NORTON ROSE FULBRIGHT

2021

Keeping possession

Ownership trends in English Premier League football

“

Football without the fans is nothing.”

Jock Stein

Contents

Introduction

On Saturday 17 April, Newcastle narrowly beat West Ham 3-2 in a rollercoaster game that summed up what makes the Premier League what it is: an own goal, a man sent off, VAR awarding a penalty to bring West Ham back level from being 2-0 down at half time, and then a late winner for Newcastle that went a long way to keeping Newcastle in the Premier League. Job done, thank you Premier League clubs for keeping us entertained for the last 12 months, you have done your bit.

Fast forward 24 hours to Sunday 18 April and the second biggest football story of the year breaks: a new "super league" for the top clubs in Europe, involving all of the "Big Six" English clubs. Wow. Fast forward to Tuesday 20 April through howls of protests from fans, media commentators, very visible fan protests outside stadiums, objections from players and managers including some at the Big Six, a UK cross-party political consensus that not even COVID-19 could inspire, and then the biggest football story of the year breaks: the Big Six had all abandoned the idea and European Super League was in tatters. Years of work wasted, opportunities lost.

What has this got to do with ownership? Well, it certainly begs the question of who's in charge. Not the owners it would seem…Even this hard-bitten corporate lawyer correspondent had felt queasy about the prospect of his own club quitting the UEFA Champions League – in my view winning the Champions League beats winning the Premier League. But hang on, what do I mean – "my own club"? Therein, Big Six owners, lies your problem…

The Big Six owners, like all the Premier League owners, own their clubs in every legal sense – legal and beneficial ownership of all the issued and to be issued share capital, as we lawyers like to say. And the Premier League scrutinises the legal and beneficial ownership as part of its Owners' and Directors' Test. But usually, if you own something, you can do what you like with it, and the law will defend your right to do so. So the European Super League has told us something we all really knew – you don't own a football club in the true sense of ownership. Stewardship is a better word, and you have to contend with stakeholders – the fans, the media, the players, the competition organisers, the managers – at every stage.

This begs a second question. What is a football club? It's not the owners or the employees. It's not the current players and management – they are only passing through and will be replaced in a few years. The club is partly about the stadium, or at least the location (moving a club from one part of the country to another has been tried once without success as the fans didn't follow), it's partly about the name, the club colours and the badge (please don't try and change any of that without asking the fans – the Bluebirds cannot be red), it's definitely about the history of the club (most English clubs go back to Queen Victoria's day so there is a lot of history) and it's definitely about the fans.

Fan power is an elusive thing – but anyone who has watched "Sunderland 'Til I Die" on Netflix will have a sense of how important football clubs are to their fans. People live and breathe football, spend disproportionate amounts of their time and money following their clubs, and feel a sense of identity with their club which in today's increasingly mobile world is a thing that can't easily be found anywhere else. Many of us can't remember starting to support our clubs, we just always have, often inheriting it from older family members. Everything about a football club changes over time – except the fans. Perhaps we are the clubs. Certainly without us there is no football club. Quite how that fits with any notion of ownership is anyone's guess.

Stephen Rigby
Partner

The ownership table

Introduction and analysis of ownership

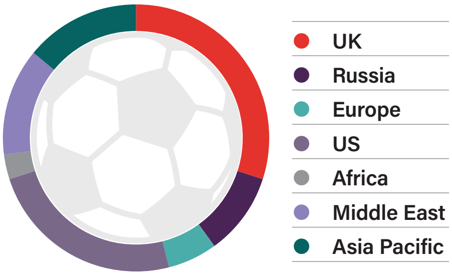
In the table below, we set out the details of the majority owner or owners of each Club by reference to their finishing position in the Premier League season that has just ended, together with the newly promoted clubs that will join the Premier League for the 2021/2022 season. We also seek to categorise each owner into one of the following ownership categories – (i) private equity; (ii) corporate ownership; (iii) individual ownership; (iv) local ownership; and (v) individual investors and hedge fund ownerships. The table below also charts the nationality of each owner and the year of acquisition for the owner of each Club.

The key change over the last year in the Premier League ownership table relates to the acquisition of Burnley FC by ALK Capital. On the pitch, despite the unique circumstances that the 2021/2022 season was subject to, the final league table looked familiar (with strong performances from West Ham and Leeds as the main exception).

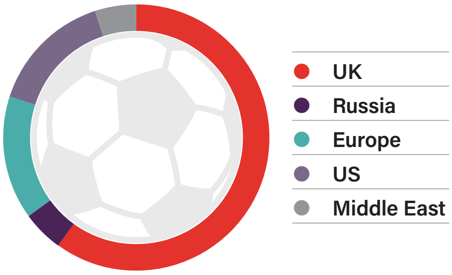
The identity of the clubs promoted to the Premier League for the 2021/2022 season is, however, particularly interesting as parachute payments are clearly having an impact on the relegation/promotion dynamic in the Premier League. With Norwich and Watford finishing first and second, respectively in the Championship, this is the first time since the 2009/2010 season that two clubs relegated from the Premier League the previous season have returned via the automatic promotion league positions the following season. The EFL has recently stated that the parachute payment systems "provide a reward for relegation while distorting competition".[1] Given that you could make a very strong argument that Fulham, West Brom and Sheffield United will start the season as favourites for an immediate return to the Premier League as well, parachute payments will likely come under enhanced scrutiny. If that were to occur then it would be the first time since the Premier League's inception that all three relegated sides have been promoted back to the Premier League at the first time of asking.

What this means is that the Premier League starts to look like two separate competitions in one – you have the top eight (which includes the Big Six, Leicester and Everton) competing for the title and European qualification who could not afford to drop out of that group and then a secondary competition, which captures the remaining twelve clubs in the Premier League and the six most recently relegated clubs to the Championship who are all, basically, fighting to either get to, or stay in, the Premier League – a yo-yo mini league in effect.

Nationality of owners in the EPL in 2020

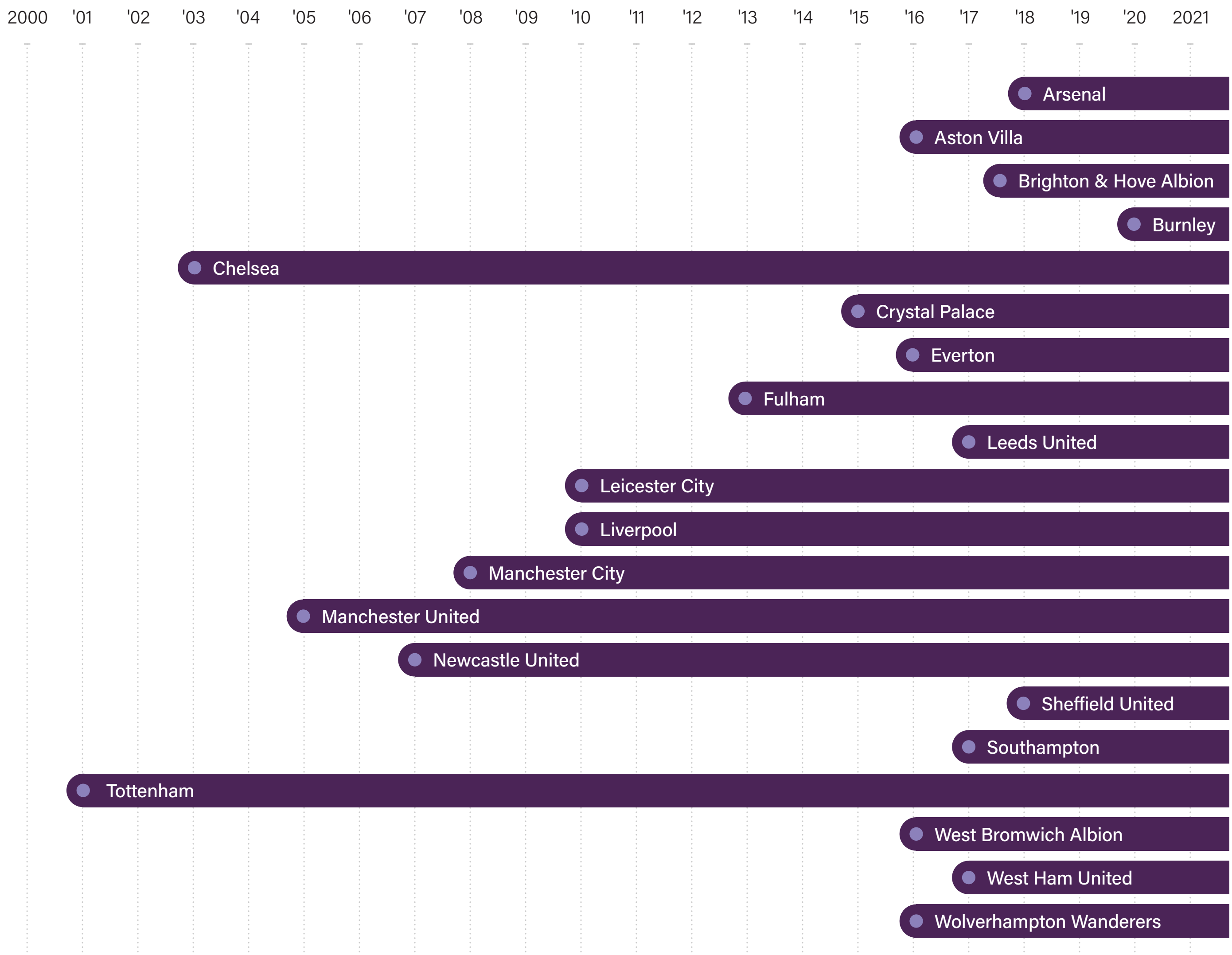


Nationality of owners in 2010



Nationality of owners in 2000

Year of acquisition of club timeline



Premier League 2020/2021

Final league standing	Club	Majority owner(s)*	Type of owner(s)*	Nationality of owner(s)*	Year of acquisition of club
1.	Manchester City	Abu Dhabi United Group for Development & Investment	Private equity/ family	UAE	2008
2.	Manchester United	Glazer family	Corporate/family	US	2005
3.	Liverpool	Fenway Sports Group	Private equity/ consortium	US	2010
4.	Chelsea	Roman Abramovich	Individual	Russia	2003
5.	Leicester City	The Srivaddhanaprabha family	Corporate/family	Thailand	2010
6.	West Ham United	David Sullivan, David Gold and GSO Capital Partners (J. Albert Smith)	Individual investors and hedge fund	UK	2017
7.	Tottenham Hotspur	Joe Lewis, Daniel Levy and family	Corporate/family	UK	2001
8.	Arsenal	Stan Kroenke	Corporate/family	US	2018
9.	Leeds United	Andrea Radrizzani	Individual/ consortium	Italy	2017
10.	Everton	Farhad Moshiri	Individual	Iran	2016
11.	Aston Villa	Wes Edens and Nassef Sawiris	Private equity	US and Egypt	2018
12.	Newcastle United	Mike Ashley	Corporate	UK	2007
13.	Wolverhampton Wanderers	Guo Guangchang, Wang Qunbin and Liang Xinjun	Corporate/ individual	China	2016
14.	Crystal Palace	Palace Holdco LP	Private equity. consortium	US	2015
15.	Southampton	Gao Jisheng, Gao Jingna and Katharina Liebherr	Family/individual	China and Switzerland	2017
16.	Brighton & Hove Albion	Anthony Bloom	Local owner	UK	2009
17.	Burnley	ALK Capital LLC and Velocity Sports Partners LLC (Alan Pace, Michael Smith and Stuart Hunt)	Private equity/ consortium	US	2020
18.	Fulham	Shahid Khan and family	Family	US	2013
19.	West Bromwich Albion	Guochuan Lai	Individual	China	2016
20.	Sheffield United	Abdullah bin Mosa'ad bin Abdulaziz Al Saud	Individual	Saudi Arabia	2018

*see Annex for further details

Promoted clubs 2020/2021

Final league standing	Club	Majority owner(s)*	Type of owner(s)*	Nationality of owner(s)*	Year of acquisition of club
1.	Norwich City	Michael Wynn-Jones and Delia Smith	Local owners	UK	1997
2.	Watford	Gino Pozzo	Individual	Italy	2012
Playoffs	Brentford	Matthew Benham	Individual	UK	2012

*see Annex for further details

Next wave of M&A: Where will the new owners come from?

We assume for this section, that the European Super League (or the ESL) will remain a 'pipe-dream' for the next few years, and that any new owners will be taking their financial investment decision to invest on the basis of the current football structure. Clearly, though, the ESL developments (and any ESL 2.0 permutations) will become a key consideration for any new entrants.

Media owners

In our May 2020 Report[2], we looked at media owners and projected that we could see broadcasters themselves trying to acquire ownership in Premier League clubs in the 2020s. Whilst we have not yet seen an M&A deal complete involving the acquisition of a club by a pure play media owner, those involved in broadcasting will continue to be on the look-out for M&A opportunities.

