 2019 Report was entitled 'Time to play the long game', a headline designed to project a majority call to employ the principles of restraint, financial fortitude, good governance and regulatory enforcement in order to mitigate the impacts of disruptors and preserve the long term future of the sport.

In short, this time last year it was evident that a structural change was needed to promote and enforce a credible sustainability mechanism.

In fact, we reported that "a significant proportion of clubs would embrace change of this nature" and that "perhaps now is the time to consider whether the current structure of the English leagues and income distribution requires adjustment". Certainly, high profile administrations, points sanctions, and matters pending suggest an unfavourable pre-COVID-19 direction of travel in English football.

But let's be clear, no-one really expected a light to be shone on football's financial fragility quite so intensely and quite so soon.

Today, 50% of Clubs are telling us their finances are in need of attention or a cause for grave concern – up from 27% in 2019 and 18% in 2018.

However, we are where we are, and the process has been accelerated somewhat, but this moment of 'resilience', and what will be a transition to 'realisation', was coming, and football will come out the other side ok. Why? Because ultimately it is important, it has the right people at the heart of it and, in case we were ever in doubt, lock-down has demonstrated an inelasticity in consumer demand for elite sport – football in particular.



FOREWORD

Successfully adapting to new business models and ways of working will be needed to address essential and obligatory political, economic, socio-cultural, and technological changes.

And, in a rare return to my undergraduate roots in Keynesian economics, in the case of football where stakeholders are so voluminous, central intervention is almost certainly required to facilitate a necessary short-cut to a sustainable equilibrium, rather than waiting for market forces to do the job for us. Or, as we said in 2019, "financial intervention is needed to promote longtermism and protect a sport whose impact is so far-reaching, and whose stakeholders are so diverse, that it cannot be allowed to have its tail cut and go the way of the high-street".

Centrally, football has recognised the COVID-19 situation as a 'burning platform' to drive change. The EPL has made arrangements to preserve key revenue streams (though more will be needed to facilitate the transition back into stadia), and salary caps have been introduced across the EFL (assuming ongoing discussions in the FLC finally conclude in the same way as FL1 and FL2 have).

The EPL has also modified inequitable restrictions on playing squad expenditure to promote competition, whilst retaining Profitability & Sustainability rules to steer clubs away from unsustainable losses. However, there will likely be a stark rise in Profitability & Sustainability breach to come - regardless of the assessment periods being modified in light of COVID-19 - and the leagues will need to figure out how to navigate that particular minefield 'fairly'.

At Club level, leveraging future receivables has become a key way to manage the transition, and in the absence of bank appetite or a central loan scheme, many clubs have little alternative.

Care needs to be taken of course to secure the future rather than mortgage it and kick the problem into the long grass. Accelerating incomes now will only help in the medium term if action is being taken now to dial back player costs - which inevitably takes time.

Non-essential, non-player capital expenditure is largely off the table too, which will be a set-back to growth in the Football League that will most likely be measured in years, not months.

So, what are football clubs telling us about the season that has just passed (finally!) and the season ahead? The reader will observe from our report that:



Across all divisions, all but two-fifths of the EPL expect to make losses before player trading in 2019/20



Only one in five clubs expect to make a profit after player trading



Fewer than one in four clubs will be increasing their investment in their academy next season (notwithstanding the increased reliance on first team graduation rates and net player disposals)



Clubs are increasingly dialled in to the need to broaden their commercial opportunities

- needing to understand and monetise their commercial data and brand



Clubs are realising a need to capture digital media opportunities, both domestically and internationally, outside of those negotiated and closely controlled centrally by their leagues



Player budgets are expected to be constrained - 60% of Clubs intend to decrease their squad size and 74% intend to decrease their salary costs



No Club is increasing its transfer budget this year, and it does not feel too much of a reputational risk to predict transfer fee and player salary deflation. The reader will note that 30% of clubs expect to let a number of player contracts expire this season and, somehow, 88% of clubs expect to be net sellers in this transfer window.



**"POST-COVID-19, GOOD ASSETS WILL
REMAIN GOOD ASSETS, ALTHOUGH THE
OWNERSHIP OF THESE ASSETS AND HOW
THEY ARE OPERATED MAY NOT BE QUITE
THE SAME"**

Where does this leave investors? It is folly to expect the difficulties faced in 2020 to deter investors. In fact, expect the opposite. If anticipated and necessary financial adjustments promote sustainability (and indeed profitability), a new balance of central control with enhanced global digital opportunities will excite institutional and profile building investors alike.

A comment made by a friend and learned colleague of mine has been ringing in my ears since late March: "post COVID-19, good assets will remain good assets, although the ownership of these assets and how they are operated may not be quite the same" (Stuart Collins, BDO Finance Partner).

Anecdotally, we can assure you that new investors are waiting in the wing and they have growth capital to invest. However, as always in football, the completion of transactions will depend on whether potential sellers are willing to walk away from sunk costs, or, alternatively, whether buyers will relax their appetite for a bargain and bridge the gap a little. In reality, both are probably needed to some extent.

In summary then, as always, we find ourselves in a period of transition in football. Accelerated transition - and regrettably for some, a painful transition - but ultimately, where rising player costs have largely consumed increases in revenues for some time, an inevitable transition. However, if we fast-forward to a time of unrestricted attendances, the challenges to be overcome are not demand side, and supply side adjustments are in football's control.

Finally, I would like take this opportunity to direct the reader to read about the 95% of Clubs who have undertaken community initiatives in response to COVID-19, for which I am certain there are endless examples of where clubs have made an invaluable difference to some harsh personal realities being faced by loyal supporters.

Support goes both ways and football has not lost sight of this.

For the first time, our 2020 publication includes guest contributions from The Sports Consultancy and 21st Club, both enlightened experts at the forefront of their respective fields of sports consulting and data-led sports intelligence, and both an absolute pleasure to work with.



FINANCING

THE

CLUB



**THIS YEAR, HALF OF OUR RESPONDENTS HAVE RATED THEIR CLUB'S FINANCES AS IN NEED OF ATTENTION OR A CAUSE FOR GRAVE CONCERN/ON THE VERGE OF ADMINISTRATION...
...MORE ALARMINGLY, ONE-IN-TEN CLUBS IN FL1&FL2 RATED THEIR FINANCES AS A CAUSE FOR GRAVE CONCERN WHICH SOMEWHAT ECHOES THE DCMS COMMITTEE'S RECENT STATEMENT (CITING THE EFL) THAT "ONE-IN-FIVE FOOTBALL CLUBS COULD GO BUST".**

**SIMON HALL**

Director, BDO Corporate Finance

Domestic football Club revenues topped a record £6bn in 2019/20 as a new media rights package was agreed that was worth over £3bn per year until the 2021/22 season. There is more money pouring into football than ever. However, on the back of an unprecedented six months, an alarming 50% of Clubs are telling us their finances are in need of attention or a cause for grave concern.

For a number of years, we have highlighted the increasing challenges Clubs are facing, particularly outside of the English Premier League (EPL).

Despite an increase in broadcasting income year-on-year, the rate of income growth has been exceeded by player cost and transfer price inflation.

With many Clubs budgeting to spend to the absolute limit of the league's allowable losses, it has become increasingly difficult to stay competitive whilst also balancing the books.

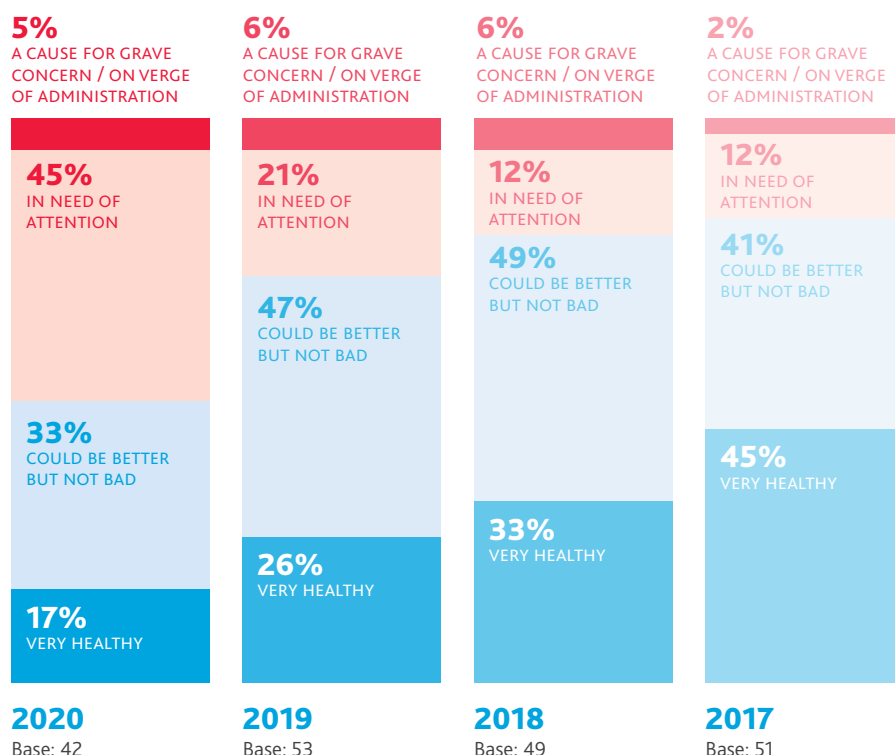
It is therefore unsurprising that, with the global shock of the magnitude of COVID-19, no fans in stadia and a player wage base that largely cannot be deferred, these challenges have been brought to the fore.

This year, half of our Respondents have rated their Club's finances as in need of attention or a cause for grave concern/on the verge of administration. The year-on-year decline since the first year of enhanced media rights income and the deterioration which has been accelerated by COVID-19 is depicted in the chart below.

A quarter of the EPL expressed concerns over their Clubs' financial health this year, but looking further down the leagues is where the real concerns lie. Football League Clubs are far more reliant on match day revenues as a result of receiving less broadcasting income and correspondingly nearly half of the FLC and over two-thirds of Football League 1 and 2 (FL1&FL2) Clubs have said their finances are in need of attention or worse.

More alarmingly, one-in-ten Clubs in FL1&FL2 rated their finances as a cause for grave concern which somewhat echoes the Department for Digital, Culture, Media & Sport (DCMS) Committee's recent statement (citing the EFL) that "one-in-five football Clubs could go bust".

HOW WOULD YOU RATE YOUR CLUB'S CURRENT FINANCIAL POSITION?



TURNING TO GOVERNMENT SUPPORT MEASURES WHERE POSSIBLE

Absent a redistribution of wealth from the EPL in the short term, Clubs have been forced to react rapidly in order to minimise the effects of the Pandemic, seeking alternative financing in the short term while they readdress and streamline operations for the future.

However, while many industries have been able to lean heavily on government support measures and grants for funding, football has not consistently had the same relief.

Just 17% of Clubs were able to access additional high street loans (including 10% via Coronavirus Business Interruption Loan Scheme (CBILS) or Bounce Back Loan Scheme (BBLs)) where 24% were unsuccessful and 60% did not even try (citing prior experience).

CBILS has seemingly done little to change the willingness of banks to lend to the sector, with many unsuccessful Clubs being told – as with their traditional lending discussions (see further information within Debt and Investment on [page 10](#)) – that they did not meet strict lending criteria due to historic losses.

FINANCING THE CLUB

The Coronavirus Job Retention Scheme (CJRS) has proven divisive. 74% of Respondents benefitted from the scheme, including 100% of FL1&FL2 Clubs and 92% of the Football League Championship (FLC). That said, only 17% of the EPL furloughed staff, with the League facing considerable media and social pressure not to.

Reflecting on the very public scrutiny that some Clubs have received, and to restore some balance, we note that 95% of Clubs (and 100% of the EPL) turned their attention to community support initiatives during lockdown.

The most consistently utilised government support measures were the various tax deferral and 'time-to-pay' schemes. 81% of Clubs deferred employment taxes (typically the second highest cost behind wages themselves) and 67% deferred VAT. It is perhaps surprising that more did not.

HAS YOUR CLUB TAKEN ADVANTAGE OF THE FOLLOWING COVID-19 GOVERNMENT SUPPORT SCHEMES

| % OF CLUBS TAKING ADVANTAGE OF EACH SCHEME | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|-----|-----|---------|
| Coronavirus Job Retention Scheme (Furlough Scheme) | 74% | 17% | 92% | 100% |
| Tax 'time-to-pay' : employment taxes deferral | 81% | 75% | 77% | 88% |
| Tax 'time-to-pay' : sales taxes deferral | 67% | 83% | 46% | 71% |
| Coronavirus Business Interruption Loan Scheme (CBILS) or Bounceback Loan Scheme (BBLS) | 10% | 0% | 8% | 18% |
| Coronavirus Large Business Interruption Loan Scheme (CLBILS) | 0% | 0% | 0% | 0% |
| Other | 5% | 0% | 8% | 6% |

Base: 42

CLUBS ARE STRIVING TO BE MORE SELF-SUFFICIENT

Interestingly, in the face of recent challenges, Club owners seem more reluctant to fund losses and cash shortfalls (discussed further the Debt and Investment section on [page 11](#)). This has increased the need for Clubs to become more self-sufficient.

In light of this, 20% of Clubs across all Leagues noted that obtaining additional principal shareholder funding is their top priority, with 20% prioritising stadium or other real estate expansion in order to enhance commercial and match day revenues (albeit not all Clubs have the budget to execute any larger plans), and 17% of Clubs (and 30% of the FLC) saying that growing the domestic fan base is most important.

With sourcing primary debt still incredibly difficult in most cases, (see further information within Debt and Investment on [page 11](#)) Clubs have increasingly turned to secondary funding. Leveraging of player transfer fee receivables continues to be popular this year (33% of Clubs compared to 21% in 2019). However, advances on central funding are now the most popular secondary source (40% of Clubs, including 54% of the FLC). It is clear that without the Football Creditor Rule providing lenders with surety of repayment in both cases, most Clubs would have nowhere to turn for debt.

While not in significant proportions, some Clubs have turned to crowd funding and – more concerning – advances on season tickets, including for two or more years. Of course, a number of Clubs fell into this trap in the earlier part of this decade.

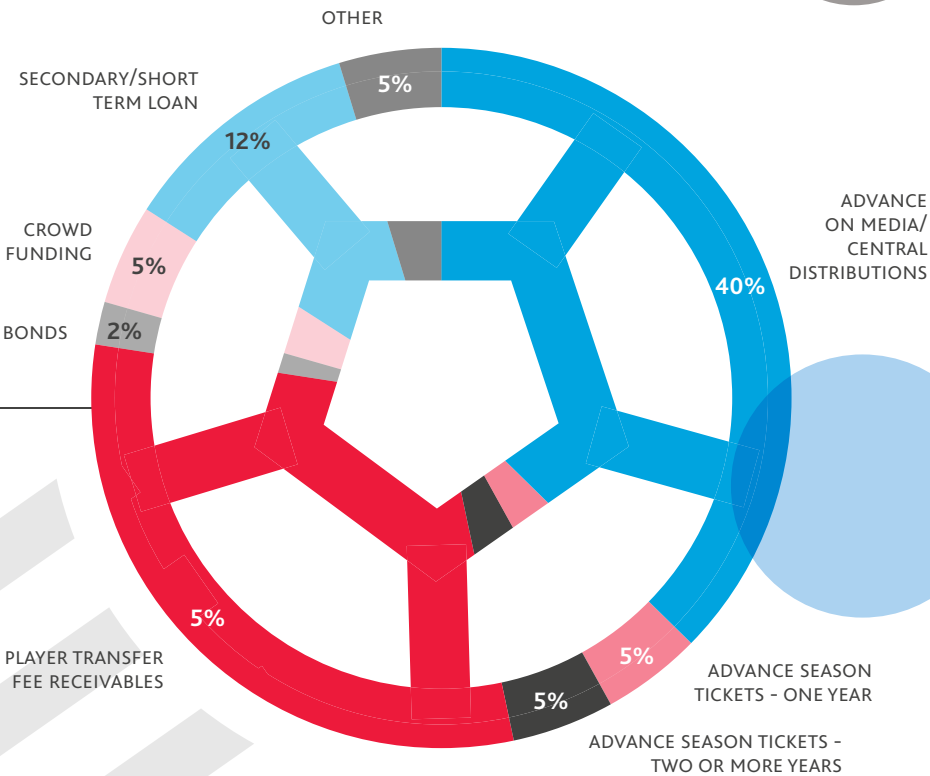
Taken with CBILS, BBLS and the tax deferral options above, accelerating income streams is tantamount to raising debt. With Club liquidity becoming increasingly challenged and borrowings on the rise, our concern is that this creates an income/cash hole for future periods that will need an equity based solution.

Clubs will face considerable challenges when deferrals and borrowings (including any salary deferrals) fall due, especially if they are still playing behind closed doors without match day income streams to offset them.

HAS YOUR CLUB USED
FUNDING FROM A
SECONDARY SOURCE
(I.E. NOT PRIMARY
BANKERS)?

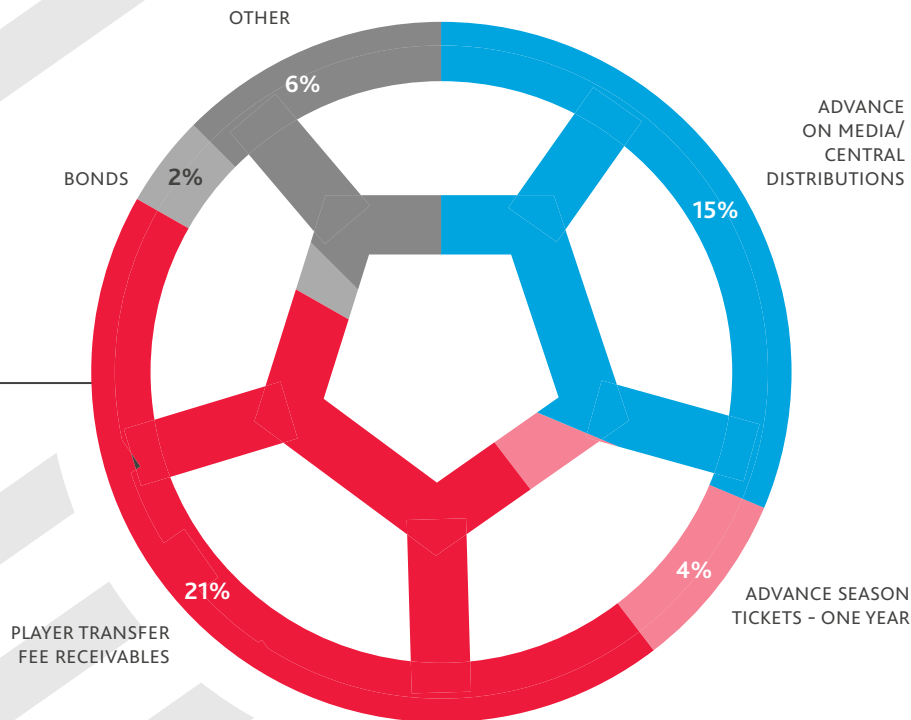
2020

Base: 42



2019

Base: 53



FINANCING THE CLUB

M&A ACTIVITY HAS NOT GONE AWAY – ARE THERE BARGAINS TO BE HAD?

Given the typical lead time for transactions, it is too early to clearly see the impact of COVID-19 on transaction and pricing trends. However, the Pandemic has had an interesting impact on M&A activity, which has been echoed in Club responses.

Since the 2019-2022 media rights package was announced, we have seen increased investor interest, albeit with relatively few deals completing on the back of Brexit, the General Election and other uncertainties. The Pandemic has undoubtedly exacerbated the uncertainty, but in turn it has created new bargaining dynamics.

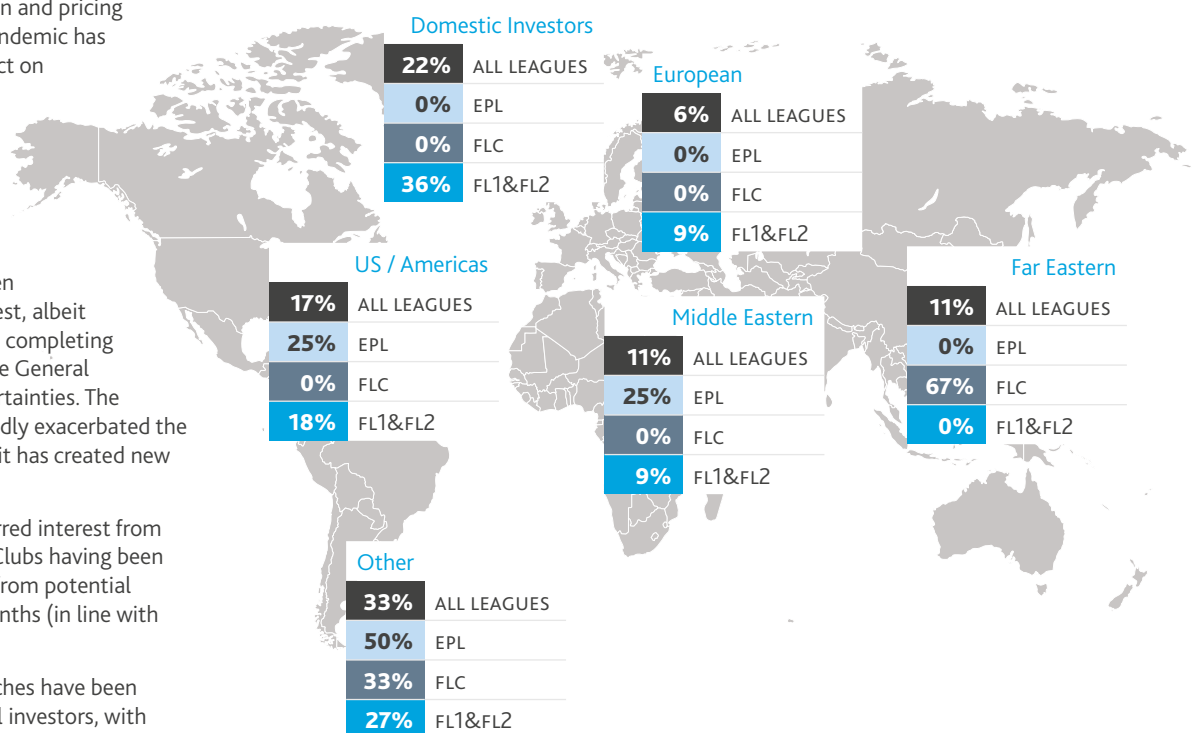
COVID-19 has not deterred interest from investors, with 43% of Clubs having been subject to an approach from potential suitors in the last 12 months (in line with 45% in 2019).

