

WE CARE ABOUT FOOTBALL



The European Club Footballing Landscape  
BENCHMARKING REPORT 2009 CLUB LICENSING

## Foreword



We extend a warm welcome to readers of the second club licensing benchmarking report, which continues the work of placing club football (and the club licensing system that applies to club football) in context.

Football continues to reinforce its role as the premier sport in Europe as indicated by an increase in match attendances compared to previous years. On the commercial and financial side it continues to consolidate the growth shown in recent years, reaching levels never attained before. However in terms of cost control and financial stability several clubs, competing in the top divisions of many national associations, continue to report poor financial performances with a negative impact on profitability.

Reliance on debt to finance operating activities has reached in some cases worrying levels raising concerns over the medium and long term wealth of several clubs especially in the light of the current global economic crisis.

In this context it is very important that the UEFA club licensing system is reinforced and implemented consistently across Europe raising the level of professionalism in club management and ensuring financial stability and fair play in the long term. The promotion of transparency by the development of benchmarking for clubs in financial, sporting, legal, personnel, administrative and infrastructure-related criteria throughout Europe has thus become an important objective of the club licensing system. This report allows clubs and national associations to be compared and provides the widest ever published picture of European club football.

All this would have not been possible without the precious contribution of our member associations to whom we extend our thanks.

We hope you will find this edition informative and useful.

A stylized, handwritten signature in gold ink, which appears to read 'Platini'. The signature is fluid and elegant, with a long, sweeping underline.


Michel Platini  
President of UEFA



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## Mobilising information



Under the UEFA club licensing system clubs are required to prepare and submit independently audited financial accounts as well as numerous other documents on infrastructure, sporting, administrative, legal & financial areas. The CLS benchmarking project\* encourages licensors to mobilise this information and enable structured feedback to the participating clubs as well as allowing licensors to identify the most comparable and hence appropriate countries with which to share best practice and approaches. This annual report includes just a visible selection of this information, structured to give an overall picture of European club football. A greater body of information suitable for more tailored analysis will be available to licensors through the football family database. Here you will find that the UEFA administration has complemented information collected through club licensing with other data sources available at UEFA as well as visual aids such as a data-linked UEFA map better allowing comparisons to be displayed.

### Objectives of benchmarking project

- Provide contextual information to enable better informed interaction between national / international stakeholders (e.g. clubs, leagues, players, media, supporters, government or municipal authorities, UEFA etc.).
- Demonstrate transparency in European club licensing and encourage transparency in the wider world of football.
- Underline the positive contributions of club licensing, beyond its basic regulatory nature.
- Help national bodies to understand or confirm inherent differences and similarities that exist between member associations and their club football.
- Allow governing bodies and leagues to place the financial and structural development of their club football in the context of general football trends, in particular those countries with similar profiles.
- Provide information in benchmark categories that may help in identifying areas of relative weakness or underperformance.

Footnotes: \* Benchmarking of club data is specified as one of the objectives of the UEFA club licensing system - Article 2 (g) of the UEFA club licensing regulations;



## Context of report

This report does not profile individual football clubs but sets out 'the European Club Footballing Landscape' using representative maps, charts and tables to paint a picture of professional football across Europe. Discussions surrounding football and analysis performed on football tend to rely on anecdotal evidence and estimates based on partial information. Concrete reliable information in the football world is hard to find apart from results, attendances, team lists and league tables and this is particularly true for financial information. The tone of the report is deliberately neutral, presenting facts rather than opinions.

This report is structured in a similar way to the first report issued last year and is divided in five chapters.

- The first presents a broad update on the club licensing system and the recent licensing results. It explains the scope of the report, the use of peer groups, and the approach taken when presenting analysis.
- The second chapter presents a general non financial profile of European club football: some of the underlying structural differences between countries; an overview of club legal forms, structures and ownership; stadium and training facility ownership; - the number of teams, average attendances and attendance trends of leagues across Europe, and; the number of coaching convention endorsed coaches.
- Chapter 3 presents a financial profile of European club football income: 2007 Income & growth across Europe; income split (broadcasting, advertising & sponsorship, gate receipts, and other income), and; the balance of income between and within divisions.
- Chapter 4 presents the other side of the coin, a financial profile of European club football costs and profitability: 2007 employee costs and other operating costs and trends; the impact of transfer activity on club financial results, and; operating and bottom-line net profitability.
- Chapter 5 finishes the financial profile by looking at the balance sheets of European football clubs: assets; debts and other liabilities, and; capitalisation.

## Information sources and approach

This report has been based on on-line surveys and data templates completed by club licensing managers in over 50 associations. The financial analyses is based on audited financial statements from over 600 clubs with club by club analysis covering roughly 80% of all top division clubs. This represents by far the widest scope of any financial report yet produced on football. A full list of sources and the scope for each analyses is included in the appendices.

The production of this report, without any additional requirements or workload for clubs, has been made possible only by the strong commitment and support from the national licensing managers and financial experts. Indeed whilst UEFA has produced this report, the content and structure of the report has been developed with input from many of these licensing managers and financial experts who formed the benchmarking working group.

# Highlights

English

French

German

Russian











**38**

The number of member associations that have implemented licensing of clubs at national level in addition to UEFA club competitions.

**25%**

The increase in number of licences refused with the introduction of new stricter licensing requirements for 2008/09. Overall 20% of all applications were refused.

**45%**

The number of top division clubs organized under the form of associations, not for profit organisations or equivalents.

**55%**

The proportion of clubs that lease or rent their stadium from municipal or state authorities.

**33%**

The proportion of clubs directly owning their principal training facilities.

**69%**

Proportion of European top divisions reporting attendance growth between 2006 & 2007.

**€11.0 Billion**

The reported income of the 733 European top division clubs in 2007.

**€11.2 Billion**

The reported costs of the 733 European top division clubs in 2007.

**629**

The number of clubs applying for a license to enter UEFA club competitions in 2008/09.

**23**

The number of domestic championships that have changed size in the last 5 years. In total the number of top division teams has increased from 707 to 733, the increases mainly in Eastern Europe.

**54%**

The proportion of European top division clubs with majority controlling owner.

**21**

The number of countries (equivalent to 42%) where more than 1 top division club owns their stadium.

**100 Million+**

Reported attendances at top division European domestic championship matches in 2007/08.

**160'000**

Approximately the number of coaches that have so far obtained coaching diploma's within the umbrella of the coaching convention.

**9%**

The increase in European top division club income reported from 2006 to 2007.

**68%**

The share of European top division income generated by the 63 TOP clubs with over €50m reported annual income.

**2%**

The average percentage of total income from broadcast for twenty two lowest income divisions.

**83%**

The correlation between UEFA club competition country ranking and the average income of those clubs.

**57%**

The average ratio of employee costs to income for clubs across Europe. An estimated 45% of all income was paid to playing staff.

**53%**

On the one hand, the percentage of clubs reporting at least financial break-even in 2007.

**4**

The number of countries that did not have a club report significant losses (>20%+ of income) in the year, 48 other countries had at least one such club.

**15-30%**

The % share of balance sheet assets attributable to players, most common among larger divisions.

**1 in 4**

The proportion of larger clubs [219 clubs > €5m income] reporting negative equity.

**3.5x**

The typical multiple of income enjoyed by the four largest clubs in each country compared to the other clubs in their domestic championship.

**35%+**

The percentage of total income from broadcast for each of the five largest income divisions.

**575**

The number of financial statements on which the club-by-club financial analysis is based. Including aggregate club figures over 84% of all top division clubs are included.

**60**

The number of clubs whose employee cost to income ratio exceeded 100%. A further 110 clubs in sample had a ratio exceeding 70%.

**23%**

On the other hand, the percentage of clubs reporting significant losses equivalent to more than 20% of annual income in 2007.

**25%**

The number of TOP income clubs [>€50m] reporting net profits from transfer activity, compared to more than half MID and SMALL clubs.

**1 in 3**

The proportion of all clubs reporting negative equity in balance sheet (debts greater than assets).

**1 in 5**

The proportion of all clubs with high negative equity level in excess of 50% of total reported assets.



**38**

Nombre d'associations membres qui ont introduit l'octroi de licence aux clubs au niveau national en plus des compétitions interclubs de l'UEFA.

**25 %**

Augmentation du nombre de licences refusées suite à l'introduction des nouvelles exigences plus strictes pour 2008/09. En tout, 20 % des demandes ont été refusées.

**45 %**

Nombre de clubs de première division organisés sous forme d'association, d'organisation à but non lucratif ou sous une autre forme similaire.

**55 %**

Proportion de clubs qui louent leur stade aux autorités municipales ou nationales.

**33 %**

Proportion de clubs directement propriétaires de leurs principales installations d'entraînement.

**69 %**

Proportion de premières divisions européennes faisant état d'une affluence croissante entre 2006 et 2007.

**EUR 11,0 milliards**

Revenu déclaré des 733 clubs européens de première division en 2007.

**EUR 11,2 milliards**

Frais déclarés des 733 clubs européens de première division en 2007.

**629**

Nombre de clubs qui ont demandé une licence pour participer aux compétitions interclubs de l'UEFA lors de la saison 2008/09.

**23**

Nombre de championnats nationaux qui ont changé de taille au cours des 5 dernières années. Au total, les équipes de première division sont passées de 707 à 733, principalement en Europe de l'Est.

**54 %**

Proportion des clubs européens de première division dont le propriétaire détient le contrôle majoritaire.

**21**

Nombre de pays (soit 42 %) où plus d'un club de première division est propriétaire de son stade.

**> 100 millions**

Affluence rapportée lors des matches de championnat national de première division en Europe lors de la saison 2007/08.

**160 000**

Nombre approximatif d'entraîneurs ayant obtenu leur diplôme dans le cadre de la Convention des entraîneurs.

**9 %**

Hausse du revenu déclaré des clubs européens de première division entre 2006 et 2007.

Part du revenu de la première division européenne générée par les 63 grands clubs ayant un revenu annuel déclaré de plus de EUR 50 millions.	68 %	3,5	Multiple caractéristique du revenu qui s'applique aux quatre plus grands clubs du pays en comparaison avec les autres clubs du championnat national.
Pourcentage moyen du revenu total provenant de la diffusion pour les 22 divisions disposant des revenus les moins élevés.	2 %	> 35 %	Pourcentage du revenu total provenant de la diffusion pour les cinq divisions disposant des revenus les plus élevés.
Pourcentage de corrélation entre la place occupée par une association au sein du classement des compétitions interclubs de l'UEFA et le revenu moyen de ses clubs.	83 %	575	Nombre d'états financiers sur lesquels porte l'analyse financière individuelle des clubs, y compris les chiffres totaux présentés par 84 % de tous les clubs de première division.
Ratio moyen dépenses-revenus de personnel pour les clubs européens, sachant que 45 % des revenus ont été versés aux joueurs/joueuses.	57 %	60	Nombre de clubs dont le ratio dépenses-revenus de personnel dépasse 100 %, sachant que 110 autres clubs de l'échantillon ont présenté un ratio dépassant 70 %.
Clubs ayant terminé l'année 2007 au moins en équilibre financier contre.	53 %	23 %	Clubs ayant enregistré en 2007 des pertes significatives correspondant à plus de 20 % de leurs revenus annuels.
Nombre de pays dont aucun club n'a enregistré de pertes significatives (> 20 % des revenus) au cours de l'année, 48 autres pays ayant au moins un club dans cette situation.	4	25 %	Nombre de clubs aux revenus les plus élevés (> EUR 50 millions) qui ont enregistré des bénéfices nets résultant d'activités de transfert (contre plus de la moitié pour les petits et moyens clubs).
Pourcentage des actifs du bilan concernant les joueurs/joueuses, qu'on retrouve le plus souvent dans des divisions de grande taille.	15-30 %	1/3	Proportion de clubs qui ont présenté des fonds propres négatifs au bilan (passifs supérieurs aux actifs).
Proportion de grands clubs (219 clubs disposant de revenus supérieurs à EUR 5 millions) qui ont présenté des fonds propres négatifs.	1/4	1/5	Proportion de clubs qui ont présenté des fonds propres négatifs dépassant les 50 % du total des actifs déclarés.



**38**

Anzahl Mitgliedsverbände, die neben der Lizenzierung für die UEFA-Klubwettbewerbe auch eine Lizenz für die nationalen Wettbewerbe eingeführt haben.

**25 %**

Anstieg bei den abgelehnten Lizenzanträgen mit Einführung der neuen, strengeren Anforderungen für die Spielzeit 2008/09. Insgesamt wurden 20 % aller Lizenzanträge abgelehnt.

**45 %**

Anteil der Erstligaklubs, die rechtlich als Verein und nicht als gewinnorientiertes Unternehmen oder Ähnliches organisiert sind.

**55 %**

Anteil der Klubs, die ein städtisches oder staatseigenes Stadion mieten.

**33 %**

Anteil der Klubs, denen ihre Haupttrainingsanlagen selbst gehören.

**69 %**

Anteil der europäischen Topligen, die zwischen 2006 und 2007 einen Anstieg der Besucherzahlen vermeldeten.

**EUR 11,0 Mrd.**

Ausgewiesene Einnahmen der 733 europäischen Erstligaklubs im Jahr 2007.

**EUR 11,2 Mrd.**

Ausgewiesene Kosten der 733 europäischen Erstligaklubs im Jahr 2007.

**629**

Anzahl Klubs, die eine Lizenz für die UEFA-Klubwettbewerbe 2008/09 beantragt haben.

**23**

Anzahl nationaler Topligen, die in den vergangenen fünf Jahren ihre Grösse geändert haben. Insgesamt ist die Zahl der Mannschaften von 707 auf 733 gestiegen, wobei Erweiterungen hauptsächlich in Osteuropa zu verzeichnen waren.

**54 %**

Anteil der europäischen Erstligaklubs, die über einen Mehrheitseigner verfügen.

**21**

Anzahl Verbände, in denen mehr als ein Erstligaklub Eigentümer seines Stadions ist (entspricht 42 %).

**> 100 Millionen**

Gesamtbesucherzahl bei europäischen Erstligaspielen der Spielzeit 2007/08.

**160 000**

Ungefähre Anzahl Trainer, die bisher ein Trainerdiplom im Rahmen der Trainerkonvention erworben haben.

**9 %**

Ausgewiesener Anstieg bei den Einnahmen der europäischen Erstligaklubs zwischen 2006 und 2007.

**68 %**

Anteil an den Einnahmen in den Topligen in ganz Europa, der von den 63 finanzstärksten Klubs mit Jahreseinnahmen von über EUR 50 Mio. erzielt wurde.

**2 %**

Durchschnittlicher Anteil der TV-Verträge an den Gesamteinnahmen der 22 Ligen mit den geringsten Einnahmen.

**83 %**

Übereinstimmung zwischen der Verbandskoeffizientenrangliste für die UEFA-Klubwettbewerbe und dem Durchschnittseinkommen der Klubs der jeweiligen Verbände.

**57 %**

Durchschnittliches Verhältnis der Kosten für Angestellte zu den Einnahmen der Klubs in ganz Europa. Geschätzte 45 % der Gesamteinnahmen wurden für Spielergehälter verwendet.

**53 %**

Anteil der Klubs, die 2007 zumindest eine schwarze Null schrieben.

**4**

Anzahl Verbände, in denen 2007 kein Klub beträchtliche Verluste (von über 20 % der Jahreseinnahmen und mehr) auswies. In den 48 anderen Verbänden war dies bei mindestens einem Klub der Fall.

**15-30 %**

Anteil des Postens „Spieler“ an den in der Bilanz ausgewiesenen Vermögenswerten, insbesondere in grösseren Ligen.

**1/4**

Anteil der grösseren Klubs (gerechnet auf die 219 Klubs mit Jahreseinnahmen von über EUR 5 Mio.) mit negativem Eigenkapital.

**3,5 x**

Üblicher Faktor bezüglich der Mehreinnahmen der vier grössten Klubs eines Verbands gegenüber den übrigen Erstligaklubs.

**> 35 %**

Anteil der TV-Verträge an den Gesamteinnahmen der fünf Ligen mit den höchsten Einnahmen.

**575**

Anzahl Abschlüsse, die der Finanzanalyse der einzelnen Klubs insgesamt zugrunde liegen. Einschliesslich kumulierter Zahlen von über 84 % aller Erstligaklubs.

**60**

Anzahl Klubs, bei denen die Kosten für Angestellte 100 % der Einnahmen überschritten. Bei weiteren 110 Klubs der Stichprobe lag das Verhältnis bei über 70 %.

**23 %**

Anteil der Klubs, die 2007 beträchtliche Verluste von über 20 % der Jahreseinnahmen auswiesen.

**25 %**

Anteil an den finanzstärksten Klubs (mit Jahreseinnahmen von über EUR 50 Mio.), die Nettogewinne aus Transfergeschäften auswiesen; gegenüber mehr als 50 % bei den mittleren und kleinen Klubs.

**1/3**

Anteil der Klubs, die in der Bilanz negatives Eigenkapital (d.h. mehr Schulden als Vermögenswerte) auswiesen, gerechnet auf alle Klubs.

**1/5**

Anteil der Klubs mit negativem Eigenkapital von über 50 % der ausgewiesenen Gesamtsumme der Vermögenswerte, gerechnet auf alle Klubs.

**38**

Количество ассоциаций-членов, которые в дополнение к клубным соревнованиям УЕФА внедрили систему лицензирования клубов на национальном уровне.

**25%**

Рост числа отказов в предоставлении лицензий вследствие введения новых, более жестких требований выдачи лицензий на 2008/09 гг. 20% от общего числа поданных заявок были отклонены.

**45%**

Количество клубов высшего дивизиона, учрежденных в качестве ассоциаций, некоммерческих организаций или аналогичных структур.

**55%**

Доля клубов, которые берут в лизинг или арендуют свои стадионы у муниципальных или государственных властей.

**33%**

Доля клубов, напрямую владеющих своим главным тренировочным центром.

**69%**

Пропорция европейских высших дивизионов, заявивших о росте посещаемости матчей между 2006 и 2007 гг.

**11 млрд. евро**

Доход 733 европейских клубов высшего дивизиона в 2007 г. согласно полученным данным.

**11,2 млрд. евро**

Расходы 733 европейских клубов высшего дивизиона в 2007 г. согласно полученным данным.

**629**

Количество клубов, подавших заявку на лицензию для допуска к участию в клубных соревнованиях УЕФА в 2008/09 гг.

**23**

Количество внутренних чемпионатов, в которых за последние 5 лет изменилась численность участвующих команд. В общей сложности число команд высших дивизионов возросло с 707 до 733; подобное увеличение числа команд имело место преимущественно в Восточной Европе.

**54%**

Доля европейских клубов высшего дивизиона, владелец которых обладает мажоритарным контролем.

**21**

Число стран (что соответствует 42%), в которых более одного клуба высшего дивизиона является владельцем своего стадиона.

**100 млн.+**

Посещаемость матчей внутренних европейских чемпионатов в 2007/08 гг. согласно полученным данным.

**160 тыс.**

Приблизительное количество тренеров, получивших тренерские дипломы под эгидой тренерской конвенции.

**9%**

Рост дохода европейских клубов высшего дивизиона с 2006 по 2007 г. согласно полученным данным.



68%

Доля в доходе европейских клубов высшего дивизиона, принадлежащая 63 самым прибыльным клубам с зарегистрированным годовым доходом свыше 50 млн. евро.

2%

Средняя доля валового дохода от трансляции 22 дивизионов с самым низким уровнем доходов.

83%

Соотношение между рейтингом страны в клубных соревнованиях УЕФА и средним уровнем дохода данных клубов.

57%

Среднее соотношение расходов на рабочую силу и доходов клубов по всей Европе. Около 45% всего дохода идет на выплаты игрокам.

53%

С одной стороны, это процент клубов, заявивших о получении в 2007 г. по меньшей мере нулевой прибыли.

4

Число стран, в которых ни один из клубов не заявил о значительных убытках (>20%+ от дохода) за тот год; в 48 других странах имелся по меньшей мере один такой клуб.