Of particular interest, however, is the stated intentions of Spotify owner Daniel Ek to offer a rumoured £1.8 billion for Arsenal[3], which has reportedly been rejected.[4] Spotify, although clearly not a traditional TV broadcaster, would still be able to benefit from the ability to broadcast and monetise their own content, outside of the accepted models of content ownership and distribution that are in the game currently (which was a trend that we identified in our May 2020 Report).

Geography

We have certainly seen an increase in US ownership of, and involvement with, football clubs in the Premier League and more widely across Europe over the past year and we expect this to continue over the next few years. Many of the largest debt finance providers in the world are American and, with the vast majority of clubs needing to obtain further debt as a result of COVID-19, it is understandable how US financiers have become more involved with European football.

This initially came in the form of MSD Capital and, more recently, with JP Morgan supposedly providing the financial backing for the proposed European Super League. However, we have also seen an increase in equity investments from US investors within European football, notably with the acquisitions of Burnley and AS Roma.

US investors appear to value European football clubs differently by comparison to US sport franchises (as discussed in more detail below) and may consider football clubs to be less mature assets than their US equivalents, which allow for a greater return on their capital. Certainly, US investors appear more likely to view football clubs as ordinary businesses to be run at a profit, rather than as "trophy assets"; consider, for example, the frugal nature of Liverpool in recent transfer markets (particularly evident by their reluctance to invest heavily to cover shortages as a result of injuries to key players) compared to that of Manchester City and Chelsea.

Additionally, whilst US investors may be wary of the promotion/relegation dynamic that is synonymous with English football, in some instances, however, investors from the US appear to have embraced the possible upside that promotion can bring; Ipswich Town and Wycombe Wanderers, of League One and League Two, have been acquired by US investors in April 2021 and February 2020 respectively.[5] [6]

In contrast, Chinese investment into European football clubs appears to have slowed. China's president, Xi Jinping, is reportedly an avid football fan and has previously indicated that he would like China to host a FIFA World Cup and for China to become a powerful footballing nation.[7] The strategy to achieve this was first established in 2015 and involved a combination of overseas and domestic investment; however, the Chinese Communist Party has reportedly now called on its citizens to focus investments in building football infrastructure locally.[8] Whilst the trend of Chinese investment has appeared to slow, and we consider it unlikely that there will be any acquisitions/investments by Chinese owners into European clubs in the coming years, China obviously remains a huge market to Europe and we expect to continue to see other activity, whether through sponsorship or broadcasting opportunities.

Multi-club ownership

Another trend that looks set to continue is the multi-club ownership model. This has likely been inspired by the success of global conglomerate City Football Group (CFG), which added Lommel SK[9] and ESTAC Troyes[10] to its group in May 2020 and September 2020, respectively. In January 2021, CFG also announced that Club Bolivar, the most successful club in Bolivia, had joined CFG as a "partner club", meaning it would be able to "access a wide breadth of expertise, proprietary technology, best practice, and strategic advice developed by City Football Group". [11]

In contrast to the "flagship club" model that CFG operates, with one headline club and a number of smaller, feeder clubs, we have also seen the emergence of multi-club ownership models with clubs of a similar level. This horizontal or vertical integration through M&A is perhaps more typical in other industries, but it is interesting to note that this appears to be becoming more prevalent in the football industry, too. Pacific Media Group (PMG), for instance, acquired Barnsley in December 2017[12] and have since acquired ownership interests of varying degrees in FC Thun (November 2019)[13], KV Oostende (April 2020)[14], AS Nancy (January 2021)[15]and Esbjerg fB (February 2021)[16]. PMG initially entered the football industry in 2016, when it acquired OGC Nice for a reported €23 million[17]. After reportedly employing a data-driven approach popularised in the 2003 book "Moneyball", OGC Nice qualified for the UEFA Champions League for the first time in its history under PMG's ownership and the club was later sold in 2019 for a reported fee of just over €100 million to British billionaire Sir Jim Ratcliffe[18]. Core Sports Capital (CSC) also acquired its third European club in August 2020 and, as well as managing these three clubs (which it does in co-operation with local management teams), the firm also intends to build a consultancy business based on its experience managing these clubs.[19] CSC also has a technology platform that combines different elements of football data into one platform for its customers and, during the COVID-19 pandemic, it has even acted as a broker for financing arrangements, helping to pair clubs looking to obtain debt with family offices in Zurich, Geneva and London acting as lenders.[20]

The benefits of the multi-club ownership model are plain to see. For instance, the synchronisation of business operations and centralisation of certain functions are likely to provide clubs with greater efficiency and cost-saving, whilst knowledge sharing can help clubs stay competitive in an increasingly professional industry. Club Bolivar, for example, will be able to call upon advice on scouting and coaching methodologies, youth academy development strategies and sports science as part of their partnership with CFG and it will also receive access to CFG's proprietary football data and insights platform[21]. Multi-club ownership also provides marketing benefits. The smaller clubs within CFG will no doubt have been advantaged by CFG's centrally-brokered global deal with Puma, whilst they also benefit from sharing similar brand characteristics, values and visual identity.[22] Similarly, the Red Bull football group strategically invests in clubs in its key markets and its branding, from kits designed to match the Red Bull visual elements to integrated communications, is at the core of the group's business functions.[23]

From a purely footballing perspective, many groups utilise vertical integration strategies to access and develop the next generation of players. "Satellite clubs" can be used to both guarantee playing time for younger players (who can then either progress to the headline club's first team or be sold on to other teams for profit) and secure a "first option" on younger players developed by the satellite clubs' academies.[24] Alternatively, horizontal integration strategies allow groups to minimise specific football-related risks, such as injuries and players being poached by other clubs, by transferring and loaning players of a similar quality to other clubs within the group. For example, Watford and Udinese, both owned by the Pozzo family, have completed over 50 transfers between themselves in the past decade.[25]

Clubs and owners who wish to pursue a multi-club ownership model must keep UEFA and domestic regulations in mind, but the multi-club ownership model has certainly become a mainstream strategy for many investors in the football industry and, subject to an overhaul of the relevant regulations, we expect this to continue in the coming years.

Fans

Having a say in how your club is run is probably something every fan thinks about from time to time. No amount of fan consultation or even fans in the boardroom is going to make a difference on the big decisions. To be a real decision maker you have to be an owner, or more realistically have a vote on the big decisions, and the only way to have a vote is to own a stake, however fractional. It's probably easier now for fans to get together to raise money to buy their club than at any time in the past: crowdfunding is now well understood, having not existed in the mainstream ten years ago. Social media and smart phones make mass contact with other fans very easy. And fintech has made the whole area of investment using a smart phone much more accessible – and trading in shares is increasingly popular amongst younger generations – think GameStop and Bitcoin for example. This might seem impossible to some of the smaller clubs, but the larger ones have huge followings worldwide and a captive audience when it comes to reaching out. The bigger the club, the bigger the fan base.

Raising the money to buy a Club might look something like this:

1. Set up a new public company (cost: less than £1,000) and offer shares at say £100 a share to fans and anyone else who is interested. Each share would be what is usually termed an "ordinary" or "common" share and come with a vote, a right to a dividend if one is ever paid and be a share in the ownership of the company. Plenty of rules and regulations govern the offer of shares to the public, but it is possible and it can be done on a worldwide basis. Not many fans have cash doing nothing in the bank, but there's nothing to stop fans borrowing to buy shares as long as they can see a way to repaying their personal loans. If the fans can raise say 15-20 per cent of the purchase price from the general public (this is "equity") then it would provide a platform to bring in financial investors. The equity would be like a deposit on a house – you put that in yourself and you can ask other people to lend you the rest.
2. How about attaching a few "shareholder perks" to the ordinary shares? It's not only uncommon for large companies to offer discounts on their products to shareholders. Why not offer the right to buy a couple of tickets a season to anyone with £1,000 in shares? It's not the ticket prices that puts fans off, the sheer unavailability of tickets is also a problem, with some fans having to pay hospitality prices to get to see their team on the odd occasion. If you have millions of fans, most of them will never get to the ground, so why not offer a ticket as an incentive?
3. Building on the equity, the next step is to introduce a different type of share – something that doesn't come with ownership rights or voting rights, but does come with a guaranteed annual dividend: a preference share, or a permanent interest-bearing share. This type of instrument is as old as the hills – some investors, let's say a pension fund or an insurance company – aren't looking for ownership, or the ability to sell their shares. They want guaranteed income. They can get 1 per cent in the bank, usually they are looking for 5 per cent or more. If you can guarantee to pay this kind of return (5 per cent of £500 million being £25 million) and you have the kind of secure income to be able to pay these returns indefinitely (or as indefinitely as it gets these days – TV money is not a bad starting place) then suddenly things start to look possible. You might use this layer of finance to increase your amount of money raised from 15-20 per cent to 40-50 per cent of the amount needed.
4. Introduce a third layer of finance – debt. Debt comes in all shapes and sizes – mezzanine finance, payment in kind, senior debt, junior debt, but with interest rates low, debt is available from all kinds of sources, not just lending banks. And if you own a club then you have assets you can secure the debt with. We aren't very far away from the leveraged buyout schemes used by private equity and other investors, including owners of football clubs, to buy companies without putting too much of their own money at risk, but what's good for the goose…
5. So far so good, although we look like a private equity house at this point. The question for the fans is, does the change of ownership help to increase the club's revenues? Fans can do things a bit differently:
    a. Most fans spend nothing on their clubs. They can't get a ticket to a match, they probably don't even live in the same area any more – perhaps they are abroad – so they pay to watch their clubs on TV and that's about it. Not that many people want a kit or a mug or a scarf any more. We've all wandered round the megastore trying to find something that isn't too embarrassing and then left empty handed (try pin badges on eBay instead!). Fans are probably a lot more creative than club commercial departments in this area.
    b. What else can clubs do for their fans? Digital opportunities are enormous. The sports memorabilia market is taking off powered by digital assets. Non-fungible tokens are a blockchain creation where digital assets are sold to fans and investors creating value for the creator.

c. Exploit the growing ESG (environmental, social and corporate governance) investment trend. Football clubs are a rare thing – community based businesses. Think of all the good done by clubs during COVID-19 and before – foodbanks, charity support, educational awareness. Most clubs work with their communities without a second thought, but a club that can tick the 'S' in ESG – local jobs, local impact, local economy – would be particularly attractive to a financial investor with an ESG mandate.

d. Work harder in Asia – use the existing fan bases there to expand the following. Appoint local ambassadors, equip fans overseas to promote the clubs, widen the support in growing economies. If fans are working to support the club and not the owners then that provides a real incentive to get behind marketing efforts.

e. Set a target for an increase in revenues and challenge every fan to put their money where their mouth is and support their club.

Separately, supporters' heated response to the proposed European Super League has resulted in a fan-led review into the governance of football in the UK[26]. The UK Prime Minister has given an indication that one long-term solution could be to require that a majority of voting rights in each club is held by the fans[27] (similar to Germany's 50+1 rule – in Germany, clubs were historically not-for-profit organisations run by members' associations and until 1998 (which was also the year the 50+1 rule was brought in) private ownership of any kind was prohibited)[28], although it remains to be seen whether the fall-out from the proposed European Super League will result in any wide-ranging reforms. Until the early 1980s, club owners were forbidden from profiting from the ownership of football clubs in England[29], but that is a far cry from the situation we see today and both the governments and governing bodies will need to weigh up the potential benefits greater fan involvement brings against the damage to investor confidence should far-reaching reforms be imposed.

Other ownership projections

Trophy asset ownership and the power of the brand

Clubs in the Premier League (and increasingly throughout the Football League) will continue to be highly visible assets.[30] As discussed in our May 2020 Report[31], we have seen again this year how club owners are able to promote their brand and other companies through the medium of their football club and its fan base. A change of control of a mid-table National League team would not normally be reported more widely than the local area in which that club was based. However, the acquisition of Wrexham by Hollywood actors Ryan Reynolds and Rob McElhenney became a global news story. Particularly interesting was the immediate unveiling on Twitter by Reynolds and McElhenney of the limited edition Wrexham Aviation Gin bottle to commemorate the acquisition. Reynolds holds an ownership interest in Aviation Gin. It will be interesting to see how Wrexham is used as a platform by Reynolds and McElhenney for other media, sponsorship and broadcasting opportunities going forward (and whether others look to follow suit).

Club legends and soft diplomacy

A key component of Daniel Ek's reported offer for Arsenal was the involvement of club legends Thierry Henry, Dennis Bergkamp and Patrick Vieira as part of Ek's team.[32] The commercial details of their involvement is unknown, but it is clearly apparent how such involvement would appeal to a disgruntled fan base who may be wary about the intentions of an incoming foreign owner – we anticipate this strategic move being replicated by incoming bidders for other Premier League club's. Daniel Ek's offer, as reported, also sought to further appeal to the disgruntled fan base of Arsenal by referencing "fan ownership, representation at the board and a golden share for the supporters"[33] as part of his offer. Although exactly how those concepts were intended to work here have not been completely mapped out by Ek or in the reports, they are all designed to seek to get the fans of the club onside.