Over 25% of all approaches have been from global institutional investors, with US private equity increasingly interested in sport, often forming consortia with high net worth individuals, industry specialists and other sports franchises. From our experience, much of the appeal is in the brand loyalty associated with UK football.

These investors see huge growth potential if fan engagement can be further monetised globally, utilising their wider sports and media expertise and connections (more on this from The Sports Consultancy on [page 18](#)).

However, with investors seemingly looking for a bargain, shareholders seem much less willing to sell - just 14% of all Clubs have told us they are considering a full or partial exit, and none of the EPL despite plenty of takeover speculation in the league.

FOOTBALL'S GLOBAL APPEAL – WHERE INVESTOR INTEREST IS COMING FROM

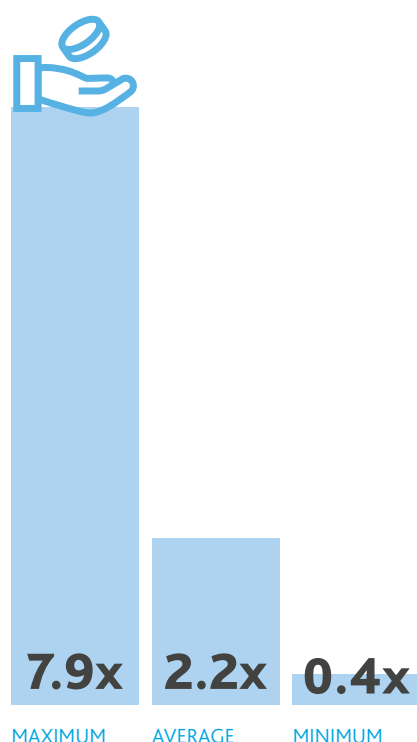


| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|-----|-----|---------|
| Institutional / investment portfolio investors | 28% | 75% | 33% | 9% |
| Long term supporters of the club | 11% | 0% | 0% | 18% |
| Football fans seeking entry into English football | 17% | 0% | 0% | 27% |
| Other profile building or speculative investors | 17% | 25% | 0% | 18% |
| Other professional sport franchises | 0% | 0% | 0% | 0% |
| Other / A combination of the above | 27% | 0% | 67% | 28% |

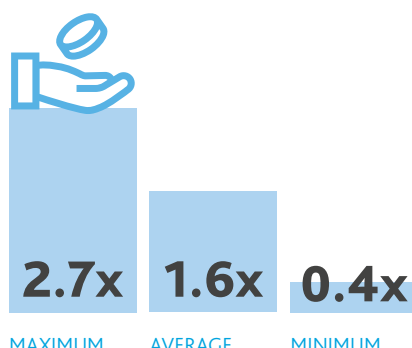
Base: 18

REVENUE MULTIPLES OVER THE LAST 10 YEARS, ISOLATING 'BIG 6' CLUB INVESTMENT MULTIPLES

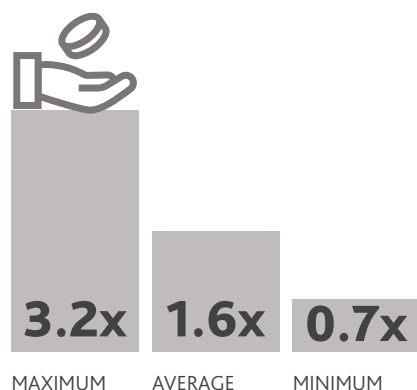
BDO benchmarking data



ALL CLUBS **2015-2019**



ALL CLUBS (EXCLUDING THE BIG 6) **2015-2019**



ALL CLUBS **2010-2014**



Amidst continuous takeover activity, current conditions are making it hard to yield valuations that are to shareholders' liking. Some buyers may also be biding their time, firstly to see how the transfer window unfolds - giving them a better view of Clubs' on-field and financial position heading into the new season - and, secondly, with a view to potentially having more bargaining power as conditions worsen for Clubs and their shareholders. This may lead to a stalemate in the short term, with Clubs needing investment but owners' sights set on longer-term, not yet adjusted to post COVID-19 valuations.

That said, with Clubs working hard to future-proof their businesses and broadening their operations with a view to sustainability, there is an opportunity for shareholders to realise higher valuations and revenue multiples once they have adapted to 'new-normal' conditions.

As our benchmarking data shows, revenue multiples have not changed significantly over time, but generally higher multiples are achieved by the larger Clubs with broad, diversified, global commercial income streams (as well as less risk of relegation), as typified by the Big 6 Clubs.

And herein lies football's main opportunity. While COVID-19 has exposed a number of financial weaknesses in the industry, it has also accelerated the need for change. As well as prompting those responsible to carefully reconsider governance structures and distribution of wealth - something you will see later that many Clubs have been advocating for some time - it could also lead to improvements to how Clubs are operated and financed in the longer term. This should make them more sustainable, and more valuable. However, for now it will get worse before it gets better, with debt mounting and the risk of government support measures and salary deferrals coming to an end before fans fully return to stadia. Until then, Clubs need to build resilience in order to make the tough decisions and transform their operating models.

DEBT

AND

INVESTMENT



THIS YEAR, ACADEMY DEVELOPMENT REMAINS A KEY FOCUS FOR INVESTMENT AND DEVELOPMENT, BUT 43% OF CLUBS HAVE INDICATED THAT ALL OTHER NON-PLAYER CAPITAL SPENDING IS NOW ON HOLD.

**LUKE LENEHY**

Associate Director, BDO Corporate Finance

In transition through COVID-19, we are seeing Clubs scale back discretionary spending budgets across the leagues. This includes a reduction in player investment and other non-player capital spend, which is typically the investment that drives future growth. While Clubs are purely acting out of necessity, there is a risk that this challenging period of cash flow management may lead to even greater disparity between leagues.

The 2020/21 financial year will ultimately be critical to the survival of some Clubs. Whilst larger Clubs in the EPL may have more ability to access different sources of finance, Football League Clubs do not have this luxury. Ultimately the ability of Clubs to invest (and possibly some to survive) will come down to the willingness and ability of shareholders to inject further funding in a period where lower league Clubs' revenues can be as low as 40% of 'normal' levels and owners' personal circumstances may well have taken a turn for the worse.

Just 57% of Respondents are saying that they are able to rely on shareholders for principal funding this year, compared to 70% in 2019.

FLC Clubs are unique in placing more reliance on shareholders (92% versus 80% in 2019), which is perhaps unsurprising given the fierce competition for a potentially COVID-19 and recession-proof promotion.

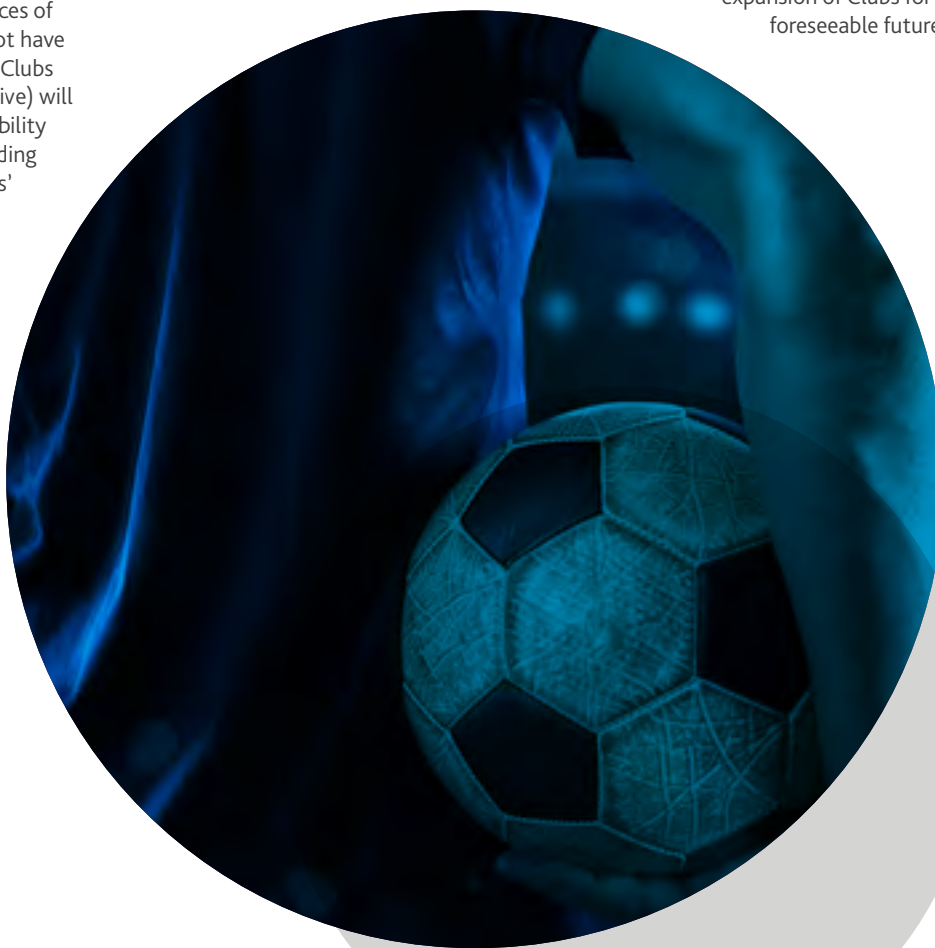
Clubs are understandably expecting reductions in non-player related capital investment with 57% of Respondents planning to spend less than £2.5m in the 2020/21 financial year, compared with 39% in 2019/20.

The 2019 report suggested that whilst academy development was seen as key, Clubs were starting to look at new commercial ventures to help diversify revenue streams and increase fan engagement.

This ran true as we began to see a broadening of areas of capital investment, including commercial and real estate ventures, stadium expansion and investment in other sports such as e-gaming.

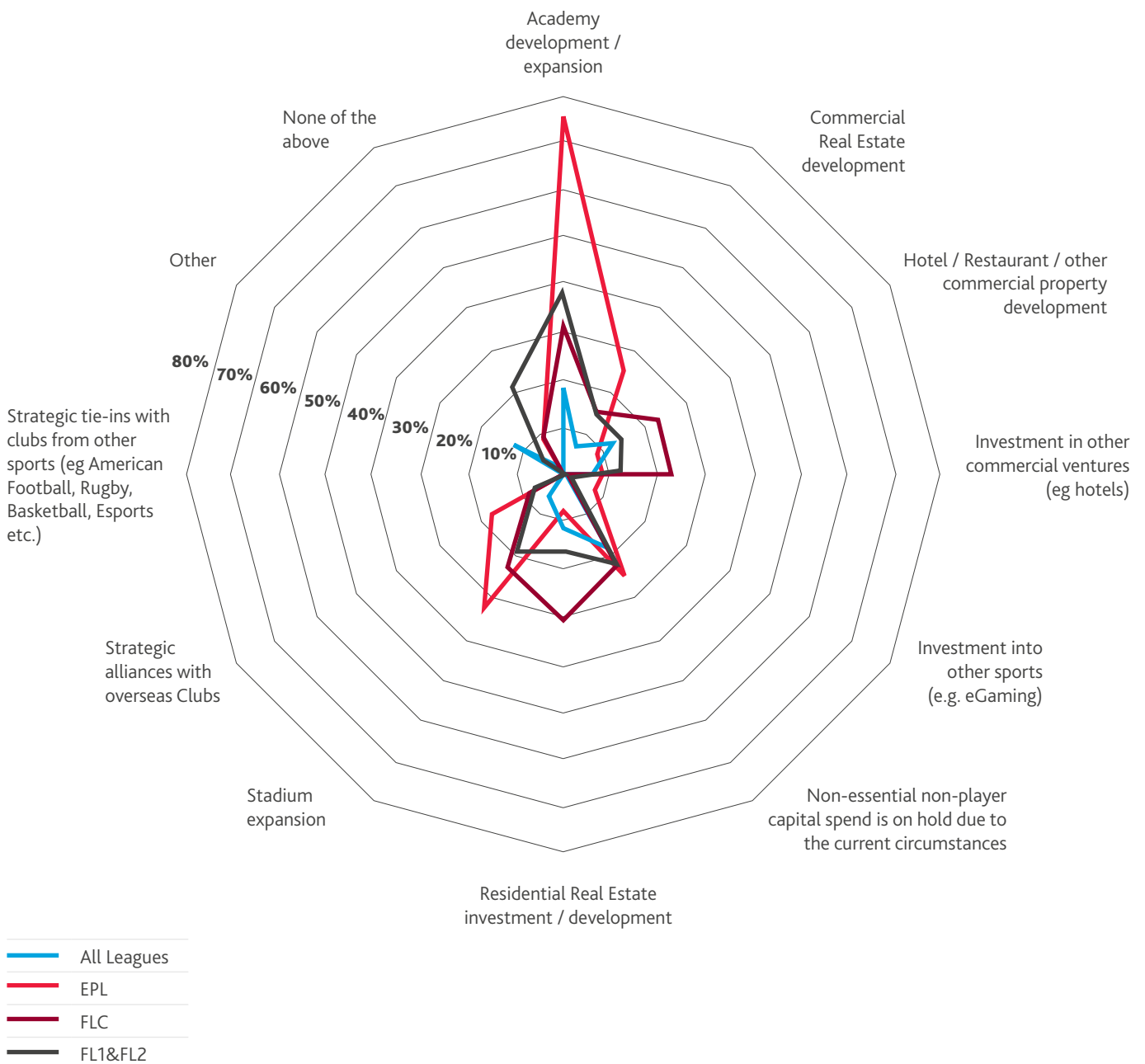
This year, academy development remains a key focus for investment and development, but 43% of Clubs have indicated that all other non-player capital spending is now on hold.

This retrenchment is a clear indication of how COVID-19 will stifle physical expansion of Clubs for the foreseeable future.



DEBT AND INVESTMENT

ARE YOU CONSIDERING ANY OF THE FOLLOWING AREAS OF NON-PLAYER CAPITAL SPEND IN THE NEXT 12/18 MONTHS?



Base: 42

WHAT ARE THE ALTERNATIVES IF SHAREHOLDER FUNDING IS NOT FORTHCOMING?

Whereas businesses in other industries may be able to look to external lenders such as high street banks for financial support in times of need, it is clear that many Clubs (especially outside of the EPL) do not see this as a viable option.

QUOTES FROM RESPONDENTS WHO WERE UNSUCCESSFUL IN OBTAINING ADDITIONAL BANK FACILITIES

"We did not meet the lending criteria"

"[Bank] did everything they could to be unhelpful"

"Business Plan not viable and retained losses more than share capital"

"Our bankers advised we do not qualify for the CBILS scheme"

"We were told it is not bank policy to lend to football clubs"

Our Respondents seem to have forever been fighting the perception that football clubs are unsustainable and therefore not worthy of accessing traditional funding, leaving them almost solely reliant before factoring player transfer receivables and obtaining advances on central broadcasting funding.

As noted earlier in our report (see further information within Financing the Club on [page 4](#)), the Government's various loan support measures, with their strict qualification criteria, could not make a discernible difference to this.

The threat of relegation and with it a significant reduction in income has always been a core risk to football businesses (for both debt and equity investors). Of course, this is not the kind of risk that can be 'price adjusted' with an increase in interest rate. Instead, it has historically led to reluctance across traditional lenders to provide finance at all. Relegation is deemed to be a lottery and uncontrollable.

EPL Clubs have been more successful in applying for funding as they have the added benefit of being able to provide more security over future broadcasting revenue, including parachute payments should the worst happen.

Parachute payments in the event of relegation give lenders comfort that there is not an immediate cliff edge over which to fall, as long as Clubs can demonstrate to lenders that they have appropriate player salary ratchets in place if they are to go down.

Across our Respondents from the FLC, there are no Clubs who feel that there is sufficient debt liquidity in the market and only 29% of Respondents in FL1&FL2 feel that there is, compared to 75% of EPL Clubs.

Whilst the majority of Clubs outside of the EPL still do not anticipate seeking external funding, the continuing inability for Clubs to access debt is a cause for concern in light of COVID-19.

THE FUTURE OF FOOTBALL FINANCE

Although it might all seem doom and gloom on a traditional debt and investment front, there is one clear emerging trend in the market. With high street lenders unwilling to lend to Clubs themselves, there is increasing demand from sophisticated lenders who are willing to back equity investors in takeovers. Much of this has come from the US on the back of the increased interest from private equity.

Whilst leveraged buyouts are not a new phenomenon - after all, the Glazer's took over Manchester United back in 2005 - in our experience debt investors now appear to be more willing to look across the Leagues (although of course with higher interest rates) and - taking a more long term view - they are more able to rationalise the risk of relegation (and chance of promotion). In general, debt investors appear able to find more security in lending to the investor, rather than the Club itself, particularly if the investor is a reputable institution and they are able to join as part of a group/consortium. This leverage inevitably benefits the equity investor too, boosting their return on investment in the event of a profitable exit.

With the latest wave of institutional football investment seemingly more able to balance the risks and rewards of sport (and let's remind ourselves of how much football was missed during lockdown and how recession-proof football revenues tend to be), the increased exposure of football clubs to third party lending should improve access to finance for the industry as a whole. Furthermore, in the longer term, with salary caps being put in place, Clubs targeting sustainability via revenue enhancements and cost cuts, and sophisticated investors increasingly at the helm, we may someday see more traditional lenders return to the sector. However, our survey tells us that this is some way off.

REVENUE

AND

PROFITABILITY



**MORE THAN 90% OF RESPONDENTS
ACROSS ALL LEAGUES REPORTED
THAT CURRENT ECONOMIC
CONDITIONS WILL EITHER REDUCE
EVERY MAJOR REVENUE STREAM
...NEXT YEAR, OR IN THE BEST CASE
SCENARIO, THEY WILL REMAIN
AT THE SAME LEVEL.**

**ALASTAIR GEMMILL**

Senior Manager, BDO Corporate Finance

The downturn in confidence, exacerbated by COVID-19, has been a catalyst for growing disparity in profitability expectations between the EPL and Clubs in the lower leagues. This year, Football League Clubs typically only expect to make a profit after player trading and amortisation and expect the 2020/21 financial year to be worse, not better.

EPL Clubs are understandably more optimistic, relatively, but confidence is certainly lower than last year and many Clubs now have concerns about the impact of the upcoming 2022+ media rights package.

The vast majority of Football League Clubs were not confident in their ability to generate profits (pre-player trading) last year, but now over 80% have told us that they will not make a profit prior to player trading in the 2019/20 financial period.

It is therefore more important than ever for Football League Clubs to capitalise on the sale of valuable assets (i.e. their best players) in order to provide financial security. However, this is only likely to offer temporary respite in what could be an ongoing problem should stadia remain closed and match day ticket and associated revenues continue to be restricted (especially for FL1&FL2).

In response to adverse financials, 40% of FL1&FL2 Respondents have indicated that they will need to expand into digital media, streaming and other online related activities (including online retail, which should be a mainstay for all Clubs in current times) in order to maintain revenue levels going forward.

