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Annual Review of
Football Finance

Sports Business Group
June 2014



For more than 20 years the Deloitte Annual Review of Football Finance has documented English professional football's business and commercial performance, set within the context of the regulatory environment and the wider European game.

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Introduction

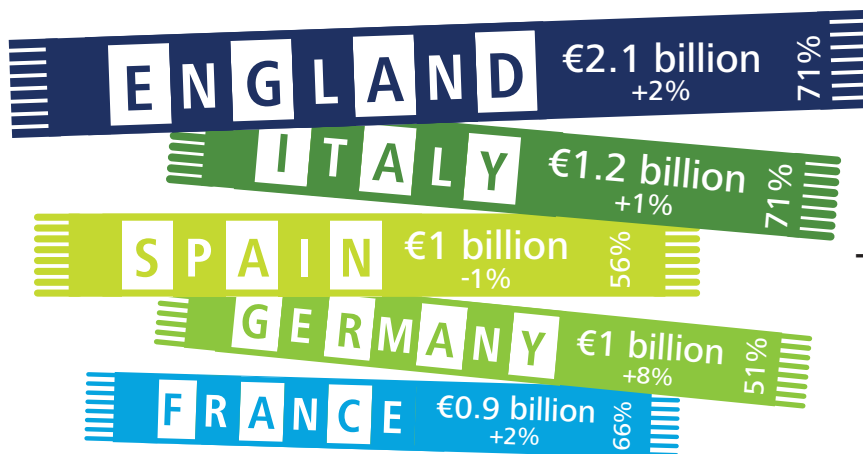
This year's review primarily covers the 2012/13 season, a year of sporting landmarks. It began in the wake of London 2012 when some questioned whether football could, or should, ever regain its dominance in the nation's sporting consciousness. It ended with blanket coverage across all media – whether sport, business or news led – of the departure of Britain's most successful manager, Sir Alex Ferguson.

Highlights

In 2012/13, the cumulative revenue of the 'big five' European leagues grew 5% to €9.8 billion, representing almost half of the overall size of the European football market of €19.9 billion (up 2%).



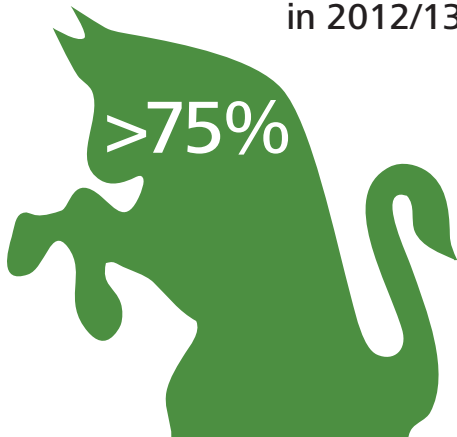
Top division clubs' revenue 2012/13



Top division clubs' total wages and ratio to revenue 2012/13

Much of the growth was at a limited number of eminent clubs.

Juventus accounted for over three quarters of Serie A's €97m revenue growth in 2012/13



Bayern Munich and Borussia Dortmund accounted for over 80% of the Bundesliga's €146m revenue increase in 2012/13

In 2012/13, Paris Saint-Germain accounted for all of Ligue 1's revenue growth; the second consecutive year this has been the case



£2,525m

+7%

**Premier League
clubs' revenue
2012/13**

The Premier League remained, by over €900m, the world leader in revenue terms. The increase in attendance (up 4% to a record average of 35,903) drove an overall uplift in matchday revenue of £34m (6%) to £585m in 2012/13.

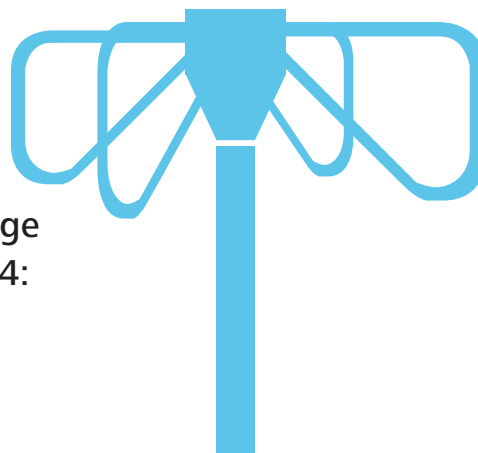
£1.6 billion

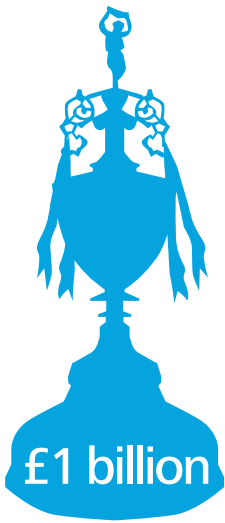
**Premier League
clubs' aggregate
interest free loans
from their owners
at summer
2013**



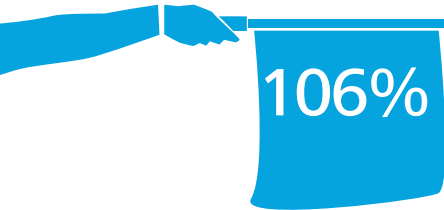
36,695

**Premier League average
attendance in 2013/14:
a new record**





Championship clubs' aggregate net debt at summer 2013 reached £1 billion for the first time



Championship revenue is expected to rebound in 2013/14 by around £40m to around £475m, driven by the increase in the number and value of parachute payments to clubs in the division. Eight Championship clubs were in receipt of such payments in 2013/14 at an average value of c.£18m (2012/13: seven clubs averaging £12m).