What has happened over the past year?

The last 12 months have been unlike any other. The global economy has been so fundamentally damaged by COVID-19 that it is too soon to unpick or project what the exact consequences of the pandemic might be. Unsurprisingly, the football industry has been heavily impacted over the past year by the ongoing COVID-19 pandemic. Although there has been some M&A activity during the last 12 months, with ALK Capital's acquisition of Burnley and Kyril Louis-Dreyfus' acquisition of a stake in Sunderland being the two highest profile in the UK, COVID-19 and the furore surrounding the rise and almost immediate collapse of the ESL have dominated discourse.

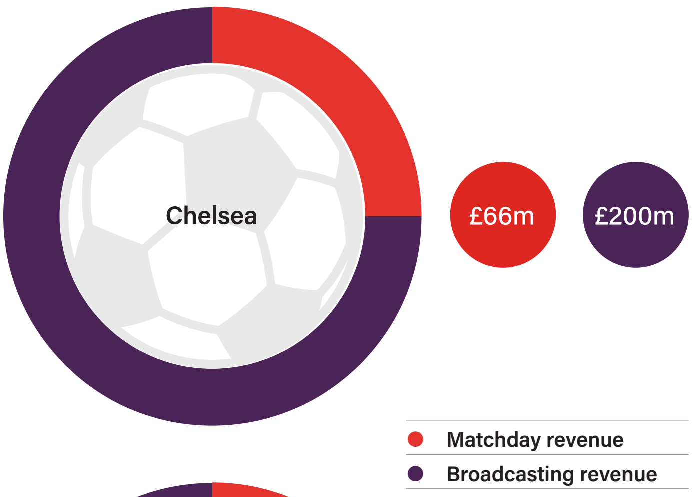
Such has been the impact of COVID-19 and the focus on the ESL across the media, issues that we projected in our May 2020 Report[34] as being key drivers for the 2020/2021 season, such as assessing the impact of Brexit and the future of the UEFA's Financial Fair Play Regulations have been relegated in significance.

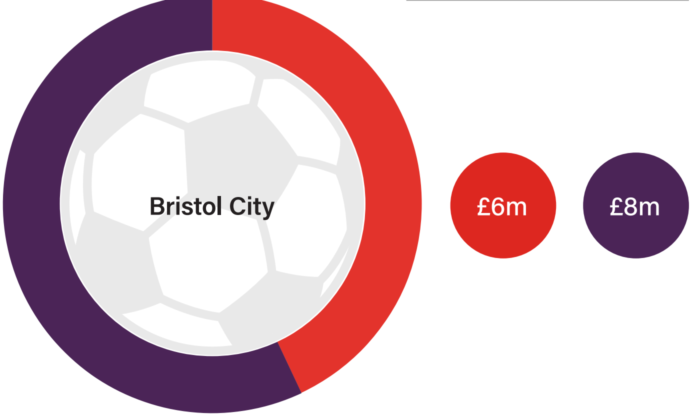
COVID-19

The cost of COVID-19

In January 2021, Deloitte's Football Money League revealed that the top 20 clubs in Europe had seen their combined turnover reduce from €9.3 billion to €8.2 billion[35], whilst the European Club Association predicts the impact of COVID-19 to be "well over" €6 billion on clubs in Europe's top divisions.[36] Our May 2020 Report[37] contemplated what the global game might look like post-COVID-19 and what normal service might be. With games still in the large part being played behind closed doors across Europe (although in the UK recent test events have enabled home fans to attend the last two round of Premier League fixtures, as well as play-off fixtures throughout the Football League) and with COVID-19 enforced fixture changes impacting the postponed UEFA EURO 2020, we are clearly someway from normal service.

Whilst the elite clubs across the continent have lost more revenue in absolute terms over the last 12 months, the effects of COVID-19 have been just as bad, if not worse, further down the football pyramid. This is partly due to the impact that over a year without gate receipts has had on smaller clubs, who typically have a greater dependency on matchday revenue. To take Chelsea as an example, its accounts for the year ending 2019 showed matchday revenue of £66 million and broadcasting revenue of £200 million, whilst Bristol City's (who compete in the Championship) matchday revenue of £6 million was almost as high as the £8 million it received from broadcasting in the same period.[38]





The overall impact of the COVID-19 pandemic throughout the football industry is still yet to be fully realised mainly due to (i) uncertain broadcasting rights and player transfer markets (which in the main part have been largely stable and on an upward trajectory over the past 20 years), (ii) rapidly changing government policy and (iii) the efforts to control the virus itself, which globally, continues. It is, however, clear that the football industry, like many others, has faced huge losses over the past year and this report explores how it has dealt with these losses and what it could mean for the ownership of football clubs going forwards.

How has football coped with this loss of revenue?

Player wage cuts and deferrals

In the UK, there was immediate pressure on the players to absorb a significant portion of the football industry's COVID-19 related losses. In April 2020, after Matt Hancock (the Secretary of State for Health and Social Care) had urged elite footballers to "take a cut and play their part", the Premier League agreed to commit £20 million to support the NHS[39], whilst a number of Premier League clubs also agreed further pay cuts and deferrals with their players. Elsewhere across the continent, Barcelona's players agreed to pay cuts of up to 70 per cent, Bayern Munich's players to pay cuts of 20 per cent and Juventus' players waived their salaries for four months.[40]

Certainly, wage cuts and deferrals for players seems to be one of the few consistent approaches taken across Europe, at both the elite level and in smaller leagues across the continent. Whilst FIFPRO secretary general Jonas Baer-Hoffmann has acknowledged that, "in most countries…the players have had to significantly financially contribute", he has criticised some smaller leagues for unilaterally imposing pay cuts of up to 70 per cent, which has led to some local player unions delivering food parcels to players unable to support their families. Baer-Hoffmann has also spoken of a "two-tier" system developing within football, where some of the elite clubs can continue to offer contract extensions at the same, or even increasing, rates, whilst it is looking likely that wages at the lower level may decrease and smaller clubs may struggle to even repay the deferred amounts due to players.[41]

EFL bail-out

In the lower tiers of professional English football specifically, Premier League clubs also agreed to a "bail-out" to support clubs (through a combination of repayable loans and non-repayable grants) within the English Football League (EFL), which governs the second, third and fourth divisions.[42] Premier League chief executive, Richard Masters, stated that the bail-out underlined the league's commitment "to protect all clubs in these unprecedented times".[43]

The Premier League provided a sum of £15 million to the EFL (to cover interest, arrangement and professional fees) which allowed the EFL to secure a £200 million loan facility, which the EFL then on-lent to Championship clubs interest-free and with all monies received by the participating Championship clubs to be repaid by June 2024.

A sum of £50 million was also made available to League One and League Two clubs as part of the package, £30 million of which was paid immediately to all League One and League Two clubs, and was non-repayable with the exact sum paid to each club being calculated by a reference to (i) a guaranteed minimum payment (£375,000 to each League One club and £250,000 for each League Two club) and (ii) with the balance then distributed on the basis of a lost gate revenue calculation by reference to the club's attendance figures during the 2019/20 and 2020/21 seasons. The remaining £20 million was made available as a monitored grant for the clubs to apply based on need (with a joint Premier League and EFL panel determining eligibility based on an agreed set of principles and with the ability to impose certain restrictions on recipient clubs with regard to transfer and wage expenditure). If a club who receives financial support through the monitored grant part of the package subsequently breaches any of the imposed restrictions, then the monitored grant becomes repayable by the club.

Government support

Significant government support packages have also been offered throughout Europe in response to the COVID-19 pandemic. In English football in particular, Tottenham Hotspur and Arsenal have reportedly accessed £175 million[44] and £120 million[45] respectively in loans from the Bank of England through a government scheme set up to support businesses. Tottenham Hotspur and Liverpool also initially used the UK government's job retention scheme to place their staff on furlough, although both clubs subsequently reversed their decisions following criticism from supporters.[46] The power of a clubs fan base was clearly evident here. We consider this further in the "European Super League – consensus in the football world?" and "Fan power" sections that follow in this report.

Other clubs in England, however, have continued to access government support and, in March 2021, it was reported that clubs in English football's top two leagues had claimed a total of "at least £13 million" in the first four months from the government's job retention scheme, including Leeds United and Newcastle United, who claimed between £100,000 and £250,000 each.[47] Whilst these clubs have come under public criticism for using the furlough scheme, they have reportedly not had to make any club staff redundant.[48] By contrast, Arsenal, who has not used the scheme, made 55 members of staff redundant in August 2020, citing the impact of COVID-19.[49]

Player transfer market

The past year has also seen a global decline in player transfers, which seems to be an obvious consequence of the cost cutting measures many clubs are putting in place. After consistent years of rising transfer fees, 2020 saw gross fees in world football drop to pre-2017 levels (the €4.94 billion spent by clubs last year was a significant reduction to the €6.56 billion spent in 2019).[50] Whilst summer spending in 2020 by Premier League clubs still reached £1.25 billion, the outlook was very different in January; with clubs spending just £84.2 million (compared to £233 million in January 2020 and £465.2 million in January 2018).[51] This, however, may also have been exacerbated by both the increase in COVID-19 related restrictions in January 2021 (as opposed to the comparative relaxation in July and August 2020) and the uncertainty surrounding the United Kingdom's relationship with the European Union post-Brexit.

As clubs have looked to reduce their expenditure, there appears to be a fundamental misalignment of the values that clubs have placed on their own players (which is likely to be based on the size of contracts entered into pre-COVID-19) and the values that prospective clubs are willing to pay in the current climate. This has led to a reduction in the volume of transfers over the past year, with some commentators drawing parallels between the transfer market and the housing market, where no one wants to crystallise a loss when values are decreasing, which, in turn, leads to less activity.[52] This is perhaps more of a concern for clubs across the continent such as AS Monaco and Lille OSC in France, as well as the larger clubs in Portugal, who typically derive much of their income from selling a high volume of players, rather than the Premier League's elite clubs, who (together with other elite European clubs) tend to be purchasing such players.[53] Many Premier League clubs have also found themselves burdened with highly-paid players who they are unable to move on and, consequently, the focus in January for many clubs was on reducing wage bills instead of bringing players in; Arsenal, for instance, paid out the contracts of Özil, Sokratis and Mustafa, instead of waiting for a suitable transfer offer.

In a similar vein, clubs have appeared reluctant to move managers on. Over the past five seasons, an average of 7.4 Premier League managers have either resigned or been sacked midseason;[54] however, during the course of the 2020-21 season, and at the time of publication, only four managers (Slaven Bilić, José Mourinho, Frank Lampard and Chris Wilder) were sacked (other managers have parted ways with their clubs but these have all, at least based on the reports in the media, been portrayed as amicable parting of ways rather than as early terminations). We suspect this is largely as a result of the cost associated with compensation packages to outgoing managers, although it may also be a consequence of fans being less able to directly influence owners and express anger at their team's results in the stadiums. Mourinho, as an example, reportedly received a severance package in the region of £15 million from Tottenham,[55] taking his career managerial compensation severance to a reported £77.5 million.[56] In the context of the losses that clubs have suffered during the last 12 months as a result of COVID-19, there may be an increased focus on this as clubs weigh up the pros and cons associated with hiring established and expensive coaches against younger, less experienced coaches, who are inevitably cheaper from both a salary and compensation perspective.

Debt finance

As well as the government support and "bail-outs" on offer, clubs across Europe have also obtained further debt finance to seek to counteract the impact of COVID-19 and ease the cash flow problems they are facing. Barcelona's debt, for instance, is now reported to be over €1 billion,[57] whilst, as at 30 June 2020, Tottenham Hotspur had gross debt of £831 million (against just £31 million as recently as 2015).[58] In March 2021, Manchester United also confirmed that its net debt as of 31 December 2020 had risen to £455.5 million (an increase of £64.2 million over the year), which it stated was a result of the loss of matchday revenue and the impact of deferred sponsorship payments.[59] This increase in demand for debt finance, however, has led to a number of "new" lenders entering the football industry over the past year.