15-30%

Самая распространенная среди более крупных дивизионов относимая к игрокам процентная доля балансовой стоимости активов.

1 из 4

Доля более крупных клубов [219 клубов > 5 млн. евро дохода], заявивших об отрицательном собственном капитале.

3,5x

Типичный коэффициент дохода, полученного четырьмя самыми крупными клубами каждой страны, по сравнению с другими клубами, участвующими в их внутренних чемпионатах.

35%+

Процент валового дохода от трансляции каждого из пяти дивизионов с самым высоким уровнем дохода.

575

Количество финансовых отчетов, на которых основывается финансовый анализ деятельности отдельных клубов. Сюда входят совокупные клубные показатели более 84% всех клубов высшего дивизиона.

60

Количество клубов, в которых соотношение расходов на рабочую силу и доходов превысило 100%. Еще в 110 клубах в выборке данное соотношение превзошло 70%.

23%

С другой стороны, это процент клубов, заявивших о значительных убытках в 2007 г., соответствующих 20% годового дохода.

25%

Число самых доходных клубов [>50 млн. евро], заявивших о чистой прибыли от трансферов, по сравнению более чем с половиной «средних» и «малых» клубов.

1 из 3

Доля клубов, заявивших в своих балансовых отчетах об отрицательном собственном капитале (долги превышают стоимость активов).

1 из 5

Доля клубов, уровень отрицательного капитала которых составляет более 50% их зарегистрированных суммарных активов.







# 1

## Club Licensing Profile & Report Scope

How widespread across Europe is the licensing of clubs?

How many clubs applied and were granted a licence to enter UEFA competitions?

How many clubs does the report cover?



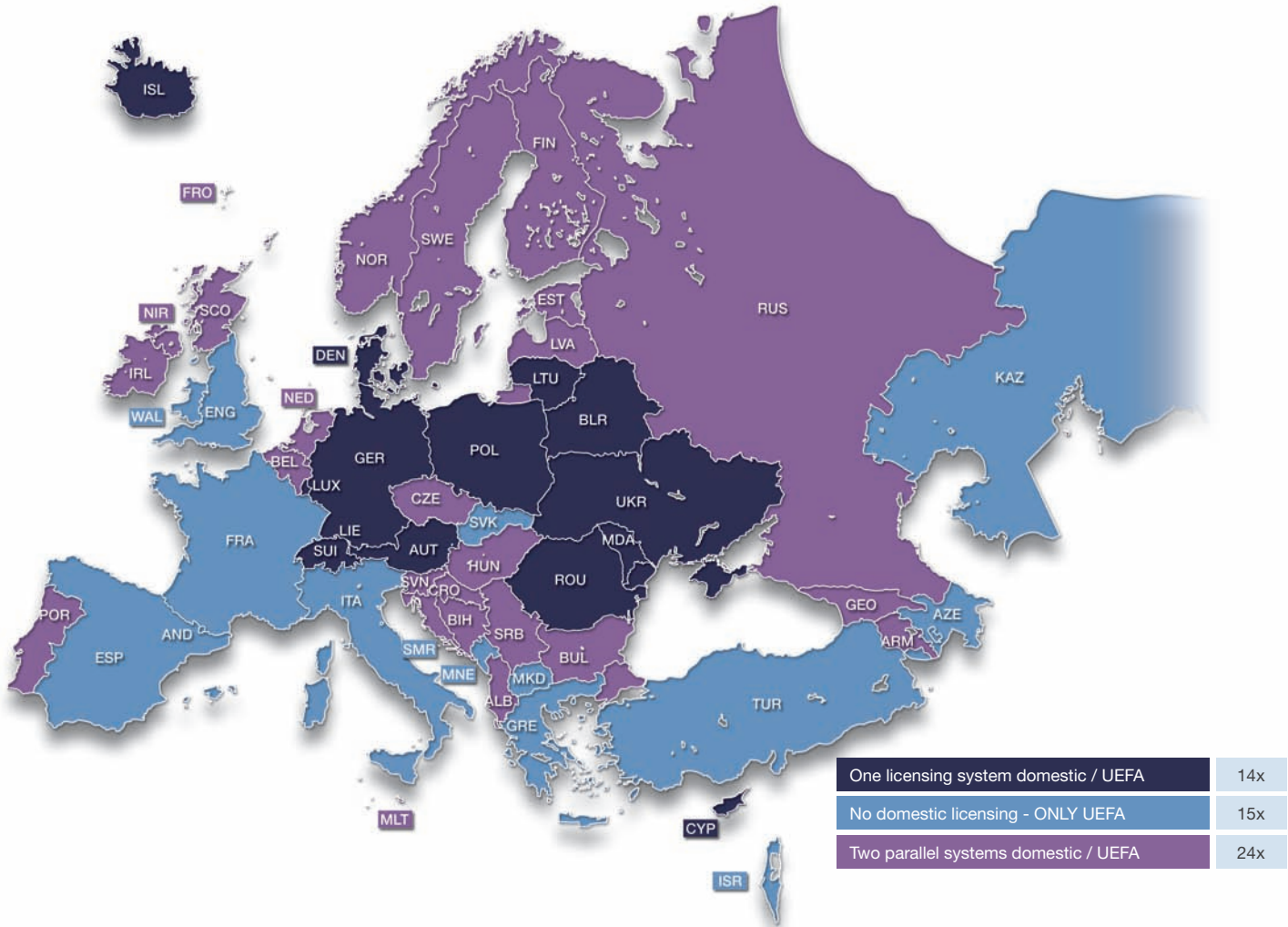
# 1. How widespread across Europe is the licensing of clubs?

The criteria to be fulfilled by the clubs for domestic purposes may be identical to the ones to be fulfilled for entering the UEFA competitions (in such case we speak about one single licensing system), or may differ from the criteria required to enter the UEFA competitions (we speak in this case of two parallel licensing systems).

The term ‘licensing system’ refers to multiple criteria categories\*. In UEFA’s case Sporting, Infrastructure, Personnel & Administrative, and Legal, as well as Financial criteria. To note that France, Israel and Italy, have implemented financial monitoring on clubs for the admission to national competitions.

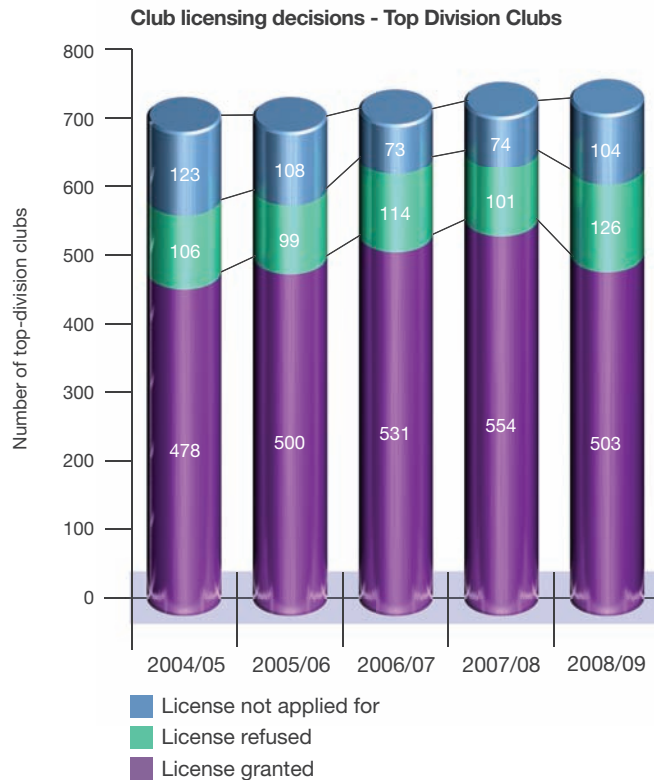
Clubs of all 53 member associations require a license to enter UEFA club competitions.

In the 2008/09 season 72% of all member associations implemented a licensing system for entering domestic competitions, in addition to UEFA club competitions.



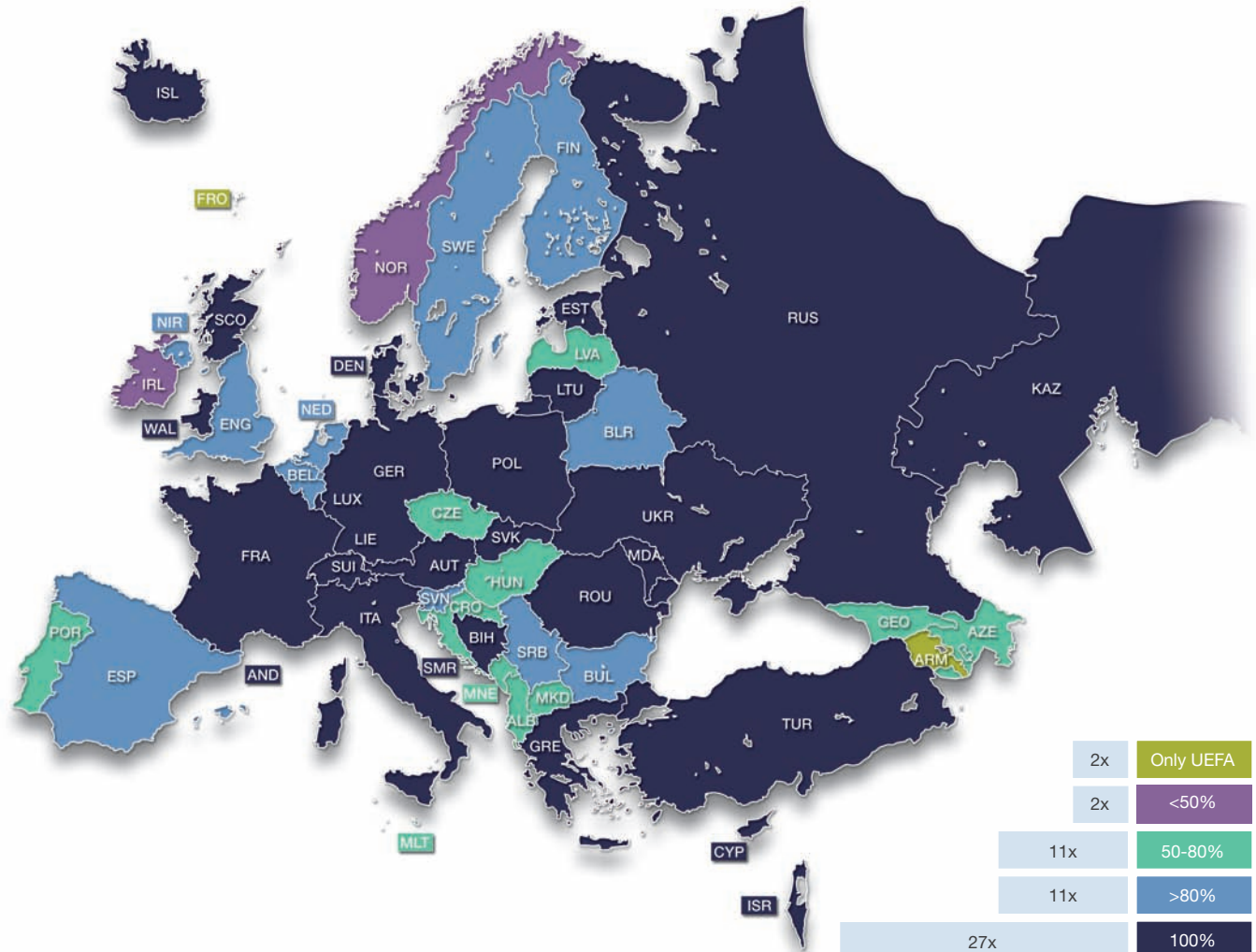
Footnotes: \* The UEFA licensing system is explained in more detail in the publication “Here to Stay” released in print and on-line by UEFA in 2007.

## 2. How many clubs applied & were granted a licence to enter UEFA competitions?



629 clubs playing in the top divisions of all 53 national associations applied for a licence for entering UEFA competitions in the 2008/09 season. In 38 associations more than 80% of all clubs applied for a licence.

503 (80%) clubs were granted with a licence by their national association while 126 (20%) were refused a licence (101 or 15% in season 2007/08) – clear evidence of the difficulties in meeting the stricter financial criteria implemented for the first time last season.



% teams in top division that underwent UEFA licence (2008/09 UEFA season) & frequency



### 3. How many clubs does the report cover?

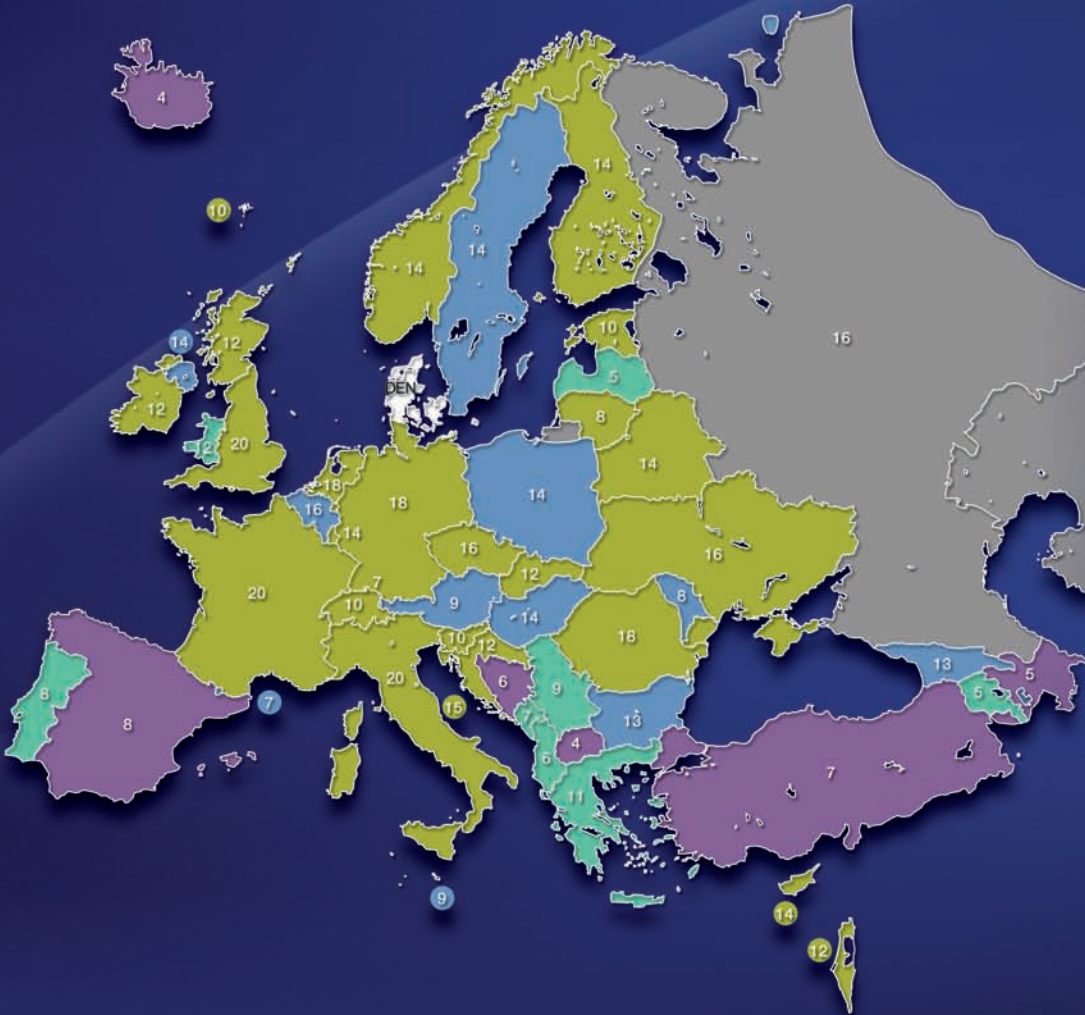
% and number of clubs covered\*\* in financial analyses:



The unique participation to the club licensing system (86% of all clubs participating in the European top divisions\*) provides the national associations and UEFA the opportunity to collect a huge amount of non-financial and financial information.

The map on this page indicates the unique extent of this report which includes basic income and cost data\* from the 2007 financial statements covering **618 top division clubs from 52 national associations**. Of this total, club-by-club information is included for 575 top division clubs.

This allows the opportunity for increased transparency the length and breadth of Europe, from the large divisions and their globally recognised clubs to smaller amateur clubs playing in the smaller national associations.



Footnotes: \*Covered is defined as providing at least all the following information: Total income; personnel & other costs; transfer activity; operating & net profit. Some additional data is available for certain p&l analyses (eg income & net equity known for 19 ESP clubs but other figures only available for the 8 UEFA Qualified clubs as indicated on map). Data for ENG clubs taken from Deloitte report - Annual review of football finance May 2008.

\*\* The two divisions shaded grey (KAZ & RUS) provided figures in aggregate rather than club by club form.





# 2

## Sporting profile of European club football

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**What is the most common size and structure of top divisions?**

**What changes have taken place recently in domestic top divisions and is there a trend?**

**Which are the most common legal forms for clubs?**

**Which is the most common ownership profile of clubs?**

**What proportion of clubs own their stadium and training facilities?**

**How many fans attend domestic championship matches across Europe?**

**Are attendances going up or down across Europe?**

**How many coaches have obtained UEFA recognised coaching qualifications?**

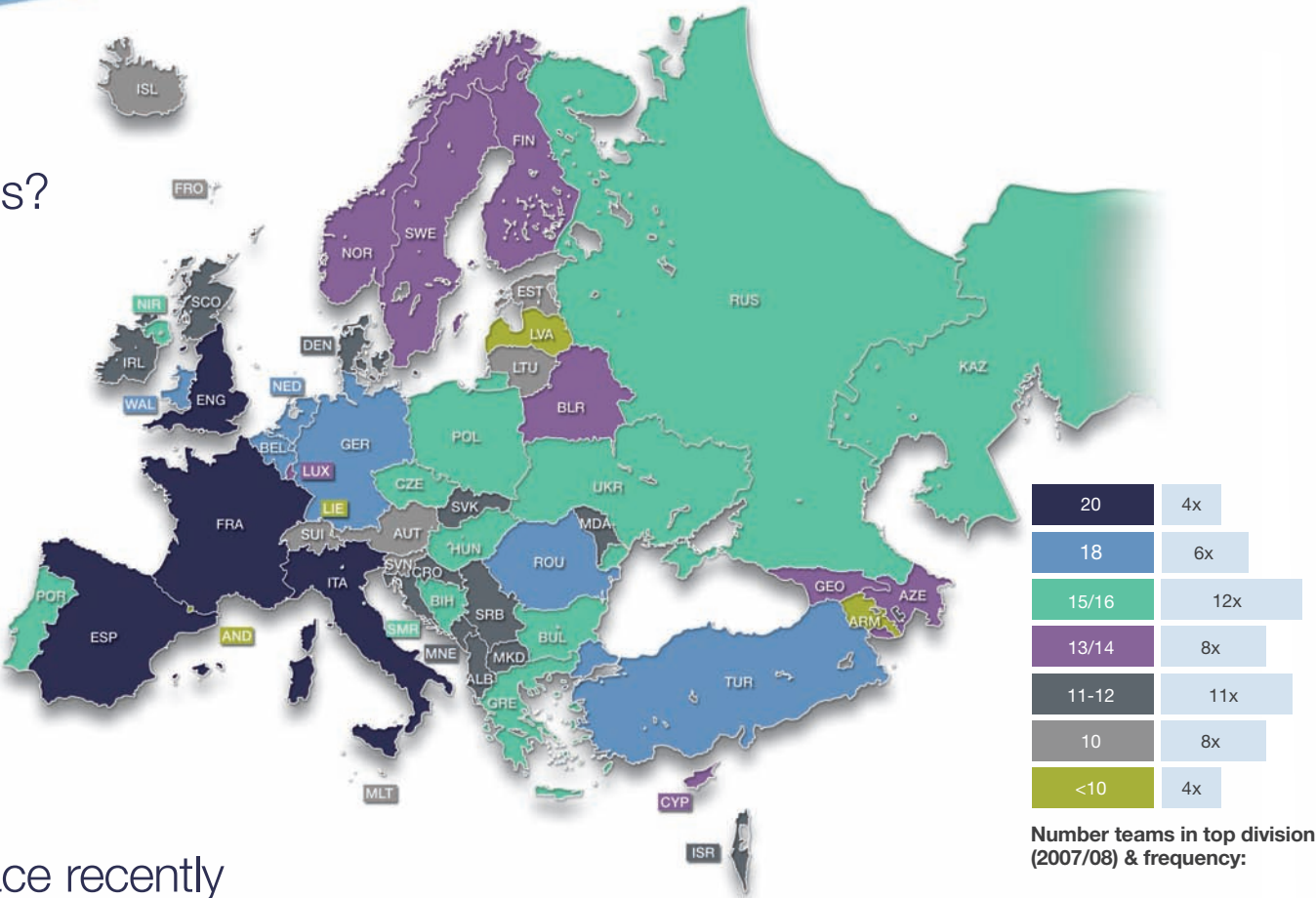




#### 4. What is the most common size and structure of top divisions?

European top divisions range from 8 to 20 teams with **16 teams being the most frequent structure** (12) closely followed by 12 team divisions (11). Size of population is clearly a major factor in determining how many teams the top division can support. In addition commercial preferences and the history of top divisions can play a role.