Traditionally, Clubs at this level have relied on centralised platforms and EFL support in this area. Indeed, the EFL has temporarily

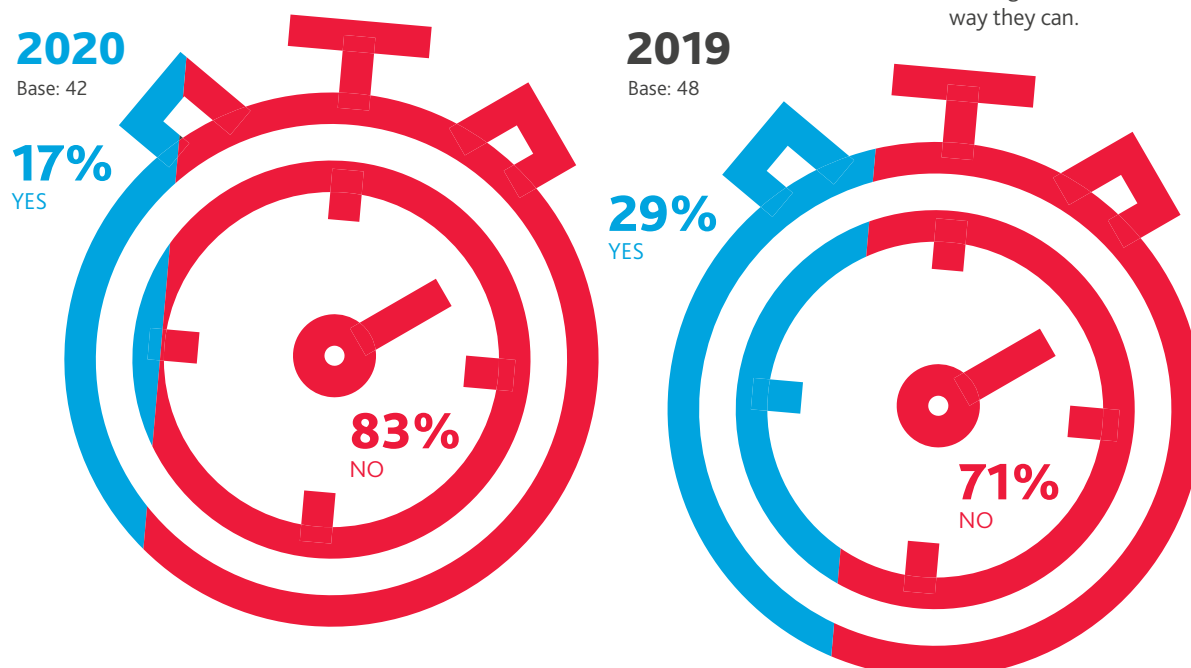
lifted restrictions on clubs monetising digital match streaming where the games are not already being broadcast centrally.

However, we understand there is now increased lobbying from Clubs to be given freedom to control their own destiny in relation to match streaming and other digital revenues.

Greater autonomy in the lower leagues in particular would enable Clubs to supplement match day revenues, which on the back of more enduring impacts of the Pandemic – such as restrictions to crowd capacities and fans potentially having less disposable income – could remain depressed for some time after fans return to stadia. It could even be crucial for some lower league Clubs' survival, after a year which has sadly seen a number of Clubs go into administration.

With a view to generating new income streams, alternative uses for stadia have been explored throughout the EFL (such as storage, service office rentals, concerts and the hosting of alternative sporting events). Clubs are indicating that they have been looking to maximise revenue in whatever way they can.

DO YOU EXPECT TO MAKE A PROFIT BEFORE PLAYER TRADING AND AMORTISATION IN YOUR 2019/20 ACCOUNTING PERIOD?



REVENUE AND PROFITABILITY

There has also been an emergence of creative sponsorship deals, as has been seen recently with cardboard cut-outs in stadium seating, seat banner sponsorship, and even Harry Kane facilitating the sponsorship of Leyton Orient.

As clubs continue to explore and adapt there is greater potential for commercial opportunities to arise.

As noted in our report, it was perhaps surprising that as little as 42% of EPL Clubs

expected to turn a post-player trading profit in 2018/19.

This year, it is less surprising that as little as 25% EPL Clubs expect to make a post-player trading profit, having committed to player costs based on pre-COVID-19 revenue forecasts.

With the current uncertainties, particularly around match day revenues, forecasting revenue and profitability has become increasingly difficult.

Clubs will have to closely monitor government guidelines in the upcoming months. The responses generally highlight the old adage that 'cash is king', as cash profits have clearly become much more important than accounting profits in these unprecedented economic times.

Furthermore, with broadcasting income refunds, and upcoming television rights deal negotiations for 2022+ not far off; it can be inferred that EPL Clubs, particularly those in the bottom half and battling relegation, are going to be forced to financially plan for a relegation scenario. In addition to this, FLC Clubs who might typically gamble for promotion to the EPL have transitioned into survival mode rather than looking to expand and chase promotion in the coming years.

CLUBS EXPECT REVENUE AND PROFITABILITY TO GET WORSE BEFORE IT GETS BETTER

In an industry where (promotion and relegation aside) pre-COVID-19 revenues were predictable, and spending could be set accordingly to maximise competitively, it was inevitable that the impact of COVID-19 across the industry would be far-reaching and indiscriminate, impacting all Clubs regardless of size. Furthermore, whilst the Pandemic impacts Clubs directly, there are indirect impact on sponsors, commercial partners, suppliers and fans that are expected to be felt for some time.

More than 90% of Respondents across all leagues reported that current economic conditions will either reduce every major revenue stream next year, or in the best case scenario, they will remain at the same level. What is especially concerning is the extent of the expected reduction.

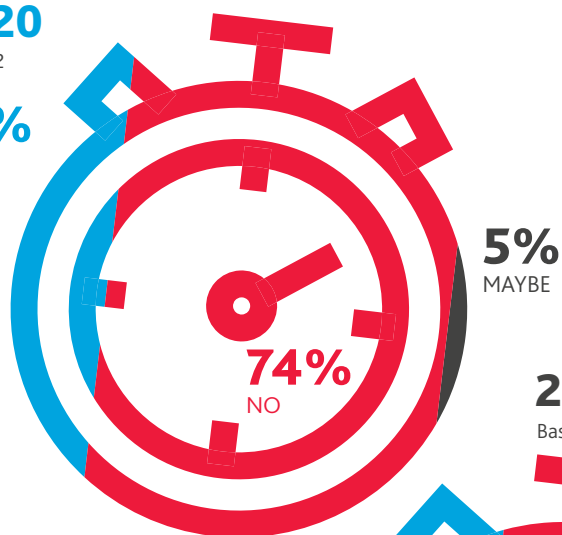
The majority of Respondents believe that major revenue streams will decrease by more than 5%, from the COVID-19 impacted 2019/20 period. This is in stark contrast to the 2019 survey, of course prior to the Pandemic, where fewer than 10% of Respondents expected any of their major revenue streams to reduce by more than 5%.

DO YOU EXPECT TO MAKE A PROFIT AFTER PLAYER TRADING AND AMORTISATION IN YOUR 2019/20 ACCOUNTING PERIOD?

2020

Base: 42

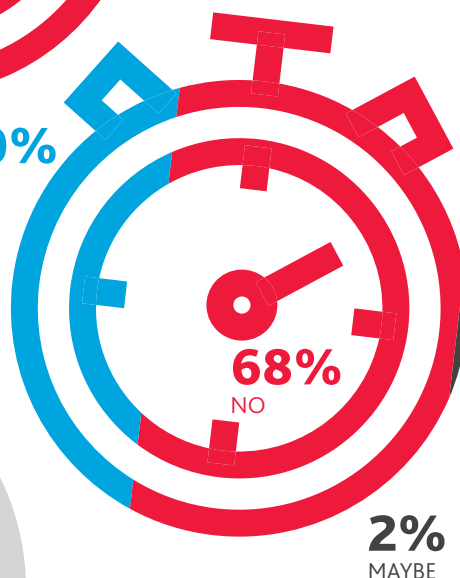
21%
YES



2019

Base: 48

30%
YES



WHAT EFFECT DO YOU EXPECT ECONOMIC CONDITIONS TO HAVE ON YOUR 2020/21 REVENUE STREAMS COMPARED WITH THE SEASON JUST ENDED?

In the EPL at least, the continued financial security of Clubs will be somewhat bolstered by the continuing demand for TV coverage and therefore broadcasting distributions. However, it is easy to see why there is a shift to cost cutting measures and player trading across the board in a bid to offset the anticipated drop in revenues.

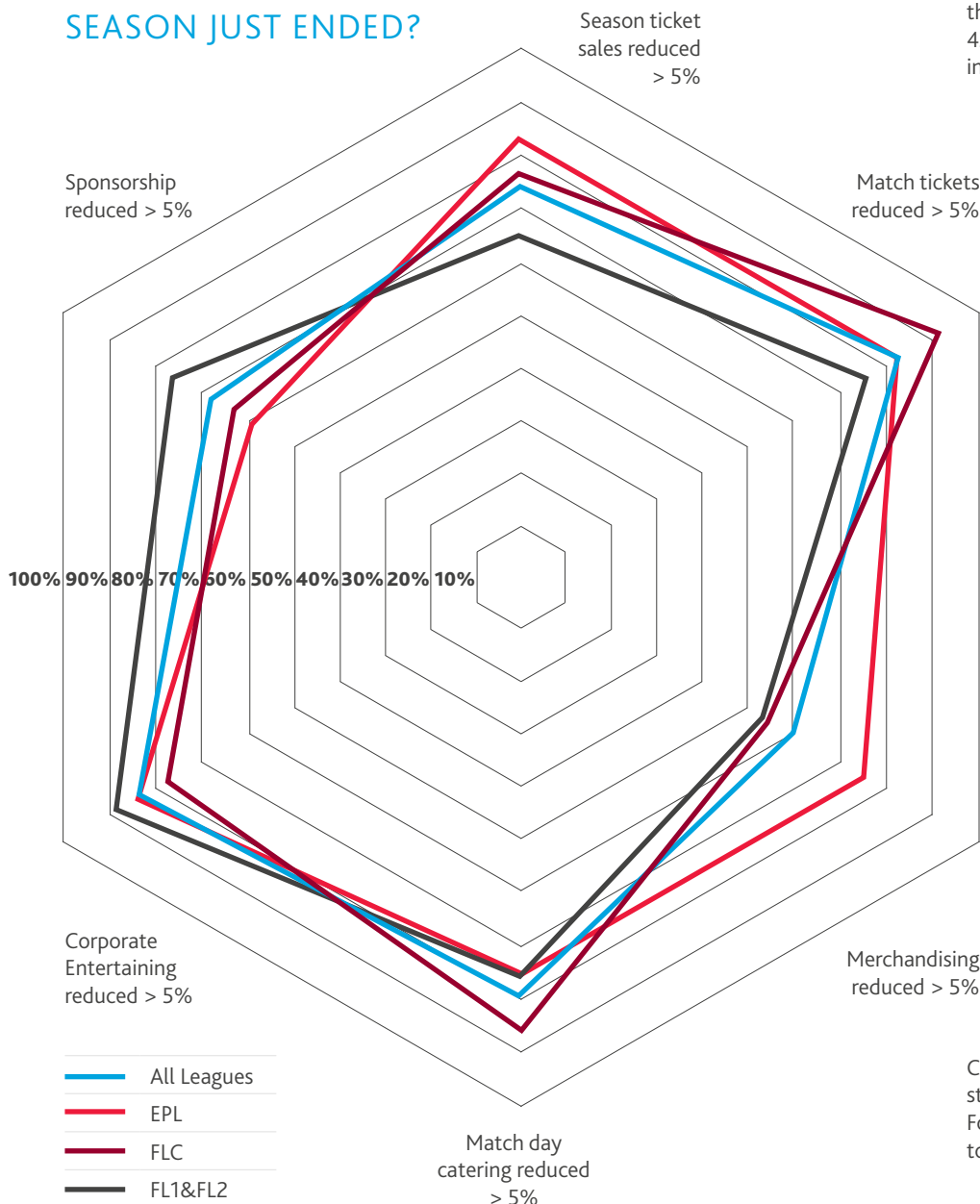
The first port of call for many Clubs is understandably player wages. See further on this within Player Costs on [page 44](#)), where players (and perhaps, indirectly, their agents) look set to be the stakeholders who will lose out most in the short term. A typical wage/turnover target ratio sits within the 51% – 75% of turnover range and 79% of our Respondents have indicated that their target sits within that range. However, 43% of Respondents are currently operating in a wages to turnover ratio in excess of 75% despite only 7% indicating that this was their target last year.

This includes 75% of the FLC, further echoing the sentiment that FLC Clubs are spending outside of their means in order to seek promotion to the EPL. Unfortunately, unlike in previous years, these Clubs may find it challenging to offset these cost through player trading. As you would expect, these Clubs are now planning to scale back squad sizes and wages for the coming season.

As seen with the use of the CJRS, Clubs may have to be responsive to current events in order to maximise cash and protect profitability, to control future costs and ultimately ensure their longevity.

With the currently unknown complications of COVID-19 likely to be joined by returning uncertainties around Brexit, the majority of Clubs are increasingly negative in their outlook. It is evident that 2020/21 will be extremely challenging for all

Clubs and fan engagement and prudent stewardship may be crucial to helping Football League Clubs survive in the short-to-medium term.



MAXIMISING COMMERCIAL REVENUE OPPORTUNITIES IN FOOTBALL



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A review of a football club's commercial programme is a basic component of any due diligence undertaken by a potential investor.

Whilst this exercise will obviously indicate expected commercial revenues over a fixed period of time, the commercial programme can provide a broader context on how differentiated a club may be as an investment, and a barometer of the extent to which the club innovates and disrupts.

A PERSPECTIVE FROM THE SPORTS CONSULTANCY



MAXIMISE THE VALUE DEMONSTRATED IN COMMERCIAL DEALS TO COMPLY WITH FFP

A robust commercial programme signifies a healthy club. Blue-chip independent partners are a strong indicator of the club's standing in the commercial marketplace, and also suggest that the club is itself a strong brand.

One key principle behind the Financial Fair Play (FFP) regulations is the establishing of a correlation between outgoings and income generated. When a club is investigated over FFP matters, the investigator will examine commercial income streams. Arms-length arrangements at market value permit proportionate expenditure without fear of reprimand, crucial in the new ownership's ability to strengthen the team.

High-profile partnership deals that include the club's most valuable rights, such as front-of-shirt, are most likely to be scrutinised. When these deals are contracted to a brand which is linked to the club ownership, there will need to be a detailed, independent valuation of the partnership rights to ensure that FFP requirements can be evidenced.



PLAYER IMAGE RIGHTS AS A MONEY-SAVING BENEFIT

Leading clubs have, for several years, worked with players and their Agents to implement player image rights deals. Put simply, when a player signs for a club, they are providing two services: playing and commercial. If the player has assigned the right to exploit their image to a standalone company, that company will be the appropriate entity to licence this right to the club.

As a business-to-business transaction, this element of the deal may generate a fiscal benefit for both player and club. HMRC has, in recent years, taken a closer look at these arrangements and have stated that for this approach to be valid, the image rights purchased have to be exploited properly and proportionate to the club's wider commercial activity.

A club's commercial programme should, therefore, make full use of the player image rights the club has purchased, not only to provide partners with enhanced rights packages, but also to demonstrate that the player image rights agreement is genuine and not mere window-dressing. For example, the collective use of player imagery at the kit launch of a new season often benefits the technical partner and any partner with kit branding. This demonstrates image rights deals in action, in one of the most valuable activations of the year across multiple media platforms. Full use of the rights will also help demonstrate the rights are being used in a compliant manner.

STRATEGIC COMMERCIAL GROWTH DRIVING CLUB INVESTMENT

New investment is usually associated with ambition. There are numerous well-known examples of wealthy investors acquiring a club in need of investment, injecting cash, and reaping the rewards on the field.

This transformation can happen quickly; ideally the club profile and revenues generated through the commercial programme will match the club's progress, however, clubs can often find growing their commercial revenue streams at the same speed more challenging.

Ensuring that partnership rights are not suffocated in long-term deals and that there is a strategic plan for potential revenue impact, linked to on-field success scenarios is key to maximising revenue potential.

This should not be confused with contractual bonuses based on competition performance, but the club understanding the value of all partnership rights, and how the valuation may increase based on a projected increase in profile and success, over a period of 5+ years.

DATA IS THE NEW CURRENCY IN SPORT

The topic of data in sport is ever-increasing. Audience data is no longer considered to be a differentiator, but an absolute requirement in the decision-making process to invest as an owner, or to become a commercial partner.

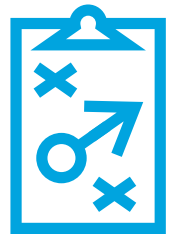
Football clubs must be able to demonstrate who their audience is and how they engage across all interaction points, for example matchday, digital, broadcast etc. With the proliferation of media platforms, a fan's online access and the sheer range of opportunities to consume content, club's now face a huge battle to own and subsequently monetise their data (rather than cede this, as they traditionally have, to Facebook, Amazon, Netflix or Google).

A club's ability to segment their audience based on demographic profile, understand their behaviour / actions, and to directly connect across multiple platforms is fast becoming the minimum expectation. Moving forward, club's that are unable to meet these expectations will fail to secure innovative partnerships and may struggle to compete commercially.

**WE DELIVER SMART
BUSINESS SOLUTIONS IN SPORT.**

CLUB

OPERATIONS



THE RECEPTION TO SUPPORT PROVIDED BY THE GOVERNING BODIES IN RESPONSE TO COVID-19 HAS BEEN OVERWHELMINGLY POSITIVE WITH MANY CLUBS ACKNOWLEDGING THEIR LEAGUE'S EFFORTS IN RESPONSE TO A CRITICAL SITUATION.

**SOPHIE MAKEPEACE**

Audit Assistant Manager, BDO Consumer Markets

It is unsurprising that there is an increased level of uncertainty over the future financial structure of football in the UK, which continues to place further downward pressure on available commercial opportunities within the market. There are silver linings to be found, however, in that this has placed a long overdue emphasis on the need for a renewed and digitised approach to designing commercial opportunities within the market and across the Sports sector as a whole.

In light of ongoing limitations to stadium attendances, the concept of sponsorship has needed a rapid re-think and there is a challenge here for both rights holders and sponsors in order to derive cash value through social media and broadcasting channels.

Across our survey, there has been a noticeable shift in Clubs' focus as they seek to maximise the value of existing and developing technology platforms and establish alternative revenue streams.

The increasing importance of fan engagement through social media - accessing and establishing a wider, and altogether younger, customer demographic in light of restrictions - is likely to have both short term and long term effects on contract renegotiations. Establishing a mutually agreed midpoint between perceived and actual value is likely to be a focal point.

Clubs continue to face a challenging landscape when seeking to renew key commercial contracts, such as sponsorships, year-on-year. When comparing the number of EPL Clubs experiencing increasing revenues from such contracts the figure was as high as 92% for the 2018/19 season, but this year the proportion has almost halved, down to 50%. That said, it is perhaps a positive thing that even 50% are experiencing increases.

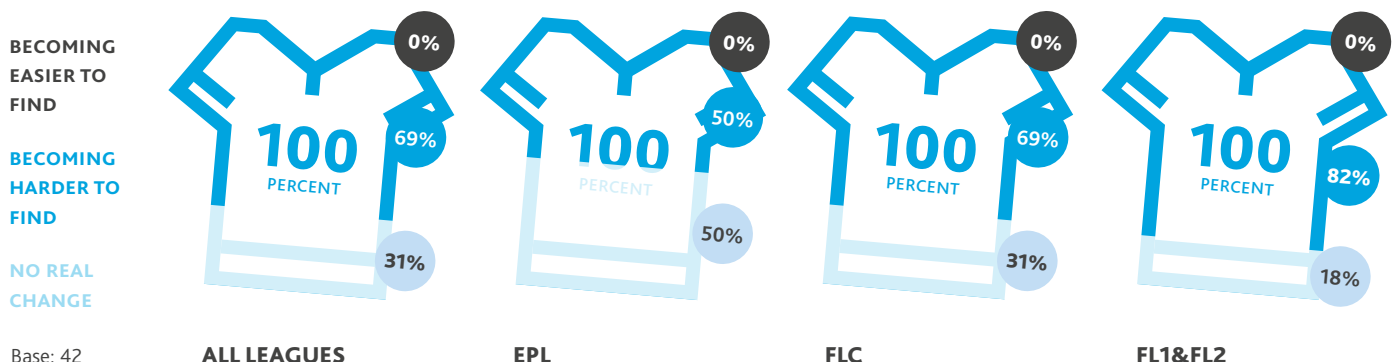
Hardest hit appears to be the FLC where 62% of Respondents noted falling revenues from key commercial contracts in the year, where no Respondents had experienced any decrease in 2018/19.

Changes to the Gambling Act announced in July 2020 may also place further pressure on the availability of high value sponsorship deals, particularly in the Championship where 17 out of the 24 Clubs are sponsored by bookmakers.

Despite the fact that changes are not due to come through until 2023, it is arguably already a difficult time to search for sponsorship in light of various uncertainties linked to football's phased reintroduction following the Pandemic.

There has been a shift in attitude towards the availability of suitable sponsors and commercial partners in the year. Although lower leagues appear to be encountering more difficulties than most, as might be expected, 69% of Clubs across all leagues are finding suitable sponsors and other commercial partners harder to find in the 2019/20 season compared to 45% in 2018/19. It is unsettling that none of our survey Respondents are finding it easier.

DO YOU THINK SUITABLE SPONSORS AND OTHER COMMERCIAL PARTNERS ARE:



CLUB OPERATIONS

So, where can further opportunities be found in the market? The level of reliance on broadcasting income, emphasised by the current crisis, has certainly triggered the process for expanding the potential for digital revenue streams. As we noted in our 2019 report, lower league Clubs will find these revenue streams difficult to exploit without the support of dedicated marketing personnel. As an alternative to Clubs lobbying for digital restrictions to be eased, perhaps there is an opportunity for the EFL to expand digital support services provided to lower league Clubs outside of the typical streams of financial support.

With this in mind, we asked our Respondents for their views on the impact of broadcasting income on their business and the wider industry in light of the current circumstances surrounding COVID-19. The responses suggest that changes to broadcasting deals and short term arrangements with broadcasters have introduced additional concerns in respect of future revenues, particularly where there is an overarching sentiment that costs are subject to more inertia than revenues.