For example, whilst Michael Dell's investment firm, MSD Capital, entered the football finance market prior to the COVID-19 pandemic, the effects of COVID-19 presented a major opportunity for the firm as numerous clubs did not receive the matchday and broadcasting revenues they had anticipated, resulting in significant cash flow problems. MSD reportedly offered debt finance to football clubs for longer periods than traditional banks at the time were willing to, albeit at interest rates supposedly exceeding 9 per cent.[60] The firm has allegedly lent around £170 million to English football clubs and reportedly funded ALK Capital's acquisition of Burnley, which completed in December 2020.[61]

More recently, however, other lenders have entered the market too and football clubs have undoubtedly benefited from the increased competition.[62] In December, it was reported that Macquarie was close to overtaking Barclays as the Premier League's preferred lender (with the number of loans taken out with Macquarie increasing from 3 to 16 within a year).[63] Similarly, in Germany, Oldenburgische Landesbank launched its football finance unit in April 2020, which has already achieved a business volume of €250 million and it is reportedly targeting €500 million in the coming years.[64]

The market for receivable financing in the football industry has also proven resilient over the past year. Football clubs will typically borrow money secured against future income, such as broadcasting payments, prize money and transfer fees, which are paid at specified times of the year and do not necessarily align with clubs' outgoings. As well as MSD, Macquarie and Oldenburgische Landesbank, other financiers, such as Aldermore Bank, have increased their exposure to the football receivables financing market. Reduced transfer activity, coupled with added competition, has also benefited clubs and has led to many receivables financing lenders facing a choice between reducing their rates or making higher risk loans to maintain their yield.[65]

Round-up

With clubs across Europe facing the prospects of reduced revenues going forward and a substantial number increasing their exposure to debt over the past year, it remains to be seen how clubs are going to make up this shortfall and how these debts will be repaid. For clubs such as Manchester United and Tottenham Hotspur, however, perhaps this is less of an immediate concern. Whilst Manchester United's level of debt, and the fact that reportedly more than £1 billion has been paid by the club in interest, fees and refinancing charges since the Glazers took control of the club,[66] regularly makes headlines in the sporting press, this level of debt seemingly has little impact on their capabilities in the transfer market. Similarly, whilst Tottenham Hotspur's level of debt has continued to increase over the past six years, the club now arguably has the best stadium in world football which, even allowing for the disruption caused by COVID-19 over the last year and moving forward (as clubs come to terms with whatever COVID-19 enforced restrictions may be put in place with regard to attendances), should ensure that the club can enjoy some tangible benefits from this indebtedness going forward.[67]

There are plenty of clubs, however, whose liabilities, whilst much smaller, arguably pose a much greater risk. This is because perhaps the major financial threat to all Premier League clubs, particularly over the past ten years or so, is relegation. Whilst the likes of Manchester United and Tottenham Hotspur will assess the likelihood of relegation from the Premier League as being low risk, this is not true for most Premier League clubs. Burnley, for instance, reportedly went from holding no external debt to owing somewhere in the region of £80 million as a result of its sale to ALK Capital.[68] Whilst the figures reported by larger clubs dwarf this amount, Burnley's recently taken on debt could become a burden should the club's fortunes on the pitch change over the next few years.

The increasing levels of debt is perhaps an even greater concern further down the football pyramid; almost all Championship clubs over the past few years, for instance, have spent in excess of their total revenues on staff costs,[69] which has led to debts accumulating throughout the division to such an extent that a group administration of all 24 Championship clubs was reportedly under consideration in April 2020.[70] Outside of England, we have also recently seen Rangers launch a share offering for its supporters, looking to raise additional funds in order to "future proof" the club.[71] The full impact of COVID-19 on clubs of all levels will undoubtedly have a knock-on effect on the football industry and the ownership of football clubs over the next few years.

The significance of these topics cannot be overestimated. Clearly, the ever present threat of relegation and, arguably of comparable importance for the "Big Six", the financial impact of missing out on European qualification was an obvious driving factor that led to the other significant development during the last 12 months – the European Super League.

European Super League: Consensus in the football world?

What happened, what did the clubs agree, and why?

Undoubtedly the key development over the past few months has been the decision (and the ensuing fall-out) of the 12 European teams to create a breakaway "Super League" competition. The European Super League aimed to supersede the UEFA Champions League and would have reportedly involved 20 clubs, with 15 of the clubs being "permanent members", more closely resembling the structure of "closed" North American sports leagues, rather than the pyramid structure that is central to much of European football.[72] The 12 clubs released a statement on April 18, 2021, which stated that the COVID-19 pandemic had "accelerated the instability in the existing European football economic model"[73] and that the objective of the founding clubs was to improve the quality and intensity of existing European competitions.

We analyse the financial impact of COVID-19 earlier in this publication. However, it is worth pausing to consider this again in the context of the ESL as well, as it was an obvious factor driving the developments and also links to the different type of club owners. Contrast, say, the ownership of Barcelona (a members owned club) and its current debt profile, with Man City and Chelsea who are able to rely on funding from a high net-worth individual/fund, (and which perhaps in part explains why Man City and Chelsea were rumoured to be the most reluctant to join and also the first to abandon the project).

The European Super League's 15 permanent members would reportedly have jointly owned a company incorporated in Spain, which would have shared all future media and sponsorship rights derived from the competition.[74] JP Morgan had also reportedly underwritten a €3.25 billion "infrastructure grant" to be shared between the clubs.[75]

From the owners' perspectives, it is easy to see how the North American model of a closed league with star clubs and players driving values is attractive. The elimination of the risk of relegation and of not qualifying for Europe's top competition would have ensured much more consistent revenues for the permanent members, which would have in turn increased the value of the participating clubs.

The European Super League reportedly also intended to introduce a salary cap for the participating clubs,[76] which would have ensured that any additional revenue generated was not simply passed directly onto the players in wages, and could be extracted from the game, and used to either (i) repay increasing levels of debt; or (ii) be returned to owners, whether by way of repayment of shareholder debt or through payment of dividends. The creation of a European Super League would have also allowed the clubs to take greater control of their own revenues (for example, in relation to the way in which games were broadcast and providing the clubs with the autonomy to test more innovative ways to monetise their global fan bases (over the more traditional, local, match-attending fans)), rather than being subject to the agreements that governing bodies such as UEFA and FIFA agree on their behalf. The proposal may even be partly in response to the new structure of the UEFA Champions League (announced on 19 April 2021) which, whilst ensuring that more clubs will qualify for the tournament, means that the revenues associated with the competition will need to be spread amongst more clubs.

There was, however an immediate and visceral resistance to the European Super League from all footballing stakeholders, including players, supporters, commentators, football governing bodies and governments. On 19 April 2021, UEFA released a statement saying that it was united with Europe's top leagues, national governing bodies and FIFA in "efforts to stop this cynical project" and that it would consider "all measures available".[77] Oliver Dowden, the Secretary of State for Digital, Culture, Media and Sport of the United Kingdom, also released a statement on 19 April 2021 that the UK government would "put everything on the table to prevent this from happening",[78] whilst the UK Prime Minister and the French President also expressed disdain for the proposals the same day.[79] Reports in the UK press suggested that the government was considering various measures, including preventing players from the clubs in question from obtaining work visas, withdrawing police funding for certain matches and a windfall tax being imposed on all involved clubs.[80]

There seemed to be particular resistance in relation to the proposed exclusion of almost all European clubs from the tournament, whilst simultaneously guaranteeing the participation of 15 clubs regardless of their performance; Manchester City manager Pep Guardiola, for instance, commented that "it's not sport if you can't lose".[81] Following fan protests outside Premier League grounds, as well as many other players and managers having spoken out against the proposals, 9 of the 12 clubs had withdrawn from the European Super League by 21 April 2021.[82]

Many of the participating clubs issued formal apologies to their supporters and, on 23 April 2021, JP Morgan issued a statement stating that it "clearly misjudged how this deal would be viewed by the wider football community and how it might impact them in the future", adding that it will "learn from this".[83]

Despite Florentino Pérez's assertions on 25 April 2021 that the European Super League "still exists",[84] it seems highly unlikely to go ahead (especially in its proposed form) and the fall-out is likely to be protracted. On the one hand, all 12 of the clubs reportedly signed binding contracts to join the competition[85] and, whilst it is unclear what liabilities the clubs may face for choosing to withdraw, there have been reports that the remaining European Super League clubs (Real Madrid, Barcelona and Juventus) could enforce provisions under the European Super League framework agreement which reportedly require withdrawing clubs to be subject to a £130 million penalty clause.[86] Separately, the 9 withdrawing clubs have since signed a Club Commitment Declaration,[87] which regulates the reintegration measures for those clubs and includes, amongst other things, (i) a commitment by those 9 clubs to UEFA competitions; (ii) that each of those nine clubs will re-join the European Club Association; (iii) a donation of €15 million to grassroots football across Europe; (iv) a 5 per cent withholding of expected revenues from UEFA club competitions for one season; and (v) an agreement that substantial fines could be imposed, of up to €100 million if any of those nine clubs seeks to play in an authorised competition and of up to €50 million if they breach any other provision of the Club Commitment Declaration.

Even more recently, on 9 June 2021, the Premier League and the FA released a joint statement confirming that the six English clubs that were involved in the European Super League had agreed to make a collective payment of £22 million and also to support rule changes that will be proposed to increase the penalties imposed for future transgressions of a similar nature. Real Madrid, Barcelona and Juventus did not sign up the provisions of the Club Commitment Declaration and UEFA made clear, somewhat ominously, that they "will deal with those clubs subsequently". It will be interesting to monitor UEFA's actions in the coming weeks in relation to those three clubs. It is also likely that we will see a review and subsequent tightening of the applicable rules at national, European and global levels to make it even harder for clubs to propose similar projects in the future.

Within England specifically, the current legal basis for such punishment is Premier League Rule L9, which states that, without the Premier League's written approval, clubs cannot enter any competition other than those specified within Rule L9.[88] Another interesting dynamic that could have developed, if the European Super League had survived longer than 2 days, is that clause 6.1.1 of Premier League players' standard form employment contract states that the clubs must observe the Premier League Rules, as well as those of UEFA and FIFA.[89] With the six participating English clubs potentially breaching their employment contracts with star players by entering the European Super League competition, players may have looked to enforce their rights under such employment contracts against their employers.

The European Super League soap opera serves as a timely reminder that, despite the vast increase in external investment in football clubs over the past 25 years, supporters still act as a check and balance on the exercise of executive power. It might be overly cynical to suggest that the clubs chose a time where fans are almost entirely absent to initiate their European Super League proposals, but the fan-led pushback serves to prove that football club owners do not have the unfettered power that usually comes with ownership of a company. Despite this, and notwithstanding the fact that many clubs have apologised for their misjudgement, the potential for a European Super League will no doubt remain attractive for the elite European clubs (and their owners), which may mean that we see this proposal come to the fore again in years to come (albeit in a different form).

Why does this matter and what has been learnt?

What was proposed by the 12 founder clubs promised the most fundamental overhaul of European football since the professionalisation of the game. It would have dramatically altered the dynamic of the sport, which would have had a huge consequence on all current owners and any potential new entrants to the market.

Some things are clearly apparent from the rise and immediate fall of the ESL. This is what we have learnt:

1. The 12 original clubs missed the target. The speed with which such an ambitious project appeared and was abandoned demonstrates a fundamental leadership void. They should not have been surprised by the furore resulting from the announcements, but it appeared as if they were. The biggest story here is how quickly this was abandoned.
2. Owners are not as autonomous as they once may have thought. Owners obviously hold the legal and beneficial interest in their clubs, but they do not control the clubs free from external influences. Custodianship is a well-used phrase amongst owners of football clubs. What may once have been good copy is clearly absolutely true. Ownership is temporary, in some respects arguably illusory and will remain so going forward. The trend of fan power (evidenced earlier in the year by the response of fans to decisions taken by their clubs in seeking government support in light of COVID-19 and the backlash over the controversial pay-per-view system contemplated by the Premier League in relation to some televised games) has been further cemented during the ESL fall out.
3. Local, match attending fans are absolutely central to a club and a community. A definite trend in recent years has been the manner in which the world's largest clubs have proactively targeted the online/global fan. The immediate outrage to the ESL was driven by local stakeholders and local fans. Each club is tied to their community.
4. The threat of relegation, and the hope of European qualification, is what matters most to the football community. If there is nothing to play for, there is nothing to watch. The founding clubs of the ESL may have underestimated the importance of this dynamic to the entertainment of football.
5. The European football community can reach an agreed consensus on a topic.
6. Perhaps even more remarkable, in the context of the markedly polarised political landscape of recent times against the backdrop of Brexit and COVID-19, the European political community can reach an agreed consensus on a topic.
7. PSG and Bayern are outsiders – the French and German response was united here. Admittedly, however, the protectionism and monopoly that was central to the ESL is in some respects already largely built into Ligue 1 and Bundesliga for these two teams.
8. The significance of the "Big 6" to the success of the Premier League is without question. However, we are expecting to see a significant change in the relationship between the "Big 6", the Premier League and the remaining 14 clubs, who collectively, will seek to exercise their combined influence to alter the playing field in their favour. An immediate example of this is the forced resignation of certain executives from the "Big 6" clubs from advisory roles at the Premier League.[90]
9. US owners will continue to meet resistance in attempts to integrate the North American style of competition in to European football.

What comes next? Projections going forward

ESL 2.0?