Championship Structures have developed in recent years. However **the traditional 2 rounds played home and away is still the most common structure**. Alternatives include SCO, DEN, LVA, SMR & SVK where the division splits into lower and upper sections for a further round of games and NED where play-off matches are used at the end of the season – a format common in many other sports. Commercial as well as sporting and scheduling issues influence the chosen structure.



#### 5. What changes have taken place recently in domestic top divisions and is there a trend?

**In the 5 year period of licensing, the number of teams competing in the top divisions has risen from 707 to 733 and changed in 23 associations.** The upwards trend in division size has mainly been in the East with many smaller and newer championships' growing. Elsewhere traditional large western European divisions are more stable and in some cases have reduced (POR, IRL, NIR).

- HUN:** Increased from 12 (2003/04) to 16 (2004/05)

**ITA:** Increased from 18 (2003/04) to 20 (2004/05)

**ALB:** Increased from 10 (2005/06) to 12 (2006/07)

**LUX:** Increased from 12 (2005/06) to 14 (2006/07)

**LTU:** Increased from 8 (2005/06) to 10 (2006/07)

**MDA:** Increased from 8 (2005/06) to 10 (2006/07) to 11 (2007/08)

**ROU:** Increased from 16 (2005/06) to 18 (2006/07)

**POL:** Increased from 14 (2004/05) to 16 (2005/06)
- SVK:** Increased from 10 (2005/06) to 12 (2006/07)

**AZE:** Increased from 13 (2006/07) to 14 (2007/08)

**LVA:** Increased from 8 to 10 from 2008 season

**CRO:** Plan to increase from 12 to 16 in 2009/10, subject to enough clubs receiving licenses

**SVN:** Reduced from 12 (2004/05) to 10 (2005/06)

**POR:** Reduced from 18 (2005/06) to 16 (2006/07)

**SRB:** Reduced from 16 (2005/06) to 12 clubs (2006/07) after MNE league of 12 clubs introduced
- NIR:** Reduced from 16 to 12 in 2008/09

**IRL:** Increased from 12 in 2005 but plan to return to 10 in 2009

**GEO:** Changes regularly (9x since 1991 formation) but increased from 10 in 2004/06 to 16 in 2005/06 to 14 in 2006/07 and reduced to 11 in 2008/09

A further 4 leagues fluctuated +/-, in some cases due to licensing issues

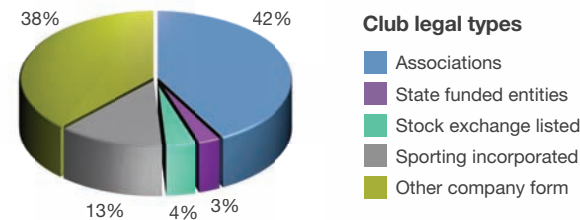
Footnotes: \* Liechtenstein is shaded gold although a domestic championship is not run. The national cup determines the UCUP qualifying places.

## 6. Which are the most common legal forms for clubs?

For licensing purposes the legal form adopted by football clubs is not relevant. Clubs are organized differently throughout Europe, depending on statutory regulations, national laws or on their specific business opportunities.

In some circumstances clubs are part of a bigger group managing also non football activities. In this respect the understanding of the group structure becomes key for a correct analysis of the club's financial situation.

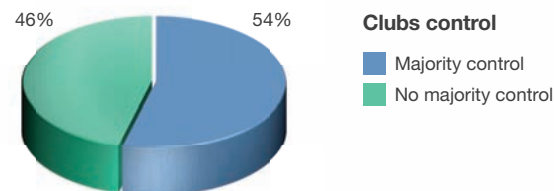
In some associations it is common that clubs are multi sport associations running other national popular sporting activities (basketball, volleyball, hockey, etc.) alongside football.



The legal forms and structures of clubs are becoming increasingly diverse although the chart to the left covering over 700 clubs summarises the types in use\*. **Clubs are most commonly organized under the form of associations (42%), frequently as incorporated companies (38%)** and in some cases as stock exchange listed (4%), state owned (3%) or as specifically defined sporting incorporated companies (13%).

## 7. Which is the most common ownership profile of clubs?

The ownership of clubs is rarely out of the news and in many cases lacks transparency. It is however important for governance and this is why the club licensing regulations require clubs to provide their group structure and disclose their ultimate controlling party to licensors.



**The majority 54% of top division clubs in Europe have an owner with majority control.** This is further split as 24% with a single full owner, 30% with majority control but not full ownership, 31% with one or more significant shareholders (5-50%) and finally 15% with widespread ownership (all shareholdings < 5%). Further investigation indicates that the ownership structure was not strongly linked to regions (e.g. west/east/south/north Europe) but that majority control is more common in larger leagues than in smaller leagues.

Footnote: \*As an example of diversity, GER clubs include: Pure associations with/without a supervisory board e.V.; Joint stock companies AG; Private limited companies GmbH; Hybrids with elements of a limited partnership and a joint stock company GmbH & KGaA, including; one stock market listed company.



## 8. What proportion of clubs own their stadium & training facilities?

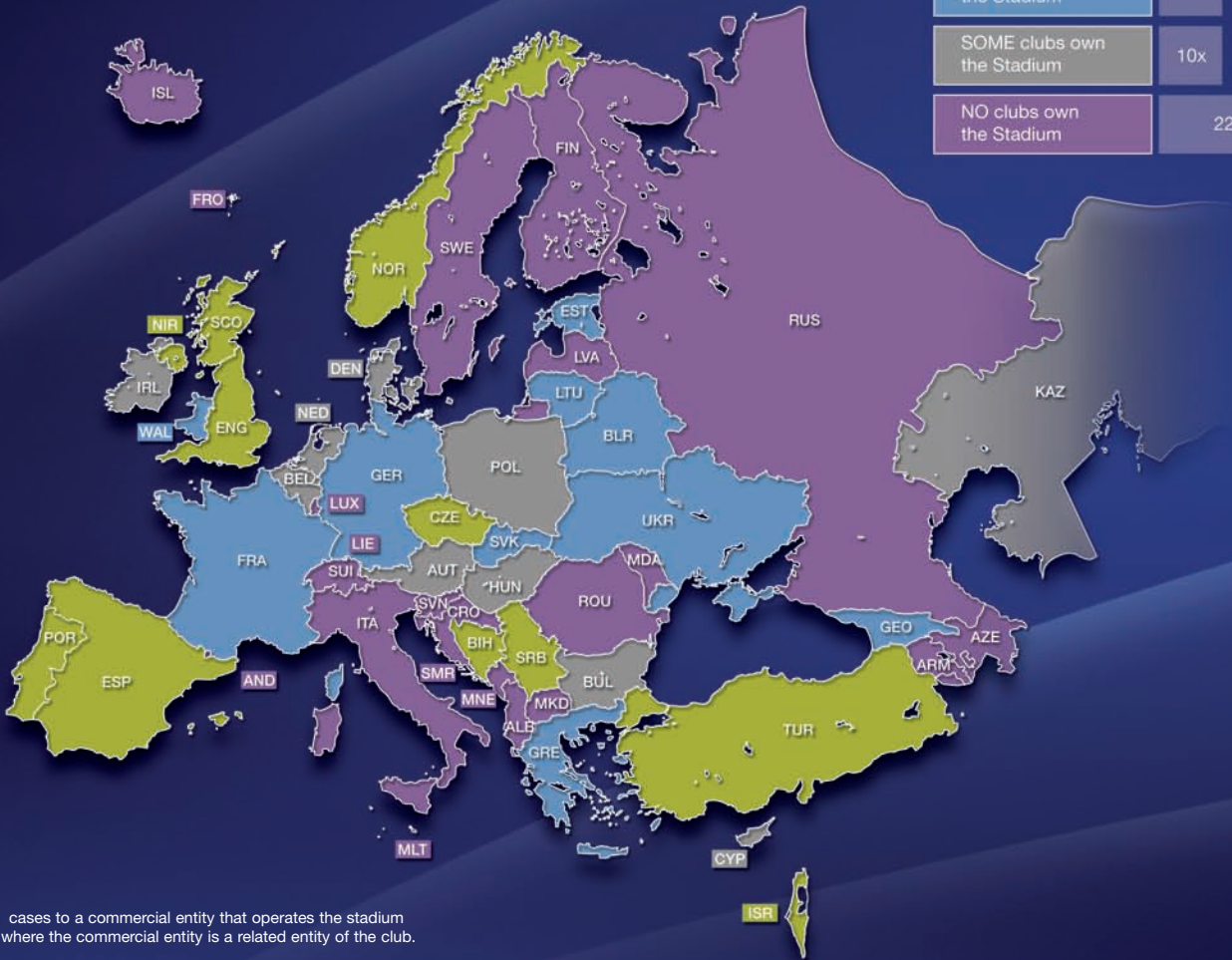
Infrastructure remains one of the five categories of criteria in the club licensing system. The ownership or lease of stadiums and training facilities has a significant impact when analysing club football on a financial level and also at the political level where municipal or state authorities are able to exert more influence in club football in cases where they lease the stadium to the club.

At the financial level, an owned stadium is typically one of the two major assets of a football club and any loans taken to buy, build or develop the stadium are often the major liability. For the profit and loss account, on the revenue side the ownership of the stadium allows clubs to fully exploit commercial opportunities at the stadium, be it retaining all matchday income, fully benefiting from advertising or sponsorship or developing other event based income streams such as conferences or concerts (impacts on revenue stream charts). On the cost side, the difference between stadium ownership (depreciation over typically 30-50 years and interest payments on financing of stadium) and stadium leasing (lease charges) depends on the lease terms available.

Some clubs directly own their stadium and include them on their balance sheet in 31 divisions although separate stadium operating companies with club influence are also common.

Number teams in top division (2007/08) & frequency:

MAJORITY clubs own the Stadium	11x
ONE club own the Stadium	10x
SOME clubs own the Stadium	10x
NO clubs own the Stadium	22x



Footnote: \* 'Contract with other party' refers in most cases to a commercial entity that operates the stadium for football and other activities. There may be cases where the commercial entity is a related entity of the club.



### Stadium ownership

- Stadium ownership
- Contract with municipal or state authorities
- Contract with other party



**Less than 1 in 4 clubs own their stadium whilst 1 in 3 own their main training facilities.**  
Just over half lease/rent from the municipal or state authorities.

### Training facilities ownership

- Training facilities ownership
- Contract with municipal or state authorities
- Contract with other party

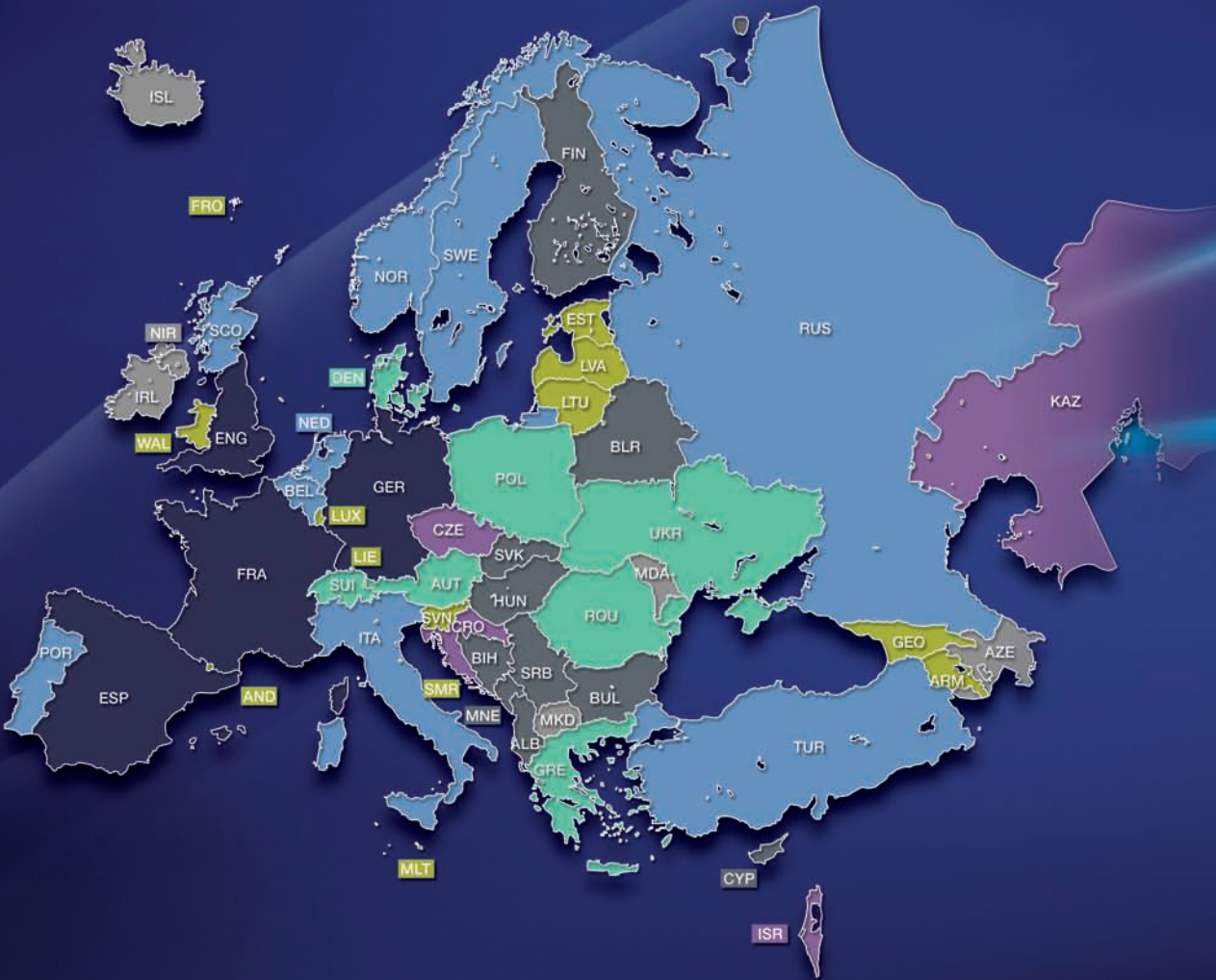


9. How many fans attend domestic championship matches across Europe?

Average match attendance  
in top division (2007)

>20,000	4x
10,000 - 20,000	9x
5,000 - 10,000	7x
3,000 - 5,000	4x
2,000 - 3,000	10x
1,000 - 2,000	6x
<1,000	13x

Average attendances vary from less than 1000 to 40'000.  
Attendances closely correlate to overall club income.