There are concerns that COVID-19 has exposed the fragility of the financial structure of the leagues themselves and highlighted the increased reliance on broadcasting revenues to ensure financial sustainability. This perceived fragility is largely linked to concerns over the knock-on effect on the levels of funding received by Clubs and links to the ongoing debate over income distribution in the industry.

The return to once-predictable match day attendance levels is uncertain so Clubs and fans are demanding access to increased broadcast volumes. As echoed in Revenue and Profitability (see [page 14](#)), this perhaps presents an opportunity to expand the current central digital offering, or allow more domestic digital streaming by Clubs themselves.

All this said, the reception to support provided by the governing bodies in response to COVID-19 has been overwhelmingly positive with many Clubs acknowledging their league's efforts in response to a critical situation. This was particularly the case in the EPL where the settlement agreement reached with broadcasters was widely praised for providing a degree of security and clarity for Clubs. In the lower leagues, where the decision was made to terminate the season early, many Clubs have acknowledged the benefit of having side-stepped the further losses associated with continuing to play behind closed doors.

Notwithstanding the above, there are still concerns about the lack of league-wide agreements and decisive leadership around future financial sustainability in light of reduced capacity in game attendance, or even completely empty stadia. It is worth noting that reduced capacities can result in clubs effectively paying to open their doors. However, in the interests of a phased return to normal, these are costs that need to be born so the real question is whether central support will be available for reduced capacity games.

DO YOU THINK YOUR LEAGUE HAS TAKEN APPROPRIATE ACTION TO MITIGATE THE IMPACT OF THE CURRENT CIRCUMSTANCES?

EPL

Yes: the Premier League has been able to maintain broadcasting income and push any rebates for 19/20 into the future.

Yes: the settlement agreement with broadcasters provides the necessary degree of security and clarity on our financial position.

FLC

Yes: playing the season behind closed doors has reduced the overall impact.

No: in the circumstances that is probably understandable but the time for decisive action and leadership is now not in the future.



FL1 & FL2

We are pleased that a decision to end the season has (finally) been taken. Some financial assistance has also been provided through bringing forward distributions, and provision of an interest free loan. However, the assistance has mostly been short term. The challenge for many clubs now will be operation through the summer period through to the point when revenues return.

Yes: curtailing the 19/20 season assisted cost control.

No: Clubs were left to their own devices largely, except for a short term loan from the EFL, and advancing payables in April to help mitigate the loss of match day income.

They have done everything they can... the only worry is does that mean there will be reductions in future payments to clubs.

In what might be considered a more salient issue in the current circumstances, 83% of EPL Clubs agree with the amount and timing of parachute payments. This has increased from 67% of EPL Respondents in 2018/19. Outside of the EPL, more than half of our Respondents disagree with this, with the most common view being that the payments are too high and anti-competitive.

When asked whether COVID-19 had made any difference to this view, the response was largely that it has not.

However, it was interesting to note that some Respondents believe the current parachute payment system encourages Clubs to live beyond their means, and that the current crisis has exposed this and exacerbated this.

We echo the sentiments of one Respondent, who noted the potential silver lining arising from the situation in that this might finally act as the catalyst for a change to the financial structure of the leagues.

DO YOU AGREE WITH THE CURRENT PARACHUTE PAYMENTS SYSTEM FOR CLUBS RELEGATED FROM THE EPL?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Yes, I agree with the amounts and periods of payments | 43% | 84% | 38% | 17% |
| No, the amounts are too low and create too much financial risk for relegated clubs | 9% | 8% | 8% | 12% |
| No, the payments are too high and anti-competitive for other clubs | 36% | 8% | 46% | 47% |
| No, the period of receipts should be extended | 0% | 0% | 0% | 0% |
| No, the period of receipts should be shortened | 5% | 0% | 0% | 12% |
| Other | 7% | 0% | 8% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 42

TAXATION



**FOR THOSE WITH LOANEES IN EUROPE, THE
WITHDRAWAL OF THE UK FROM THE EU
AT THE END OF THE YEAR WILL ALSO BE A
POINT TO CONSIDER. SOCIAL SECURITY IS
CLOSELY LINKED ACROSS THE EU AND FROM
JANUARY 2021 NEW, AS YET UNPUBLISHED,
RULES WILL APPLY WITH POTENTIAL COST
IMPLICATIONS ARISING.**



SHAWN HEALY
Principal, BDO Employment Tax

This has been a season like no other, and whilst HMRC has received plaudits for its handling of the COVID-19 Pandemic, it remains to be seen whether its significant pre-lockdown level of activity in the football sector will return.

It is also uncertain how Clubs will react in the new post-lockdown world with an Exchequer that will be looking to maximise the tax take from the economy in general. Recent signs suggest that the football sector will remain in sharp focus with HMRC.

Last year our Respondents expressed a level of dissatisfaction with how HMRC was working in the sector. Many wondered how HMRC would react in practice once the Government announced the various measures to give employers financial help coping with the lockdown, and the sector was hit particularly hard.

It looks like HMRC has performed well in this regard as more than 80% of our Respondents consider it has taken the right approach during the Pandemic.

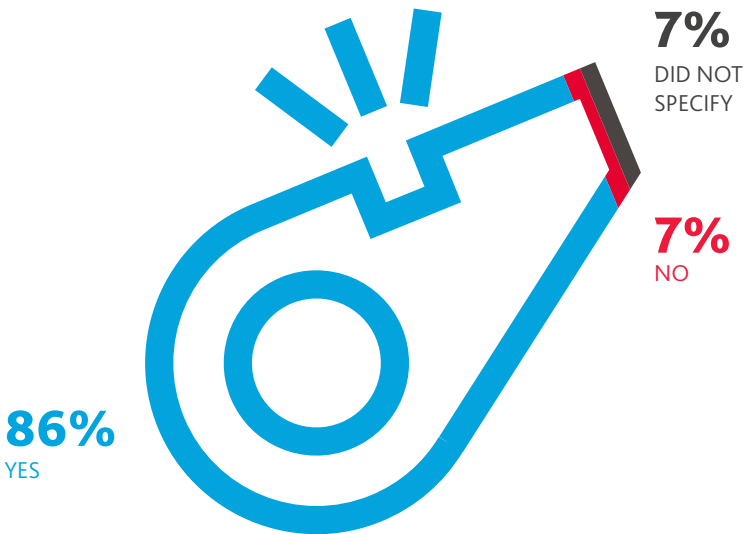
Understandably, a significant level of HMRC resource was drawn into dealing with COVID-19 related issues. We commented last year that HMRC appeared to be experiencing resource constraints that were contributing to the time taken to conclude reviews.

As resource returns to compliance activity it will be interesting to see whether HMRC can build on its good work during the Pandemic, and continue to take the same approach.

When asked about compliance reviews, over two-thirds of Respondents said they are comfortable that should HMRC consider that their compliance activity is not up to the mark, that they are ready for this challenge.

Many Clubs were predicting or experiencing a level of financial difficulty before lockdown and it is therefore unsurprising that over three-quarters of Respondents chose to defer employment taxes and 67% chose to defer VAT payments with HMRC.

CONSIDERING YOUR INTERACTIONS WITH HMRC DURING COVID-19, DO YOU FEEL IT HAS TAKEN THE RIGHT APPROACH?



Base: 42



TAXATION

Given the state of the economy, we can be sure that HMRC will seek to enforce the terms of time-to-pay arrangements quite rigorously and recover deferred payments. Clubs will need to monitor this closely in the coming months. It is also possible that interest in time-to-pay arrangements will increase as HMRC steps up its debt recovery activity as more resources become available as the CJRS is wound down.

Tax issues do not just impact the Clubs themselves, but also the players. So it is worth coupling the expectation of increased scrutiny from HMRC above with another set of responses which suggests that there has been a marked reduction in the level of Club involvement in player tax affairs from our last report (from an average of 36% in 2019 down to 10% in 2020).

74% of Clubs furloughed at least some staff, including some players in Football League Clubs. The mechanism for claiming a grant under the CJRS was very complex and understandably, many Clubs focused on cash flow and securing a grant. As the Scheme is coming to an end in October, HMRC is now starting to focus on the detail and review claims to ensure they were accurate. No doubt, HMRC's views will become clear in the football sector in due course.

AGENT'S FEES

When asked about agents, nearly two-thirds of our Respondents said they do not think that the level of fees paid to agents will change for players that have taken wage cuts or deferrals following lockdown. This is perhaps not a surprise and neither will be HMRC's continued focus on agent's fees. Where a 50:50 split is not in place HMRC is continuing to mount a challenge. We are also starting to see evidence of HMRC challenging when a 50:50 split is used, with Clubs being asked to justify their position.

It is possible that this area of focus will increase in the current economic climate.



LOAN PLAYERS

Without question, reacting to the Pandemic has been the focus for many Clubs and the extension of player loans is featuring for three-quarters of EPL and two-thirds of FLC Clubs.

For those with loanees in Europe, the withdrawal of the UK from the EU at the end of the year will also be a point to consider. Social security is closely linked across the EU and from January 2021 new, as yet unpublished, rules will apply with potential cost implications arising.

Clubs are facing unprecedented times and for many, the financial picture may not be as bright as last season. Taxation is unlikely to feature as a priority but, now more than ever before, engaging with and addressing the issues it can generate may prove to be a sound investment for the future.

If owners are considering a sale in the near future, they can expect adverse tax due diligence findings to erode value.

Given the state of the economy, we can be sure that HMRC will seek to enforce the terms of time-to-pay arrangements quite rigorously and recover deferred payments. Clubs will need to monitor this closely in the coming months. It is also possible that interest in time-to-pay arrangements will increase as HMRC steps up its debt recovery activity as more resources become available as the CJRS is wound down.



FINANCIAL

FAIR

PLAY



**THERE IS CONTINUED
DISSATISFACTION WITH THE
INCONSISTENT APPLICATION OF
PROFITABILITY & SUSTAINABILITY
RULES BY CLUBS AND THEIR
ENFORCEMENT BY ENGLISH
LEAGUES AND UEFA**

FINANCIAL FAIR PLAY



HARRIET RICHARDS

Senior Audit Manager, BDO Business Assurance

This year we have seen a drop in expected compliance. Whilst 98% of Respondents say they complied with FFP for the 2019/2020 season, nearly one-fifth of Clubs only did so by relying on player-trading or significant non-player transactions.

This is a story that is becoming all too familiar and a further indication that something must change.

Whilst we are in a time where COVID-19 is accelerating change in many ways, as has been evident for some time from our previous surveys, the FFP outcry long preceded the outbreak.

Leagues taking a 2 year view on P&S compliance will ease the impacts of COVID-19 but are unlikely to address the underlying issues of non-compliance (or work-arounds) and unsatisfactory enforcement.

In 2019/20, EPL Clubs became more reliant on non-recurring income streams in order to comply.

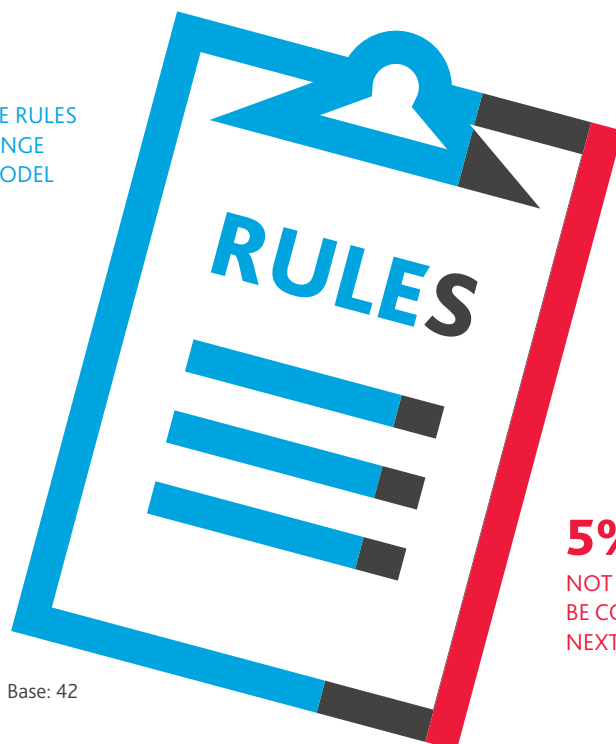
Expectations for the 2020/21 season paint an even greyer picture across the leagues, with only three-quarters of Clubs forecasting compliance without some significant changes to their business model. 17% of EPL Clubs are not even expecting to comply in the 2020/21 season.

There is a shared view that some Clubs are benefiting from the lack of clarity and application of sanctions and the misuse of exceptional transactions within statutory financial statements and that a resultant atmosphere of distrust between Clubs is forming. Robust auditing is required to support consistency in application of accounting standards and avoid 'unjust' outcomes.

WITH REGARD TO DOMESTIC AND / OR UEFA FINANCIAL FAIR PLAY RULES, DO YOU EXPECT THAT FOR NEXT SEASON YOUR CLUB WILL:

74%

COMPLY WITH THESE RULES WITH MINIMAL CHANGE TO THE BUSINESS MODEL



21%

ONLY MANAGE TO COMPLY BY MAKING SIGNIFICANT CHANGES TO THE BUSINESS MODEL

5%

NOT COMPLY, BUT PLAN TO BE COMPLIANT WITHIN THE NEXT 2-3 YEARS

Base: 42

FINANCIAL FAIR PLAY

SO, ARE THE PROFITABILITY AND SUSTAINABILITY RULES THEMSELVES SUSTAINABLE?

There is continued dissatisfaction with the inconsistent application of profitability & sustainability rules by clubs and their enforcement by English leagues and UEFA

The belief that FFP regulations are fit for purpose is dwindling as each season goes by, with as few as 12% of Respondents feeling that the FFP regulations are meeting their objective of promoting sustainability.

This discontent is felt no more so than in the FLC, where so much is at stake when vying for promotion or eluding relegation.

Recent documented cases of FFP breaches and sanctions (or reprieves) have shone the spotlight ever brighter on the Profitability and Sustainability Rules, and as expected, there are some strong views from our Respondents on the matter.

WE ASKED RESPONDENTS WHY APPROPRIATE ENFORCEMENT OF THE RULES APPEARS TO BE FALLING SHORT OF MANY CLUBS' EXPECTATIONS. COMMON VIEWS (REMARKABLY CONSISTENT WITH OUR 2019 REPORT) INCLUDE:



Lack of transparency in application: greater consistency is required around disclosure of financial performance and treatment of exceptional items



No consistency: there are too many grey areas and loopholes

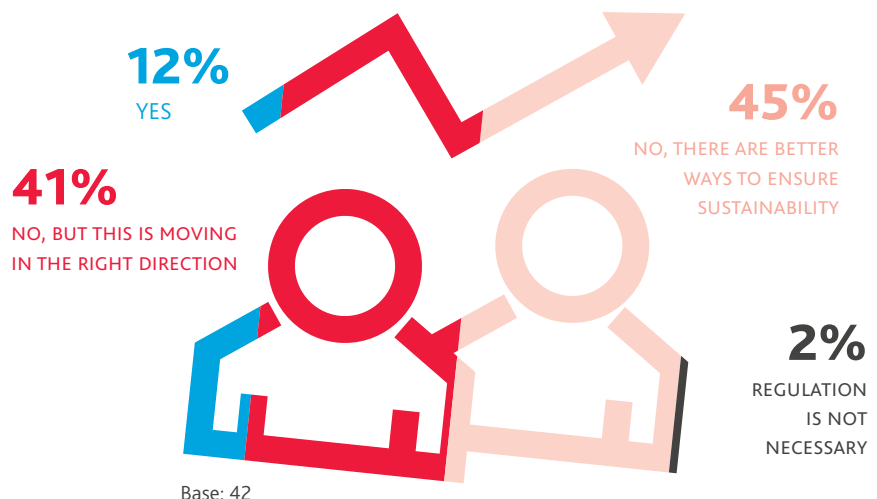


Penalties lack the severity required to act as a deterrent: too many Clubs are willing to risk the punishment given the potential financial advantage gained



Penalties are occurring too late: interventions should happen earlier when Clubs start to show signs of financial difficulty.

DO YOU BELIEVE THAT THE FFP REGULATIONS ARE MEETING THEIR PRINCIPAL OBJECTIVE OF PROMOTING SUSTAINABILITY?



There is a shared view that some Clubs are benefiting from the lack of clarity and application of sanctions, and the misuse of exceptional transactions within statutory financial statements, and that a resultant atmosphere of distrust between Clubs is forming. Robust auditing is required to support consistency in application of accounting standards and avoid 'unjust' outcomes.

We spoke in the 2019 report of the strong sentiment that 'fair' is becoming an absentee from the system and needs higher prominence to ensure that Clubs are competing with integrity within a clear and consistent set of parameters. The greatest consistency when reflecting on the Profitability and Sustainability Rules is this shared view on their shortcomings.

Recommendations for improvement noted by our survey Respondents (provided before the recent announcements around FL1&FL2 salary caps) are shown to the right.

It is clear from the number of responses we have had over the years that Clubs have been calling out for salary caps for some time. However, with a salary cap mechanism put in place for FL1&FL2 and suggestions of a mechanism also being put in place for the FLC, it remains to be seen whether these changes are the solution that the Clubs have been asking for - see below.



Player salary cap mechanism, controlling spending and rewarding Clubs who develop their own talent pool



Capped squad budget per league with supplementary allowance linked to turnover, with levies charged on overspend and redistributed



Sustainable wage to turnover ratio



Clubs' wider cost bases and P&L's to be considered rather than a player cost focus



Measurement of debt and availability of equity support / funding is a better guide to sustainability



Sustainability models in which owners provide enforceable guarantees



Clubs to be monitored more regularly and rigorously to ensure compliance

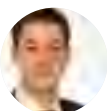


Transparent approach to declaring sources of income and Club's ability to pay wages/fees and other liabilities on time.

INTRODUCTION OF THE SALARY CAP



WHILST A SALARY CAP WILL, OVER
TIME, NORMALISE PLAYER WAGES
IN FL1&FL2, IT DOES PRESENT A
NUMBER OF CHALLENGES TO CLUBS,
NOT LEAST A GROWING GAP
BETWEEN SALARIES IN THE LEAGUES
WITH A CAP AND THOSE WITHOUT.

**JACK O'GRADY**

Manager, BDO Corporate Finance

HOW DOES IT WORK?

Where players currently earn above their league's average salary per player, the league average will be used in the salary cap calculation until contracts are renewed (leading to a multi-year phasing in of the rules).

Relegated Clubs can cap all contracts at the divisional average for the prior season until contracts are renewed.

PENALTIES

Up to a 5% breach – a penalty is payable for every £ in excess of the cap.

In excess of a 5% breach – an independent disciplinary commission will determine the sanction.

Whilst a salary cap will, over time, normalise player wages in FL1&FL2, it does present a number of challenges to clubs, not least a growing gap between salaries in the leagues with a cap and those without. The Professional Footballers' Association (PFA) are challenging the ruling, stating that more consultation was needed to ensure the rules deliver their stated objectives.

FL1 & FL2 squad salary caps

A squad salary cap has been implemented for FL1 & FL2 Clubs

The cap aims to ensure that Clubs cannot extend themselves to the point of financial instability

FL1 & FL2 Clubs passed the measures via a majority vote

Effective from 7th August 2020

Replaces the Salary Cost Management Protocol (SCMP).

Excluded:

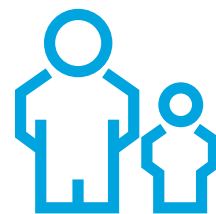
Cup run bonuses
Promotion bonuses
Income from outward loans.

Limits

FL1: £2.5m/yr
FL2: £1.5m/yr

Included:

Gross wages paid to registered players (> 21 years old)
Other fees and expenses paid directly or indirectly to all registered players (> 21 years old).
Image rights payments
Bonus payments
Agent's fees.



YOUTH

DEVELOPMENT

INTERESTINGLY, DESPITE TWO-THIRDS OF FL1&FL2 CLUBS INCREASING THEIR EMPHASIS ON ACADEMIES TO DRIVE SUCCESS, ONLY **53%** OF RESPONDENTS WERE EXPECTING TO SEE AN INCREASE IN ACADEMY TO FIRST TEAM CONVERSION FOR THE 2020/21 SEASON, COMPARED WITH **73%** IN 2019/20.

**DIGBY JACKSON**

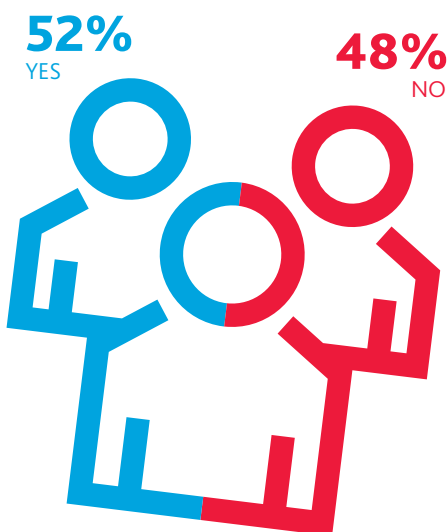
Manager, BDO Corporate Finance

There is no doubt the Pandemic has heightened the importance of academy and youth investment. Just over half of Clubs responded to say COVID-19 had increased their emphasis on the need for an academy to inject talent into the first team and generate transfer fees.