The ESL, in its current format, has clearly reached the end of the road – for now. The commercial drivers and the identity of the owners of the 12 original clubs, however, remain unchanged.

We are expecting there to be an ESL 2.0 of some sort and at some point in time. As we consider earlier in this publication, the potential for a European Super League will no doubt remain of interest for the elite European clubs (and their owners). The "Project Big Picture" proposal that was put together by Liverpool and Manchester United in October 2020 further demonstrates that reform of the professional game in the UK is a key agenda item for some of these clubs and is unlikely to go away.[91]

The timing of the announcement of the ESL (a day before the Champions League announcement on format changes) is worth noting. Arguably, the changes that have been brought in by UEFA in relation to the Champions League, Europa League and Europa Conference League (and the referred to "two years of widespread consultation"[92]), were designed to pre-empt a development such as the ESL.

If pre-empting the European Super League was a key aim of UEFA's, then it clearly was unsuccessful. It will be interesting to see if the founding 12 ESL clubs try, again, to push further reforms at UEFA as a way to further their aims.

Fan power

Fan power may well become the most important driver in the Premier League going forward, and the Big Six may come to regret their decision to even contemplate the ESL, as this clearly intensified what was already a trend that had recently re-emerged.

The decision (taken collectively by the local police, each club, the Premier League and local authorities) to postpone the fixture between Manchester United and Liverpool on 2 May 2021 was historic. This was the first time a Premier League match had been postponed because of fan protests – it may not be the last time. The scenes, which were widely shown worldwide, were clearly unpleasant and there, rightly so, was widespread condemnation of the violence that was seen and of the decision by a minority of the protestors to trespass and cause criminal damage at Old Trafford. These pictures were likely a far cry from the often referenced idea of 'The Beautiful Game' that current owners had probably envisaged when investing into football. Individuals/corporates considering investments in the global sports sector would also have been looking on.

This matters. The Premier League and its clubs cannot afford for scheduled, televised games to not go ahead. The "associated COVID-19 breaches[93]" might have been the determining consideration that led to the postponement (rather than simply rescheduling until later on in the Sunday evening). Interestingly though, as restrictions ease, the challenges posed to clubs and the Premier League may well increase – supporters groups' (particularly those cognisant of the financial pressure that clubs are currently under and of their need for fans to fill grounds again), may consider organising peaceful protests (including blocking access to/from grounds, training pitches, team hotels), boycotts of games and scheduled walkouts. Supporters' groups will be aware, however, that the violent scenes that were seen at Old Trafford on 2 May will have a detrimental effect on any attempt to garner and maintain widespread support for change across the football and wider community in the UK.

The protests do lead us to this next question though – what can fans actually do to protect their football club? The Premier League statement published in the early evening of Sunday 2 May is worth noting in this context. The line that many fans of the Big Six may dispute is this – "Fans have many channels by which to make their views known".[94] Some fans may question what channels they actually do have – see the lack of fan engagement in relation to the proposed European Super League. This is particularly worth considering in light of the recently published Fan Engagement Index. The Fan Engagement Index[95] which seeks to rate the dialogue, governance and transparency between clubs and their fans placed all of the Big Six in the bottom half of the Fan

Engagement Index table for the 2019/2020 season (the table excluded Bury, but included all 91 professional teams that completed the 2019/2020 season).

Manchester United is worthy of close consideration in the context of this fan power trend. Fan unrest at Old Trafford is not new. The 'Green and Gold' protest movement (linking back to the colours of Newton Heath, which was founded in 1878 and which eventually became Manchester United) against the Glazer ownership was particularly visible during the early years of the Glazer ownership. Although the movement ran out of steam (possibly on an assumption that any resistance may have had limited impact) it has seen a very clear recent resurgence. M.U.S.T. (the Manchester United Supporters Trust) have been constant critics of the Glazer ownership and have recently been involved in public exchanges of correspondence with Joel Glazer in relation to the European Super League and the Old Trafford protests. The primary objective of M.U.S.T. is to "ensure a supporter share scheme is put in place to which carries equal voting rights to the shares held by the Glazer family."[96] In recent days, Joel Glazer, made his first fan forum appearance in 15 years, and appeared to support a strengthening of fan representation at the club,[97] in particular through the creation of a "Fan Advisory Board and a Fan Share Scheme".[98] It will be interesting to see how the exchanges between the Glazer family and the fan base of the club, develop and particularly whether any substantive change (with the number of shares made available to fans, and the rights ascribed to such shares likely to be illustrative) is forthcoming through this dialogue alone, and also, when.

Momentum is important here and the temperature does already seem to have cooled a little since 2 May 2021. If the independent fan-led review of football governance which is being led by Tracey Crouch MP[99] is overly drawn-out, or the parliamentary debate (which will be held on 14 June 2021 following the receipt of over 100,000 signatures for the relevant petition[100]) to consider the introduction of a "50+1" rule for professional football club ownership in the UK proves limited in impact, and if the European Super League falls out of the football discourse, then fan attention may quickly shift to short term targets. Conversation moves quickly in the football world. As transfer markets start to open, we will likely start to hear fans calling for investment from owners to acquire new targets (a Harry Kane bidding war being a very real possibility this summer) and the demands for reforms relating to fan ownership, enhanced governance and, more generally, better protection of clubs may fade away.

Owners could try to get ahead of the issue. It is probably unlikely, but there would be some logic in the owners of the Premier League clubs bringing forward a plan voluntarily that sought to pre-empt the Tracey Crouch independent fan-led review and which sought to offer some changes to the fans. What was clear from the European Super League fall-out was that there were easy political points up for grabs for UEFA, FIFA and governments – owners should be conscious of this.

The owners of the Premier Clubs could consider the following as possible options to overhaul fan engagement, increase transparency and appease fan bases (and which may avoid the need to cede any ownership or any voting control):

i. **Board representation** – an elected (or selected) representative of the fans could be invited to attend board meetings in a non-voting, observer capacity.

ii. **Fan Councils** – these could operate in a manner similar to the concept of a European Works Council (which involves the consultation of employee representatives in EU member states relating to work place changes that have cross border implications). An obligation to consult fans might be an easy give for owners, but would represent a significant change for fans and a genuine opportunity to be heard during a club's decision making process. Making this obligatory, and not voluntary, will help owners win over any sceptical fans.

iii. **Formal/public grievance procedures** – clubs could put in place formal and public processes that allow fans to raise grievances and problems with their club, whether over ticketing prices, sponsorship decisions or other issues connected to the relationship between fans and the owner.

iv. **Independent regulator** – a petition brought by a group of former players including Gary Neville and Jamie Carragher[101] has reached the required threshold and the UK Parliament will debate the introduction of an Independent Football Regulator in England on 14 June 2021.[102] Independent regulation, with an effective and proactive regulator with real powers to impose punishments, would represent a seismic change to the current model. Owners of Premier League clubs might be tempted to try to get ahead of this issue with a proposal that might work for them as a starting point (rather than losing control of the dialogue which is what could happen during and after the 14 June 2021 parliamentary debate).

There are important parallels in the relationship, on the one hand, between a club and their fans, and on the other hand, the relationship between an employer and the applicable trade union.

What is clear, is that the way that fans exercise their power will evolve:

- **Selective attendance** - COVID-19, and the restrictions around mass gatherings, may well have lessened the immediate fall out from the introduction and subsequent collapse of the ESL. As restrictions ease, and fans are allowed back to the stadiums – it will be interesting to see the approach that fans take. Having waited so long to watch their club play, would they be willing to continue to miss matchdays in order to increase financial pressure on Clubs and owners. Who would blink first? Owners or fans?
- **Commercial influence and sponsors –** fans may realise that their collective action can influence more than just their own club. Club sponsors will be keenly aware of the current animosity between some fans and their clubs and will be wary, particularly given that for many of these sponsors, fans wear another hat – they are customers. Fans may decide it is much more effective to engage directly with a club's sponsor and its commercial partners than through engagement with their club. A sponsor would not want to alienate the global fan base of a Big Six club. Media reports have suggested that The Hut Group had concerns about entering into a sponsorship contract with Manchester United which was worth a reported £200 million over 10 years as a result of a proposed plan by supporters of Manchester United to boycott the club's commercial partners.
- **Digital –** coordinated, global social media campaigns can be very powerful. Hashtag activism works. The social media campaign, @StopFunding Hate, which since 2016 has sought to persuade advertisers/corporates to withdraw their support from certain publications that are deemed to be spreading hate and division[103], has had direct impact (examples include Lego's decision in 2016 to halt future promotional activity with The Daily Mail.[104]) Fan groups may well decide that a coordinated digital campaign is the way to go.
- **Tribalism v cross-club consensus –** football fans in the UK are tribal. 2 months ago, you would have found it difficult, near impossible, to find a topic that fans of Manchester United and Liverpool could agree on. Yet, that is exactly what we have seen with the European Super League fall out. Fans are yet to understand how powerful this cross-club consensus could be.

Media and broadcasting rights

When Sky first won the rights to live Premier League football in 1992, it reportedly agreed to a deal worth £304 million for five seasons, of which only a reported £190 million was paid after Sky failed to meet certain foreign sales targets.[105] Fast forward to 2015 and the Premier League TV rights sold for £5.1 billion for three seasons and, even when this decreased to £4.5 billion for three seasons in 2018, an increase in the value of overseas rights and the introduction of Amazon offering 20 Premier League games more than offset this decrease.[106] The spiralling value of media rights has led to huge increases to football clubs' income, with clubs in Europe's "Big Five" leagues (England, Germany, Spain, Italy and France) earning a combined €17 billion last season, primarily as a result of TV and media contracts.[107] However, even before COVID-19 and the European Super League announcement, there was evidence to suggest that the value of media rights were at risk of decreasing.

Rights auction processes naturally benefit from aggressive bidders and new entrants; the high value of domestic TV rights in 2015 was largely driven by BT Sport bidding against Sky, whilst Amazon entered the market in 2018.[108] In late 2017, however, Sky and BT ended a nearly decade-long dispute to come to a channel-sharing agreement, which allowed customers to watch all Premier League games without being forced to buy separate TV packages, which may have contributed to the reduction in the value of TV rights in 2018. Currently, Amazon seems content with its package of 20 matches around the Christmas period and BT, having previously tried to usurp Sky as the primary broadcaster of Premier League matches, also seems content to take second place with regard to Premier League games and focus instead on airing European football. Free-to-air broadcasters certainly seem to be priced out of negotiations for the foreseeable future and, whilst it remains to be seen whether companies such as Facebook, YouTube, Netflix or Disney could enter the playing field, without new interest or a surge in competition, it seems as though broadcasters will be sceptical about paying the huge sums of money we have seen over the last six years.

COVID-19 has exacerbated this issue, too. Advertising losses caused by the pandemic, as well as younger viewers switching to digital services such as Netflix, has led to broadcasters scaling back spending on sports rights.[109] Andrew Georgiou, president of Eurosport, has highlighted that younger people are increasingly showing less interest in traditional sports, and particularly football, and that "the underlying demand of the consumer is something that everyone needs to be worried about, not just the competition between the broadcasters".[110]

Some commentators have even suggested potential changes to the format and rules of football to keep younger viewers engaged, as we have seen across rugby, cricket and Formula 1 who have all changed their products in one way or another over the years.[111] Formula 1 in particular has reportedly gained nearly 60 million new fans aged 16 to 25 over the past year, which may be a result of its new digital media and streaming strategies.[112]

In the last twelve months, we have seen a decrease in the value of media and broadcasting rights across Europe, too. In Germany, for instance, the domestic TV rights for the Bundesliga were sold in June 2020 for €4.4 billion over the next four seasons, which was 5 per cent less than the previous deal.[113] In France, Ligue 1's €3.25 billion, four season deal with Mediapro and BeIN Sports collapsed in December 2020.[114]

This poses a major problem for the leagues across Europe as, if they are not seen to maximise the value of their media and broadcasting rights, they are likely to face difficult questions from member clubs. This is particularly the case for Premier League clubs, where media and broadcasting rights typically account for a larger proportion of revenue than in other leagues across Europe and the anticipated reduction could have been the catalyst for the agreement between 12 clubs across the continent to agree to form the European Super League.

So what is the future of media rights in football?

The Premier League is obviously cognisant of the challenges posed by the expected decreasing value of media and broadcasting rights. In light of this, it is not at all surprising that an agreement was reached between the Premier League, Sky Sports, BT Sport, Amazon Prime Video and BBC Sport to roll over the existing television deal for a further three years.[115] The UK government approved the rolling over of the contract which avoided the need for a formal tender process, citing COVID-19 as an exceptional circumstance. This was a neat solution for all parties, as it avoided the likelihood of a significant fall in value if a normal open market tender process was adopted. 2025 (when this rolled deal reaches its conclusion) will be very interesting.