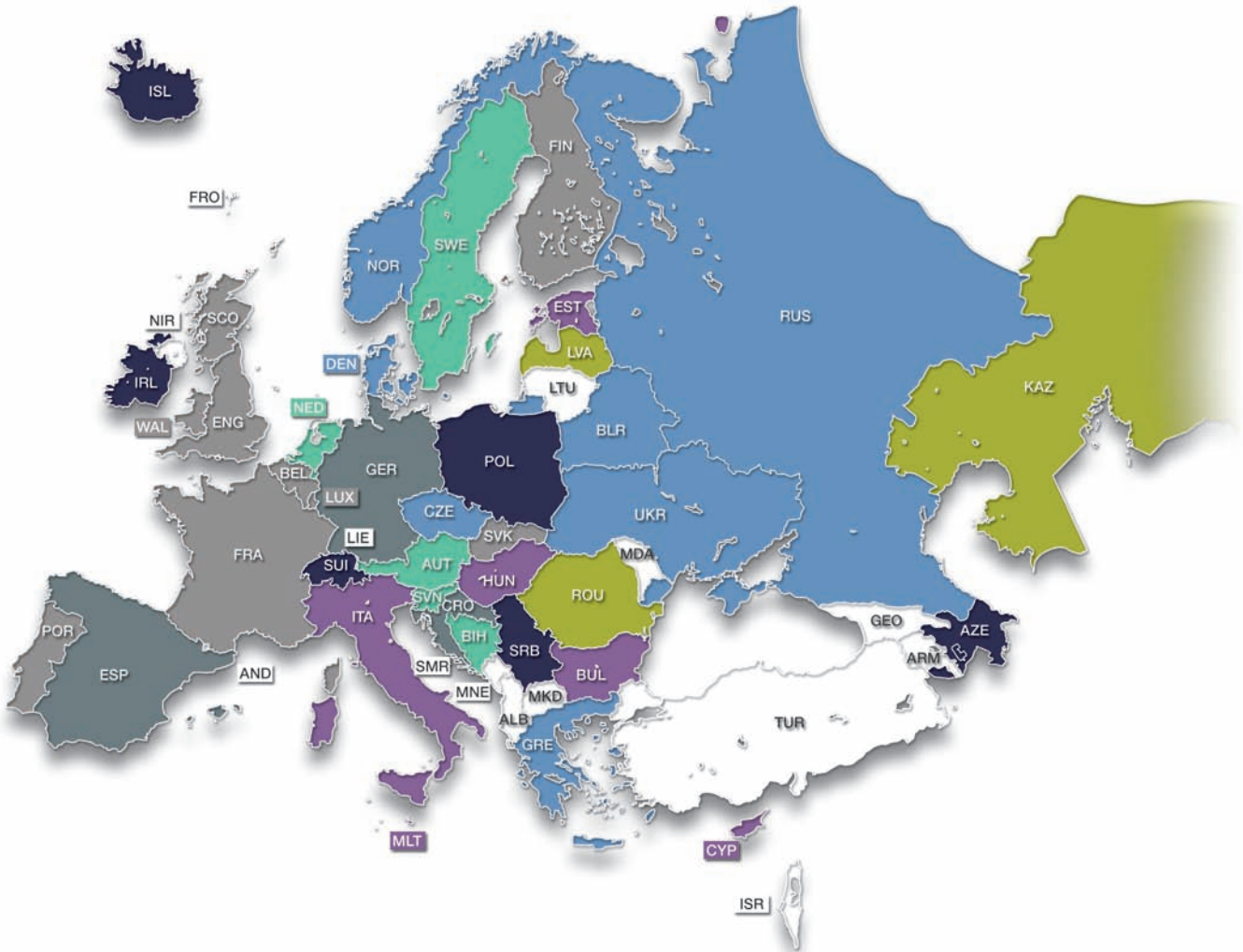


10. Are attendances going up or down across Europe?

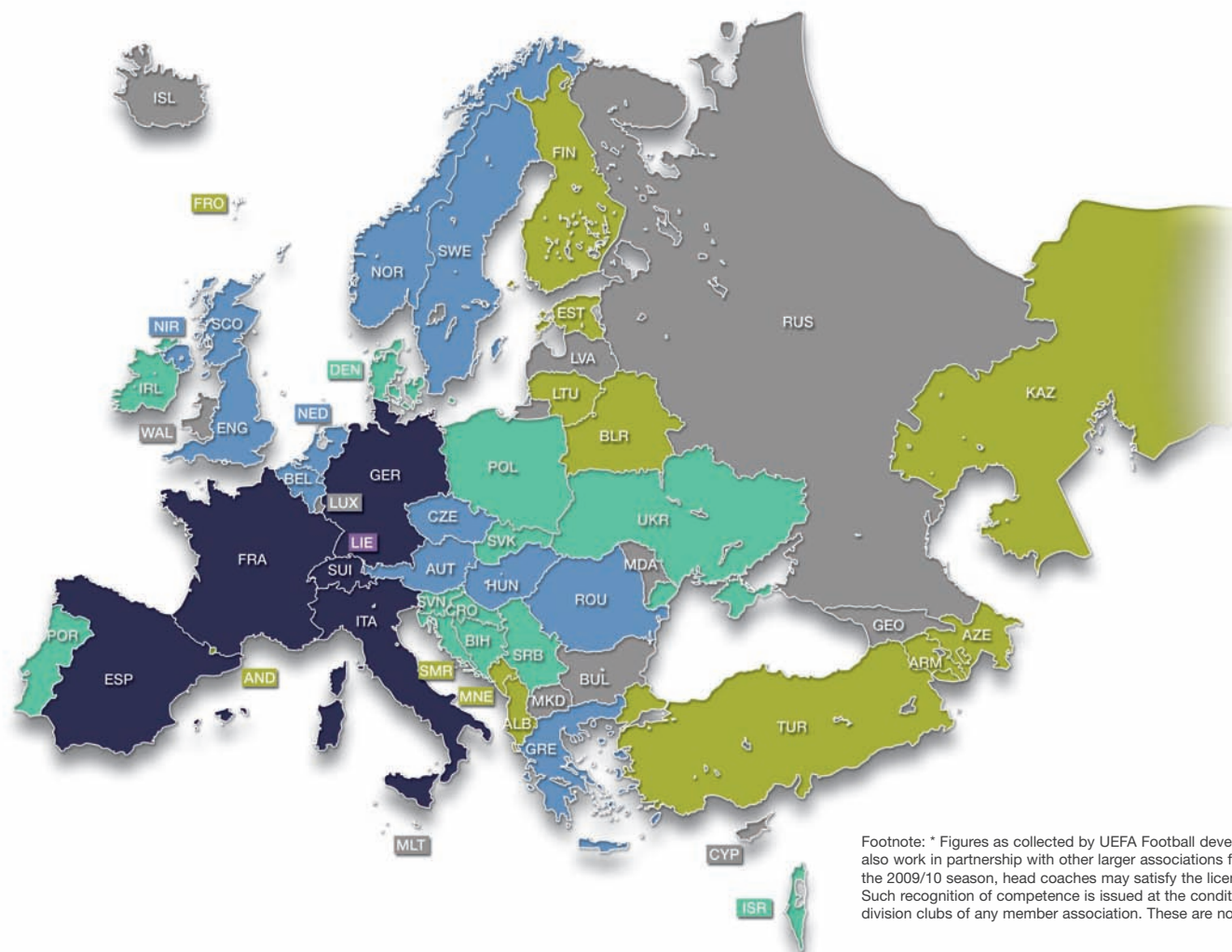
Average match attendance trend  
from 2006 season to 2007 season

>20%+	6x
+10% - 20%+	7x
+3% - 10%+	5x
+0 - 3%	9x
-3% - 0%	3x
-3% - 10%-	3x
>-10%	6x
Unknown	14x

In total league attendances increased by 2% to 101 million. In general attendances are rising, with almost half of countries for which information is available recording 3%+ increases and 69% (27 of 39) recording growth overall.



## 11. How many coaches have obtained UEFA recognised coaching qualifications?



**Number of coaches obtaining UEFA endorsed coaching licenses issued by Dec 2008\*.**

>5,000	5x
1,000 - 5,000	12x
500 - 1,000	11x
100 - 500	11x
< 100	13x
NA partnership**	1x
Total 158'875	

Approximately 160'000 coaches have obtained diploma's within the umbrella of the coaching convention. On 11 December 2008, the 53rd and final member association, MNE, was ratified as joining the coaching convention. The four member associations that reached the PRO level in 2008 brought the total number of member associations at the highest PRO level to 40.

Footnote: \* Figures as collected by UEFA Football development. \*\* LIE coaching courses in partnership with SUI. A number of associations also work in partnership with other larger associations for the more advanced A or PRO licenses (AND, CYP, ISL, SMR). Up to the beginning of the 2009/10 season, head coaches may satisfy the licensing criteria if they have been issued with recognition of competence issued by their NA. Such recognition of competence is issued at the condition that he has a minimum of five years experience as a head coach in any top or 2nd division clubs of any member association. These are not included in figures above.







# 3

## Financial profile of European club football: Income

How can relevant comparisons be made given clubs financial size differences?

How much income did European clubs report last year?

What has been the trend in income from year to year?

How evenly is income spread across the European divisions and clubs?

In which countries is the income most spread between clubs?

How important is TV income beyond the TOP divisions?

How closely are financial resources linked to on-pitch success?

Structure and basis of financial analysis

As already indicated, this report is the most ambitious attempt yet to present the European club football landscape. The approach taken in the non financial section of raising, and attempting to best answer, fundamental questions of interest is continued.

The financial information included in this report derives directly from third party audited financial statements from the financial year 2007 which provides considerable comfort as to the accuracy and completeness of the data\*.

For some analyses it has been possible to collect information covering the full sample of 618 clubs and 52 top divisions, the breakdown of which by division was presented earlier in the scope of the report section. In other cases, the full detail may not be available or considered robust and reliable enough to include in the analysis, in which case a slightly smaller sample of divisions and clubs is used.

Footnotes: \* Despite the use of audited accounts and the specified financial disclosures required for UEFA licensing, accounting frameworks still differ between countries. For football clubs the accounting for registration of players, income recognition from competition participation or commercial contracts and the recording of signing-on bonuses and non salary player benefits are some of the areas where differences can occur. Work on identifying the different application of these main areas continues, but for now no adjustments have been applied. \*\* Reference to 'division' peer groups is used for ease of explanation rather than 'member association clubs' or 'average income of clubs in the top division. For the peer group selection, an estimated average income figure has been used to cover any missing clubs. \*\*\*Average income for clubs belonging to TOP, LARGE, MEDIUM, SMALL and MICRO division is respectively of €50>, €5m-€50m, €1.25-€5m, €350K-€1.25m and <€350K \*\*\*\*Although the selection is based on income rather than sporting performance, in effect most of the clubs that regularly compete in the UCL are included in the 63 clubs that comprise the TOP club peer group, whilst most of the clubs competing in the UCUP are included in the 156 clubs that comprise the LARGE club peer group.

## 12. How can relevant comparisons be made given clubs financial size differences?

There are clearly massive differences in the scale of top divisions as well as individual football clubs and their finances. It is therefore necessary to divide the divisions and the football clubs into smaller groups. To the right is shown the five peer groups [Top, Large, Medium, Small & Micro] that have been created for the purposes of the financial analysis in this report. These country\*\* peer groups are based on the average reported income of clubs within the top division.

Using peer groups firstly enables differences to be identified and highlighted throughout the report and secondly allows more relevant comparisons to be made between countries with similar sized clubs.

For this purpose five comparison peer groups [Top, Large, Medium, Small & Micro] have been created and refer either to divisions or to individual clubs as presented in the table below.

The peer group divisions\*\*refer to all the reporting clubs of a specific national association. Classification is based on the average reported income of clubs within the top division\*\*\*.

The peer group clubs are based on individual club's income regardless of the division they compete in.

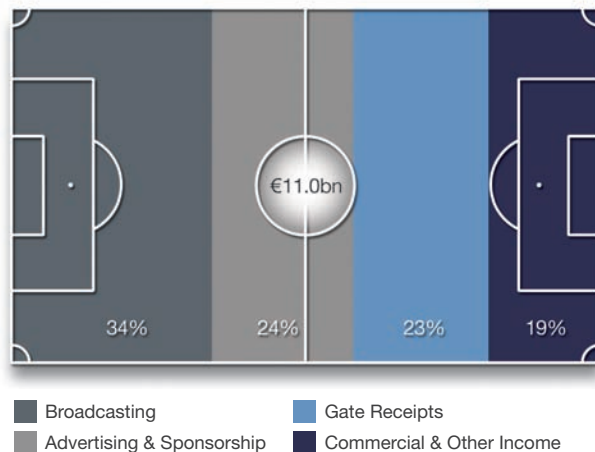
The allocation to peer groups was made where data naturally grouped and although this has led to different sized peer groups, there is considered to be better comparability. In the future the composition of peer groups can change.

PEER GROUP	Peer group members - by divisions	PG Size	by clubs	PG Size
TOP	 ENG ESP FRA GER ITA	5	€50M +	63
LARGE	 AUT BEL GRE NED NOR POR RUS SCO SUI SWE TUR UKR	12	€5M - €50M	156
MED	 BLR BUL CRO CYP CZE FIN ISR KAZ POL SRB ROU SVK SVN	13	€1.25M - €5M	126
SMALL	 AZE BIH HUN IRL ISL LVA LIE LTU LUX NIR	10	€350,000 - €1.25M	109
MICRO	 ALB AND ARM EST FRO GEO MDA MLT MKD MNE SMR WAL	12	< €350,000	132

## 13. How much income did European clubs generate last year?

Firstly, as 'income' is used for many of the financial analyses, we should confirm what we mean by 'income'.

Unless specifically stated, references in the report refer to all income reported in financial statements with the exception of income (or profits) from transfer activity. Transfer activity, which fluctuates considerably, is considered more financing than operating in nature and is therefore analysed separately for its impact on profits. Income should also not be confused with the term 'budget' common in Eastern Europe which looks at the financial resources available to the club including any owners contributions.



The 733 clubs of the top division in each NA are estimated\* to have generated just over €11.0bn income in 2007 excluding transfers. Clubs from second and third divisions, (which generally do not undergo UEFA licensing and are not considered within this report) are estimated, using a sample of clubs financial statements and attendance data, to generate a further €2.5-€3bn.

### Income streams

The introduction this year of the second version of club licensing has allowed UEFA to introduce certain minimum disclosure standards in financial reporting to be met by all clubs seeking a licence. This has increased the potential to make better and more reliable comparisons between clubs within a country and also between countries. In particular clubs are required to split income into different 'income streams' providing an indication of the importance of different income types. Most clubs were not required to do so previously under standard financial reporting requirements which allow all income to be disclosed as one figure. Although income splits do not go as far as the commercial contract level, we nonetheless believe the income stream requirement is an important step to increased transparency of football clubs.

In 2007 broadcasting income contributed 34% of the €11bn total Europe-wide top division income, with advertising & sponsorship 24%, gate receipts 23% and commercial/other income 19%.

The importance of different income streams differs significantly between countries and this is investigated later in this section.

## 14. What has been the trend in income from year to year?

European income increased 9% from 2006\*\* to 2007 significantly outpacing general inflation (EU estimate 2.3%\*\*\*). Over half the divisions for which two years figures are available\*\*\*\* reported income growth of 10%+ underlining the increasingly wide interest in football. Due to their relative size, the main contribution to the 9% growth came from ENG (increased gate receipt income), GER and ESP (improved broadcasting income), these three income streams together represented half the overall growth.

In 2008 further strong growth is expected despite the economic turmoil at the end of the calendar year. The improved ENG broadcast deal (approx. €470m p.a. or 4% of total European income) will be partially offset by the weakening of the £ which lost 15% of its value against the Euro between end of June 2007 and end of June 2008.

Footnotes: \*\*Estimated' because extrapolations used for clubs not in survey (always lower ranked clubs who did not apply for UEFA licence). Estimate accurate to +/-1% as contains 97% actual and 3% extrapolated data. Extrapolations based on average club income outside largest 4 income clubs and manual adjustments where deemed necessary. \*\*2006 top division income was originally stated as €9.8bn in the 2006 report but has been restated as €10.1bn as improved estimates for the missing or partial data were made available in 2007. \*\*\* EU 27 Inflation estimated at 2.3% and GDP growth 2.9%. \*\*\*\* Two years figures available for 40 of the 53 divisions. Source: Data survey responses aggregated from submitted 2007 financial statements for 618 clubs. ENG taken from Deloitte report.



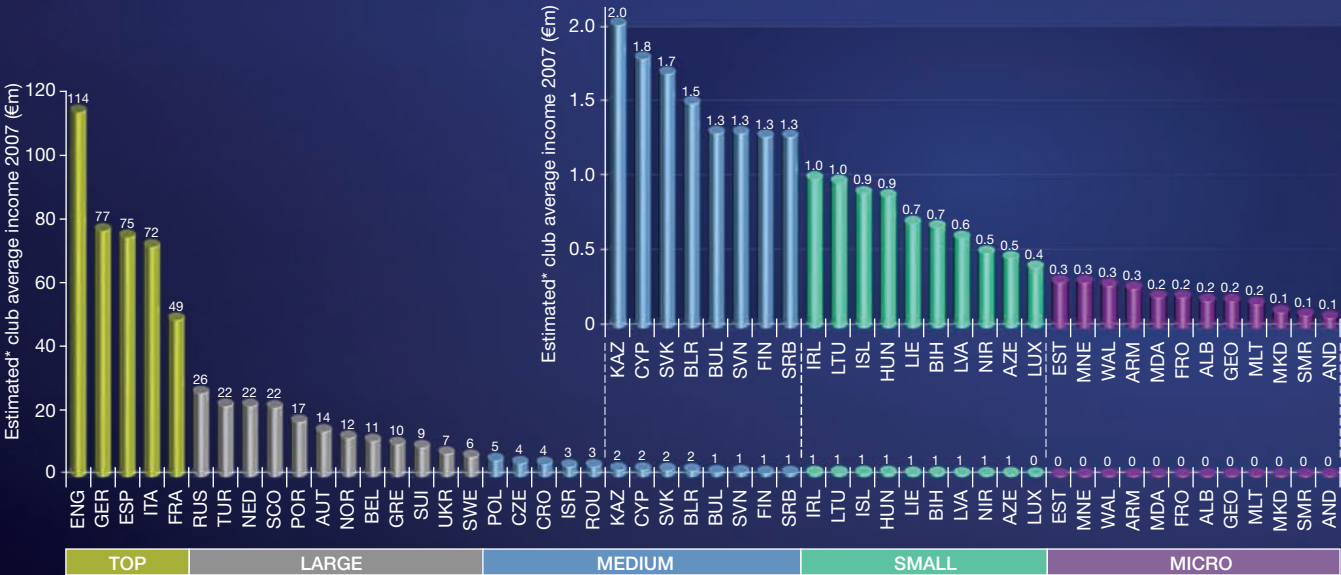
# 15. How evenly is income spread across the European divisions?

A number of factors dictate a club's ability to generate income. For clubs from the TOP & LARGE divisions the split of central revenues (broadcast, sponsorship), participation in European competitions, ownership of stadium, and ability to connect with fan base are key factors. For SMALL & MICRO divisions, other factors are often more relevant including whether the main sponsor supports the club financially through sponsorship contracts or by injecting capital in club. The end result is the same (e.g. wages are covered) but sponsorship contracts are included as income whilst capital injections are not. Differing spending power (national economy) also influences commercial and gate incomes.

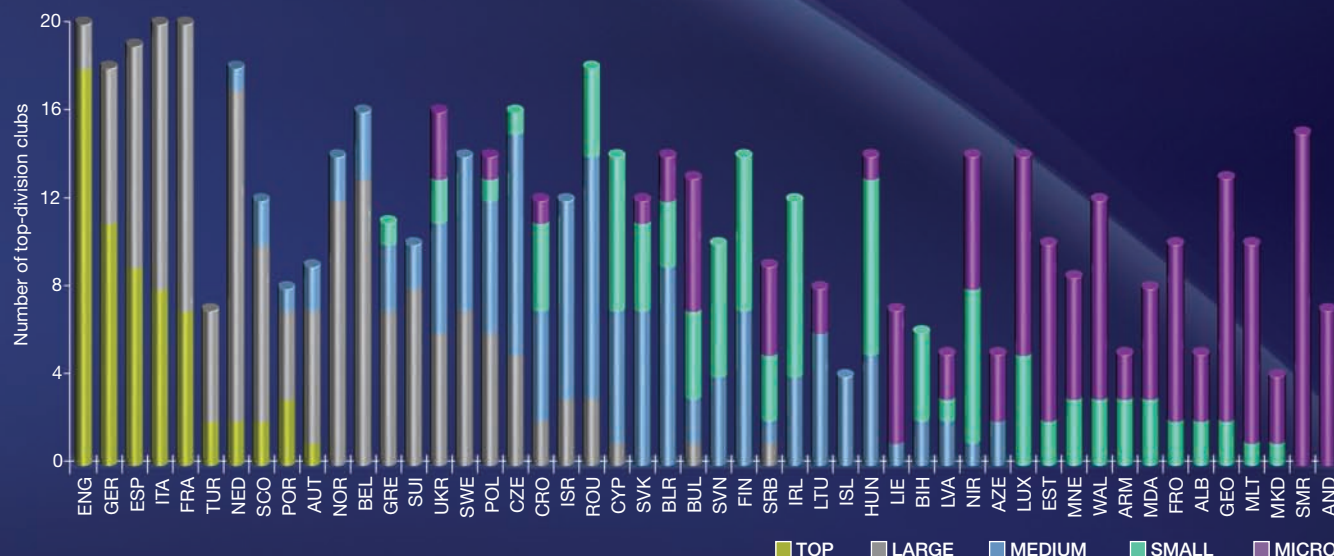
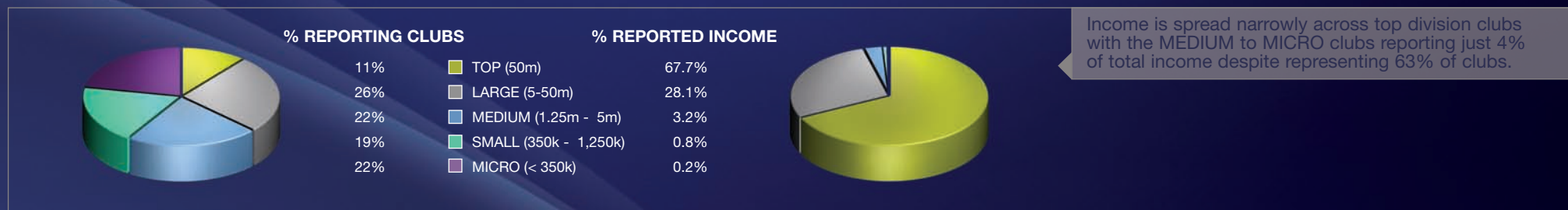
Club income is unevenly spread across the different top divisions. The clubs in the 5 largest income divisions (TOP) represent 13% of the 733 top division clubs but generate 69% of the €11.0bn total for all 53 national associations (up from 68% in 2006).

The average ENG club (€114m income) generates 5x the income of the average RUS/TUR/NED/SCO club which in turn generate at least 5x the income of the average CZE club, the 20th highest earning division.

This underlines the need for using some financial peer groups (introduced in section 1 of this report and colour highlighted here) when trying to make analysis.



\*Estimated\* because extrapolations used for clubs not in survey. Extrapolations based on average club income outside largest 4 income clubs and manual adjustments where deemed necessary.



The column chart provides more detail as to the income profile of the 600+ clubs covered in the report presented by division.

Broadly speaking, the colours indicate how income is spread within divisions. UKR, POL, CRO, BUL & SRB are the only divisions with clubs in four different income peer groups, although most of the LARGE, MEDIUM & SMALL divisions have clubs in 3 different peer groups.