The question is the extent to which Clubs have the funding available to do this. Only 19% of Respondents stated there was an intention to increase their youth development budget for next season, which compares with 57% of Clubs ahead of the 2019/20 financial year.

This mismatch in needs versus intentions is more prevalent in FL1&FL2 where 65% of Respondents highlighted a need for additional academy investment but only 12% are planning on increasing their youth development budget.

HAS COVID-19 INCREASED THE EMPHASIS ON THE NEED FOR AN ACADEMY?



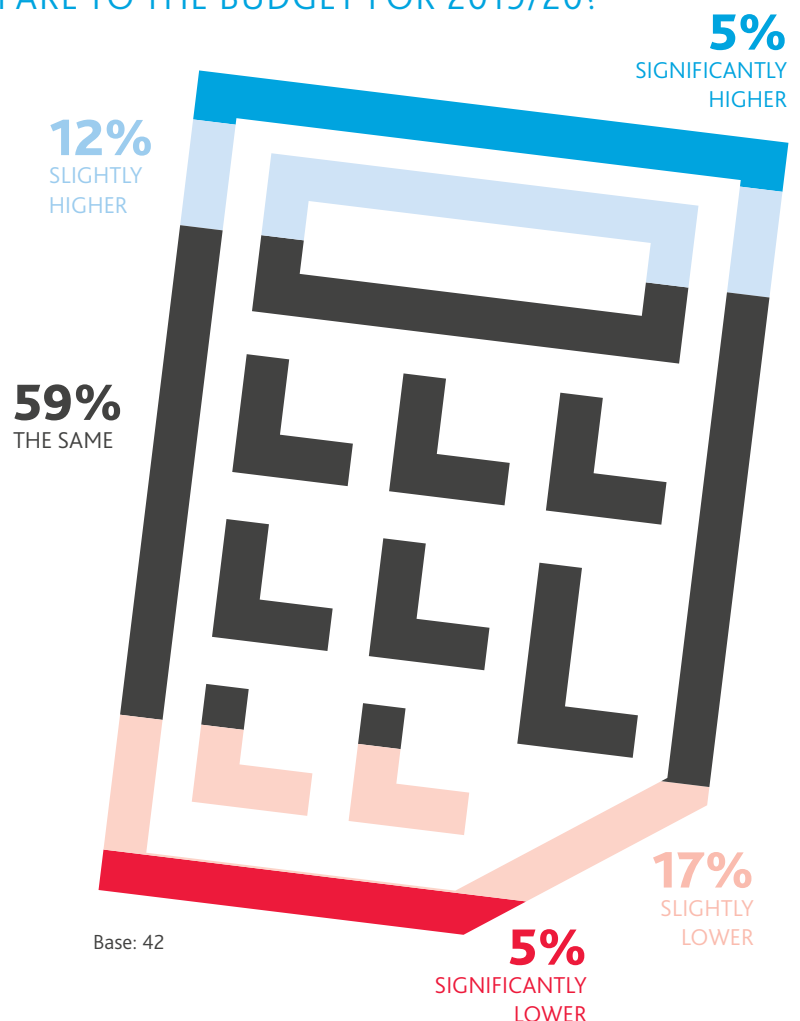
In the lower leagues, there is a growing sense that academies are going to be an ever-important avenue for producing first team players as Clubs look to reduce player costs and cut back on transfer fees while still bolstering talent and squad numbers.

It is worth noting that academy wages do not feature in the salary cap mechanism, which makes bringing these players into match day squads even more attractive.

With all this said, as Clubs look to insulate against revenue reductions without fans in stadia, there is a split between Clubs that either see the academy as an important contributor to first team squads or Clubs that acknowledge a need to invest.

Alternatively, some see it as an operational cost burden which can be scaled-back in the short term whilst Clubs go through an unprecedented period of financial distress.

HOW DOES YOUR BUDGET FOR YOUTH DEVELOPMENT IN THE 2020/21 FINANCIAL PERIOD COMPARE TO THE BUDGET FOR 2019/20?



YOUTH DEVELOPMENT

Interestingly, despite two-thirds of FL1&FL2 Clubs increasing their emphasis on academies to drive success, only 53% of Respondents were expecting to see an increase in academy to first team conversion for the 2020/21 season, compared with 73% in 2019/20.

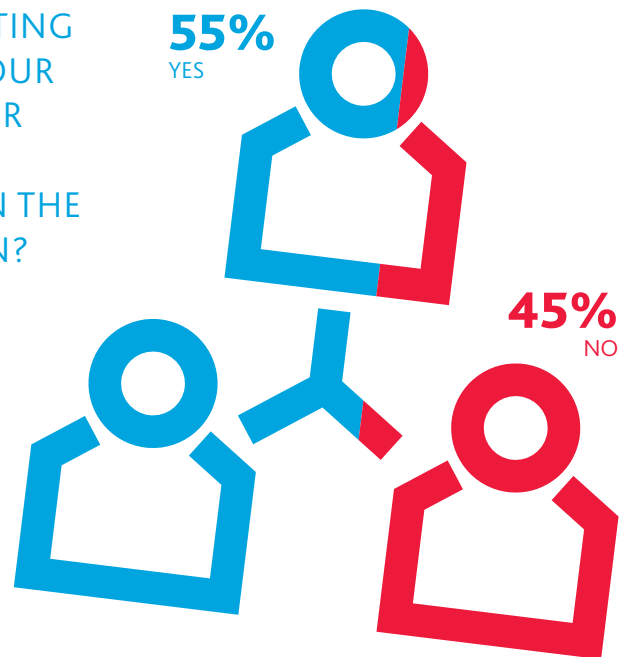
In saying this, the most common challenges these Clubs identified in bringing through talent from the academies were;

- ▶ the medium-to-long term funding required to invest in adequate facilities;
- ▶ the fear of failure/relegation resulting in Clubs not wanting to take a chance on young players; and
- ▶ the perceived availability of talent in the local area to make the investment worthwhile - particularly prevalent in less densely populated areas of the country.

ARE YOU EXPECTING TO INCREASE YOUR ACADEMY PLAYER TO FIRST TEAM CONVERSION IN THE 2020/21 SEASON?

There is a smaller sub-set of Respondents who feel that sustainability rules and the financial impacts of the Pandemic will result in wage and transfer fee deflation, and an increase in out-of-contract players. These Respondents feel sufficiently confident in their ability to sign an established player at a bargain price (or on a free transfer) rather than investing in their academies for undiscovered talent and longer-term gains.

As highlighted in the analysis by 21st Club (see [page 42](#)), early signs from the transfer window are that this may be a risky strategy, with fewer bargains to be held in the window than expected, although there is still time in the domestic window.



Base: 42

In the EPL where investment funds may be more readily available, 33% of Clubs are planning on increasing their youth development budgets in 2020/21 financial year. 75% of the EPL Clubs surveyed now have an Elite Player Performance Plan (EPPP) grade of 1 - with most appearing to buy into the long term aim of improving the quality and quantity of home grown players.

The promotion of youth has proven to be important to recent successes at Chelsea and Manchester United. Frank Lampard gave debuts to eight academy graduates in the 2019/20 season and Ole Gunnar Solskjaer has now given 11 academy graduates first team action since he became manager in December 2018. This is not to mention the potential return on investment from loaning out academy graduates or selling them on once established.

A common challenge noted by EPL Clubs in bringing through academy talent to the first team was the quality of the U23 league. The league is perceived as being uncompetitive and the step-up in quality between performing in the U23 league and the EPL too high.

There is a view amongst some Clubs that a better development pathway can be achieved through having a feeder Club in a foreign league – whereby talented youngsters develop quickly through regular access to competitive football.

Indeed, we have spoken with many Clubs who have either done or are looking to do this. Other suggestions included televising the U23 league with a view to increasing its competitiveness as well as providing an additional revenue source for Clubs.

Across all the leagues, there is a common theme that high manager turnover has had a negative impact on bringing young talent through. In a period of financial instability, investing in a manager over a longer term who has a vision of developing and promoting talent from the academy could be preferable to over-extending transfer budgets.

When asked what the medium and long-term intentions are for youth academies, 50% of Clubs explained they plan on increasing investment (compared with 57% last year).

Therefore, whilst budgets might be restricted in the short term this could bounce back quickly as the industry recovers from the Pandemic.

In the spirit of optimism, the increased focus on and investment in youth that has been ignited by COVID-19 could significantly benefit domestic football, from a grass roots level upwards, and it may well uncover some home-grown stars of the future.





PLAYER

TRANSFERS

**WHEN ASKED IF THEY INTENDED TO BE
NET SELLERS OF PLAYERS OR NET BUYERS,
88% OF RESPONDENTS SAID THEY
INTENDED TO BE NET SELLERS.**

**DAVID ROGERS**

Associate Director, BDO Forensic and Valuation Services

Transfer windows are always filled with hype, especially as they draw towards deadline day. There is an excitement for Clubs, media and fans driven by new signings arriving at the Club and playing in your league.

The excitement level is only heightened by media speculation around deals that may or may not happen and the amount of money involved, in both transfer fees and wages. Amidst this excitement, however, many Clubs now have less to spend on players, are reducing their transfer budgets and planning to be net sellers.

With supply and demand dynamics out of kilter in the short term, this may leave many Clubs with a lack of options.

Transfer fees have been increasing to a point that, even before the Pandemic, most Clubs were questioning whether they were no longer at a sustainable level; 75% of Clubs across all leagues said they thought transfer fees were unsustainable in our 2019 report, up to 86% this year.

Now, with all Clubs suffering from lost revenue during the Pandemic, this situation has been exacerbated. 72% of Respondents said they thought that liquidity in the transfer market was worsening, up from 37% in 2019.

Not unsurprisingly, none of the Respondents across any of the leagues, said that they planned to increase their transfer budget for 2020/21, with a 50:50 split between reducing budgets and keeping them the same.

Interestingly, EPL and FLC Clubs, whose seasons resumed after lockdown, were more likely to reduce transfer budgets, while FL1&FL2 Clubs were more inclined to keep budgets the same.

DO YOU FEEL THAT THE CURRENT LEVELS OF PLAYER TRANSFER FEES ARE SUSTAINABLE FOR DOMESTIC FOOTBALL CLUBS?

2020

Base: 42

14%

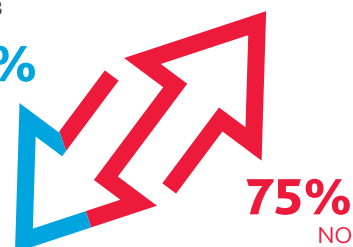
YES

**2019**

Base: 48

25%

YES



IS LIQUIDITY IN THE TRANSFER MARKET

2020

Base: 42

2%

IMPROVING

26%

UNCHANGED

**72%**

WORSENING

2019

Base: 48

14%

IMPROVING

49%

UNCHANGED

**37%**

WORSENING

ARE YOU LIKELY TO INCREASE OR REDUCE YOUR TRANSFER BUDGET FOR 2020/21?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------------|-------------|------|------|---------|
| Increase | 0% | 0% | 0% | 0% |
| Reduce | 50% | 83% | 62% | 18% |
| Remain the same | 50% | 17% | 38% | 82% |
| | 100% | 100% | 100% | 100% |

Base: 42

PLAYER TRANSFERS

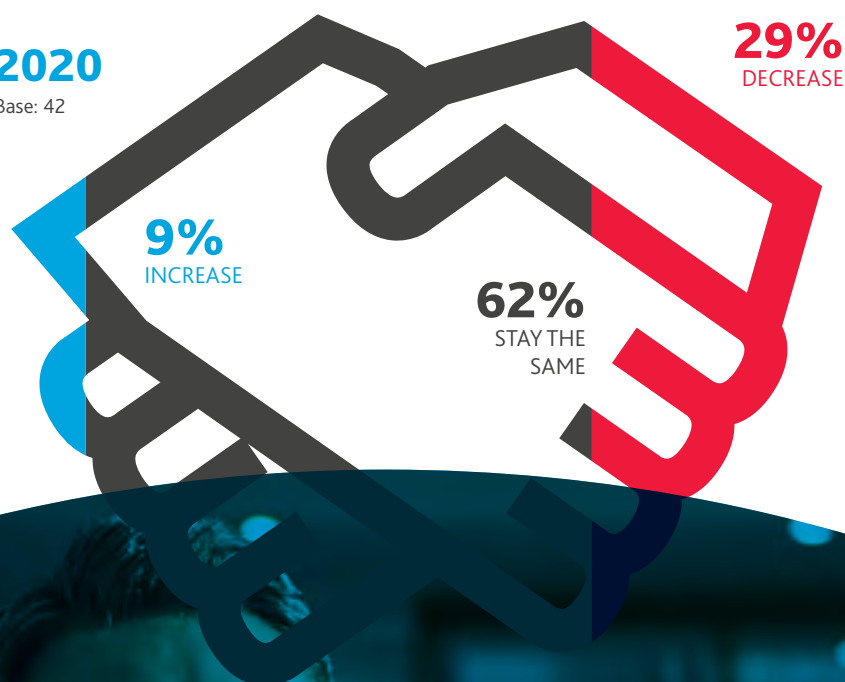
If Clubs are not expecting to increase their transfer budgets, it might be expected that Clubs would look to supplement their squads with loan signings. This, however, is not the plan for most Clubs, with 62% of Respondents expecting their inward loans to remain the same and 29% expecting their inward loans to decrease.

The expectation for most is that outward loans would remain the same (67% of Respondents). Whilst loan signings are cheaper than permanent transfers, there are often fees involved, and many clubs are reluctant to bring in additional players given the cost implications. This ties in to our analysis of Player Costs on [page 45](#) where 60% of Clubs expected to reduce their squad sizes.

IN TERMS OF SPEND, HOW DO YOU ANTICIPATE THAT YOUR LOANS IN WILL CHANGE?

2020

Base: 42



The responses received across the board present a rather prudent period with Clubs desperately looking for additional income and ways to reduce their costs.

One obvious and timely way for many Clubs to achieve this is to sell players; generating a transfer fee and saving on wage costs. When asked if they intended to be net sellers of players or net buyers, 88% of Respondents said they intended to be net sellers; a picture that was fairly consistent across the leagues, with 75% of EPL Clubs the lowest figure.

IN TERMS OF SPEND, DO YOU INTEND TO BE A NET BUYER OR SELLER OF PLAYERS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|------------|-------------|------|------|---------|
| Net buyer | 12% | 25% | 8% | 6% |
| Net seller | 88% | 75% | 92% | 94% |
| | 100% | 100% | 100% | 100% |

Base: 42

This does pose a couple of interesting questions; how can a high majority of Clubs be net sellers; and where would all the players go? Some lucky players will move abroad and continue their careers in different leagues, but others may find that they are released, or their contracts left to run out if buyers cannot be found.

As readers will see from 21st Club's insights (see [pages 42-43](#)) over half way through the transfer window (at the time of writing), it is evident that Clubs' player trading strategies so far have not played out as suggested.

One solution we explored earlier is to promote players from youth set-ups.

This would have two key advantages over the transfer market and even the loan market.

The first is the absence of any transfer or loan fee.

The second, which makes this option potentially more attractive than loans, is that academy graduates tend to be on cheaper contracts, so this will help Clubs keep costs down.

Finances aside, fans like to see players graduate from the youth team and this adds a lot to the level of fan engagement at all demographics.

A PERSPECTIVE FROM 21ST CLUB

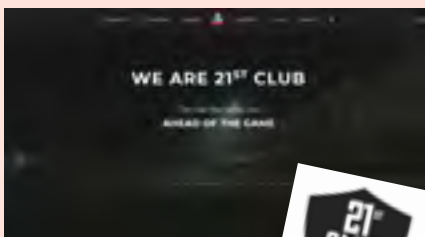
THE COVID-19 CRUNCH
PUTS PRESSURE ON CLUBS
TO THINK SMART IN
BUILDING SQUADS



**OMAR
CHAUDHURI**

Chief Intelligence Officer,
21st Club

During nearly a decade's career in sport, Omar Chaudhuri has worked with a diverse range of football Clubs and leagues, helping both identify inefficiencies and devising solutions through the use of analytics.



21ST CLUB

21st Club is a sports intelligence agency that partners with forward-thinking organisations to help them get ahead and stay ahead of the competition. Established in 2013, they work in football with leading leagues and Clubs, providing insight to solve important, strategic questions.

It is no exaggeration to suggest that COVID-19 is the single-biggest shock to the transfer market since the Bosman ruling.

Beyond deflating budgets, the Pandemic is forcing Clubs to rethink their entire player trading strategy, and by extension their primary approach to building a winning team.

That Clubs are expecting to spend less is simply rational, and in line with what little historic precedent we have. During the 2009/10 season, as the UK suffered its deepest recession since the Second World War, EPL net transfer spend collapsed by 65%.

This was despite revenues growing across the league; the dip in spending reflected the impact of financial uncertainty. The COVID-19 recession brings more uncertainty and a more direct impact on Club revenues. Counter-intuitively, however, there has not been the immediate widespread availability of bargain players that some Clubs may have hoped for.

As of mid-August, the average transfer fee this summer has been within 10% of what our player valuation model would have expected pre-COVID-19. In other words, selling Clubs have managed to achieve 'fair' prices for their best players.

This is potentially a function of demand; if sufficient Clubs are after a particular player, then his price is likely to hold up. The smartest Clubs will therefore recruit from where others are not looking - not just geographically, but perhaps in profile too.



If everyone is looking to recruit young players, for example, then the market for peak age or experienced players becomes cheaper.

What is likely to happen regardless is that the overall volume of spending will fall, with fewer players transacted for a fee.

This makes it challenging for Clubs who are either looking to overhaul their squad, or have become reliant on transfer income as a 'fourth' revenue stream alongside broadcast, match day, and commercial. With an illiquid transfer market, Clubs that have invested in their academies will find a competitive edge in the immediate term.

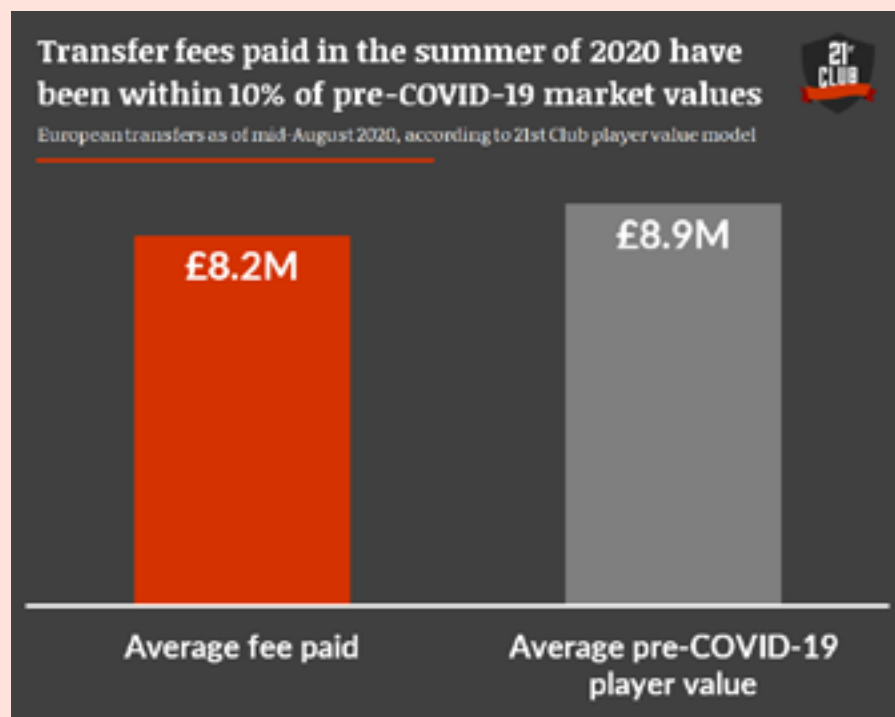
In Norway and Sweden's top divisions - two leagues whose 2020 seasons started after the beginning of the Pandemic, which therefore allowed teams to adjust their squads to the new reality - the proportion of league playing time by under-23 players has increased dramatically, by 37% and 44% respectively.

Clubs in these leagues have turned sharply to youth as transfer expenditure has fallen. Besides enabling Clubs to reduce costs, playing academy-developed players grows value within the squad which, if and when the market returns to 'normal', can be realised through sales.

The Finance Director's role in this new environment is to promote the idea that parsimoniousness need not be a byword for a lack of ambition.

Now more than ever, there will be a laser-focus on evaluating the financial and performance return of every decision, especially those made on the playing squad.

With that comes a need to have a joined-up, coherent strategy across the Club - in any industry that is a marker of ambition, and predictor of success.





PLAYER

COSTS



LOOKING FORWARD TO 2020/21, MOST CLUBS ARE PLANNING TO DECREASE THEIR SQUAD SIZE (60%) AND DECREASE THEIR SALARY COSTS (74%).

**DAVID ROGERS**

Associate Director, BDO Forensic and Valuation Services

Footballers' wages are always a topic of much interest and debate, though when discussed, the media tend to focus on players at elite Clubs across England, Europe and in emerging leagues like China, earning hundreds of thousands of pounds a week.

This perceived voracity in football was once again brought to the fore during lockdown, with many understandably calling for players to take pay cuts or defer salaries in order to help the cash flow and financial sustainability of their Clubs, thereby supporting the salaries of non-playing staff.