The way in which we have consumed sports has changed radically in recent years, with COVID-19 acting as an accelerator. The Saturday 3pm black-out rule, which UEFA agreed to postpone in Spring 2020,[116] looks an increasingly outdated concept in a world that expects immediate access to content. Companies such as Sport Radar are expanding in the direction of "over-the-top" (OTT) video platforms, which provides rights holders with more data and, subsequently, a greater understanding of fans and fans' behaviour.[117]

As the football industry seems to be considering moving away from the traditional broadcast model of the past twenty years or so, a logical consequence might be that leagues and federations try to seek a greater cut of revenues themselves by selling matches directly to customers, instead of using broadcasters.

Clubs themselves may also place a greater emphasis on the content they generate and distribute themselves, rather than relying on this revenue to be received indirectly via the league's broadcasting model. For instance, last summer, Barcelona launched its new "digital strategy" that it intended would triple the €100 million per year the club currently makes from digital operations and would be the "new core business" of the club.[118] As part of this strategy, the club launched its "Culers" membership programme, which includes discounts on tickets and merchandise and unlimited access to Barca TV+, the club's new subscription-based OTT streaming service, which allows the club to take control of their own content and brand, as well as to collect data from fans to understand their needs and preferences.

COVID-19 and the 2021/2022 season

In mid-April, the UK, was reporting its lowest active reported positive cases and lowest COVID-19 related deaths since September 2020.[119] Those figures, taken in the context of the continued success of the vaccine rollout program and the return of live fans at successful test events such as the EFL Cup Final, FA Cup Final, the final two rounds of Premier League fixtures and the EFL play-off fixtures will provide clubs in the UK with optimism that the 2021/2022 season might more closely represent a normal season. The threat of variants (whether seasonal or more transmissible variants such as the Indian variant), however, and with government modelling and Professor Chris Whitty (Chief Medical Officer of the United Kingdom) warning that "we will get a surge in virus,"[120] clubs in the UK will be rightly wary as to what the 2021/2022 season will look like (particularly as we move into the Autumn and Winter months).

The picture around parts of continental Europe (and the world) currently looks less certain. With different countries having respond to localised rises in infections and deaths, the implementation and enforcement of lockdowns, and the challenges (both from a delivery perspective and supply chain perspective) of attempting to vaccinate an entire adult population, the European game will continue to be impacted.

Club valuations and investment decisions relating to the sale and purchase of clubs, will inevitably continue to be heavily influenced by COVID-19 for the foreseeable.

Financial restructurings and distressed assets

Financial distress amongst clubs across Europe will continue over the coming years, particularly as the long-term COVID-19 implications start to be felt, This will present opportunities to potential new entrants to the market, whether through acquisition of distressed assets or with financial institutions providing the necessary funds in order to allow for the refinancing of a clubs existing debt.

Restructuring of existing debt isn't new to football (examples include the January 2019 restructuring of the existing debt of clubs in the Turkish Super Lig Table which was reported to total $2.6 billion and which was organised by the Turkish Football Federation and the Bank Association of Turkey).[121] This was before the impact of COVID-19. The addition of COVID-19 to a financial model that more often than not results in a club incurring losses, not generating revenues, will mean that more and more clubs suffer financial distress and owners will be forced to either sell up to realise the residual value in their clubs or look to refinance and restructure debt to ease the financial burden.

How much is a club worth?

At the beginning of the pandemic, the valuation of certain football clubs, particularly those whose shares are publicly traded, decreased; Manchester United's market cap, for instance, reduced from US$3 billion to just over US$2 billion in March 2020 alone.[122] However, despite the losses football clubs across the continent have faced over the past year, the sport's potential for long term growth still seems to be attractive for investors, with both buyer appetite and valuations recovering and largely proving stable over the past year. Newcastle United's proposed takeover by a Saudi Arabian-backed consortium was thought to value the club at approximately £300 million[123] and the club is reportedly seeking arbitration to settle its dispute with the Premier League as it looks to push the deal through.[124] Current media reports suggest that the arbitration claim is to be heard "on an expedited basis during July 2021".[125] Alongside the arbitration proceedings, Mike Ashley is also now pursuing a claim against the Premier League at the Competition Appeal Tribunal.[126] Elsewhere in Europe, US firm The Friedkin Group acquired 86.6 per cent of AS Roma for a reported price of €591 million in August (for comparison, the previous majority owner, James Pallotta, had bought approximately two-thirds of the club for just €84 million in 2011).[127]

It even seems as though certain investors saw the short-lived drop in share prices of publicly traded football clubs as an opportunity to enter the market, or build their existing portfolios, at a lower entry price.[128] Equally, there are reports that current club owners have been reluctant to sell over the past year at a price they perceive to be a discount,[129] which has also contributed to valuations largely remaining stable. Certainly, when compared to US sports franchises, it could be argued that European football clubs are still undervalued. US sports franchises are typically valued at around 25 to 30 times EBITDA, compared to European football clubs that, aside from the most elite clubs, are usually valued at around four to five times EBITDA.[130] Burnley's EBITDA for the 2018/19 season, for example, was reportedly €42.4 million,[131] whilst it was reportedly valued at just over £200 million when it was acquired by ALK Capital. This figure however, is far below what you would usually expect to see US sport franchises to be acquired for; in November, for instance, the New York Mets were acquired for a reported US$2.4 billion.[132]

Of course, the risk with European football clubs has traditionally been greater, largely due to the threat of relegation or not qualifying for the elite European competitions, which does not typically exist within US franchise leagues. Many investors looking to acquire a sports franchise, however, will be priced out from acquiring a US franchise and, despite this additional risk, European football clubs still seem to offer good value in comparison. The long-term outlook of the football and sports industries generally also seems to contrast favourably to other sectors such as hospitality or the arts, which could re-emerge from the pandemic having suffered far greater damage.[133]

What a proposed European Super League would mean for valuations, however, remains to be seen. If the European Super League had been introduced in its proposed form, we can safely assume that the valuations of the permanent fifteen clubs would have increased further in line with, or even exceeded, that of US sports franchises; the day after the announcement was made, shares in Manchester United and Juventus, for example, increased by 11 per cent and 18 per cent respectively.[134] Equally, where a potential European Super League would leave valuations of the clubs that do not compete in it would largely depend on the interest that both the Super League and the domestic leagues and UEFA competitions would be able to generate in parallel.

Annex

Ownership details of 2020/2021 English Premier League clubs

Arsenal

Controlling company:
Kroenke Sports & Entertainment UK INC

Incorporated:
Colorado (US)

Shareholder(s) (directly or indirectly in the Premier League member entity):
Stanley Kroenke (100%) (US)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Lord Harris of Peckham, Stan Kroenke, Josh Kroenke, Tim Lewis, Richard Carr

Premier League member entity:
The Arsenal Football Club Public Limited Company (00109244)

Brighton & Hove Albion

Controlling company:
Brighton & Hove Albion Holdings Limited (02849319)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Anthony Bloom (93.8%) (UK); various shareholders (6.2%)

Type of investor:
Local owner

Directors of Premier League member entity:
Robert Comer, Paul Barber, Anthony Bloom, Raymond Bloom, Derek Chapman, Adam Franks, Peter Godfrey, David Jones, Marc Sugarman, Michelle Walder

Premier League member entity:
Brighton & Hove Albion Football Club, Limited (The) (00081077)

Aston Villa

Controlling company:
NSWE S.C.S.

Incorporated:
Luxembourg

Shareholder(s) (directly or indirectly in the Premier League member entity):
Wes Edens (US); Nassef Sawiris (Egypt) (note that it is not publicly available information in the UK at what level in the corporate structure Wes Edens and Nassef Sawiris hold their ownership stake or what the exact ownership stakes are)

Type of investor:
Private equity

Directors of Premier League member entity:
Wes Edens, Nassef Sawiris, Christian Purslow

Premier League member entity:
Aston Villa Football Club Limited (03375789)

Burnley

Controlling company:
ALK Capital LLC and Velocity Sports Partners LLC

Incorporated:
US

Shareholder(s) (directly or indirectly in the Premier League member entity):
Alan Pace (50.382%) (US); Michael Smith (16.794%) (US); Stuart Hunt (16.794%) (US); local owners (16.03%) (UK)

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
John Banaszkiewicz, David Checketts, Michael Garlick, Stuart Hunt, Alan Pace, Antonio Parra, Michael Smith

Premier League member entity:
Burnley Football & Athletic Company, Limited (The) (00054222)

This information is based on the information that is publically available at Companies House (the United Kingdom's official registrar of companies) as at the date of this report and as at the date of the most recent filings at Companies House, and the ownership information of each Club that have made details of their Club ownership publically available on their respective websites.

Chelsea

Controlling company:
Fordstam Limited (04784127)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Roman Abramovich (100%) (Russia)

Type of investor:
Individual investor

Directors of Premier League member entity:
David Barnard, Eugene Tenenbaum, Marina Granovskaia, Jonathan Laurence, Bruce Buck

Premier League member entity:
Chelsea Football Club Limited (01965149)

Crystal Palace

Controlling company:
Palace Holdco LP

Incorporated:
Delaware (US)

Shareholder(s) (directly or indirectly in the Premier League member entity) (A and B Ordinary Shares):
Palace Holdco LP (98.2% of A ordinary shares) (US); Palace Parallel Holdco LLC (1.8% of A ordinary shares) (US); Stephen Browett – Chairman of Farr Vintners (16% of B ordinary shares) (UK); Jeremy Hosking – private equity investor (16% of B ordinary shares) (UK); Steve Parish – private investor (57.62% of B ordinary shares) (UK), and Kloof Capital Investments Limited (10.38% of B ordinary shares) (British Virgin Islands).

A further 10,000 preference shares (non-voting) are held by Palace Holdco LP (9.820 preference shares) and Palace Parallel Holdco LLC (180 preference shares).

Robert Franco, David Blitzer, Joshua Harris and Steve Parish are all listed as holding a 'significant interest' (as that term is defined within the Premier League's regulations).

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
David Blitzer, Joshua Harris, Steve Parish

Premier League member entity:
CPFC Limited (07270793)

Everton

Controlling company:
Blue Heaven Holdings Limited

Incorporated:
Isle of Man

Shareholder(s) (directly or indirectly in the Premier League member entity):
Farhad Moshiri (as ultimate beneficial owner of Blue Heaven Holdings Limited) (92.16%) (Iran); Bill Kenwright (1.72%) (UK); other investors (6.12%)

Type of investor:
Individual investor

Directors of Premier League member entity:
Professor Denise Barrett-Baxendale, Martinus Brands, William Kenwright, Alexander Ryazantsev

Premier League member entity:
Everton Football Club Company, Limited (00036624)

Fulham

Controlling company:
K2TR Family Holdings 2, Corp.

Incorporated:
South Dakota (US)

Shareholder(s) (directly or indirectly in the Premier League member entity):
Shahid Khan and family (100%) (US)

Type of investor:
Family

Directors of Premier League member entity:
Alistair Mackintosh, Mark Lamping, Shahid Khan, Antony Khan, David Daly

Premier League member entity:
Fulham Football Club Limited (02114486)

Leeds United

Controlling company:
Aser Group Holding Pte Ltd

Incorporated:
Singapore

Shareholder(s) (directly or indirectly in the Premier League member entity):
Andrea Radrizzani (through Greenfield Investment Pte Ltd) (59%) (Italy); the York family (through 49ers Enterprises Leeds SPV, L.P. and 49ers Enterprises Leeds II SPV, L.P.) (41%) (US)

Type of investor:
Individual/consortium

Directors of Premier League member entity:
Angus Kinnear, Peter Lowy, Paraag Marathe, Massimo Marinelli, Sandro Mencucci, Andrea Radrizzani

Premier League member entity:
Leeds United Football Club Limited (06233875)

Leicester City

Controlling company:
V&A Holdings Company Limited

Incorporated:
Thailand

Shareholder(s) (directly or indirectly in the Premier League member entity):
Aiyawatt Srivaddhanaprabha (55%); Voramas Srivaddhanaprabha (10%); Apichet Srivaddhanaprabha (10%); Aroonroong Srivaddhanaprabha (10%); Aimon Srivaddhanaprabha (15%) (all Thailand)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Aiyawatt Srivaddhanaprabha, Apichet Srivaddhanaprabha, Susan Whelan, Shilai Liu

Premier League member entity:
Leicester City Football Club Limited (04593477)

Liverpool

Controlling company:
Fenway Sports Group (legally organised as N.E.S.V. I, LLC)

Incorporated:
US

Shareholder(s) (directly or indirectly in the Premier League member entity):
Range of investors – the economic interest in Fenway Sports Group is held by a range of investors – the only investors in Fenway Sports Group holding more than a 10% interest are John Henry, Tom Werner and Mike Gordon and Rouge Aggregator LP

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
John Henry, Tom Werner, Michael Gordon, William Hogan IV, Michael Egan, Kenneth Dalglish, Andrew Hughes