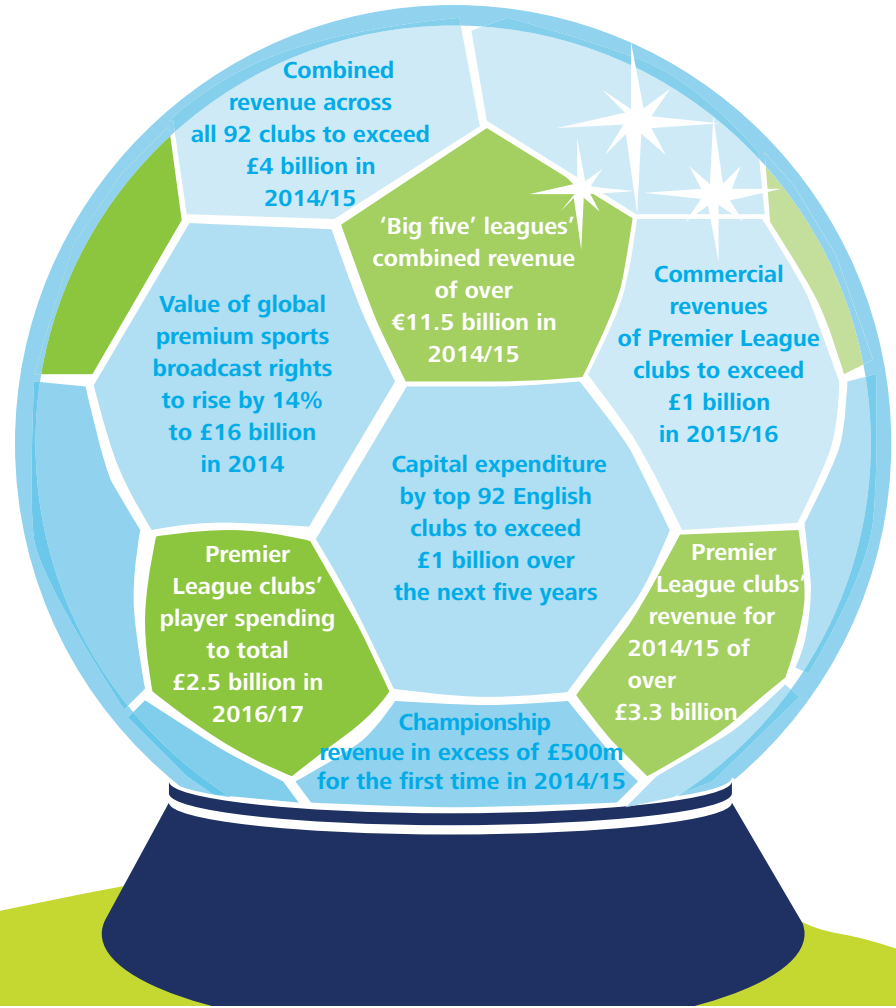
The average wages/revenue ratio for 2012/13 Championship clubs: the highest ever



The average parachute payment received by a Championship club in 2013/14

Sphere of influence

One of football's most appealing and valuable characteristics is its unpredictability, and two decades ago no-one foresaw its current riches. Nonetheless, we offer some hostages to fortune here. We will report back in future editions.



Basis of preparation

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Our review of the financial results and financial position of English football clubs, and comparisons between them, has been based on figures extracted from the latest available company or group statutory financial statements in respect of each club – which were either sent to us by the clubs or obtained from Companies House. In general, if available to us, the figures are extracted from the annual financial statements of the legal entity registered in the United Kingdom which is at, or closest to, the ‘top’ of the ownership structure in respect of each club.

Our review of the financial results and financial position of clubs in various European leagues, and comparisons between them, has been based on figures extracted from the company or group financial statements or from information provided to us by national associations/leagues.

Each club’s financial information has been prepared on the basis of national accounting practices or International Financial Reporting Standards (“IFRS”). The financial results of some clubs have changed, or may in the future change, due to the change in basis of accounting practice. In some cases these changes may be significant.

In relation to estimates and projections, actual results are likely to be different from those projected because events and circumstances frequently do not occur as expected, and those differences may be material. Deloitte can give no assurance as to whether, or how closely, the actual results ultimately achieved will correspond to those projected and no reliance should be placed on such projections.

Availability of financial information regarding football clubs

For the 2012/13 season there were several League 1 and League 2 clubs for which financial statements were not available to us at June 2014.

Divisional totals have been ‘grossed up’ to represent an estimate of the full divisional total for comparison purposes (from year to year or between divisions). Where necessary, the aggregate divisional totals for European leagues have been ‘grossed up’ in a similar manner.

Limitations of published information

In some cases we have made adjustments to a club’s figures to enable, in our view, a more meaningful comparison of the football business on a club by club basis and over time. For example, where information was available to us, significant non-football activities or capital transactions have been excluded from revenue.

Some differences between clubs, or over time, are due to different commercial arrangements and how the transactions are recorded in the financial statements; or due to different ways in which accounting practice is applied such that the same type of transaction might be recorded in different ways.

The publication contains a variety of information derived from publicly available or other direct sources, other than financial statements. We have not performed any verification work or audited any of the financial information contained in the financial statements or other sources in respect of each club for the purpose of this publication.

The aggregated results shown in this publication for the clubs in the top four divisions of English football are not a true consolidation exercise because transactions between clubs, such as the transfer of player registrations, are not eliminated.

Wage costs

The published financial statements of clubs rarely split wage costs between playing staff and other staff. Therefore, the great majority of references in this publication to wages relate to the total wage costs for a club/division, including playing and non-playing staff.

Exchange rates

For the purpose of our international analysis and comparisons we have converted all figures into euros using the closing exchange rate at 30 June 2013 (£1 = €1.1668).

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