The chart also provides a clearer picture of which divisions the club peer groups are drawn from. For example all the 63 TOP income clubs come from just 10 TOP and LARGE divisions\*. Elsewhere the 156 LARGE clubs are selected from 24 divisions reaching all the way from the TOP to the MEDIUM division peer group, the 126 MEDIUM and 109 SMALL clubs from 31 divisions each, and the 132 MICRO clubs from 26 divisions.

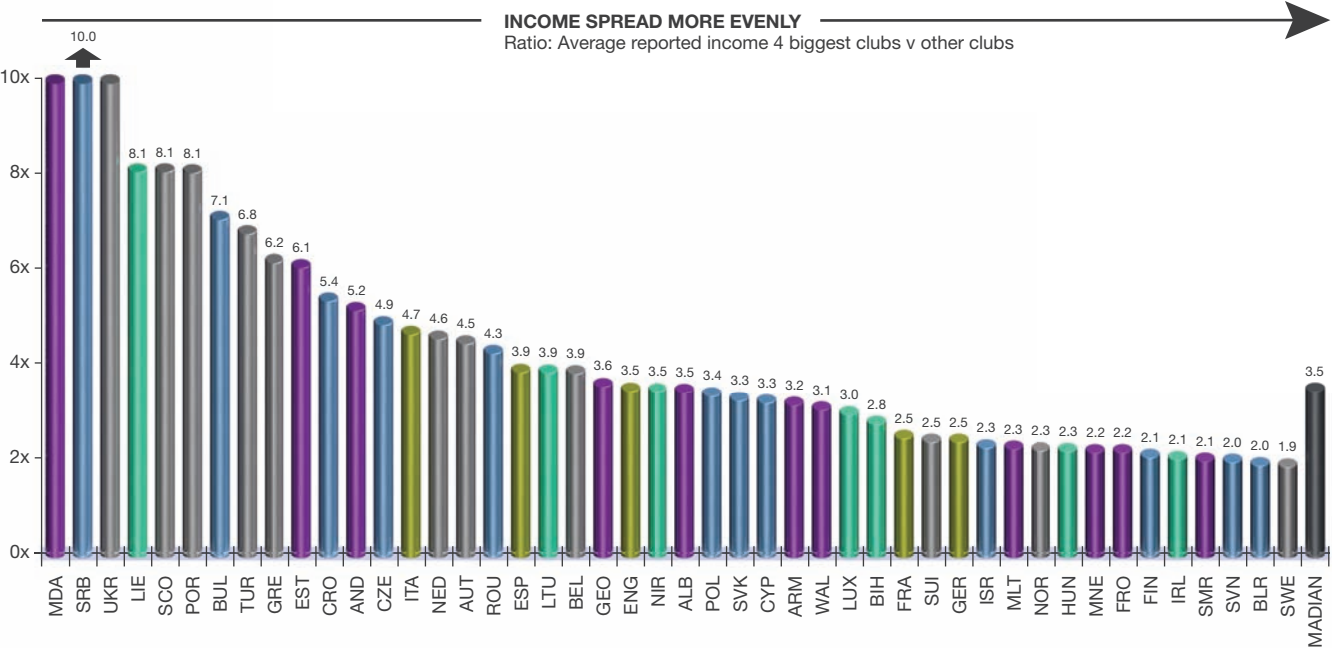
Footnote: \* the 63 TOP clubs reported €6'883m income – Including extrapolations for missing data, these TOP clubs represent 11% of all clubs and an estimated 68% of all income. One or more RUS club may also be in the TOP peer group but club-by-club figures for RUS (and KAZ) were not made available.

## 16. In which country is the income most balanced between clubs?

The next chart further presents income spread within the divisions by comparing the average income of the 4 largest income clubs to the average income of other clubs in each division. The colour of country code indicates their division peer group.

Comparing the top4 to other clubs' income is just one of many measures that can be used to analyse financial balance. A similar measure using personnel costs and transfer activity rather than income can be more relevant where these expenses are covered more by their owner than by generated income. For our purposes income is the most simple base and provides the widest sample of 46 leagues\*.

In 2007 SWE was the most income balanced division with the average top4 club reporting income of less than 2 times the average income of the other clubs in the division. The median\*\* figure was 3.5x. At the other end of the scale this income ratio was more than 10x in MDA, SRB and UKR. From the peer group perspective, the most noticeable tendency is for LARGE divisions (dark grey) to be relatively unbalanced, providing 5 of the 10 most unbalanced leagues. The factors behind this could be studied in next year's report.



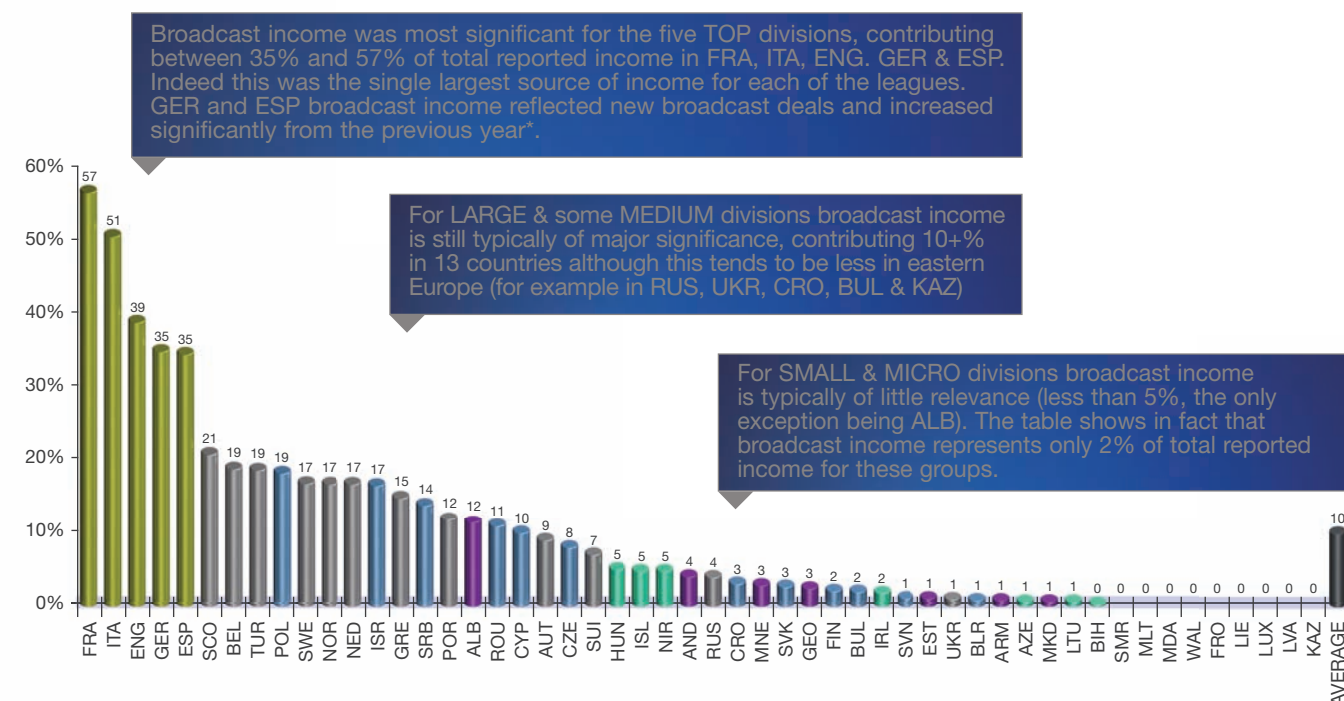
Footnote: \*The top4 v other club analysis covers 46 countries - Excluded are DEN no data; RUS & KAZ no club by club data; AZE, LVA, MKD, ISL not enough non-top4 clubs in sample. Median is the middle figure in a list from top to bottom.



## 17. How important is TV income beyond the TOP divisions?

The significant size of broadcast income from national team matches, UEFA club competitions and the big divisions is widely reported. Broadcast income is a particularly valuable source of income to bottom-line profits as it has less cost attached to it than gate receipt, sponsorship or commercial income. The chart illustrates for all divisions the percentage of overall income coming from broadcasts and the table sets this out by the country and club peer groups.

Broadcast income refers to all types of media but is mainly TV rights. Comparisons of broadcast income are indicative only, since central prize money (generated by TV income) may in some cases be allocated differently between income streams.

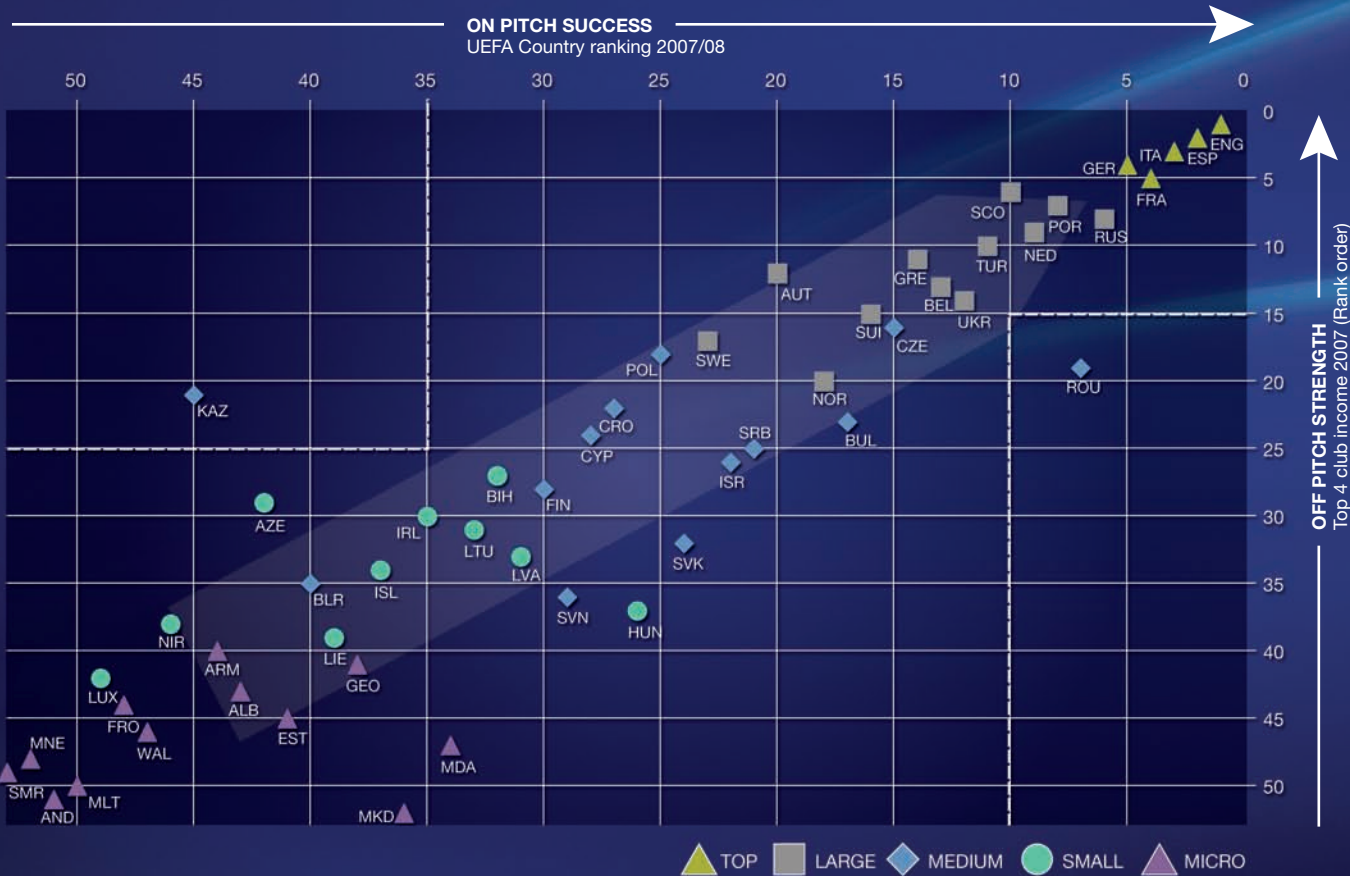


Average** % of reported income from broadcast			
TOP DIVISIONS	43%	TOP CLUBS	35%
LARGE	13%	LARGE	25%
MEDIUM	7%	MEDIUM	11%
SMALL	2%	SMALL	4%
MICRO	2%	MICRO	3%
ALL	10		

Footnotes: \* In next years figures the ENG proportion is expected to increase significantly as the first year of the new broadcast deal will be reflected in the reported 2008 income statements of the ENG clubs. \*\*Average in the country and club peer groups refer to the simple average of the countries in peer group rather than the weighted average of clubs.

## 18. How closely are financial resources linked to on-pitch success?

The chart below ranks each NA for on-pitch success and off-pitch strength in rank order (e.g. between 1 & 53). The off-pitch success is ranked on the performance of each national association's clubs in UEFA competitions (UEFA 5 year country coefficient\*\*) whilst the off-pitch strength is ranked using the average income of the 4 largest clubs\*\*. The chart below ranks each NA for on-pitch success and off-pitch strength in rank order (e.g. between 1 & 53). The off-pitch success is ranked on the performance of each national association's clubs in UEFA competitions (UEFA 5 year country coefficient\*\*) whilst the off-pitch strength is ranked using the average income of the 4 largest clubs\*\*.



To no surprise, the answer is that financial resources are closely linked to on-pitch success.

This is indicated by the diagonal blue arrow showing a close correlation between the 2 rank orders\*\*\*.

By this measure ROU clubs have performed better than expected with the UEFA ranking of 7 and average income ranking of 19. KAZ on the other hand have underperformed although 02/03 was the first season that KAZ clubs competed in Europe and there is an inevitable 'learning period'.

Footnotes: \*UEFA 5 year country coefficient 03/04-07/08 . \*\*The optimal fit would be to compare the income or personnel costs of clubs competing in UEFA competitions, however rank order of clubs linked to financial results was not provided for all the leagues - therefore the 4 largest income clubs have been taken - 4 being the average number of clubs competing in UEFA competitions. The league average was used for RUS & KAZ. \*\*\*The R2 correlation coefficient based on the rank orders is 0.83.





# 4

## Financial profile of European club football: Costs & profitability

What are the underlying objectives of football clubs and financial models used?

What are football clubs major expenses?

Employee costs absorb what proportion of clubs' income?

What is the players share of these employee costs?

What proportion of clubs are loss making?

Who are the financial winners and losers from football's transfer system?





## 19. What are the underlying objectives of football clubs and financial models used?

Despite football clubs often taking the form of a company or group of companies including a small and decreasing number being quoted on stock markets, the maximisation of financial returns (profits) is rarely the main objective of clubs. Club owner's priorities can differ, for example in the relative focus on short or long term and the attitudes to the local community, but generally the *raison d'être* approximates to "Being as successful on the pitch as possible whilst ensuring the continued existence of the club." This is crucial to consider when analysing club costs and when looking at profitability.

Examples of financial models include:

- (i) Club owners covering losses through sponsorship or direct to the balance sheet by donations);
- (ii) Clubs covering losses through transfer activity (selling players for profit);
- (iii) Clubs generating an operating profit or break-even by restricting player salaries to a level that incomes can support, or
- (iv) Club owners allowing losses to build up but covering cash shortages by loans, which may or may not be repaid at a later date.

From 2008/09 UEFA requires each club to provide an audited cashflow statement, split into operating, investing and financing cashflows. The cash flow statement assessed over a number of years probably offers the most reliable way to see in practice which strategy is adopted and a typology of clubs analysed. This analysis will start next year. Nonetheless for now the following traditional income statement analysis can still help analyse the questions raised in this section on costs and profitability.



## 20. What are football clubs major expenses?

In the last section it was explained that v2.0 of club licensing has significantly increased transparency in the reporting of football clubs' income by introducing a requirement for disclosure of the different types of income. Likewise on the cost side, traditional financial reporting requirements often do not provide much visibility on clubs' operating costs. Again UEFA has used club licensing to require certain minimum (which are for some clubs additional) disclosures, such as the separation of transfer activity income & costs from other operating activities. Nonetheless the presentation of operating expenses varies enormously between different countries and legal forms, making comparisons difficult.

In addition it is often up to the clubs to choose how to split operating expenses (sales & marketing, youth football, fixed stadium, variable match day and training costs etc) and whether to split personnel costs by type (e.g. fixed salary, bonus, benefits in kind) and between categories of employee (e.g. player, coaches, administrative staff, directors).

The analysis in this report therefore concentrates on the more comparable high level split between employee costs, other operating costs, specific non operating costs and transfer activity, that is available for all clubs. A more detailed look at operating costs will be made in next years report.



The 733 clubs of the top tier division in each NA are estimated\* to have incurred €11.2bn of expenses in 2007 which compares to €11bn of income. **The particular significance of employee costs for football clubs is highlighted, covering 56% of all costs incurred (and this excludes transfer costs).** Elsewhere specific costs represented 7% (due mainly to a limited number of large clubs' finance costs) and all other operating costs the remaining 37% of the cost base.

**'Employee costs'** include all types of payments (salaries, bonuses, benefits, social taxes, pensions) and cover all employees (players, technical staff, administrative staff etc)

**'Other costs'** include all other operating costs but exclude transfer activity (profit/loss & depreciation\*\* on players)

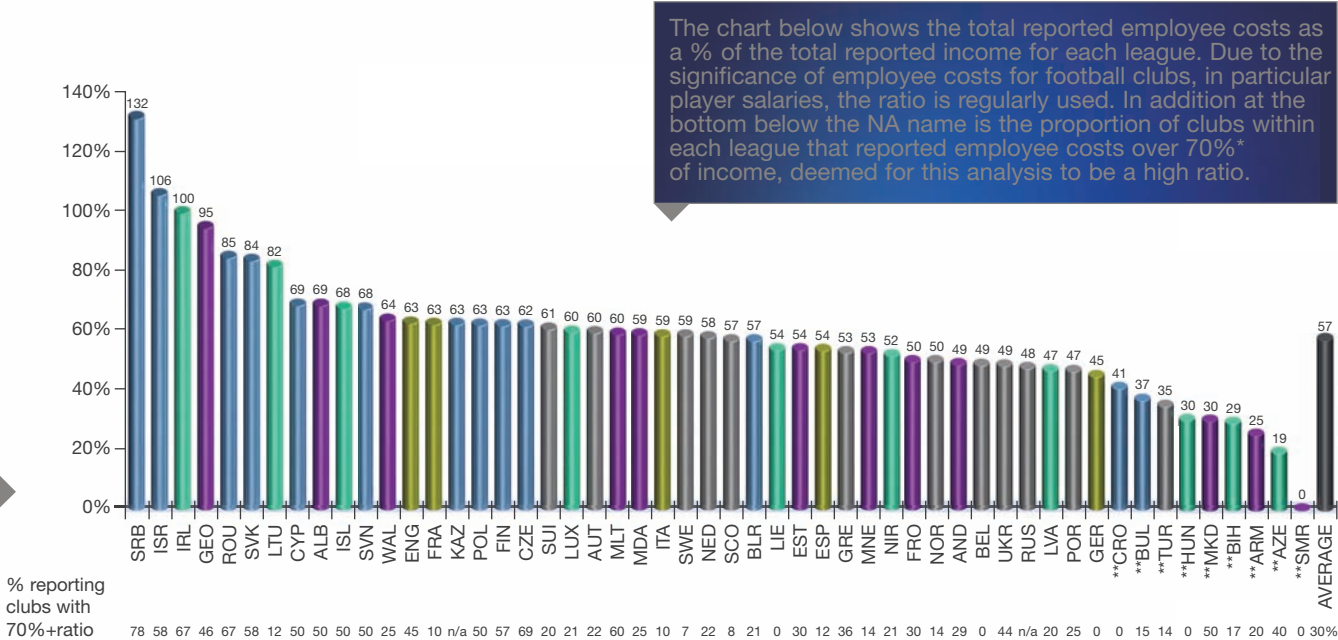
**'Specific costs'** include non operating costs: Finance costs; all non-employee taxes; exceptional costs

Footnotes: \*\*Estimated' because extrapolations used for clubs not in survey (always lower ranked clubs who did not apply for UEFA licence). Estimate accurate to +/-1% as contains 97% actual and 3% extrapolated data. Extrapolations based on average club income outside largest 4 income clubs and manual adjustments where deemed necessary.\*\* In some cases clubs are permitted to expense their transfer costs as soon as the transfer is made, however in most cases the cost of transfer is spread over the contract period.