Premier League member entity:
The Liverpool Football Club and Athletic Grounds Limited (00035668)

Manchester City

Controlling company:
Abu Dhabi United Group For Development & Investment

Incorporated:
Abu Dhabi

Shareholder(s) (including ordinary and preference shares) (directly or indirectly in the Premier League member entity):
His Highness Sheikh Mansour bin Zayed Al Nahyan (through the wholly owned Abu Dhabi United Group Investment & Development Limited) (75.12%) (Abu Dhabi, United Arab Emirates); China Media Capital Football Holdings Limited (12.36%) (China); SLA CM Marcus Holdings L.P. (10.42%) (US); Vega FZ, LLC (2.1%)

Type of investor:
Private equity/family

Directors of Premier League member entity:
Abdulla Al Khouri, Mohamed Al Mazrouei, Khaldoon Al Mubarak, Alberto Galassi, John Macbeath, Martin Edelman, Simon Pearce

Premier League member entity:
Manchester City Football Club Limited (00040946)

Manchester United

Controlling company:
Manchester United plc

Incorporated:
Cayman Islands (and listed on the New York Stock Exchange)

Shareholder(s) (by reference to % of total voting power through ownership of Class A Ordinary Shares and Class B Ordinary Shares together) (directly or indirectly in the Premier League member entity):
Avram Glazer (16.40%), Joel Glazer (17.26%), Kevin Glazer (16.34%), Bryan Glazer (15.56%), Darcie Glazer (16.39%), Edward Glazer (15.25%), others (2.8%)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Avram Glazer, Joel Glazer, Kevin Glazer, Bryan Glazer Edward Glazer, Edward Woodward, Richard Arnold, Darcie Glazer-Kassewitz, Sir Bobby Charlton, John Edelson, Sir Alex Ferguson, David Gill

Premier League member entity:
Manchester United Football Club Limited (00095489)

Newcastle United

Controlling company:
MASH Holdings Limited (06861426)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Mike Ashley (100%) (UK)

Type of investor:
Corporate/individual

Directors of Premier League member entity:
Lee Charnley

Premier League member entity:
Newcastle United Football Company Limited (00031014)

Sheffield United

Controlling company:
United Investment Company Limited

Incorporated:
Saudi Arabia

Shareholder(s) (directly or indirectly in the Premier League member entity):
H.R.H. Prince Abdullah bin Mosa'ad bin Abdulaziz Al Saud (100%) (Saudi Arabia)

Type of investor:
Individual investor

Directors of Premier League member entity:
Joseph Giansiracusa, Jan Van Winckel, H.R.H. Princess Reem Bint Abdullah Al Saud, Abdullah Alghamdi

Premier League member entity:
The Sheffield United Football Club Limited (00061564)

Southampton

Controlling company:
Southampton Football Sports Development Co., Ltd

Incorporated:
British Virgin Islands

Shareholder(s) (directly or indirectly in the Premier League member entity):
Gao Jisheng and Gao Jingna (China); Katharina Liebherr (Switzerland) (note that it is not publicly available information in the UK at what level in the corporate structure Gao Jisheng, Gao Jingna and Katharina Liebherr hold their ownership stake or what the exact ownership stakes are)

Type of investor:
Family/individual

Directors of Premier League member entity:
Gao Jingna, Gao Jisheng, Martin Semmens, Toby Steele, David Thomas

Premier League member entity:
Southampton Football Club Limited (00053301)

Tottenham Hotspur

Controlling company:
ENIC International Limited

Incorporated:
Bahamas

Shareholder(s) (directly or indirectly in the Premier League member entity):
ENIC International Limited (85.56% of the shares in Tottenham Hotspur Limited, the immediate parent of Tottenham Hotspur Football & Athletic Co. Ltd) (Joe Lewis has an interest of 70.6% of ENIC International Limited; Daniel Levy and family are potential beneficiaries of a discretionary trust which ultimately owns 29.4% of the share capital of ENIC International Limited); other investors (14.44% of the shares in Tottenham Hotspur Limited, the immediate parent of Tottenham Hotspur Football & Athletic Co. Ltd))

Type of investor:
Corporate/family

Directors of Premier League member entity:
Daniel Levy, Matthew Collecott, Donna-Maria Cullen

Premier League member entity:
Tottenham Hotspur Football & Athletic Co. Ltd (00057186)

West Bromwich Albion

Controlling company:
Yunyi Guokai (Shanghai) Sports Development Limited

Incorporated:
China

Shareholder(s) (directly or indirectly in the Premier League member entity):
Guochuan Lai (through his controlling interest in Yunyi Guokai (Shanghai) Sports Development Limited, which in turn holds 100% of West Bromwich Albion Holdings Limited, which in turn holds 87.8% in West Bromwich Albion Group Limited) (China), other investors (12.2% - holding their interests directly in West Bromwich Albion Group Limited))

Type of investor:
Individual investor and/ local owners (with minority interests)

Directors of Premier League member entity:
Pi Yue Li, Mark Miles, Ke Xu

Premier League member entity:
West Bromwich Albion Football Club Limited (03295063)

West Ham United

Controlling company:
WH Holding Limited (05993863)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
David Sullivan (51.5%) (UK); David Gold (35.1%) (UK); WHU LLC (the ultimate owner of WHU LLC is J. Albert Smith) (10%) (US); other investors (3.4%)

Type of investor:
Individual investors / hedge fund

Directors of Premier League member entity:
Emma Benton-Hughes, Karren Brady, Charles Cross, Daniel Cunningham, David Gold, Andrew Mollett, J. Albert Smith, David Edward Kenneth Sullivan, David Sullivan, Tara Warren

Premier League member entity:
Premier League member entity: West Ham United Football Club Limited (00066516)

Wolverhampton Wanderers

Controlling company:
Fosun International Holdings Limited

Incorporated:
British Virgin Islands

Shareholder(s) (including ordinary and preference shares) (directly or indirectly in the Premier League member entity):
Guo Guangchang, Wang Qunbin and Liang Xinjun between them indirectly own the majority shareholding in the club (all China)

Type of investor:
Corporate/individual

Directors of Premier League member entity:
Yu Shi, John Gough, John Bowater

Premier League member entity:
Wolverhampton Wanderers Football Club (1986) Limited (01989823)

Ownership details of promoted clubs

Brentford

Controlling company:
Brentford FC Limited (03642327)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the expected Premier League member entity):
Matthew Benham (100% owner of all 557,281 ordinary shares and 24,554,608 preference shares) (UK); Bees United (officially registered as Brentford Football Community Society Ltd., a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number 29244R) (owner of one special share as the club's supporters' trust)

Type of investor:
Individual investor

Directors of expected Premier League member entity:
Clifford Crown, Donald Kerr, Rasmus Ankersen, Monique Choudhuri, Philip Giles, Michael Power, Stewart Purvis, Nityajit Raj

Expected new Premier League member entity:
Brentford FC Limited (03642327)

Norwich

Controlling company:
Norwich City Football Club Plc (00154044)

Incorporated:
Spain

Shareholder(s) (directly or indirectly in the expected Premier League member entity) (ordinary shares only):
Edward Michael Wynn Jones and Delia Smith (jointly) (53% of ordinary shares (UK); various other shareholders (47% of ordinary shares). Various other shareholders hold A preference shares and B preference shares in the club

Type of investor:
Local owners

Directors of expected Premier League member entity:
Michael Foulger, Stephan Phillips, Delia Smith, Thomas Smith, Edward Michael Wynn Jones

Expected new Premier League member entity:
Norwich City Football Club plc (00154044)

Watford

Controlling company:
Diversity Sport Investment S.L.

Incorporated:
Spain

Shareholder(s) (directly or indirectly in the expected Premier League member entity):
Gino Pozzo (c.99.7%) (Italy) (note that it is not publicly available information in the UK at what level in the corporate structure Gino Pozzo holds his ownership stake); other shareholders (c.0.3%)

Type of investor:
Individual investor

Directors of expected Premier League member entity:
Scott Duxbury, David Fransen, Stuart Timperley

Expected new Premier League member entity:
Watford Association Football Club Limited (The) (00104194)

Endnotes

1 https://www.efl.com/news/2021/may/efl-statement-premier-league-broadcast-extension/

2 https://www.nortonrosefulbright.com/en-gb/knowledge/publications/8478d9dc/keeping-possession-ownership-trends-in-english-premier-league-football

3 https://www.skysports.com/football/news/11670/12289476/arsenal-spotify-owner-daniel-ek-to-present-very-compelling-offer-to-kroenke-family

4 https://www.skysports.com/football/news/11670/12307501/spotify-co-founder-daniel-ek-claims-arsenal-have-turned-down-his-offer-to-buy-the-premier-league-club

5 https://www.theguardian.com/football/2021/apr/07/ipswich-enter-new-era-with-40m-takeover-by-gamechanger-20

6 https://www.bbc.co.uk/sport/football/51587783

7 https://www.reuters.com/article/us-china-soccer-idUSKBN1951TS

8 https://offthepitch.com/a/its-not-coincidence-owners-inter-milan-southampton-and-west-brom-are-all-looking-sell-chinese

9 https://www.cityfootballgroup.com/information-resource/news-and-press-packs/city-football-group-expands-to-belgium-acquiring-lommel-sk/

10 https://www.cityfootballgroup.com/information-resource/news-and-press-packs/city-football-group-adds-estac-troyes-as-tenth-club/

11 https://www.cityfootballgroup.com/information-resource/news-and-press-packs/club-bolivar-joins-city-football-group-as-first-partner-club/

12 https://www.bbc.co.uk/sport/football/42414884

13 http://www.insideworldfootball.com/2020/04/29/us-investors-pacific-media-group-add-club-holdings-completion-kv-oostende-buy/

14 http://www.insideworldfootball.com/2020/04/29/us-investors-pacific-media-group-add-club-holdings-completion-kv-oostende-buy/

15 https://www.sportspromedia.com/news/as-nancy-ligue-2-takeover-chien-lee-pacific-media-group

16 http://www.insideworldfootball.com/2021/02/05/denmarks-esbjerg-fb-becomes-latest-pacific-media-led-acquisition/

17 https://offthepitch.com/a/owner-four-clubs-boards-and-investors-are-always-chasing-something-be-it-signing-right-back

18 https://offthepitch.com/a/owner-four-clubs-boards-and-investors-are-always-chasing-something-be-it-signing-right-back

19 https://offthepitch.com/a/new-club-alliance-building-consultancy-based-its-experience-owning-three-european-clubs

20 https://offthepitch.com/a/new-club-alliance-building-consultancy-based-its-experience-owning-three-european-clubs

21 https://www.cityfootballgroup.com/information-resource/news-and-press-packs/club-bolivar-joins-city-football-group-as-first-partner-club/

22 https://footballbenchmark.com/library/multi_club_ownerships_is_it_the_future_of_football

23 https://footballbenchmark.com/library/multi_club_ownerships_is_it_the_future_of_football

24 https://footballbenchmark.com/library/multi_club_ownerships_is_it_the_future_of_football

25 https://footballbenchmark.com/library/multi_club_ownerships_is_it_the_future_of_football

26 https://www.theguardian.com/football/2021/apr/19/government-pledges-to-stop-english-clubs-joining-european-super-league

27 https://www.theguardian.com/football/2021/apr/20/european-super-league-amounts-to-a-cartel-says-boris-johnson

28 https://www.bundesliga.com/en/news/Bundesliga/german-soccer-rules-50-1-fifty-plus-one-explained-466583.jsp

29 https://www.ft.com/content/7472aa5e-51fb-467e-a3f8-13cda10cc4f1

30 https://www.nortonrosefulbright.com/-/media/files/nrf/nrfweb/knowledge-pdfs/premier-league-report.pdf?la=en-gb&revision

31 https://www.nortonrosefulbright.com/en-gb/knowledge/publications/8478d9dc/keeping-possession-ownership-trends-in-english-premier-league-football

32 https://www.skysports.com/football/news/11670/12287394/arsenal-thierry-henry-dennis-bergkamp-and-patrick-vieira-to-join-daniel-ek-in-bid-to-buy-club

33 https://www.skysports.com/football/news/11670/12307501/spotify-co-founder-daniel-ek-claims-arsenal-have-turned-down-his-offer-to-buy-the-premier-league-club

34 https://www.nortonrosefulbright.com/en-gb/knowledge/publications/8478d9dc/keeping-possession-ownership-trends-in-english-premier-league-footbal

35 https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/deloitte-football-money-league.html

36 https://offthepitch.com/a/european-club-association-ups-estimate-covid-19s-financial-impact-crisis-deepens

37 https://www.nortonrosefulbright.com/en-gb/knowledge/publications/8478d9dc/keeping-possession-ownership-trends-in-english-premier-league-footbal

38 https://www.skysports.com/football/story-telling/11095/12241988/counting-the-cost-covids-impact-on-footballs-finances