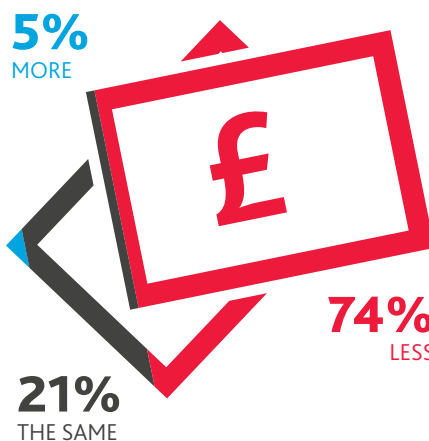
For several years, footballer wages have been increasing, with many Clubs having to reduce first team squad sizes to control their overall salary costs. In the 2019 report, when looking forward to 2019/20, only 6% of Respondents expected to increase their squad sizes, but 38% expected to increase their costs.

Fast-forward a year and this picture is completely different, with only 5% of Clubs expecting to increase salary costs – all in the EPL and FLC. In fact, looking forward to 2020/21, most Clubs are planning to decrease their squad size (60%) and decrease their salary costs (74%).

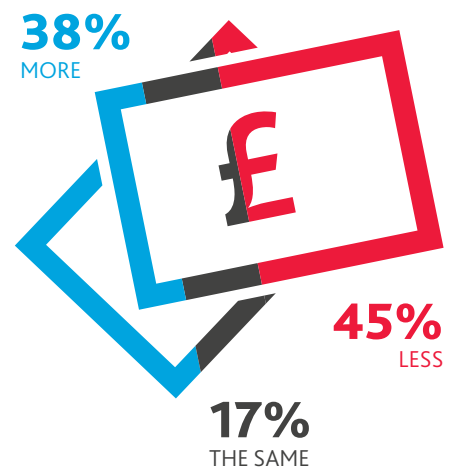
IN YOUR BUDGET FOR 2020/21, DO YOU EXPECT TO SPEND MORE, THE SAME OR LESS ON THE PAYROLL COST OF THE FIRST TEAM SQUAD THAN THE 2019/20 SEASON?

2020

Base: 42

**2019**

Base: 48



Some of this change is directly COVID-19 related, with 62% of Respondents taking actions in relation to player wages as a result of the Pandemic.

The most popular response was to defer contractual wages and pay at a later date when football activities, and their associated revenue streams, are able to recommence, although a number of Clubs in FL1&FL2 have sought to agree reductions in contractual wages.

The Pandemic has also thrown the spotlight on contract extensions and renewals as season extended into July.

The most common response, among the EPL (83%) and FLC (62%) Respondents was to extend contracts on a short-term basis to run to the new season end date, to enable them to keep their squad of players available.

This contrasts with FL1&FL2, whose season effectively finished at the start of lockdown, where the approach was nearly always to let contracts expire, with only 12% of FL1&FL2 Clubs opting for short-term extensions.



PLAYER COSTS

FOR CONTRACTS WHICH WILL BE EXPIRING OVER THE SUMMER, DO YOU PLAN TO:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Extend contracts to align with the end of the latest domestic season (latest guidance being August) as per FIFA guidance? | 48% | 84% | 62% | 12% |
| Grant a one year extension on the same terms | 0% | 0% | 0% | 0% |
| Let the contract expire | 31% | 8% | 15% | 59% |
| Other | 21% | 8% | 23% | 29% |
| | 100% | 100% | 100% | 100% |

Base: 42

When it comes to salary renewals, the majority of Clubs said they expected downward pressure on players' salaries at renewal.

Again, there is a divergence between views from the different leagues, likely tied to revenue generation. 42% of EPL Respondents said that they did not expect downward pressure on salaries under contract renewal, but all other Respondents across all leagues said they did expect downward pressure, but just with varying degrees.

On the whole, Respondents from the FLC (62%) expect *slight* downward pressure, whereas Respondents from FL1&FL2 (59%) expect *significant* downward pressure. In many ways the job of the FD and Chairman has been made easier here by salary caps (where applicable).

DO YOU EXPECT DOWNWARD PRESSURE ON PLAYERS' SALARIES UNDER CONTRACT RENEWAL?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------------|-------------|------|------|---------|
| No | 12% | 42% | 0% | 0% |
| Yes, significantly | 36% | 0% | 38% | 59% |
| Yes, slightly | 52% | 58% | 62% | 41% |
| | 100% | 100% | 100% | 100% |

Base: 42

The impact of salary caps on both player power and agent power should be obvious and will undoubtedly create some interesting market movements, notwithstanding suggestions of an FLC cap mechanism also being brought in.

With just under three-quarters of Respondents already referencing the widening gap between divisions due to existing regulations; the price paid for sustainability in the lower leagues, may well end up with a widening of the gap to the top flight in the short-term.

THE DATA



THE DATA

FINANCING THE CLUB

1. HOW WOULD YOU RATE YOUR CLUBS' CURRENT FINANCIAL POSITION?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Very healthy | 17% | 33% | 8% | 12% |
| Could be better but not bad | 33% | 42% | 46% | 18% |
| In need of attention | 45% | 25% | 46% | 58% |
| A cause for grave concern / on the verge of administration | 5% | 0% | 0% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 42

2. IS YOUR CLUB DEPENDENT ON THE PRINCIPAL SHAREHOLDER(S) TO FINANCE ANNUAL REVENUE SHORTFALLS OR OPERATING LOSSES?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 57% | 25% | 92% | 53% |
| No | 43% | 75% | 8% | 47% |
| | 100% | 100% | 100% | 100% |

Base: 42

3. HAS YOUR CLUB USED FUNDING FROM A SECONDARY SOURCE? (I.E. NOT PRIMARY BANKERS) (SELECT ALL THAT APPLY)

2020

| % OF CLUBS USING EACH SOURCE OF FUNDING | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|-----|-----|---------|
| Advance on media/central distributions | 40% | 33% | 54% | 35% |
| Advance season tickets - one year | 5% | 0% | 8% | 6% |
| Advance season tickets - two or more years | 5% | 0% | 0% | 12% |
| Player transfer fee receivables | 33% | 33% | 46% | 24% |
| Bonds | 2% | 0% | 0% | 6% |
| Crowd funding | 5% | 0% | 0% | 12% |
| Secondary/short term loan | 12% | 25% | 0% | 12% |
| Other | 5% | 8% | 0% | 6% |

Base: 42

2019

| | | | | |
|--|-----|-----|-----|-----|
| Advance on media/central distributions | 15% | 42% | 13% | 4% |
| Advance season tickets - one year | 4% | 0% | 0% | 8% |
| Advance season tickets - two or more years | 0% | 0% | 0% | 0% |
| Player transfer fee receivables | 21% | 17% | 33% | 15% |
| Bonds | 2% | 0% | 7% | 0% |
| Crowd funding | 0% | 0% | 0% | 0% |
| Secondary/short term loan | 6% | 0% | 0% | 12% |
| Other | 5% | 8% | 0% | 6% |

Base: 53

4. HAS YOUR CLUB TAKEN ADVANTAGE OF THE FOLLOWING COVID-19 GOVERNMENT SUPPORT SCHEMES? (SELECT ALL THAT APPLY)

| % OF CLUBS TAKING ADVANTAGE OF EACH SCHEME | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|-----|-----|---------|
| Job Retention Scheme (Furlough Scheme) | 74% | 17% | 92% | 100% |
| Tax time-to-pay : employment taxes deferral | 81% | 75% | 77% | 88% |
| Tax time-to-pay : sales taxes deferral | 67% | 83% | 46% | 71% |
| Coronavirus Business Interruption Loan Scheme (CBILS) or Bounceback Loan Scheme (BBLS) | 10% | 0% | 8% | 18% |
| Coronavirus Large Business Interruption Loan Scheme (CLBILS) | 0% | 0% | 0% | 0% |
| Other | 5% | 0% | 8% | 6% |

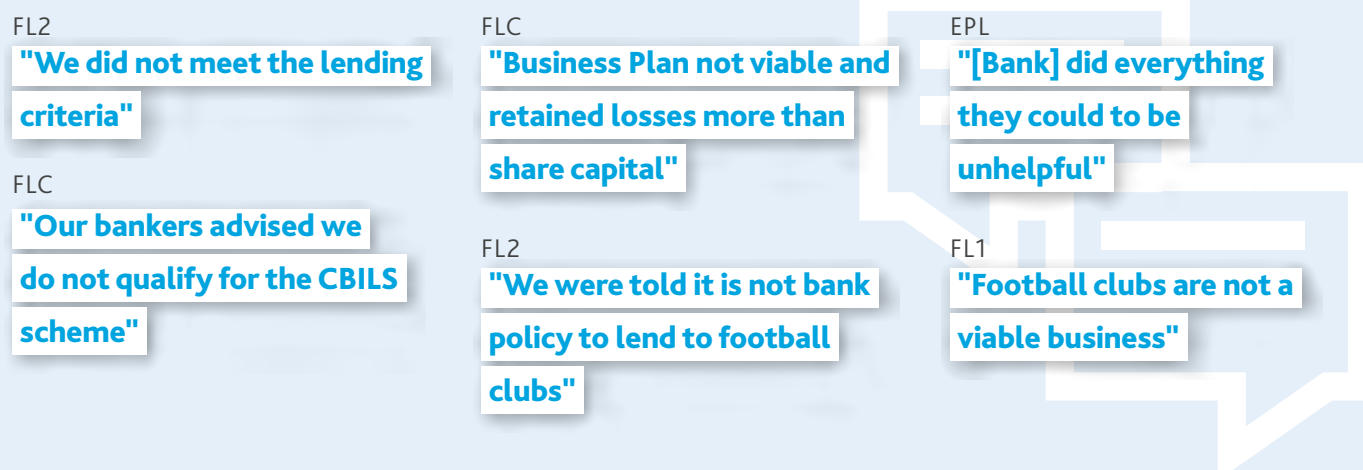
Base: 42

5. IN LIGHT OF THE IMPACTS OF COVID-19, HAVE YOU SOUGHT ADDITIONAL BANK FACILITIES?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------------|-------------|------|------|---------|
| Yes: successfully | 16% | 33% | 0% | 18% |
| Yes: unsuccessfully | 24% | 8% | 31% | 29% |
| No | 60% | 59% | 69% | 53% |
| | 100% | 100% | 100% | 100% |

Base: 42

6. IF YOU HAVE ANSWERED 'YES: UNSUCCESSFULLY' PLEASE PROVIDE REASONS FOR THIS:



THE DATA

FINANCING THE CLUB

7. ARE THE CURRENT EQUITY OWNERS OF THE CLUB CONSIDERING A FULL OR PARTIAL EXIT WITHIN THE NEXT 12 – 18 MONTHS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 14% | 0% | 15% | 24% |
| No | 86% | 100% | 85% | 76% |
| | 100% | 100% | 100% | 100% |

Base: 42

8a. AS FAR AS YOU ARE AWARE, WITHIN THE LAST 12 MONTHS HAS THE CLUB BEEN SUBJECT TO AN INFORMAL OR FORMAL APPROACH FROM PROSPECTIVE INVESTORS WITH A VIEW TO TAKING AN EQUITY STAKE IN THE CLUB?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 43% | 33% | 23% | 65% |
| No | 57% | 67% | 77% | 35% |
| | 100% | 100% | 100% | 100% |

Base: 18

8b. IF YES, HAVE YOU BEEN APPROACHED SINCE MARCH 2020?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 44% | 75% | 0% | 45% |
| No | 56% | 25% | 100% | 55% |
| | 100% | 100% | 100% | 100% |

Base: 18

8c. IF YES, HAVE THESE INTERESTED PARTIES BEEN:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Institutional / investment portfolio investors | 28% | 75% | 33% | 9% |
| Long term supporters of the club | 11% | 0% | 0% | 18% |
| Football fans seeking entry into English football | 17% | 0% | 0% | 27% |
| Other profile building or speculative investors | 17% | 25% | 0% | 18% |
| Other professional sport franchises | 0% | 0% | 0% | 0% |
| Other / A combination of the above | 27% | 0% | 67% | 28% |
| | 100% | 100% | 100% | 100% |

Base: 18

8d. IF YES, HAVE THESE INTERESTED PARTIES BEEN:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------------------------------------|-------------|------|------|---------|
| Domestic investors | 22% | 0% | 0% | 36% |
| Overseas investors: | | | | |
| ▶ US / Americas | 17% | 25% | 0% | 18% |
| ▶ European | 6% | 0% | 0% | 9% |
| ▶ Middle Eastern | 11% | 25% | 0% | 9% |
| ▶ Far Eastern | 11% | 0% | 67% | 0% |
| ▶ Other/ a combination of the above | 33% | 50% | 33% | 28% |
| | 100% | 100% | 100% | 100% |

Base: 18

9. ARE THE CLUB'S CURRENT CONTROLLING PARTIES:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------------------------|-------------|------|------|---------|
| Domestic investors | 50% | 37% | 46% | 59% |
| Overseas investors: | | | | |
| ▶ European | 7% | 18% | 8% | 0% |
| ▶ Far Eastern | 22% | 27% | 31% | 12% |
| ▶ Middle Eastern | 7% | 0% | 0% | 17% |
| ▶ US / Americas | 7% | 9% | 15% | 0% |
| ▶ Varied (more than one apply) | 7% | 9% | 0% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 18

THE DATA

FINANCING THE CLUB

10. WHAT ARE YOUR KEY STRATEGIES OTHER THAN PROMOTION AND AVOIDING RELEGATION, FOR DEVELOPMENT / GROWTH IN ORDER TO FURTHER STRENGTHEN THE FOOTBALL CLUB? (SELECTING 1ST, 2ND AND 3RD PRIORITIES)

| % OF CLUBS SELECTING EACH STRATEGY AS 1ST, 2ND OR 3RD | | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-----|-------------|-----|-----|---------|
| Qualifying for European cup competitions | 1st | 8% | 24% | 0% | 0% |
| | 2nd | 7% | 25% | 0% | 0% |
| | 3rd | 9% | 0% | 14% | 12% |
| Obtaining additional principle shareholder investment | 1st | 20% | 19% | 15% | 26% |
| | 2nd | 4% | 5% | 0% | 8% |
| | 3rd | 9% | 4% | 10% | 12% |
| Growing the Club's domestic fan base | 1st | 17% | 0% | 30% | 21% |
| | 2nd | 16% | 15% | 9% | 24% |
| | 3rd | 17% | 17% | 14% | 20% |
| Growing the Club's international fan base | 1st | 3% | 5% | 5% | 0% |
| | 2nd | 7% | 15% | 5% | 4% |
| | 3rd | 7% | 8% | 5% | 8% |
| Diversification into other leisure activities (e.g. hotels, restaurants & bars, travel & tourism, retail) | 1st | 0% | 0% | 0% | 0% |
| | 2nd | 13% | 0% | 18% | 20% |
| | 3rd | 11% | 17% | 10% | 8% |
| Monetising data sets and exploring media rights (e.g. streaming Club generated content) | 1st | 3% | 0% | 5% | 5% |
| | 2nd | 13% | 5% | 27% | 8% |
| | 3rd | 10% | 13% | 19% | 0% |
| Further investment into women's football | 1st | 3% | 10% | 0% | 0% |
| | 2nd | 7% | 5% | 14% | 4% |
| | 3rd | 9% | 13% | 5% | 8% |
| Development of academy facilities | 1st | 12% | 19% | 5% | 11% |
| | 2nd | 10% | 10% | 14% | 8% |
| | 3rd | 11% | 13% | 10% | 12% |
| Improving fan engagement (e.g. digital and social media) | 1st | 13% | 10% | 15% | 16% |
| | 2nd | 12% | 15% | 9% | 12% |
| | 3rd | 11% | 8% | 10% | 16% |
| Other real estate development / investment / stadium expansion | 1st | 20% | 14% | 25% | 21% |
| | 2nd | 7% | 5% | 5% | 12% |
| | 3rd | 6% | 8% | 5% | 4% |

Base: 42

DEBT AND INVESTMENT TRENDS

11. ARE YOU CONSIDERING ANY OF THE FOLLOWING AREAS OF NON-PLAYER CAPITAL SPEND IN THE NEXT 12/18 MONTHS? (SELECT ALL THAT APPLY)

| % OF CLUBS TAKING ADVANTAGE OF EACH SCHEME | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|-----|-----|---------|
| Academy development/expansion | 38% | 75% | 31% | 18% |
| Commercial real estate development | 14% | 25% | 15% | 6% |
| Hotel/restaurant/other commercial property development | 14% | 8% | 23% | 12% |
| Investment in other commercial ventures [e.g. hotels] | 12% | 8% | 23% | 6% |
| Investment into other sports [e.g. eGaming] | 2% | 8% | 0% | 0% |
| Non-essential non-player capital spend is on hold due to the current circumstances | 21% | 25% | 23% | 18% |
| Residential real estate investment/development | 17% | 8% | 31% | 12% |
| Stadium expansion | 19% | 33% | 23% | 6% |
| Strategic alliances with overseas Clubs | 7% | 17% | 8% | 0% |
| Strategic tie-ins with clubs from other sports (eg American Football, Rugby, Basketball, Esports etc.) | 0% | 0% | 0% | 0% |
| Other | 5% | 0% | 0% | 12% |
| None of the above | 21% | 8% | 8% | 41% |

Base: 42

12a. WHAT IS THE PROJECTED LEVEL OF YOUR NON-PLAYER CAPITAL SPEND DURING THE NEXT TWO YEARS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------|-------------|------|------|---------|
| < £2.5m | 57% | 8% | 61% | 88% |
| £2.5-£10m | 12% | 34% | 0% | 6% |
| £10-£25m | 17% | 25% | 23% | 6% |
| £25m-£50m | 7% | 17% | 8% | 0% |
| £50m-100m | 5% | 8% | 8% | 0% |
| > £100m | 2% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

12b. HOW WILL THIS BE FUNDED? (SELECT ALL THAT APPLY)

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|-----|-----|---------|
| Cash | 36% | 50% | 23% | 35% |
| Shareholder investment (debt or equity) | 55% | 42% | 85% | 41% |
| Third party debt | 24% | 50% | 8% | 18% |
| Other | 14% | 0% | 8% | 29% |

Base: 42

THE DATA

DEBT AND INVESTMENT TRENDS

13. ARE YOU CURRENTLY SEEKING THIRD PARTY DEBT FINANCE?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 19% | 42% | 8% | 12% |
| No | 81% | 58% | 92% | 88% |
| | 100% | 100% | 100% | 100% |

Base: 42

14. DO YOU FEEL THERE IS SUFFICIENT DEBT LIQUIDITY IN THE MARKET, SUCH THAT YOUR CLUB COULD OBTAIN THIRD PARTY DEBT FINANCE IF IT WAS NEEDED AND SERVICEABLE?

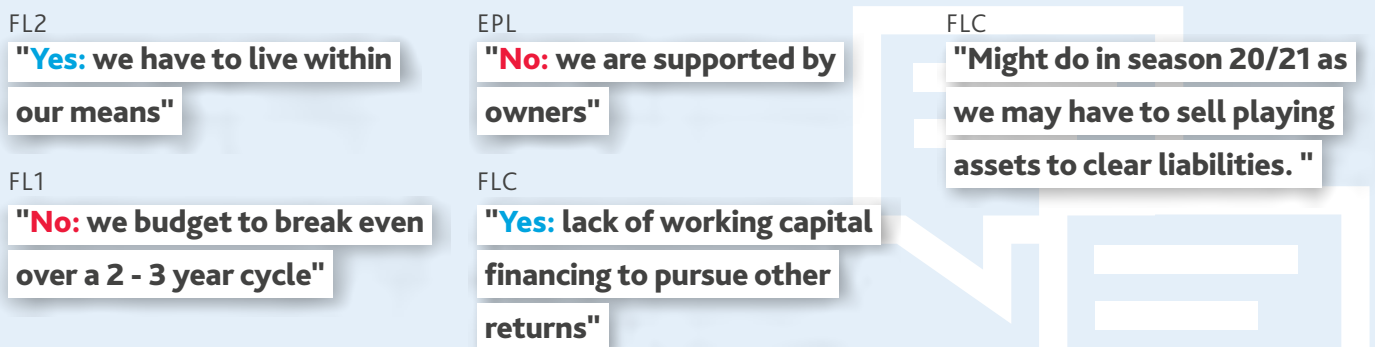
| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------------|-------------|------|------|---------|
| Yes | 33% | 75% | 0% | 29% |
| No | 38% | 17% | 46% | 47% |
| Not applicable | 29% | 8% | 54% | 24% |
| | 100% | 100% | 100% | 100% |

Base: 42

15. WHAT DO YOU FEEL ARE THE MAIN OBSTACLES TO OBTAINING CREDIT/DEBT IN THE MARKET?



16. HAS THE AVAILABILITY OF FINANCE AND FINANCING OPTIONS IN THE MARKET AFFECTED YOUR ABILITY TO COMPETE AS A CLUB?



17. HOW COULD THE FOOTBALL LEAGUES IMPROVE THE WAY ACCESS TO FINANCE IS FACILITATED AND CONTROLLED IN ORDER TO SUPPORT DEVELOPMENT, SUSTAINABILITY AND COMPETITION? [OPEN RESPONSE]



THE DATA

DEBT AND INVESTMENT TRENDS

18a. DO YOU EXPECT TO MAKE A PROFIT **BEFORE** PLAYER TRADING AND AMORTISATION IN YOUR 2019/20 ACCOUNTING PERIOD?