## 21. Employee costs absorb what proportion of clubs’ income?

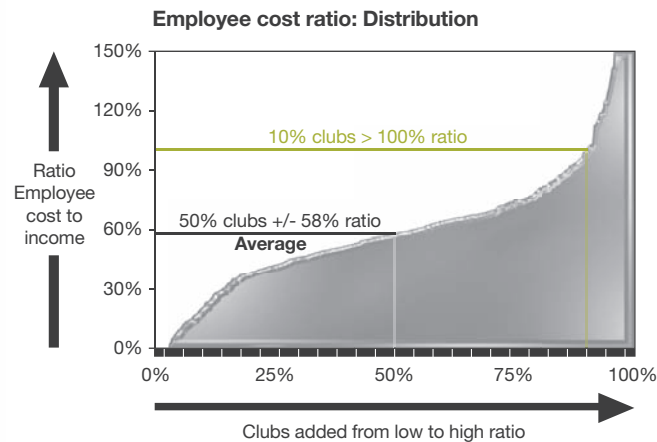
At the bottom end SMR clubs (0%) are run on an amateur basis but for some of the other leagues there are questions as to whether all employee costs are reported as such\*\*. GER has the lowest ratio (45%) compared to the 57% average of the 5 TOP leagues. There is a noted tendency for clubs from larger divisions (TOP & LARGE) to have lower ratios (average 57%) than clubs from MEDIUM (average 71%) or smaller divisions (SMALL & MICRO average 66%).

Although there are 7 divisions where the total ratio is more than 70%, there are in fact 14 divisions where half or more than half of the reporting clubs in that division have employee cost to income ratio's over 70%. These are underlined below the chart. Employee costs take up between 45% and 70% of income for the majority of divisions.



Footnotes: \* As the ratio is purely an indicator and not an exact science, there is no standard definition of what a 'high' employee costs ratio is, we have taken 70% to present by division in the above analysis. \*\* In some cases we suspect that certain types of employee cost (e.g. signing on bonuses) have been reported as other types of expense, hence some of the low club and league ratios (<40%).

## 21. Employee costs absorb what proportion of clubs' income? (continued)



The chart and table shows the distribution of the employee cost ratio by club for 575 reporting clubs. Indeed whilst the aggregate picture was quite clear, the majority of divisions spending between 45-70% of income on employees, at the club-by-club level the true picture is less clear with only 43% of clubs falling within this 45-70% range\*. Half the clubs have a ratio above or below the mid-point 58%. 1 in 10 clubs (60 from sample) reported an alarmingly high ratio of 100%+. At this clearly unsustainable level the size of club income is clearly a factor with 2% of TOP & LARGE clubs paying out more than 100% of income in employee costs compared to 25% of MIDDLE clubs and 15% of SMALL or MICRO clubs.

Proportion of income absorbed by employee costs:		
Ratio	#clubs	Proportion of clubs
<45%	158	28%
45-70%	247	43%
70-100%	110	19%
>100% +	60	10%
Sample size	575	

## 22. What is the players share of these employee costs?

The split of employee costs between players and non-players is available for clubs from 20 leagues and just over 300 clubs. The average proportion is 78% player to 22% non-player costs although there is considerable variation depending on how the club is structured from the lowest FIN/NOR (61/65%) to the highest player share AND (95%). The share of employee costs absorbed by the playing staff does not appear to be linked to the size of the clubs.

Using the average split, we can estimate that player remuneration absorbed approximately 45% of the income that European clubs generated in 2007 or just under €5bn.

Proportion of reported employee costs attributed to playing staff:		
Ratio	#clubs	Proportion of clubs
<70% players	87	28%
70-80%	60	20%
80-80%	89	29%
90-100%	71	23%
Sample size	307	



**More than 60% (33 from 52) of divisions** (aggregate of clubs in division) **reported losses in 2007**.

This means 19 divisions reported aggregate club profits during 2007 including SVK, SWE, MDA, UKR & POR which, boosted by transfer income, reported aggregate profits equivalent to more than 10% of income.

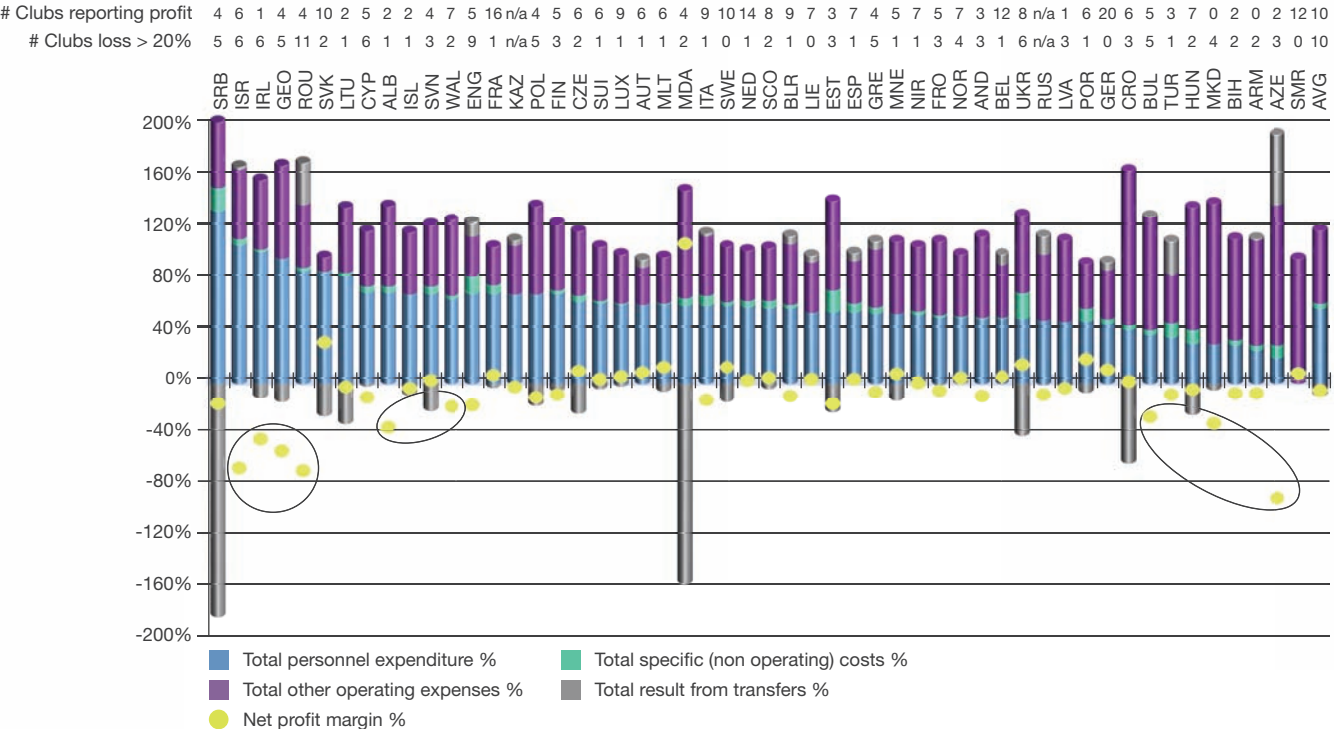
Although club profitability fluctuates within each division (analysed next pages) for the second year running the LARGE divisions had a tendency to report profits with 9 divisions from the peer group of 12 reporting a profit.

**All divisions had at least one club reporting a profit**, with exception of MKD & ARM (small sample of only 4-5 clubs). Given that financial results fluctuate from year-to-year and are partially dependent on unpredictable sporting success/failure, it is not surprising that some clubs report losses. **However major losses equivalent to more than 20% of income were reported by at least one club in all but 4 divisions (GER, SWE, LIE, SMR). In half the divisions this was limited to 1 or 2 clubs.**

**There were 9 divisions which reported net losses equivalent to more than 20% of reported income.** These included ISR, IRL, GEO & ROU which were not able to compensate elsewhere for very high employee cost ratios, ALB & WAL which to a lesser degree were the same and BUL, MKD & AZE which reported very high operating costs\*\*.

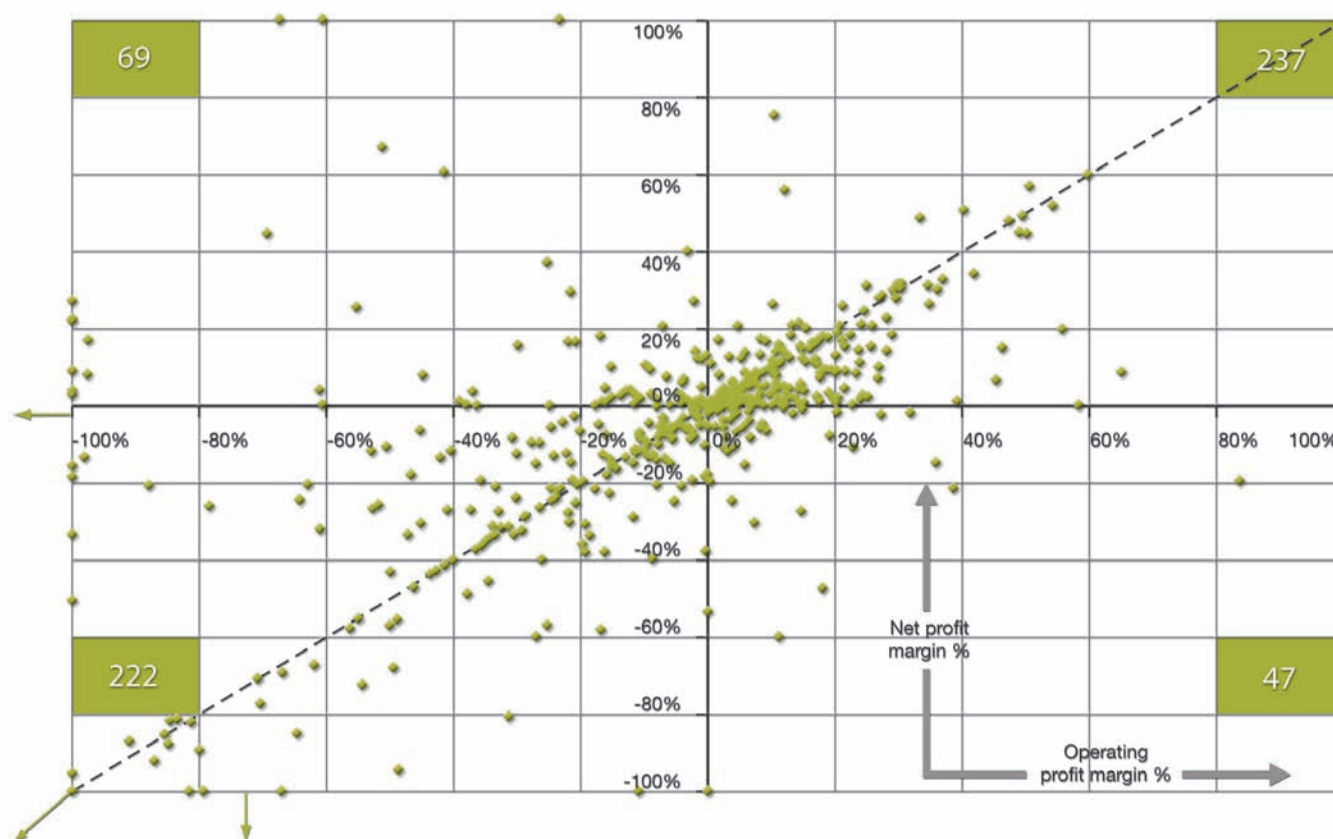
### 23. What proportion of clubs (division aggregate) are loss making?

The previous pages indicated the various financial strategies that clubs can adopt and focused on the level of employee costs at clubs, This is however only part of the picture and the chart underneath builds on the employee cost ratio (presented again highest to lowest, left to right) and adds other operating costs, specific (non operating) costs and net result from transfers\*, all as a % of income. Taken together the end result (net profit gold circles) is presented by division.



Footnotes: \* Transfer activity includes depreciation or impairment on players as well as profits or loss on sale of those players. Where transfer fees expensed in year of acquisition then result is simply income less costs. \*\* In some cases we suspect that certain types of employee cost (e.g. signing on bonuses) have been reported as other types of expense, hence some of the low club and division 'personnel expenditure' ratios (<40%) but high 'other operating costs ratios'.

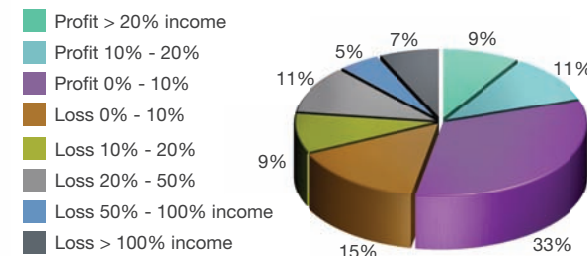
The charts on this page show reported 2007 profit for 575 top division clubs across Europe.  
The scatter chart plots 2 profit margins: operating\* and final net profit as a percentage of income.



**51% of European clubs reported operating losses in 2007.** 36% of larger clubs (TOP & LARGE) and 60% of smaller clubs (MEDIUM, SMALL & MICRO) reported operating losses.

**Just under half European top division clubs, 47%, reported net losses in 2007.** 37% of larger clubs (TOP & LARGE) and 55% of smaller clubs (MEDIUM, SMALL & MICRO) reported net losses.

Nearly half of the clubs that reported losses, **23% of all clubs, reported losses that were significant, equivalent to more than 20% income.** Smaller clubs were more than twice as likely to report significant losses than larger clubs\*\*.



Footnotes: \* Operating profit margin is calculated before 'specific' non operating costs (exceptional, interest and tax expenses) and before 'transfer activity'. \*\* Profit/loss analyses presented relative to income, in absolute terms the size of losses and profits would be higher for larger clubs. The figures for the 575 clubs represent 78% of all European top division clubs – Most of the missing data is for clubs who did not apply for licenses, often as a result of finishing low down the domestic rankings – The actual proportion of loss making clubs may actually be higher once these clubs are included given their poor sporting performance.

## 24. Who are the financial\* winners and losers from football's transfer system?

Clubs to the left of the dotted diagonal line improved their result through transfer activity. Clubs to the right reported net losses from transfer activity. The left hand chart with MEDIUM, SMALL & MICRO clubs has many clubs to the left of the dotted diagonal line and far fewer to the right of the line. In addition there are many clubs, particularly MICRO clubs directly on this line which indicates free transfers and hence no impact on profits.

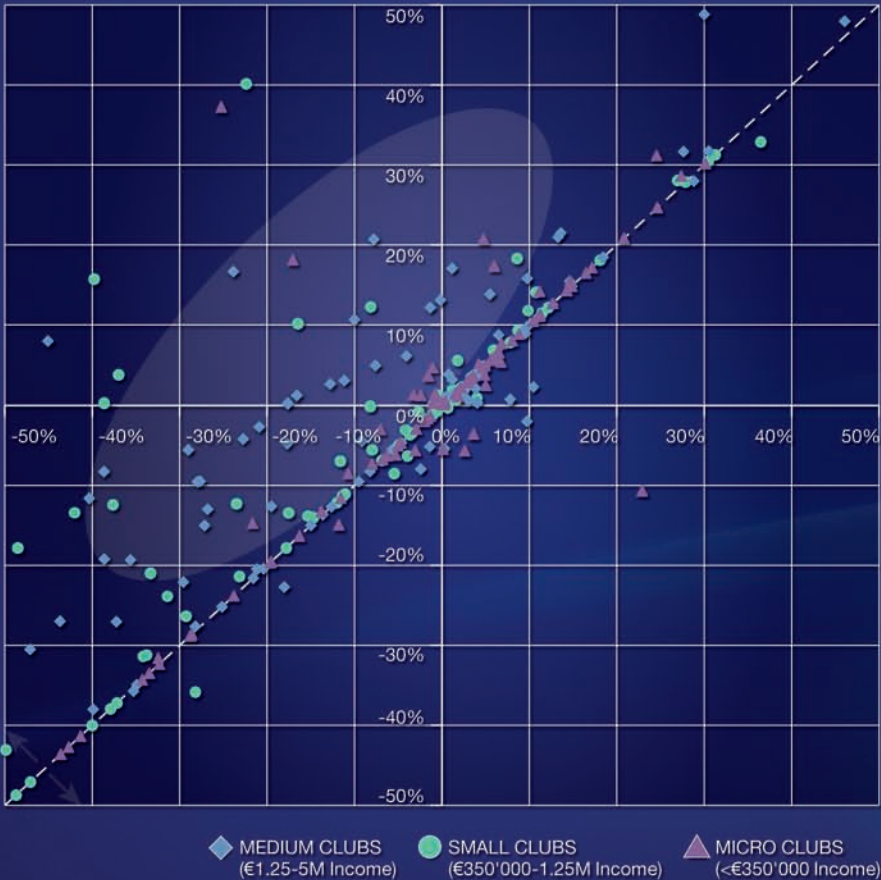
By comparison the right hand chart with LARGE and TOP clubs has more clubs to the right of the line, indicating net loss from transfer activity.

**The transfer system significantly redistributes wealth from big to small.**

75% of the TOP clubs (gold triangles shown far-right) recorded net costs from transfers and hence ended up to the right of the diagonal line, whilst 25% reported net income. Much of this money (in € terms) passed to LARGE clubs (grey squares far right), although approximately half of these clubs recorded net costs and half net income. To the left over half of MEDIUM and SMALL clubs (blue and green dots) profited from transfers (54% and 52%) in many cases turning losses into overall profits (top left quarter on chart) whilst a lower number recorded net transfer losses (29% and 12%). The impact for MICRO clubs is less relevant with 26% profiting, 15% reporting losses and 59% no impact.

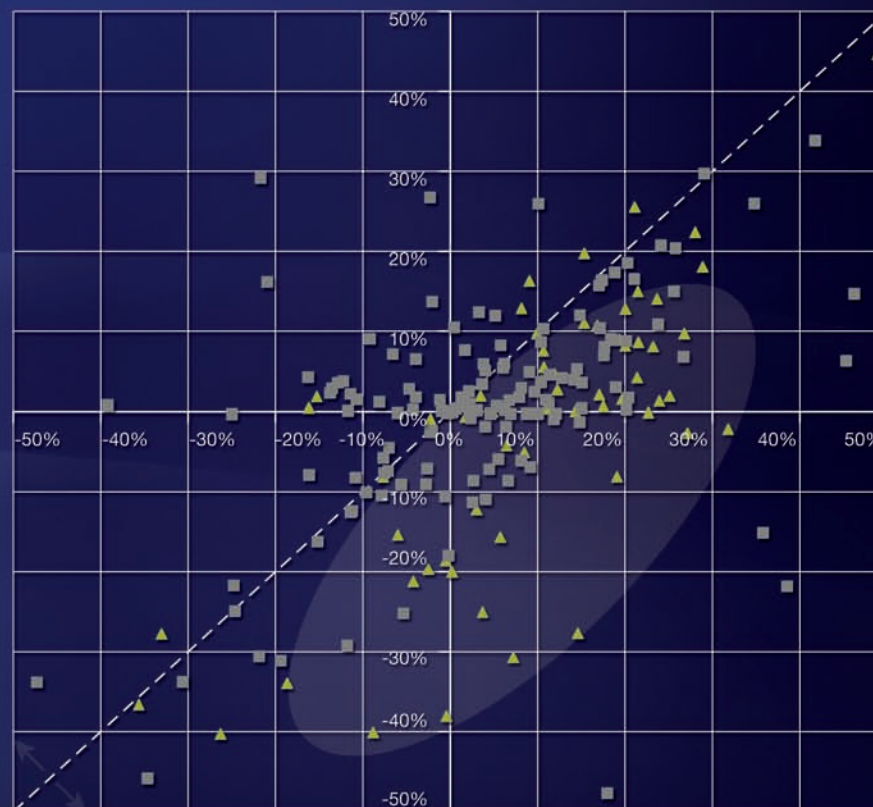
Clubs in the top left quadrants reported losses before but profits after transfers	
TOP	12%
LARGE	3%
MEDIUM	18%
SMALL	14%
MICRO	13%
ALL	6%

Clubs in the bottom left quadrants reported losses both before and after transfers	
TOP	39%
LARGE	21%
MEDIUM	22%
SMALL	48%
MICRO	53%
ALL	43%



Footnotes: \* Financial winners – this is an off-pitch financial analysis and does not enter into assessing the on-pitch sporting impact of the transfer system.\*\* Profit margins are before and after 'transfer activity' profits/losses from transfers out and costs or depreciation on transfers in and current players). Some clubs are beyond the scale of charts – these clubs are nonetheless included in the table data. Tax charges are based on final after transfer figures – pre transfer margins have not been restated for tax.