39 https://www.independent.co.uk/sport/football/premier-league/premier-league-coronavirus-nhs-donation-club-meeting-pay-cuts-a9446041.html

40 https://www.ft.com/content/cdf3bd04-5cd4-4a64-b15a-e59197679297

41 https://offthepitch.com/a/football-faces-long-haul-reach-economic-recovery-warns-global-players-chief

42 https://www.efl.com/news/2020/december/efl-and-premier-league-statement-rescue-package-agreed/

43 https://www.theguardian.com/football/2020/dec/03/premier-league-agrees-bailout-with-efl-to-help-struggling-clubs

44 https://www.theguardian.com/football/2020/jun/04/tottenham-take-175m-bank-of-england-loan-to-ease-coronavirus-impact

45 https://www.thetimes.co.uk/article/arsenal-take-out-120m-government-loan-to-ease-cashflow-vmpd2fls9#:~:text=Arsenal%20have%20borrowed%20%C2%A3120,during%20the%20Covid%2D19%20 crisis.&text=Arsenal%20must%20repay%20the%20loan,which%20amounts%20to%20%C2%A3250%2C000

46 https://www.bbc.co.uk/sport/football/52271235

47 https://www.itv.com/news/2021-03-24/exclusive-clubs-in-englands-top-two-football-leagues-claim-furlough-cash-at-staggering-rate-of-40m-a-year

48 https://www.itv.com/news/2021-03-24/exclusive-clubs-in-englands-top-two-football-leagues-claim-furlough-cash-at-staggering-rate-of-40m-a-year

49 https://www.bbc.co.uk/sport/football/53668802

50 https://offthepitch.com/a/analysis-transfer-market-could-become-when-houses-fall-value-and-no-one-wants-crystallise-loss

51 https://www.skysports.com/football/story-telling/11095/12241988/counting-the-cost-covids-impact-on-footballs-finances

52 https://offthepitch.com/a/analysis-transfer-market-could-become-when-houses-fall-value-and-no-one-wants-crystallise-loss

53 https://offthepitch.com/a/analysis-transfer-market-could-become-when-houses-fall-value-and-no-one-wants-crystallise-loss

54 https://www.forbes.com/sites/steveprice/2021/03/14/why-chris-wilder-is-only-the-third-premier-league-manager-to-leave-his-job-this-season/?sh=18d988d23a99

55 https://www.independent.co.uk/sport/football/jose-mourinho-sacked-tottenham-cost-b1833713.html

56 https://www.telegraph.co.uk/football/2021/04/19/josemourinho-has-earned-staggering-775m-pay-offs-following-latestsacking/#:~:text=More...-,Jose%20Mourinho%20has%20earned%20a%20 staggering%20%C2%A377.5,pay%2Doffs%20following%20latest%20sacking&text=Jose%20Mourinho's%20sacking%20by%20Tottenham,has%20come%20from%20English%20clubs

57 https://www.forbes.com/sites/henryflynn/2021/03/10/joan-laporta-must-tackle-barcelonas-debt-problem-here-are-some-solutions/?sh=203d2cb93f8e

58 https://offthepitch.com/a/analysis-debt-footballs-dirty-word-should-it-be

59 https://ir.manutd.com/press-releases.aspx

60 https://www.ft.com/content/243f4030-aa2f-43c4-be32-723ba868d27a

61 https://www.ft.com/content/243f4030-aa2f-43c4-be32-723ba868d27a

62 https://offthepitch.com/a/football-lenders-benefiting-clubs-massive-cash-flow-problems-we-have-never-been-busier

63 https://offthepitch.com/a/macquarie-close-overtaking-barclays-premier-leagues-preferred-lender-amid-cash-flow-crunch

64 https://offthepitch.com/a/german-bank-hails-above-expectations-launch-football-finance-unit-midst-pandemic-targets-eu500

65 https://offthepitch.com/a/increased-competition-driving-down-prices-receivables-despite-decline-transfer-activity

66 https://www.theguardian.com/football/2021/feb/02/burnley-us-takeover-has-left-club-90m-worse-off-and-loaded-with-debt

67 https://offthepitch.com/a/analysis-debt-footballs-dirty-word-should-it-be

68 https://offthepitch.com/a/analysis-debt-footballs-dirty-word-should-it-be

69 https://offthepitch.com/a/analysis-debt-footballs-dirty-word-should-it-be

70 https://offthepitch.com/a/media-championship-club-owners-consider-group-administration-stave-financial-disaster

71 https://www.rangers.co.uk/article/rangers-announce-fan-share-offering/5tbfQ96feSYaCk7tcPghwA

72 https://www.ft.com/content/4cbef20a-7599-4580-82aa-2af383bd0f5a

73 https://www.bbc.co.uk/sport/football/56795811

74 https://www.ft.com/content/f00bb232-a150-4f7d-b26a-e1b62cd175c3

75 https://www.ft.com/content/f00bb232-a150-4f7d-b26a-e1b62cd175c3

76 https://www.telegraph.co.uk/football/2021/04/20/european-super-league-clubs-agree-salary-cap-guaranteeing-club/

77 https://www.ft.com/content/4cbef20a-7599-4580-82aa-2af383bd0f5a

78 https://www.gov.uk/government/speeches/statement-by-oliver-dowden-on-the-european-super-league

79 https://www.ft.com/content/4cbef20a-7599-4580-82aa-2af383bd0f5a

80 https://www.bbc.co.uk/news/uk-politics-56810962

81 https://www.theguardian.com/football/2021/apr/20/pep-guardiola-manchester-city-european-super-league-not-sport-cant-lose

82 https://www.bbc.co.uk/sport/live/football/56827237

83 https://news.sky.com/story/super-league-investor-jp-morgan-admits-it-clearly-misjudged-backlash-from-football-fans-12284542

84 https://www.skysports.com/football/news/11095/12283442/european-super-league-real-madrid-president-florentino-perez-says-plans-are-not-dead-despite-withdrawals

85 https://www.ft.com/content/7b5f6f0d-2fa7-4fba-9ecb-89276b96d116

86 https://dailybusinessgroup.co.uk/2021/04/english-clubs-130m-penalty-fear-after-rebel-league-u-turns/#:~:text=The%20leaked%20papers%2C%20published%20by,each%20more%20than%20their%20rivals

87 https://www.uefa.com/insideuefa/mediaservices/mediareleases/news/0269-123871bd86ca-d9571aa78f72-1000--uefa-approves-reintegration-measures-for-nine-clubs-involved-in

88 https://resources.premierleague.com/premierleague/document/2020/08/11/1256c4b9-23bb-4247-93c0-028f042b010d/2020-21-PL-Handbook-110820.pdf

89 https://resources.premierleague.com/premierleague/document/2020/08/11/1256c4b9-23bb-4247-93c0-028f042b010d/2020-21-PL-Handbook-110820.pdf

90 https://www.bbc.co.uk/sport/football/56931186

91 https://www.theguardian.com/football/2020/oct/11/project-big-picture-premier-league-and-efl-plan-radical-reform-to-avoid-crisis

92 https://www.uefa.com/insideuefa/news/0268-1213f7aa85bb-d56154ff8fe8-1000--uefa-announces-new-format-for-club-competitions-to-be-introduce/

93 https://www.premierleague.com/news/2127018

94 https://www.premierleague.com/news/2127018

95 https://fanengagement.net/fan-engagement-index/

96 https://www.imust.org.uk/Blog/Entry/must-statement-following-letter-from-joel-glazer

97 https://www.skysports.com/football/news/11667/12324717/manchester-united-joel-glazer-announces-fan-share-scheme-after-supporter-meeting

98 https://www.manutd.com/en/news/detail/joel-glazer-speaks-to-man-utd-supporters-at-fans-forum-on-4-june-2021

99 https://www.gov.uk/government/publications/fan-led-review-of-football-governance

100 https://petition.parliament.uk/petitions/583310

101 https://inews.co.uk/news/petition-independent-regulator-english-football-consider-debate-parliament-european-super-league-1005904

102 https://petition.parliament.uk/petitions/584632

103 https://stopfundinghate.info/

104 https://www.prweek.com/article/1415445/stop-funding-hate-claims-scalp-lego-becomes-first-major-brand-pull-promotional-tie-up

105 https://www.theguardian.com/media/2003/feb/25/broadcasting3

106 https://www.cityam.com/why-the-premier-league-tv-rights-bubble-really-might-be-about-to-burst-this-time/

107 https://www.ft.com/content/56215922-b0a1-4290-baf3-246db0f4b50f

108 https://www.cityam.com/why-the-premier-league-tv-rights-bubble-really-might-be-about-to-burst-this-time/

109 https://www.ft.com/content/56215922-b0a1-4290-baf3-246db0f4b50f

110 https://www.ft.com/content/56215922-b0a1-4290-baf3-246db0f4b50f

111 https://offthepitch.com/a/column-broadcasting-revenue-will-decrease-unless-changes-are-made-power-play-no-passing-back

112 https://offthepitch.com/a/special-report-generation-z-young-fans-who-are-switching

113 https://www.ft.com/content/56215922-b0a1-4290-baf3-246db0f4b50f

114 https://www.theguardian.com/football/2020/dec/15/ligue-1-clubs-stare-financial-abyss-tv-deal-collapses-mediapro

115 https://www.bbc.co.uk/sport/football/57098432

116 https://www.bbc.co.uk/sport/football/52161561.amp

117 https://offthepitch.com/a/leagues-and-federations-try-cut-out-middlemen-broadcasters-and-sportradar-want-help

118 https://offthepitch.com/a/interview-barcelona-board-member-content-going-be-new-core-business-barca

119 https://news.sky.com/story/covid-19-uk-records-lowest-deaths-and-cases-figures-since-september-12272595

120 https://www.politicshome.com/news/article/chris-whitty-patrick-vallance-third-wave-deaths-inevitable

121 https://www.aljazeera.com/sports/2019/1/10/turkey-plans-debt-restructuring-for-top-football-clubs

122 https://offthepitch.com/a/ma-activity-football-largely-hold-due-coronavirus-advisors-believe-long-term-outlook-remains

123 https://www.bbc.co.uk/sport/football/53784557

124 https://www.bbc.co.uk/sport/football/56293399

125 https://www.skysports.com/football/news/11678/12310130/premier-league-given-more-time-to-respond-to-newcastle-claim-over-takeover

126 https://theathletic.com/news/newcastle-takeover-latest-premier-league/TTz6KHVraCoL

127 https://offthepitch.com/a/eu591-million-roma-deal-reflects-strong-buyer-appetite-despite-coronavirus

128 https://offthepitch.com/a/minority-stakeholder-dortmund-lyon-and-ajax-earnings-outlook-football-clubs-remains-positive-long

129 https://offthepitch.com/a/institutional-investors-looking-capitalise-market-depression-face-hurdle-sceptical-club-owners

130 https://offthepitch.com/a/minority-stakeholder-dortmund-lyon-and-ajax-earnings-outlook-football-clubs-remains-positive-long

131 https://offthepitch.com/a/financial-head-head-chelsea-v-burnley

132 https://www.reuters.com/article/us-baseball-newyork-mets-cohen-idUKKBN27M2NN

133 https://offthepitch.com/a/ma-activity-football-largely-hold-due-coronavirus-advisors-believe-long-term-outlook-remains

134 https://www.standard.co.uk/business/manchester-united-juventus-stock-market-value-leaps-by-a-combined-550-million-on-european-super-league-move-b930550.html

Norton Rose Fulbright and Sports Law

Norton Rose Fulbright has a long-standing experience in the global sports sector and have advised clients on sports-related transactions throughout North America, Europe, Asia, Australia and South Africa, covering soccer, rugby, Formula 1, NFL, cricket, ice hockey, tennis and horse racing. We advise on all aspects of sports law, and are particularly strong in the areas of acquisition and disposal of sports franchises, negotiation of sponsorship deals, stadium financings and investigations.

For more details on how we can support your business visit our website.

www.nortonrosefulbright.com/sportslaw

Inside Sports Law

Stay up to date with legal and business developments across the sports sector with our blog, Inside Sports Law. We provide a regular source of commentary and analysis on key sporting topics from around the world.

www.insidesportslaw.com

Contacts

Stephen Rigby
Partner
Tel +44 20 7444 3525
stephen.rigby@nortonrosefulbright.com

Alex Wills
Senior Associate
Tel +44 20 7444 3325
alex.wills@nortonrosefulbright.com

Tom Maturi
Associate
Tel +44 20 7444 3127
tom.maturi@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

Norton Rose Fulbright is a global law firm. We provide the world's preeminent corporations and financial institutions with a full business law service. We have more than 3700 lawyers and other legal staff based in Europe, the United States, Canada, Latin America, Asia, Australia, Africa and the Middle East.

Law around the world

nortonrosefulbright.com

33390_EMEA – 06/21