2020

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 17% | 42% | 0% | 12% |
| No | 83% | 58% | 100% | 88% |
| | 100% | 100% | 100% | 100% |

Base: 42

2019

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 29% | 75% | 17% | 12% |
| No | 71% | 25% | 83% | 88% |
| | 100% | 100% | 100% | 100% |

Base: 48

18b. DO YOU EXPECT TO MAKE A PROFIT **AFTER** PLAYER TRADING AND AMORTISATION IN YOUR 2019/20 ACCOUNTING PERIOD?

2020

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|------------|-------------|------|------|---------|
| Yes | 21% | 25% | 23% | 18% |
| No | 74% | 58% | 77% | 82% |
| Don't know | 5% | 17% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

2019

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|------------|-------------|------|------|---------|
| Yes | 30% | 42% | 33% | 22% |
| No | 68% | 50% | 67% | 78% |
| Don't know | 2% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 47

19. WHAT HAS BEEN THE IMPACT OF THE CURRENT ECONOMIC CONDITIONS ON THE FOLLOWING REVENUE STREAMS IN THE CURRENT FINANCIAL YEAR?

| SEASON TICKET SALES | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------------|-------------|------|------|---------|
| Improved > 5% | 2% | 8% | 0% | 0% |
| Improved < 5% | 2% | 0% | 8% | 0% |
| No Impact | 29% | 33% | 23% | 29% |
| Reduced < 5% | 17% | 0% | 23% | 24% |
| Reduced > 5% | 50% | 59% | 46% | 47% |
| | 100% | 100% | 100% | 100% |

Base: 42

| MATCH TICKETS | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | 5% | 8% | 8% | 0% |
| Improved < 5% | 2% | 0% | 8% | 0% |
| No Impact | 17% | 25% | 15% | 12% |
| Reduced < 5% | 9% | 0% | 8% | 17% |
| Reduced > 5% | 67% | 67% | 61% | 71% |
| | 100% | 100% | 100% | 100% |

Base: 42

| MERCHANDISING | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | 2% | 8% | 0% | 0% |
| Improved < 5% | 7% | 0% | 23% | 0% |
| No Impact | 29% | 33% | 31% | 24% |
| Reduced < 5% | 21% | 17% | 23% | 24% |
| Reduced > 5% | 41% | 42% | 23% | 52% |
| | 100% | 100% | 100% | 100% |

Base: 42

| MATCH DAY CATERING | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------------|-------------|------|------|---------|
| Improved > 5% | 5% | 8% | 8% | 0% |
| Improved < 5% | 2% | 0% | 8% | 0% |
| No Impact | 26% | 33% | 30% | 18% |
| Reduced < 5% | 7% | 0% | 0% | 18% |
| Reduced > 5% | 60% | 59% | 54% | 64% |
| | 100% | 100% | 100% | 100% |

Base: 42

| CORPORATE ENTERTAINING PACKAGES | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------------------------|-------------|------|------|---------|
| Improved > 5% | 2% | 8% | 0% | 0% |
| Improved < 5% | 5% | 0% | 8% | 6% |
| No Impact | 24% | 25% | 38% | 12% |
| Reduced < 5% | 10% | 0% | 0% | 24% |
| Reduced > 5% | 59% | 67% | 54% | 58% |
| | 100% | 100% | 100% | 100% |

Base: 42

| SPONSORSHIP | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | 7% | 8% | 15% | 0% |
| Improved < 5% | 2% | 0% | 8% | 0% |
| No Impact | 24% | 17% | 31% | 24% |
| Reduced < 5% | 24% | 33% | 15% | 24% |
| Reduced > 5% | 43% | 42% | 31% | 52% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

DEBT AND INVESTMENT TRENDS

20. WHAT EFFECT DO YOU EXPECT ECONOMIC CONDITIONS TO HAVE ON YOUR 2020/21 REVENUE STREAMS COMPARED WITH THE SEASON JUST ENDED?

| 2020 | SEASON TICKET SALES | | | | | 2019 | | | | | |
|----------|---------------------|-------------|------|------|---------|----------|--------------|-------------|------|------|---------|
| | % | ALL LEAGUES | EPL | FLC | FL1&FL2 | | % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
| | Improved > 5% | | | | | | Improved <5% | 10% | 0% | 17% | 13% |
| | Improved < 5% | 2% | 8% | 0% | 0% | | Improved >5% | 10% | 17% | 0% | 13% |
| | No Impact | 7% | 8% | 8% | 6% | | No Impact | 54% | 67% | 50% | 48% |
| | Reduced < 5% | 17% | 0% | 15% | 29% | | Reduced <5% | 17% | 8% | 33% | 13% |
| | Reduced > 5% | 74% | 84% | 77% | 65% | | Reduced >5% | 9% | 8% | 0% | 13% |
| Base: 42 | | 100% | 100% | 100% | 100% | Base: 48 | | 100% | 100% | 100% | 100% |

| 2020 | MATCH TICKETS | | | | | 2019 | | | | | |
|----------|---------------|-------------|------|------|---------|----------|--------------|-------------|------|------|---------|
| | % | ALL LEAGUES | EPL | FLC | FL1&FL2 | | % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
| | Improved > 5% | | | | | | Improved <5% | 6% | 0% | 17% | 4% |
| | Improved < 5% | 5% | 8% | 0% | 6% | | Improved >5% | 10% | 17% | 0% | 13% |
| | No Impact | 2% | 8% | 0% | 0% | | No Impact | 67% | 67% | 66% | 66% |
| | Reduced < 5% | 10% | 0% | 8% | 18% | | Reduced <5% | 13% | 8% | 17% | 13% |
| | Reduced > 5% | 83% | 84% | 92% | 76% | | Reduced >5% | 4% | 8% | 0% | 4% |
| Base: 42 | | 100% | 100% | 100% | 100% | Base: 48 | | 100% | 100% | 100% | 100% |

| 2020 | MERCHANDISING | | | | | 2019 | | | | | |
|----------|---------------|-------------|------|------|---------|----------|--------------|-------------|------|------|---------|
| | % | ALL LEAGUES | EPL | FLC | FL1&FL2 | | % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
| | Improved > 5% | 0% | 0% | 0% | 0% | | Improved <5% | 9% | 0% | 8% | 13% |
| | Improved < 5% | 2% | 8% | 0% | 0% | | Improved >5% | 10% | 17% | 0% | 13% |
| | No Impact | 14% | 17% | 23% | 6% | | No Impact | 58% | 67% | 67% | 48% |
| | Reduced < 5% | 24% | 0% | 23% | 41% | | Reduced <5% | 13% | 8% | 17% | 13% |
| | Reduced > 5% | 60% | 75% | 54% | 53% | | Reduced >5% | 10% | 8% | 8% | 13% |
| Base: 42 | | 100% | 100% | 100% | 100% | Base: 48 | | 100% | 100% | 100% | 100% |

2020

MATCH DAY CATERING

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | | | | |
| Improved < 5% | 2% | 8% | 0% | 0% |
| No Impact | 7% | 17% | 0% | 6% |
| Reduced < 5% | 12% | 0% | 15% | 18% |
| Reduced > 5% | 79% | 75% | 85% | 76% |
| | 100% | 100% | 100% | 100% |

Base: 42

2019

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------|-------------|------|------|---------|
| Improved <5% | 4% | 0% | 8% | 4% |
| Improved >5% | 10% | 8% | 0% | 17% |
| No Impact | 69% | 76% | 75% | 62% |
| Reduced <5% | 13% | 8% | 17% | 13% |
| Reduced >5% | 4% | 8% | 0% | 4% |
| | 100% | 100% | 100% | 100% |

Base: 48

2020

CORPORATE ENTERTAINING PACKAGES

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | | | | |
| Improved < 5% | 2% | 8% | 0% | 0% |
| No Impact | 2% | 8% | 0% | 0% |
| Reduced < 5% | 12% | 0% | 23% | 12% |
| Reduced > 5% | 84% | 84% | 77% | 88% |
| | 100% | 100% | 100% | 100% |

Base: 42

2019

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------|-------------|------|------|---------|
| Improved <5% | 6% | 0% | 8% | 8% |
| Improved >5% | 11% | 8% | 0% | 17% |
| No Impact | 58% | 67% | 58% | 54% |
| Reduced <5% | 19% | 17% | 34% | 13% |
| Reduced >5% | 6% | 8% | 0% | 8% |
| | 100% | 100% | 100% | 100% |

Base: 48

2020

SPONSORSHIP

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Improved > 5% | | | | |
| Improved < 5% | 2% | 8% | 0% | 0% |
| No Impact | 14% | 17% | 15% | 12% |
| Reduced < 5% | 17% | 17% | 23% | 12% |
| Reduced > 5% | 67% | 58% | 62% | 76% |
| | 100% | 100% | 100% | 100% |

Base: 42

2019

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------|-------------|------|------|---------|
| Improved <5% | 13% | 17% | 17% | 8% |
| Improved >5% | 15% | 8% | 0% | 25% |
| No Impact | 56% | 67% | 83% | 37% |
| Reduced <5% | 8% | 0% | 0% | 17% |
| Reduced >5% | 8% | 8% | 0% | 13% |
| | 100% | 100% | 100% | 100% |

Base: 48

THE DATA

DEBT AND INVESTMENT TRENDS

21. DO YOU PLAN TO EXPAND ANY EXISTING REVENUE STREAMS OR ESTABLISH ANY NEW REVENUE STREAMS FOR THE 2020/21 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------------------------|-------------|------|------|---------|
| Expand existing revenue streams | 27% | 14% | 21% | 40% |
| Establish new revenue streams | 33% | 29% | 43% | 30% |
| No change | 27% | 36% | 36% | 15% |
| Other | 13% | 21% | 0% | 15% |
| | 100% | 100% | 100% | 100% |

Base: 42

22. WOULD YOU LIKE TO EXPAND ANY REVENUE STREAMS OR ESTABLISH ANY NEW REVENUE STREAMS IN THE LONGER TERM?



23. FOLLOWING THE RENEWAL OF THE EPL MEDIA RIGHTS FOR 2019-2022, WHAT IMPACT HAVE THESE ENHANCED TELEVISION RIGHTS HAD ON YOUR CLUB?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Overall positive, the increased revenues are filtering through the leagues improving profitability | 14% | 25% | 8% | 12% |
| Neutral, any additional revenues is being matched by additional player costs | 33% | 67% | 8% | 29% |
| Overall negative, player wage inflation exceeds revenue increases | 12% | 0% | 23% | 12% |
| Overall negative, the increasing gap between the EPL and the Football Leagues is financially detrimental | 33% | 0% | 61% | 35% |
| Other | 8% | 8% | 0% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 42

CLUBS OPERATIONS

24. ARE YOUR REVENUES FROM KEY COMMERCIAL CONTRACTS, SUCH AS SPONSORSHIP:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------------------|-------------|------|------|---------|
| Increasing | 31% | 50% | 31% | 18% |
| Largely unchanged | 33% | 33% | 8% | 53% |
| Falling | 36% | 17% | 61% | 29% |
| | 100% | 100% | 100% | 100% |

Base: 42

25. DO YOU THINK SUITABLE SPONSORS AND OTHER COMMERCIAL PARTNERS ARE:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------------------------|-------------|------|------|---------|
| Becoming easier to find | 0% | 0% | 0% | 0% |
| Becoming harder to find | 69% | 50% | 69% | 82% |
| No real change | 31% | 50% | 31% | 18% |
| | 100% | 100% | 100% | 100% |

Base: 42

26. IN LIGHT OF THE CURRENT CIRCUMSTANCES SURROUNDING COVID-19, WHAT IS YOUR VIEW OF THE IMPACT OF THE BROADCASTING INCOME ON YOUR BUSINESS AND THE WIDER INDUSTRY?



THE DATA

CLUBS OPERATIONS

27. DO YOU THINK YOUR LEAGUE HAS TAKEN APPROPRIATE ACTION TO MITIGATE THE IMPACT OF THE CURRENT CIRCUMSTANCES? PLEASE PROVIDE AN EXPLANATION FOR YOUR ANSWER

EPL

"**Yes:** the Premier League has been able to maintain broadcasting income and push any rebates for 19/20 into the future"

EPL

"**Yes:** the settlement agreement with broadcasters provides the necessary degree of security and clarity on our financial position"

FL1

"**Yes:** curtailing the 19/20 season assisted cost control"

FL1

"We are pleased that a decision to end the season has (finally) been taken. Some financial assistance has also been provided through bringing forward distributions, and provision of an interest free loan. However, the assistance has mostly been short term. The challenge for many clubs now will be operation through the summer period through to the point when revenues return."

FL2

"They have done everything they can... the only worry is does that mean there will be reductions in future payments to clubs"

FL2

"**No:** Clubs were left to their own devices largely, except for a short term loan from the EFL, and advancing payables in April to help mitigate the loss of matchday income."

FLC

"**Yes:** playing the season behind closed doors has reduced the overall impact "

FLC

"**No:** In the circumstances that is probably understandable but the time for decisive action and leadership is now not in the future."



28. DO YOU AGREE WITH THE CURRENT PARACHUTE PAYMENTS SYSTEM FOR CLUBS RELEGATED FROM THE EPL?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Yes, I agree with the amounts and periods of payments | 43% | 84% | 38% | 17% |
| No, the amounts are too low and create too much financial risk for relegated clubs | 9% | 8% | 8% | 12% |
| No, the payments are too high and anti-competitive for other clubs | 36% | 8% | 46% | 47% |
| No, the period of receipts should be extended | 0% | 0% | 0% | 0% |
| No, the period of receipts should be shortened | 5% | 0% | 0% | 12% |
| Other | 7% | 0% | 8% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 42

29a. DO YOU USE THE WAGES TO TURNOVER RATIO AS A KEY PERFORMANCE INDICATOR OF THE CLUB'S FINANCIAL HEALTH?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 67% | 83% | 54% | 65% |
| No | 33% | 17% | 46% | 35% |
| | 100% | 100% | 100% | 100% |

Base: 42

29b. IF 'YES' WHICH RANGE IS YOUR TARGET IN?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------------|-------------|------|------|---------|
| < 50% | 11% | 0% | 0% | 28% |
| 51% - 55% | 7% | 0% | 0% | 18% |
| 56% - 60% | 25% | 30% | 43% | 9% |
| 61% - 65% | 21% | 40% | 0% | 18% |
| 66% - 75% | 25% | 30% | 43% | 9% |
| > 75% | 7% | 0% | 14% | 9% |
| Did not specify | 4% | 0% | 0% | 9% |
| | 100% | 100% | 100% | 100% |

Base: 42

29c. WHAT WAGES TO TURNOVER RATIO RANGE DO YOU CURRENTLY OPERATE IN?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------|-------------|------|------|---------|
| < 50% | 14% | 0% | 8% | 31% |
| 51% - 55% | 5% | 8% | 0% | 8% |
| 56% - 60% | 19% | 17% | 17% | 23% |
| 61% - 65% | 11% | 17% | 0% | 15% |
| 66% - 75% | 8% | 25% | 0% | 0% |
| > 75% | 43% | 33% | 75% | 23% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

CLUBS OPERATIONS

30. IF YOU COULD MAKE ONE CHANGE TO THE FINANCIAL STRUCTURE OF THE ENGLISH FOOTBALL LEAGUES, WHAT WOULD IT BE AND WHY?

FLC

"Salary cap for players"

FL1

"Reduce player wages and cap expenditure on squads to a level where clubs can break even / generate profit without the need for owner / third party funding"

FLC

"Redistribution of broadcasting income from Premier League"

FL1

"For all clubs to provide audited accounts"

EPL

"Allow virtual ads to be sold so all Clubs could compete with Man Utd in Asia."

EPL

"Create a prem 2 "

FL2

"All teams should be forced to achieve break-even position or better over a 3 (or 5) year rolling period."

FL2

"More money needs to filter down from the Premier League"

TAXATION

31. HAVE THE CURRENT CIRCUMSTANCES REQUIRED YOU TO PROACTIVELY MANAGE YOUR TAX POSITION? IN RESPONSE TO COVID-19 HAS YOUR CLUB:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Considered entering into a time-to-pay arrangement with HMRC | 25% | 33% | 24% | 22% |
| Deferred any tax or VAT payments | 33% | 57% | 29% | 26% |
| Furloughed any non-playing staff | 24% | 10% | 29% | 26% |
| Furloughed any playing staff | 17% | 0% | 15% | 26% |
| None of the above | 1% | 0% | 3% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

32. HOW WILL COVID-19 IMPACT THE PLAYERS YOU HAVE OUT ON LOAN?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| We are considering extending the loan period | 45% | 76% | 64% | 6% |
| We are considering ending the loans early | 19% | 8% | 29% | 19% |
| We are considering the international tax/social security implications of the loans | 5% | 8% | 0% | 6% |
| Other | 31% | 8% | 7% | 69% |
| | 100% | 100% | 100% | 100% |

Base: 42

33. IF PLAYERS HAVE TAKEN A SALARY DEFERRAL OR PAY CUT, WILL THOSE CHANGES ALSO IMPACT THE AGENTS FEES PAID BY THE CLUB?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------|-------------|------|------|---------|
| Yes | 12% | 8% | 8% | 18% |
| No | 64% | 75% | 69% | 53% |
| Maybe | 24% | 17% | 23% | 29% |
| | 100% | 100% | 100% | 100% |

Base: 42

34. HAS THE CLUB BEEN APPROACHED BY A PLAYER OR THEIR AGENT FOR ASSISTANCE REGARDING THE PLAYER'S PERSONAL TAX POSITION?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 10% | 17% | 8% | 6% |
| No | 90% | 83% | 92% | 94% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

TAXATION

35. CONSIDERING YOUR INTERACTIONS WITH HMRC DURING COVID-19, DO YOU FEEL IT HAS TAKEN THE RIGHT APPROACH?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------------|-------------|------|------|---------|
| No | 7% | 0% | 8% | 12% |
| Yes | 86% | 92% | 92% | 76% |
| Did not specify | 7% | 8% | 0% | 12% |
| | 100% | 100% | 100% | 100% |

Base: 42

36a. DO YOU ANTICIPATE THAT HMRC WILL TAKE A PRAGMATIC APPROACH ONCE THE GAME RETURNS TO NORMAL?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 50% | 50% | 54% | 47% |
| No | 50% | 50% | 46% | 53% |
| | 100% | 100% | 100% | 100% |

Base: 42

36b. IF NOT, DO YOU FEEL SUITABLY PREPARED FOR A ROBUST CHALLENGE FROM HMRC?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------------|-------------|------|------|---------|
| Yes | 62% | 75% | 62% | 53% |
| No | 28% | 17% | 23% | 41% |
| Did not specify | 10% | 8% | 15% | 6% |
| | 100% | 100% | 100% | 100% |

Base: 42

FINANCIAL FAIR PLAY

37. ASSUMING NO CHANGE TO THE FINANCIAL FAIR PLAY RULES (AT THE TIME OF SURVEY) WOULD YOU HAVE COMPLIED WITH THE REQUIREMENTS OF APPLICABLE (DOMESTIC AND EUROPEAN) FINANCIAL FAIR PLAY / PROFITABILITY AND SUSTAINABILITY RULES IN THE 2019/20 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Yes | 79% | 75% | 77% | 82% |
| Yes but required net positive income from player trading | 17% | 25% | 23% | 6% |
| Yes but required significant one-off non-player trading transactions | 2% | 0% | 0% | 6% |
| No | 2% | 0% | 0% | 6% |
| | 100% | 100% | 100% | 100% |

Base: 42

38. WITH REGARD TO DOMESTIC AND / OR UEFA FINANCIAL FAIR PLAY RULES, DO YOU EXPECT THAT FOR NEXT SEASON YOUR CLUB WILL:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Comply with these rules with minimal change to the business model | 74% | 75% | 85% | 65% |
| Not comply, but plan to be compliant within the next 2-3 years | 5% | 17% | 0% | 0% |
| Only manage to comply by making significant changes to the business model | 21% | 8% | 15% | 35% |
| | 100% | 100% | 100% | 100% |

Base: 42

39. DO YOU BELIEVE THAT THE FFP REGULATIONS ARE MEETING THEIR PRINCIPAL OBJECTIVE OF PROMOTING SUSTAINABILITY?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| Yes | 12% | 33% | 0% | 6% |
| No, but this is moving in the right direction | 41% | 33% | 38% | 47% |
| No, there are better ways to ensure sustainability | 45% | 25% | 62% | 47% |
| Regulation is not necessary | 2% | 9% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

FINANCIAL FAIR PLAY

40a. DO YOU FEEL THIS HAS WIDENED THE GAP BETWEEN DIVISIONS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------|-------------|------|------|---------|
| Yes | 72% | 50% | 77% | 82% |
| No | 26% | 42% | 23% | 18% |
| Other | 2% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

40b. DO YOU FEEL THIS HAS WIDENED THE GAP WITHIN DIVISIONS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Yes | 60% | 67% | 62% | 53% |
| No | 38% | 25% | 38% | 47% |
| Same as above | 2% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

41. DO YOU BELIEVE THAT FFP REQUIREMENTS ARE BEING APPLIED CONSISTENTLY BY THE CLUBS IN YOUR LEAGUE?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 45% | 58% | 15% | 59% |
| No | 55% | 42% | 85% | 41% |
| | 100% | 100% | 100% | 100% |