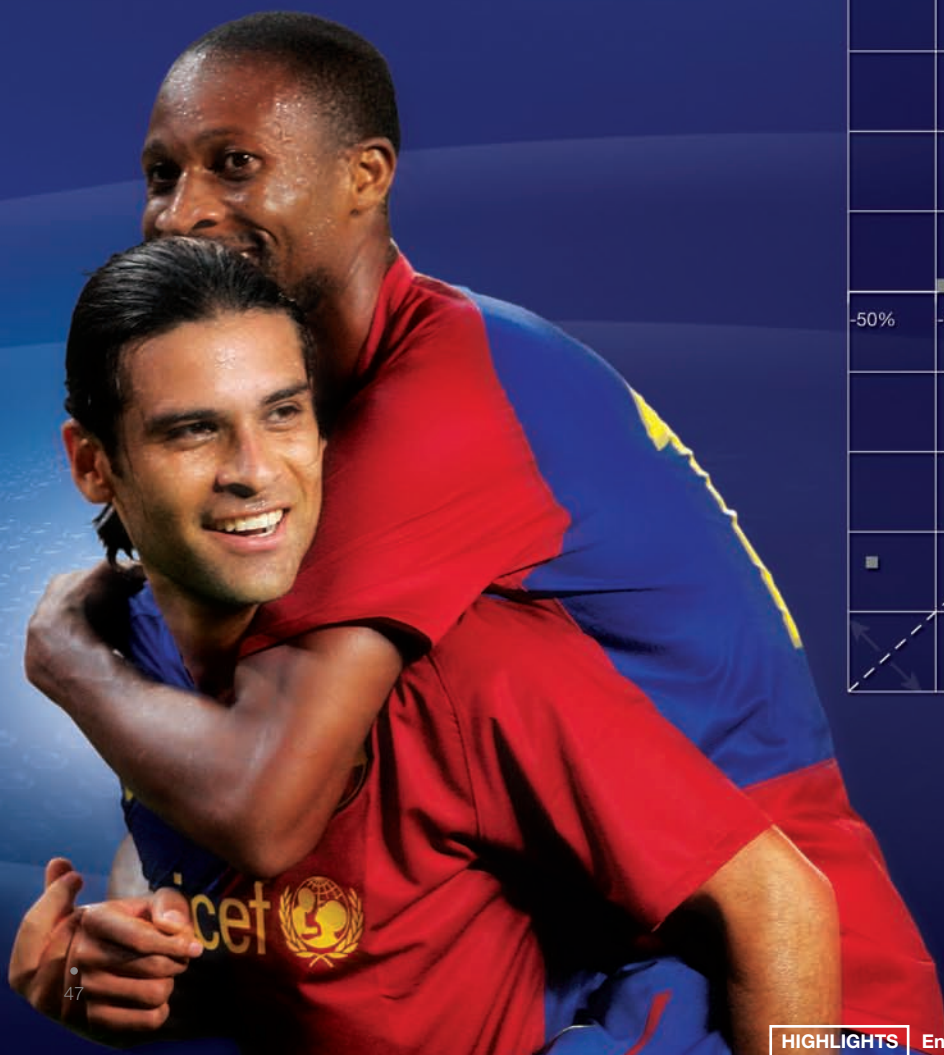
**Clubs in the top right quadrants reported profits both before and after transfers**

TOP	41%
LARGE	56%
MEDIUM	48%
SMALL	35%
MICRO	28%
ALL	44%

**Clubs in the bottom right quadrants reported profits before but losses after transfers**

TOP	8%
LARGE	20%
MEDIUM	12%
SMALL	2%
MICRO	6%
ALL	7%

▲ TOP CLUBS (>€50M Income)    ■ LARGE CLUBS (€5-50M Income)







# 5

## Financial profile of European club football: Assets, debts & other liabilities

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**How do balance sheets differ between countries?**

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**What is the asset profile of clubs and how does it differ?**

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**How many clubs are 'in debt' with negative equity?**

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**To what extent are the public authorities and owners on the balance sheet?**

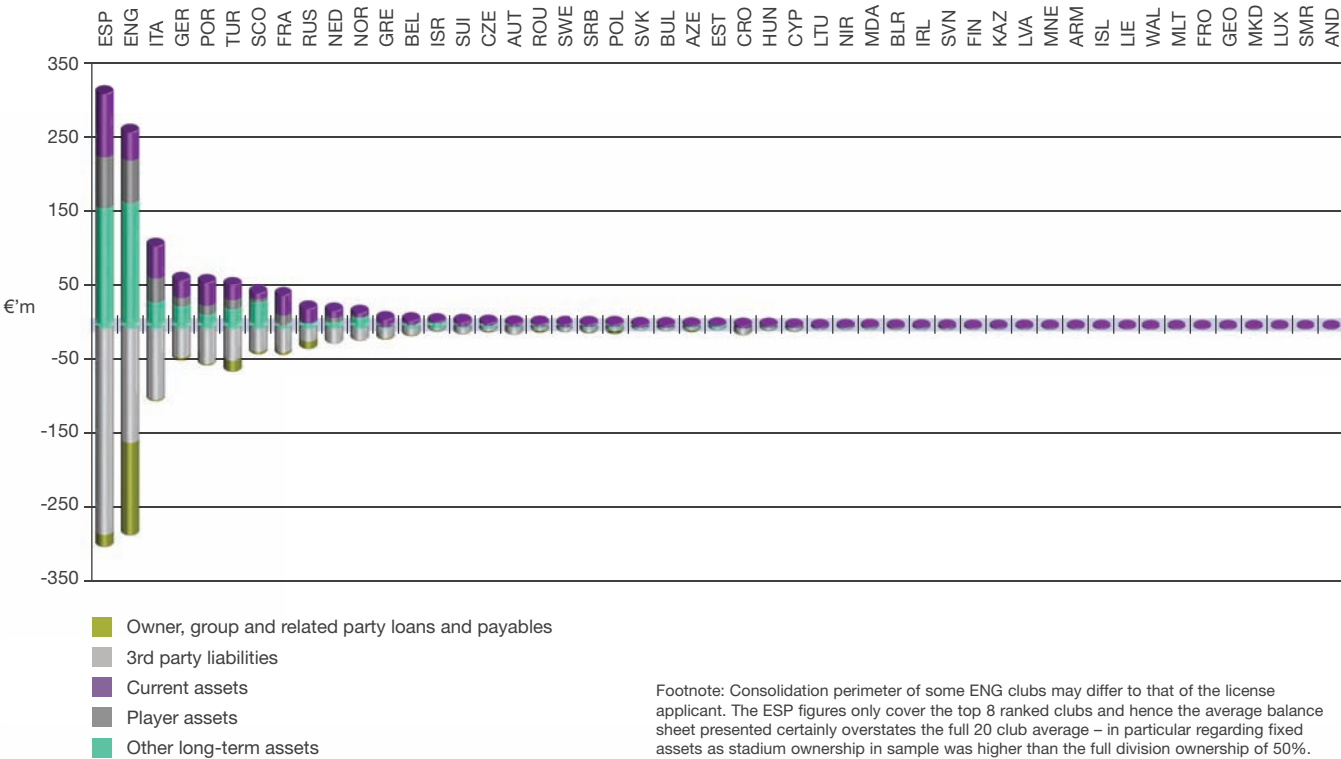


## 25. How do balance sheets differ between countries?

The vastly different scale of balance sheets, as indicated here, makes the use of peer groups essential for division by division asset or debt comparison. The level of debt is principally dictated by the size of the asset base, with long-term debt typically linked to stadium ownership. Owner or related party loans are also common, sometimes with no or nominal rates of interest. Whether these are transformed into equity sometimes depends on the tax environment and any minimum equity rules in force in a country.

In relative terms, total assets exceed annual income for 40% of top division clubs and are twice annual income in half these cases (20%). This multiple is highest for TOP peer group clubs which have both high player values and more often stadium ownership. Over 70% of TOP clubs have assets exceeding annual income.

Balance sheet profile - average club 2007



The asset base & level of debt of clubs differs dramatically between divisions, even more markedly than the average income comparison.

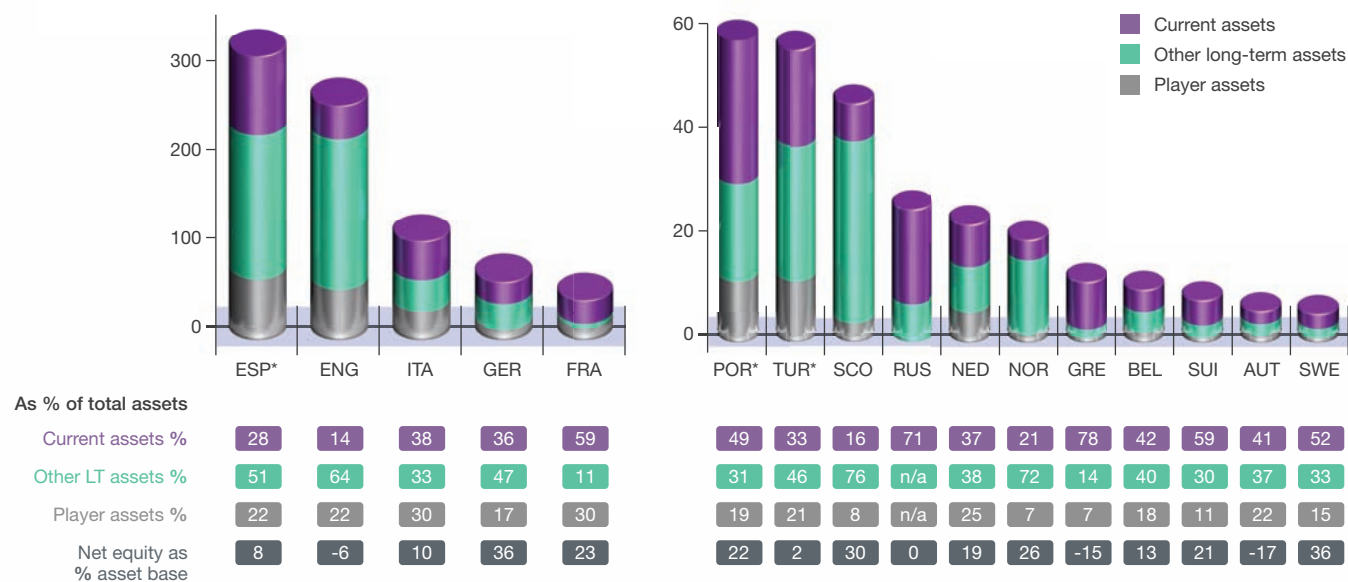
The average ENG club and top 8 ESP clubs, with stadium on the balance sheet, have more than double the average asset base of the next largest country ITA and more than 4x the next largest GER.

'Current assets' are assets with a due date in less than one year. This includes cash & bank deposits, transfer receivables of less than 1 year and other receivables.

'Player assets' are amounts paid to obtain player registrations less any amount already depreciated. Home-grown players are not recognised on the balance sheet.

'Other long-term assets' principally include fixed assets (including stadium & training facilities) and investments. Transfer receivables due in more than one year can also be included.

## 26. What is the asset profile of clubs and how does it differ?



**'Net equity'** is built up from owners contributions and the ongoing profits/losses of a club. It is the same value as all balance sheet assets less balance sheet liabilities. It is not the market value of the club as some hard to measure assets like the prestige value (e.g. the supporter base, 'brand history', participation in particular league) and home-grown player values are not included on the balance sheet.

On an aggregate basis the main € difference between TOP divisions comes from stadium and capitalised players.

The surplus of assets over debts (net equity) as recognised on the balance sheet is highest in GER, whilst negative in ENG\*.

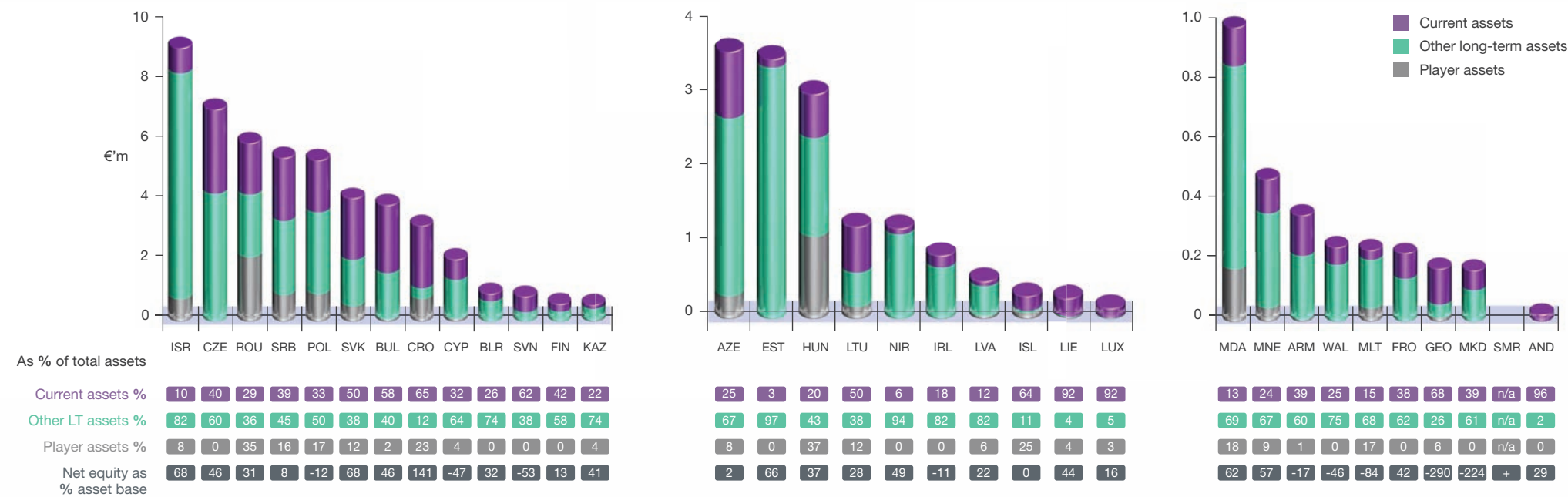
The average asset base of SCO and the larger POR & TUR clubs is a similar level to GER & FRA.

Amongst LARGE divisions SCO, TUR & NOR have the highest proportion of long term assets (mainly players & stadiums) with SCO having the highest proportion of LT assets 76% of all countries.

GRE and AUT are the only two divisions in this peer group with aggregate negative equity, with assets just exceeding liabilities in TUR & RUS.

Footnote: \* Consolidation perimeter of some ENG clubs may differ to that of the license applicant. The ESP (8 from 20), POR (8 from 16) & TUR (7 from 18) figures only cover a sample of clubs (top ranked) and hence the balance sheets presented almost certainly overstate the full division average – in particular regarding fixed assets as stadium ownership in sample was higher than the full division stadium ownership of 50%.

26. What is the asset profile of clubs and how does it differ? (continued)



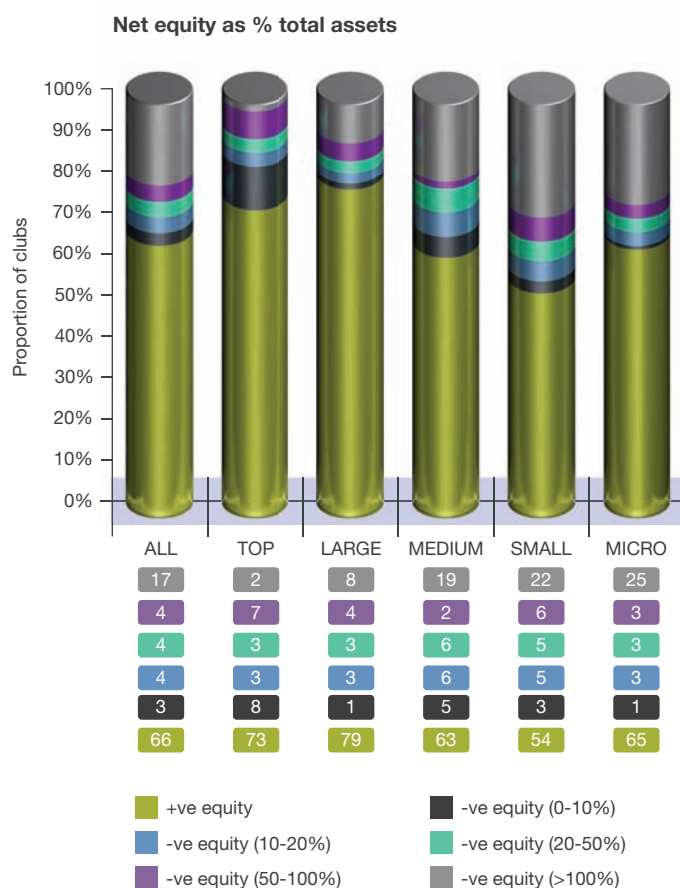
The average asset base in MEDIUM divisions ranges from €9m down to less than €1m. The ROU player assets represent one of the highest proportion (35%) of total assets. Four of the divisions reported zero player asset value, presumably indicating that these costs are expensed immediately when a player is acquired.

The average asset base in SMALL divisions ranges from €3m+ down to less than €0.2m. Player assets are only significant in HUN & ISL. Long term stadium assets and investments represent the majority of assets in EST, AZE, NIR & IRL.

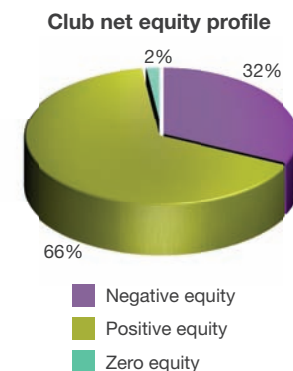
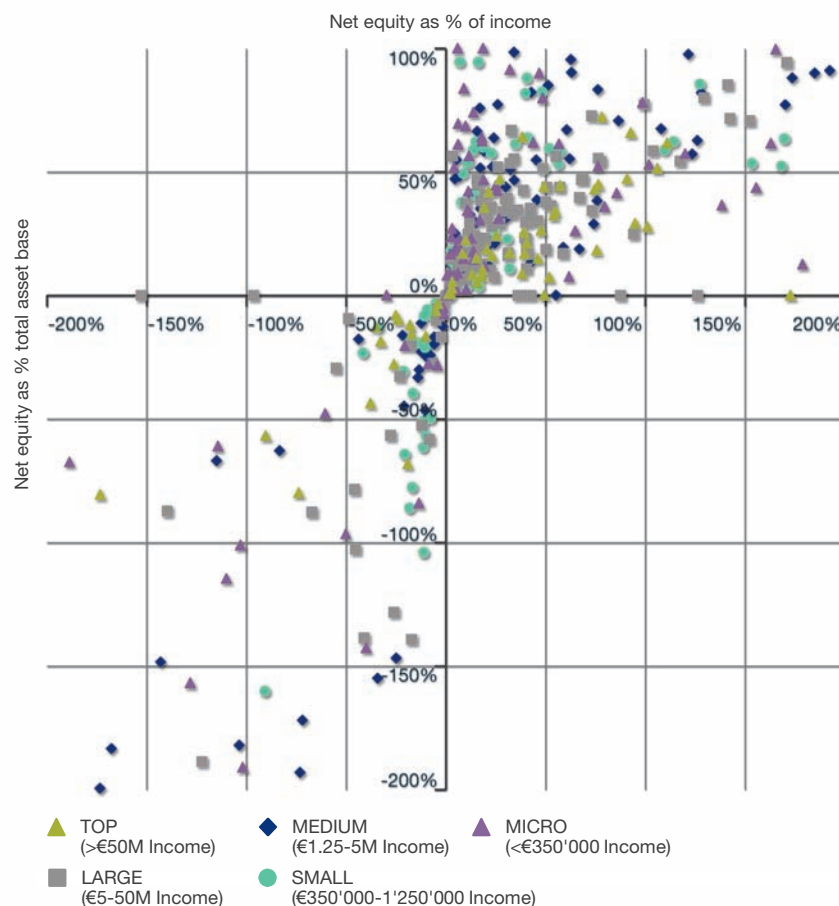
The average asset base in MICRO divisions ranges from €1m downwards. Given that average club income is less than €350'000 this is expected. Player assets are close to nil for many of the divisions.



## 27. How many clubs are 'in debt' with negative equity?



Footnote: Totals differ from 100% due to either rounding effect or clubs reporting zero net equity (assets = liabilities).



**1 in 3 clubs reported liabilities exceeding their assets on their balance sheet (negative equity).**

Clubs reporting negative equity came from all 5 financial clubs peer groups as indicated on the scatter chart, although the ratio is higher for smaller clubs with **almost half (46%) clubs from SMALL club peer group reporting negative equity.**

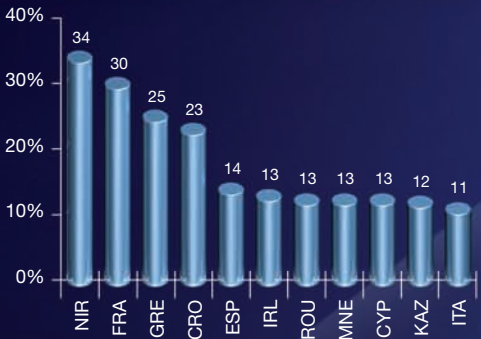
In many cases the level of negative equity was high, when measured against either the total asset base (vertical axis) or annual income (horizontal axis).

Footnote: \*Some clubs with virtually no reported assets and hence very high negative equity ratios are off the scale of the scatter chart but these are included in pie and bar chart.

## 28. To what extent are the public authorities and owners on the balance sheet?

The charts below highlight all the countries where the average proportion of liabilities due to either the authorities or to the owners, group companies or related parties exceeds 10%. This is an indication of the use of these sources for debt funding rather than an indication of the overall reliance, since many owners commit money directly into the club through capital contributions rather than leaving loans. For this analysis reference to ‘debts’ means all balance sheet ‘liabilities’ and not just interest paying debts (as sometimes separately used in financial analysis).

Authorities payables as % overall liabilities

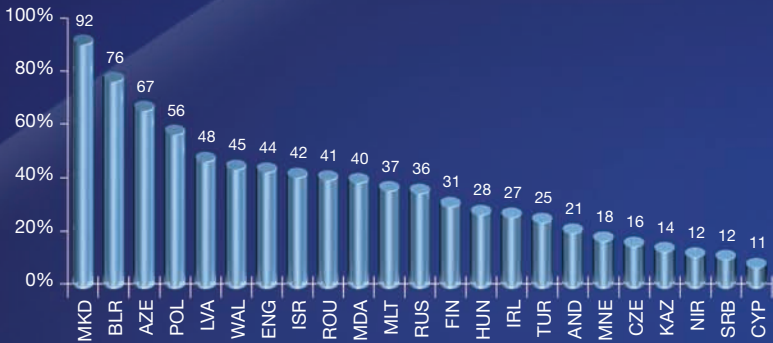


The level of debts to authorities is of particular relevance as the political nature of these debts (compared to ordinary trade & commercial debts) can lead to problems building up. Club licensing has strict rules on tax payables connected to wages but not other authority debts such as stadium rent. There does not appear to be any strong link between the size of division and reliance on this debt source.

**Authorities debts are less than 10% of overall debts in the majority of countries.**

**Authorities debts are more than 10% of overall debts for 30% of clubs.**

Owner, group & related party loans and payables as % overall liabilities



Owners liabilities represent the majority of debts in some eastern countries. Of the larger divisions, the owners provide between ¼ and ½ of total liabilities in ENG, RUS & TUR with therefore less reliance on third party debts.

**Owner, group & related party debts represent less than 10% of overall debts in the majority of countries.**

**Owner, group & related party debts represent more than 10% of overall debts for 23% of clubs.**







# Appendices



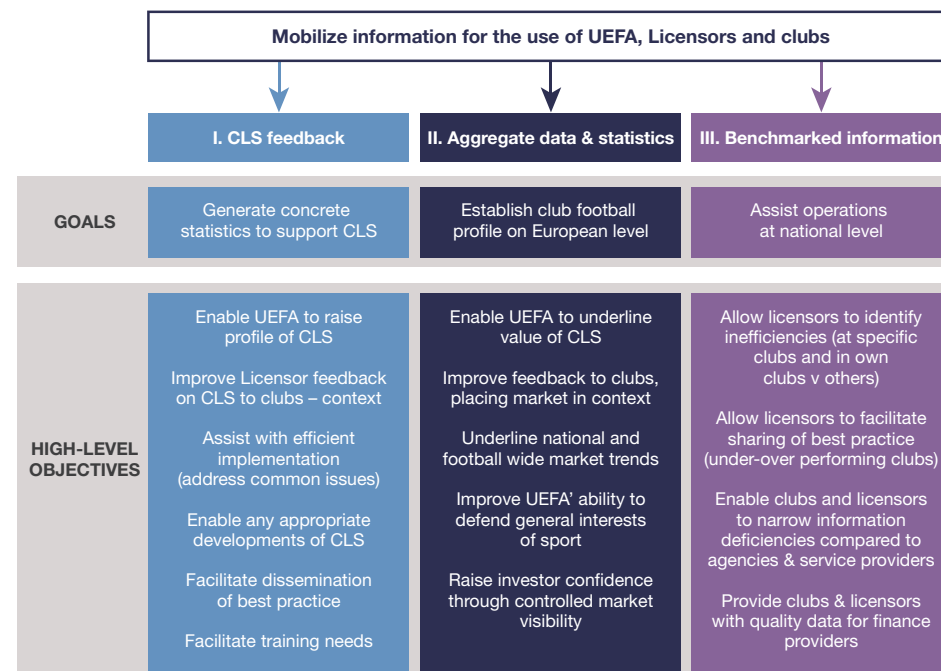
Data sources	
<b>Underlying source of financial analysis</b>	<p>Unless otherwise stated in the report footnotes or elaborated further underneath in this appendix, the financial figures used in the review have been taken directly from figures submitted by clubs within the club licensing cycle covering the UEFA club competition season 2008/09. These figures refer to the financial year ending in 2007, in most cases 31 December 2007. The figures have been extracted from Financial statements prepared either using national accounting practices or International Financial Reporting Standards and audited according to International Auditing Standards. The licensor in each country has extracted figures from the submitted financial statements and completed a standardised template issued by the UEFA club licensing unit.</p> <p>With the exception of checking the fundamental soundness of the information, UEFA has not sought to verify the figures provided by the licensors to the source financial statements or get more detailed explanations as to survey responses.</p>
<b>Standardised 2008 UEFA template: Rationale</b>	<p>Financial statement disclosures and accounting policies and interpretations of these policies differ tremendously within and between countries. This makes the comparison of financial data extremely challenging and hence the use of a standardised template to improve comparisons. The definition of items in this template takes into account the following: (a) A minimum level of financial disclosure is specifically included in the UEFA licensing regulations and hence should be available for all clubs, this forms the base for template; (b) To this base is added some additional financial disclosures, beyond the UEFA defined minimum and hence available in some but not all cases, which are considered relevant and able to increase transparency (e.g. split of personnel costs between playing staff and other staff and also between social charges and base remuneration; split of income source between UEFA and national competitions; split of investing cash flows between player transfer payments/receipts and longer term fixed asset investments or sales); (c) From year to year template changes are kept to a minimum as licensors get used to the template and also to assist with year on year comparisons; (d) A limit is placed on the level of detail included in the template to stop the exercise becoming too time consuming for licensors.</p>
<b>Standardised 2008 UEFA template: Specified line items</b>	<p>The UEFA template completed and submitted by licensors is in 4 sections with room for additional commentary where needed: (1) Club information (2) Balance sheet data (3) Profit &amp; loss account (income statement) data (4) Cash flow data. Summary of items (/ represents multiple line items):</p> <ol style="list-style-type: none"> <li>1. Club information: number clubs in sample; financial year-ends; currency used and rate; scope of consolidation (single company/ sub consolidation/ full group consolidation); within scope (just football/ other sports/ other business &gt;5% income); stadium ownership (on balance sheet/ municipal or state authorities/ other contract); training facilities (as previous); controlling party (Individual(s)/ company/ not known).</li> <li>2. Balance sheet: cash; accounts receivable from player transfers/ group &amp; related party/ other; other current assets; total current assets; tangible fixed assets; intangible assets capitalised players/ others; investments; other non current assets; total non current assets; total assets; equity capital; retained reserves (including profit/loss for year); total equity; bank overdrafts &amp; loans; taxes and social charges; other amounts payable to authorities; accounts payable on player transfers/ to group entities; owner &amp; related party payables &amp; loans; other liabilities; total liabilities; total equity and liabilities.</li> <li>3. Profit &amp; loss account: gate receipt income - season tickets/ match day tickets domestic/ UEFA matches/ other matches or non split/ total; sponsorship &amp; advertising income - main sponsor/ touchline advertising/ suppliers/ other non split/ total; broadcasting income - national/ UEFA/ other non split/ total; commercial income - prize money national/ prize money UEFA/ merchandising/ food &amp; beverage/ lottery/ other non split/ total; other income - subsidies or donations football authorities/ other authorities/ UEFA solidarity/ owner donations/ corporate or other donations/ finance (where not netted)/ property &amp; non football/ exceptional/ other or non split/ total other income; total turnover (without transfers); personnel costs - player wages &amp; payments/ tax &amp; social contributions/ other staff wages/ tax &amp; social/ non split personnel/ total; specific (non operating) costs - finance (or net finance) costs/ non player taxation/ exceptional costs/ total; operating &amp; other expenses - non player depreciation/ sales marketing &amp; sponsorship costs/ admin/ youth football/ fixed stadium/ variable match &amp; training/ general expenses/ non split/ total; total expenditure without transfers; transfer related - income from sales/ profit/ non split/ total income/ losses on sales/ costs/ depreciation on players/ impairment on players/ non split charges/ total charges/ total net income or cost from player transfers; Net profit for year. In addition, operating profit/loss &amp; profit excluding transfer activity are calculated.</li> <li>4. Cash flow statement - net cash flow from operating activities; cash flow from investing - (cash) receipt from player sales/ payment on player signings/ receipts from fixed assets/ payments for fixed assets/ other investing net cash flow (financial asset, investments etc); cash flow from financing - receipts from owner or group loans/ payments on owner/group loans/ receipt from other loans/ payments on other loans/ receipt from issuance of bonds or debt/ receipts from capital issue or owner equity payments/ dividend or other payments to shareholders/ other net financing cash flow; net increase or decrease in cash.</li> </ol>

Explanation of sources	
<b>Non financial data</b>	<ol style="list-style-type: none"> <li>1. Licensing extent - UEFA administration.</li> <li>2. Licensed clubs - List licensing decisions submitted by national associations adjusted where 2nd division clubs also included in form.</li> <li>3. Coverage - Financial survey submissions (see footnote in body of report).</li> <li>4&amp;5. Size &amp; structure &amp; changes - Previous five lists of licensing decisions verified to on-line league table resources.</li> <li>6&amp;7. Club legal forms &amp; ownership - 2007 licensor survey, sanity-checked against Swiss institute of comparative law report commissioned by UEFA.</li> <li>8. Stadium &amp; training facility ownership - Financial data survey sample covering 618 clubs. Note: various options simplified into three basic responses.</li> <li>9&amp;10. Attendances and trends - Website <a href="http://www.european-football-statistics.co.uk/attn.htm">http://www.european-football-statistics.co.uk/attn.htm</a> verified in some cases by licensors. Note: attendance figures may not be directly comparable as depends on basis for counting attendance (e.g. Turnstile clicks/ tickets sold or distributed/ paying customers).</li> <li>11. Coaching qualifications - UEFA football development unit with figures updated December 2008. Note: These figures include some coaches who received the national qualification recognised as equivalent by UEFA prior to the formalised launch of the UEFA coaching convention.</li> </ol>
<b>Coverage of financial data</b>	<p>In some cases the national licensor has not received financial statements from all their top division clubs. As explained in the body of the report when answering questions 1-3 this is because certain clubs did not undergo club licensing during the year or in the case of DEN that the deadline for submitting the data template to UEFA was not met. In general the number of clubs included is set out in the report body question 3 map. However UEFA has sought to use the most accurate and meaningful figures available so for certain analyses the sample may be smaller, for example if a club provided an audited income figure but did not include data on income streams.</p> <p>Although many clubs outside the top division also undergo domestic licensing and submit audited financial statements, this benchmarking report restricts itself to top division clubs.</p>
<b>Club-by-club financial data</b>	<p>In all but 2 cases club-by-club figures were provided. In some cases these were provided on an anonymous basis. Disregarding whether the figures were provided anonymously or by name, UEFA does not include any club names in the report - the purpose of the report is to review European club football rather than to assess individual football clubs.</p> <p>In the cases of RUS &amp; KAZ financial figures were provided in aggregate form rather than detailed club-by-club. For ESP aggregate figures (covering 19 clubs that underwent licensing) were provided for total income and net equity, whilst a smaller sample of the 8 UEFA club competition qualifying clubs were provided for other items. For FRA aggregate figures were provided for all lines whilst the individual club-by-club figures were taken from the published report (Comptes des clubs professionnels), the reporting perimeter differs in some cases although the impact is not material, however 2 clubs reporting in a different reporting format have been excluded for some club-by-club analysis.</p>
<b>Alternative data sources</b>	<p>For ENG, the figures were extracted from the Deloitte Annual Review of Football 2008 which used the published audited financial statements as its basis. The reporting perimeter used to compile these figures may differ in some cases from the perimeter of the license applicant especially given the increasingly complex holding structures in place at certain clubs. In these cases the balance sheet and net profit would differ more significantly than the level of income or operating profit. We would like to thank Deloitte for providing some additional detail collected from publicly available financial statements to UEFA on request. From next year we understand that the templates will be completed directly avoiding any information gaps or comparability issues.</p>
<b>Europe - wide analysis &amp; peer group selection [analyses 12-15, 20]</b>	<p>The submitted data covering 629 clubs (including additional ESP clubs) was used to make extrapolations for the remaining 104 European top division clubs. The general approach was to use the average income of smaller clubs from each division (excluding the 4 largest income clubs) to calculate the estimated Europe-wide total and the peer groups. This best but not perfect approach reflects the fact that the missing clubs not included in data submission are always the lower ranked clubs and usually these also have lower finances, an assumption validated by many countries which submitted financial figures in conjunction with finishing league position. Some author adjustments were applied to ISL (only 4 clubs in sample so 4th largest income club used for extrapolation), MKD (only 4 clubs in sample and 3rd largest deemed to be most representative and used for extrapolation).</p> <p>The year-on-year income and cost growth prepared on the exchange rates applicable at the time rather than restating previous year for later exchange rate.</p> <p>Although in some cases the actual average income may differ, the Europe-wide total is unlikely to differ by more than +/-1% as the estimations are on smaller clubs. In addition the composition of the division peer groups should also be accurate.</p>



	Definition of terms used in report
<b>Average clubs</b>	References to 'average' club (e.g. average club revenue) is the aggregate figure of the division divided by the number of clubs. Where analysis is in percentage terms, this is therefore the weighted average (average of totals rather than average of each clubs %).
<b>Benchmarking</b>	<p>Benchmarking refers to collaborative benchmarking using information (i) directly prepared or supplied by clubs for the purposes of obtaining a club licence (ii) obtained from utilising the knowledge held within the extensive network of licensing managers and their staff at each of the 53 national associations (iii) held by the UEFA club licensing unit or elsewhere within the UEFA administration.</p> <p>Benchmarking in the narrow context of this report does not refer to the ranking of countries or target setting but rather to increasing basic transparency and knowledge of club football in financial and other licensing areas. The objectives as set out in the report introduction. In the general club licensing context the UEFA benchmarking project also has the wider objectives of the sharing of best practice between national associations on licensing matters and the enabling of better informed decision making by national and international football stakeholders. It complements the benchmarking of national associations themselves and their operations (UEFA TEP Top Executive Programme &amp; KISS Knowledge and Information Sharing Scenario programme).</p>
<b>Club licensing system/ CLS</b>	This refers to the system, based on the observance of minimum criteria set out in the club licensing regulations, that leads to the granting or refusal of licences to clubs. The holding of a licence is a prerequisite to access to UEFA competitions (competition regulations).
<b>Countries/ Divisions</b>	Refers to clubs from a UEFA member association. All member associations operate their own league with the exception of Liechtenstein whose clubs compete in the Swiss leagues. The member associations of UEFA are not all countries as defined by the United Nations. Some such as England, Northern Ireland, Scotland and Wales are constituent countries of United Kingdom. One other, the Faroe Islands is an autonomous region of the kingdom of Denmark. The three letter codes used are the UEFA codes which differ in some cases to the IOC or ISO code (Latvia, Romania & Slovenia).
<b>Currency</b>	The template supplied to and received from licensors included a column for translation to Euro currency. Where this foreign exchange translation was not prepared by the licensor, UEFA applied exchange rates from OANDA website (most common financial year end mid rate exchange rate used for balance sheet and also for profit & loss account). Where clubs have varying financial year end dates, the most common date was used.
<b>Income/ Revenue</b>	Income (either average or total) as presented throughout the report excludes income from player transfers (which are analysed separately) but includes all other income in the profit and loss account (including income from investments, interest income, and any exceptional income). On occasions references are made to revenue but for the purposes of this report the two are the same.
<b>Income/ Revenue Streams</b>	Term used to break down revenue (income) into smaller components. This report refers to Broadcast income (TV, radio, paper and internet rights from national & UEFA matches. In some cases this may also include TV related prize money).
<b>National Associations/ NA's</b>	NA's refer to the 53 UEFA member associations through which the club licensing system is structured. References to NAs in text include the three member associations who have delegated or part delegated the management of licensing on a national level to the league (AUT, GER, SU1). In the peer group slide the logo is that of the licensor to reflect this.
<b>Peer groups/ PG's</b>	Used to aid comparison. For this report two peer group analyses have been used: Club and 'division' peer groups. For the division peer group the average club in the division is taken for comparisons.
<b>Typical figure</b>	This is the non technical term for median figure. It represents the middle figure from a group (eg peer group of 9 leagues, the median will be the figure from the 5th highest league)
<b>UEFA country ranking/ coefficient</b>	The basis for the UEFA rankings is the performance of teams in the European Cups during a five year period. During that period each team gets two points for a win and one point for a draw. From 1999 on these points are halved for qualification matches. Reaching the group stage of the Champions League yields three bonus points (from 1996-2004: 1 point). As of the 2004/05 season teams qualifying for the first knock-out round of the Champions League are awarded with an extra bonus point. The UEFA coefficients are calculated by taking an average, based on the total number of points divided by the total number of teams of each country.

## Objectives of club licensing benchmarking



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### Disclaimer

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