Base: 42

42. IN THE ABSENCE OF FFP REGULATIONS, WOULD YOU OR YOUR OWNER INVEST MORE MONEY INTO TRYING TO REALISE THE CLUBS AMBITIONS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Yes, to a significant degree | 7% | 8% | 15% | 0% |
| Yes, to some extent | 31% | 50% | 15% | 29% |
| No, the amount we are permitted to invest is sufficient | 36% | 34% | 55% | 24% |
| No, there is no more to invest | 24% | 8% | 15% | 41% |
| Other | 2% | 0% | 0% | 6% |
| | 100% | 100% | 100% | 100% |

Base: 42

43. DO YOU BELIEVE IT WAS THE CORRECT DECISION TO SCRAP SHORT TERM COST CONTROL (STCC) MEASURES FOR EPL CLUBS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 55% | 67% | 54% | 47% |
| No | 45% | 33% | 46% | 53% |
| | 100% | 100% | 100% | 100% |

Base: 42

44. DO YOU FEEL THAT FINANCIAL FAIR PLAY SANCTIONS ARE BEING APPROPRIATELY ENFORCED?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Yes | 36% | 67% | 8% | 35% |
| No, they are enforced too strongly | 5% | 0% | 15% | 0% |
| No, they are not enforced strongly enough | 59% | 33% | 77% | 65% |
| | 100% | 100% | 100% | 100% |

Base: 42

45. IF YOU COULD REPLACE THE CURRENT SYSTEM OF FFP, WHAT BROAD PRINCIPLES WOULD YOU APPLY?



THE DATA

YOUTH DEVELOPMENT

46a. WHAT IS YOUR CURRENT ELITE PLAYER PERFORMANCE PLAN (EPPP) GRADE?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------------|-------------|------|------|---------|
| 1 | 31% | 75% | 30% | 0% |
| 2 | 21% | 17% | 54% | 0% |
| 3 | 41% | 8% | 8% | 88% |
| Not applicable | 7% | 0% | 8% | 12% |
| Base: 42 | 100% | 100% | 100% | 100% |

46b. HOW DO YOU EXPECT THIS TO CHANGE IN THE 2020/21 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------|-------------|------|------|---------|
| Higher | 7% | 8% | 8% | 6% |
| Lower | 2% | 8% | 0% | 0% |
| The same | 91% | 84% | 92% | 94% |
| Base: 42 | 100% | 100% | 100% | 100% |

47. HAS COVID-19 INCREASED THE EMPHASIS ON THE NEED FOR AN ACADEMY?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------|-------------|------|------|---------|
| Yes | 52% | 50% | 38% | 65% |
| No | 48% | 50% | 62% | 35% |
| Base: 42 | 100% | 100% | 100% | 100% |

48. HOW DOES YOUR BUDGET FOR YOUTH DEVELOPMENT IN THE 2020/21 FINANCIAL PERIOD COMPARE TO THE BUDGET FOR 2019/20?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------------------|-------------|------|------|---------|
| Significantly higher | 7% | 8% | 8% | 6% |
| Significantly lower | 5% | 0% | 8% | 6% |
| Slightly higher | 12% | 25% | 8% | 6% |
| Slightly lower | 17% | 25% | 23% | 6% |
| The same | 59% | 42% | 53% | 76% |
| Base: 42 | 100% | 100% | 100% | 100% |

49. WHAT ARE YOUR MEDIUM TO LONG TERM INTENTIONS FOR YOUR YOUTH ACADEMY?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------------------|-------------|------|------|---------|
| Close it | 2% | 0% | 0% | 6% |
| Decrease investment in it | 5% | 0% | 15% | 0% |
| Increase investment in it | 50% | 67% | 39% | 47% |
| No change | 43% | 33% | 46% | 47% |
| | 100% | 100% | 100% | 100% |

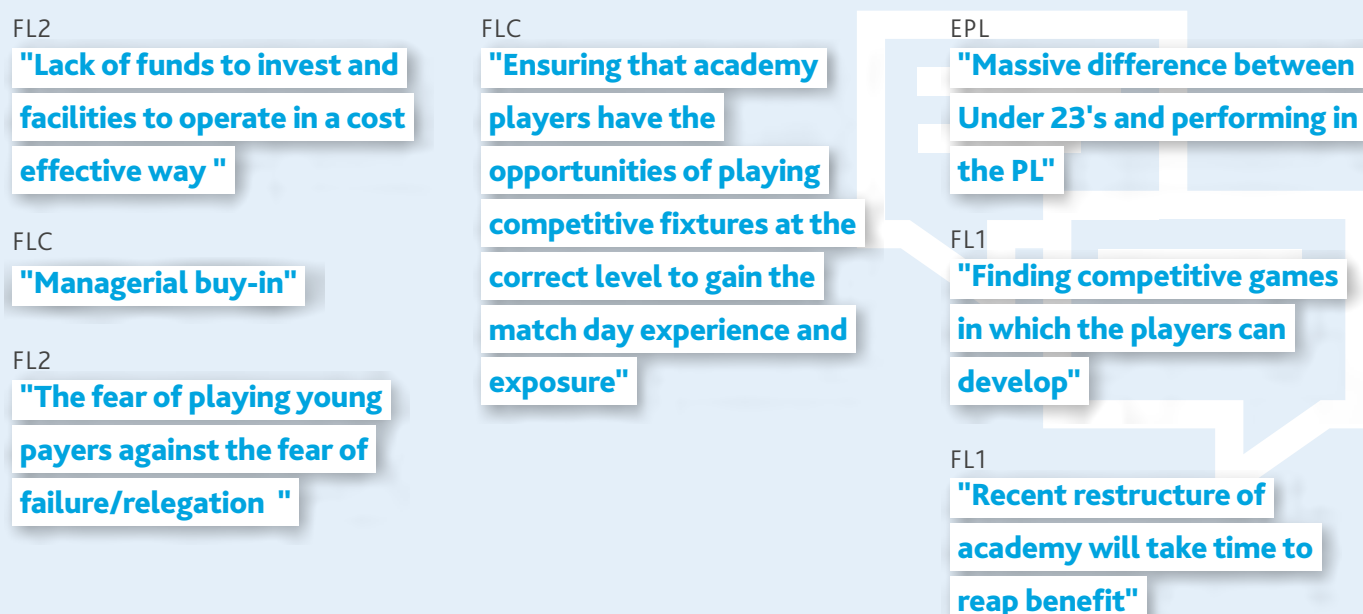
Base: 42

50. ARE YOU EXPECTING TO INCREASE YOUR ACADEMY PLAYER TO FIRST TEAM CONVERSION IN THE 2020/21 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 55% | 42% | 69% | 53% |
| No | 45% | 58% | 31% | 47% |
| | 100% | 100% | 100% | 100% |

Base: 42

51. WHAT ARE THE OPPORTUNITIES AND CHALLENGES THAT YOU FACE IN PROGRESSING ACADEMY PLAYERS INTO YOUR FIRST TEAM?



THE DATA

YOUTH DEVELOPMENT

52. DO YOU CURRENTLY OPERATE AN OVERSEAS ACADEMY AND/OR FEEDER SYSTEM?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--|-------------|------|------|---------|
| No and we are not intending to invest in this area | 90% | 75% | 100% | 94% |
| No, but we are looking for one (or more) | 10% | 25% | 0% | 6% |
| | 100% | 100% | 100% | 100% |

Base: 42

PLAYER TRANSFERS

53. IS LIQUIDITY IN THE TRANSFER MARKET:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----------|-------------|------|------|---------|
| Improving | 2% | 0% | 0% | 6% |
| Worsening | 72% | 83% | 54% | 76% |
| Unchanged | 26% | 17% | 46% | 18% |
| | 100% | 100% | 100% | 100% |

Base: 42

54. ARE YOU LIKELY TO INCREASE OR REDUCE YOUR TRANSFER BUDGET FOR 2020/21?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-------------------------|-------------|------|------|---------|
| Increase | 0% | 0% | 0% | 0% |
| Reduce | 50% | 83% | 62% | 18% |
| It will remain the same | 50% | 17% | 38% | 82% |
| | 100% | 100% | 100% | 100% |

Base: 42

55. IN TERMS OF SPEND, DO YOU INTEND TO BE A NET BUYER OR SELLER OF PLAYERS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|------------|-------------|------|------|---------|
| Net buyer | 12% | 25% | 8% | 6% |
| Net seller | 88% | 75% | 92% | 94% |
| | 100% | 100% | 100% | 100% |

Base: 42

56a. IN TERMS OF SPEND, HOW DO YOU ANTICIPATE THAT YOUR LOANS IN WILL CHANGE?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Decrease | 29% | 0% | 38% | 41% |
| Increase | 9% | 8% | 8% | 12% |
| Stay the same | 62% | 92% | 54% | 47% |
| | 100% | 100% | 100% | 100% |

Base: 42

56b. IN TERMS OF SPEND, HOW DO YOU ANTICIPATE THAT YOUR LOANS OUT WILL CHANGE?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------------|-------------|------|------|---------|
| Decrease | 14% | 8% | 8% | 23% |
| Increase | 19% | 17% | 23% | 18% |
| Stay the same | 67% | 75% | 69% | 59% |
| | 100% | 100% | 100% | 100% |

Base: 42

57. DO YOU ANTICIPATE THAT COVID-19 WILL IMPACT WHERE YOU AIM TO OR ARE ABLE TO BUY PLAYERS FROM?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 17% | 17% | 15% | 18% |
| No | 83% | 83% | 85% | 82% |
| | 100% | 100% | 100% | 100% |

Base: 42

58. DO YOU FEEL THAT THE CURRENT LEVELS OF PLAYER TRANSFER FEES ARE SUSTAINABLE FOR DOMESTIC FOOTBALL CLUBS?

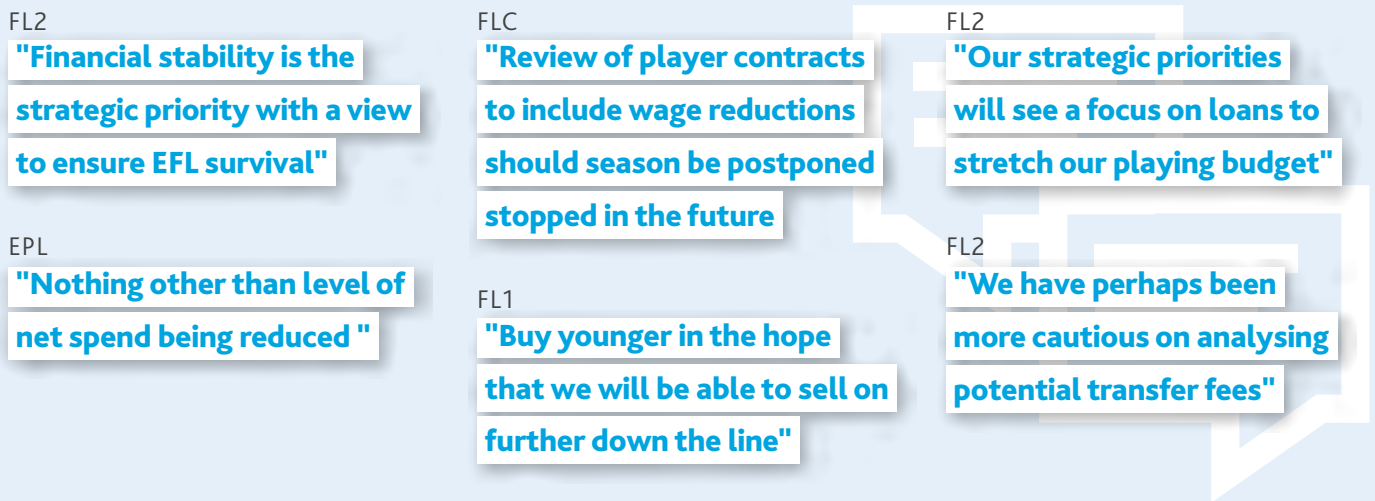
| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 14% | 25% | 15% | 6% |
| No | 86% | 75% | 85% | 94% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

PLAYER TRANSFERS

59. IN WHAT OTHER WAYS HAVE YOUR STRATEGIC PRIORITIES CHANGED WITH RESPECT TO TRANSFERS AND PLAYER LOANS CHANGED IN LIGHT OF COVID-19?



PLAYER COSTS

60a. WHAT PERCENTAGE OF PLAYERS IN YOUR FIRST TEAM HAVE CLAUSES IN THEIR CONTRACTS STIPULATING THAT THEIR WAGES WILL BE REDUCED IF THE CLUB IS RELEGATED?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------|-------------|------|------|---------|
| < 25% | 17% | 25% | 8% | 18% |
| 26 - 50% | 5% | 0% | 8% | 6% |
| 51 - 75% | 7% | 0% | 0% | 18% |
| 76 - 99% | 19% | 25% | 23% | 11% |
| 100% | 52% | 50% | 61% | 47% |
| | 100% | 100% | 100% | 100% |

Base: 42

60b. WHAT IS THE RANGE OF THE PERCENTAGE REDUCTIONS?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|----------------|-------------|------|------|---------|
| <20% | 15% | 8% | 8% | 23% |
| 20-30% | 41% | 8% | 46% | 59% |
| 30-40% | 26% | 34% | 38% | 12% |
| 40-50% | 14% | 42% | 8% | 0% |
| >50% | 0% | 0% | 0% | 0% |
| Varied | 2% | 0% | 0% | 6% |
| Not applicable | 2% | 8% | 0% | 0% |
| | 100% | 100% | 100% | 100% |

Base: 42

61. AS A RESULT OF COVID-19, HAS YOUR CLUB:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Agreed a reduction to contractual wages | 5% | 0% | 0% | 12% |
| Deferred contractual wages | 43% | 50% | 77% | 12% |
| No change to contractual wages | 38% | 50% | 23% | 41% |
| Other | 14% | 0% | 0% | 35% |
| | 100% | 100% | 100% | 100% |

Base: 42

THE DATA

PLAYER COSTS

62. DO YOU EXPECT DOWNWARD PRESSURE ON PLAYERS' SALARIES UNDER CONTRACT RENEWAL?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|--------------------|-------------|------|------|---------|
| No | 12% | 42% | 0% | 0% |
| Yes, significantly | 36% | 0% | 38% | 59% |
| Yes, slightly | 52% | 58% | 62% | 41% |
| | 100% | 100% | 100% | 100% |

Base: 42

63a. IN YOUR BUDGET FOR 2020/21, DO YOU EXPECT YOUR FIRST TEAM SQUAD SIZE BE BIGGER, THE SAME OR SMALLER THAN THE 2019/20 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---------|-------------|------|------|---------|
| Bigger | 0% | 0% | 0% | 0% |
| Same | 40% | 75% | 31% | 24% |
| Smaller | 60% | 25% | 69% | 76% |
| | 100% | 100% | 100% | 100% |

Base: 42

63b. IN YOUR BUDGET FOR 2020/21, DO YOU EXPECT TO SPEND MORE, THE SAME OR LESS ON THE PAYROLL COST OF THE FIRST TEAM SQUAD THAN THE 2019/20 SEASON?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|------|-------------|------|------|---------|
| More | 5% | 8% | 8% | 0% |
| Same | 21% | 42% | 8% | 18% |
| Less | 74% | 50% | 84% | 82% |
| | 100% | 100% | 100% | 100% |

Base: 42

64. FOR CONTRACTS WHICH WILL BE EXPIRING OVER THE SUMMER, DO YOU PLAN TO:

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|---|-------------|------|------|---------|
| Extend contracts to align with the end of the latest domestic season (latest guidance being August) as per FIFA guidance? | 48% | 84% | 62% | 12% |
| Grant a one year extension on the same terms | 0% | 0% | 0% | 0% |
| Let the contract expire | 31% | 8% | 15% | 59% |
| Other | 21% | 8% | 23% | 29% |
| | 100% | 100% | 100% | 100% |

Base: 42

65. THERE HAVE BEEN CALLS FOR GREATER REGULATION TO BE IMPOSED ON VARIOUS AREAS IN FOOTBALL, INCLUDING PLAYER TRADING



THE DATA

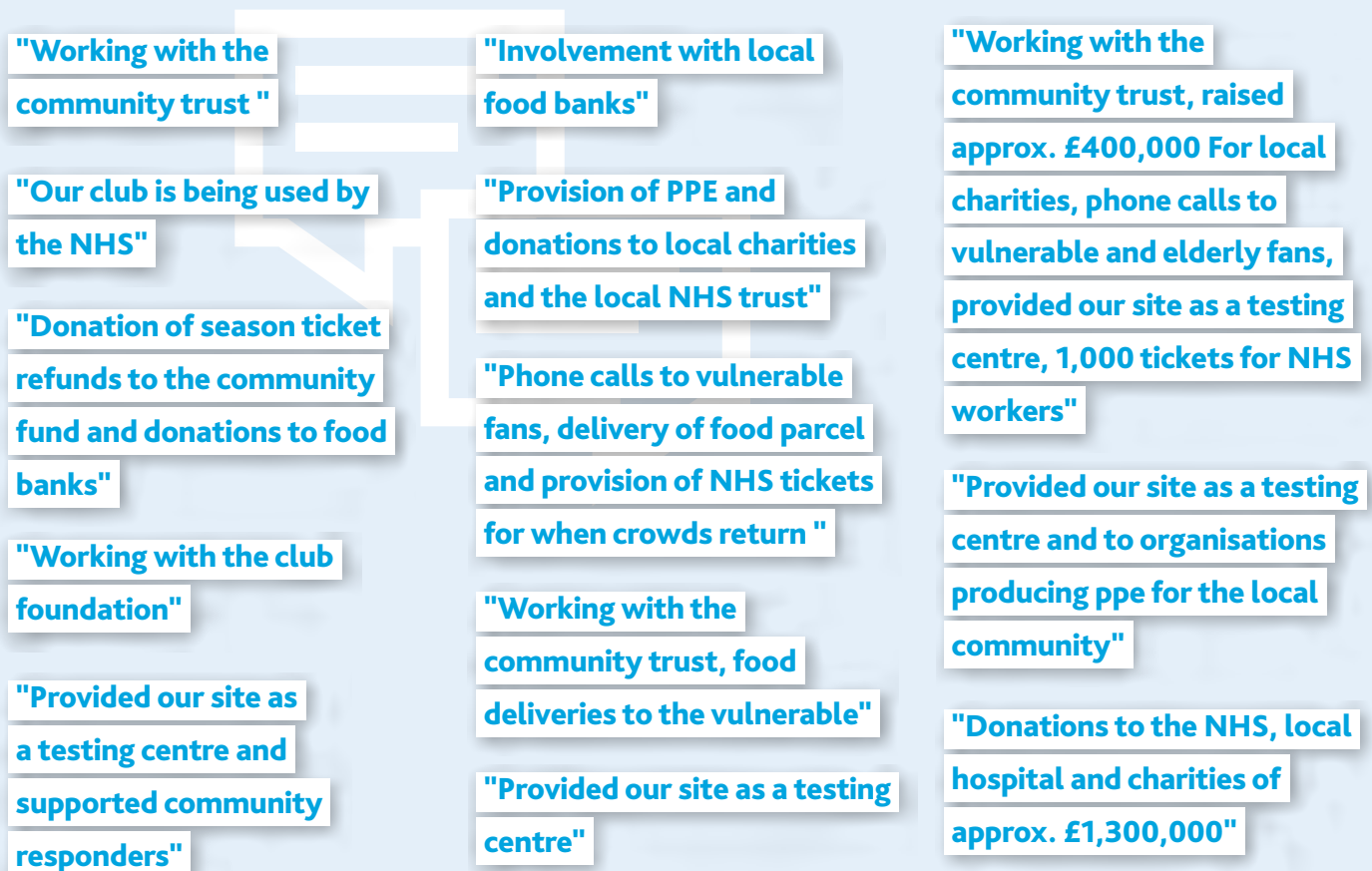
FINAL COMMENTS

66a. HAVE YOU CHOSEN TO UNDERTAKE ANY COMMUNITY INITIATIVES IN RESPONSE TO COVID-19?

| % | ALL LEAGUES | EPL | FLC | FL1&FL2 |
|-----|-------------|------|------|---------|
| Yes | 95% | 100% | 92% | 94% |
| No | 5% | 0% | 8% | 6% |
| | 100% | 100% | 100% | 100% |

Base: 42

66b. IF YES, PLEASE PROVIDE FURTHER DETAIL;



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SOPHIE MAKEPEACE

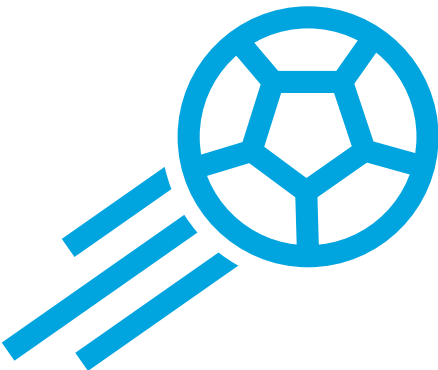
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| Respondents | |
|-------------|----|
| ALL LEAGUES | 42 |
| EPL | 12 |
| FLC | 13 |
| FL1 | 8 |
| FL2 | 9 |
| FL1&FL2 | 17 |

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