CONSULTATION RESPONSE

Response to the Independent Football Regulator's Levy Consultation (October 2026)

Submitted by The Orange Ledger (2035 Agency LLP) on 14 November 2026, through the IFR's consultation survey.

Questions 13 and 18 (other comments on Parts Three and Four) were left blank.

QUESTIONS

Question 1. Do you agree with the IFR's proposed approach to allocating the levy between licensed clubs?

Question 2. Do you agree with the categories proposed by the IFR?

Question 3. Do you have any other comments on the matters set out in this chapter?

Question 4. Do you agree with the IFR's proposed approach to calculating actual and estimated costs?

Question 5. Do you agree with the IFR's proposed true-up process?

Question 6. Do you agree with the IFR's proposed approach to establishing and funding a financial reserve for litigation?

Question 7. Do you agree with the proposed ratcheted approach to recovering set-up costs?

Question 8. Do you have any other comments on the matters set out in this chapter?

Question 9. Do you agree with the IFR's proposed chargeable period of 1 August to 31 July?

Question 10. Do you agree that clubs should receive a single levy invoice at the start of each chargeable period and make payment in one instalment?

Question 11. Do you agree with the IFR's proposed approach to late payments, including the charging of interest?

Question 12. Do you agree with the IFR's proposed approach to levy exemptions?

Question 14. Do you have any comments on or suggested changes to the draft Levy Rules, not already covered?

Question 15. Do you have any comments on or suggested changes to the template letter outlining the Levy fee?

Question 16. Do you have any comments on or suggested changes to the template letter outlining exemptions from paying the Levy fee?

Question 17. Do you have any comments on or suggested changes to the template letter outlining late payment penalties?

Question 19. Do you have any other comments on the matters set out in this consultation?

QUESTION 1.

Do you agree with the IFR's proposed approach to allocating the levy between licensed clubs?

Agree, with one change: commercial revenue should be measured on a defined set of companies, not on whichever company a club chooses to notify.

The Orange Ledger measures English football clubs' finances from their filed accounts at Companies House, each figure read twice; it is published by 2035 Agency LLP. Our answers rest on those readings and on the IFR's own Interactive Tool, used as published.

Central distributions are the right base. Paragraph 1.21 gives the reason: the competition organisers hold these figures and can verify them. Our own readings support it from the other side. In the Championship clubs' filed accounts for 2020/21 to 2024/25, no filing prints, on the pages we read, the parachute payments the club received, so the organisers' figures are the only consistent source for those amounts.

What the levy is as a share of clubs' revenue. The tool gives a fee of £562,033 for a Premier League club, £43,630 for a Championship club, £8,726 for League One, £5,950 for League Two and £516 for the National League, before any parachute, UEFA, Club World Cup or commercial category. We set each division's fee beside the turnover in each club's filed accounts for 2024/25. On that arithmetic, which is ours and not the tool's, the fee is between 0.15% and 0.36% of turnover at the 16 Premier League clubs of 2026/27 whose 2024/25 accounts are a Premier League season (median 0.25%), between 0.03% and 0.23% at 21 Championship clubs

(median 0.15%), between 0.02% and 0.14% at 19 League One clubs (median 0.09%) and between 0.06% and 0.15% at 13 League Two clubs (median 0.10%). The levy is a small share of turnover in every division, and a smaller one below the Championship than above it, as the consultation intends (paragraph 1.52). Two limits: the accounts of 5 League One clubs and 11 League Two clubs give no turnover, because small companies may file without a profit and loss account; and because the filings do not print parachute status, every EFL club is taken here at its division's fee without parachute payments. In the tool, a Championship club receiving parachute payments pays between 2.4 and 5.0 times the Championship fee.

Which company is the club. The draft rules take the meaning of "club" from section 2(1) of the Football Governance Act 2025: "a body that operates a team", meaning the body "responsible for the team's entry into, membership of, or participation in a competition" (section 2(2)). In a group, that body is often not where the income is recorded.

- Manchester United: the football company's own accounts show £272.5m of commercial revenue for 2024/25; the group's accounts show £333.3m. The £60.8m difference sits mainly in merchandising and media subsidiaries. In the tool, United's fee is the same on either figure, £1,244,858 as a Premier League club with commercial revenue over £150m, because the tool asks only whether commercial revenue is over £150m. But under the draft rules (Rule H, the calculation of Category Fees), the commercial category's share of the levy rests on the combined commercial revenue above £150m of every club in it, so the company United notifies would move the category's share, and with it every category club's fee. The tool holds fixed fees and cannot show that effect.
- Aston Villa: the company that holds the club's Premier League share, Aston Villa FC Limited, had turnover of £310.1m in 2024/25, of which £300.1m came from other group companies; the club's income from

outside the group is recorded in a second company, Aston Villa Football Club Limited.

- The same issue arises outside revenue. Millwall's football company owed £177.6m to its own parent, Millwall Holdings; at the holding company, the group owes £9.7m. Read at one company or the other, the same club looks very different.

We suggest the rules measure commercial revenue across a defined set of companies, as the Premier League's squad cost rules do in Rule A.1.55, which reaches beyond the club company to the companies it owns and to other companies, in its group or not, that do its football business. A club notifying a figure would then name the companies and accounts it comes from.

QUESTION 2.

Do you agree with the categories proposed by the IFR?

Agree, with changes: the commercial revenue category needs a line-by-line definition, and its fee should be looked at near the threshold.

The UEFA categories. We agree with basing them on the organisers' figures. Where clubs' accounts print UEFA money separately, it sits close to the averages in paragraph 1.28: Aston Villa's 2024/25 accounts show £70.2m and Manchester City's £70.7m in a Champions League season, against the IFR's average of £80 million, and Manchester United's group accounts show £31.1m of European broadcasting revenue in its Europa League season, against £33 million. But Arsenal and Liverpool, also in the Champions League that season, print no separate UEFA line, so the accounts cannot supply these amounts consistently, and the organisers' figures are again the right source.

The parachute categories. We agree they are needed: clubs borrow against these payments. Leeds' accounts for 2023/24 show £36.8m of other loans secured on its 2024/25 parachute payments, and Huddersfield's for 2020/21 show bank loans of £14.4m secured on central distributions and future transfer fees, both figures agreed by two readings. In the tool, a Championship club pays £218,150 in its first parachute year, £182,452 in its second and £103,125 in its third, after the solidarity adjustment in paragraphs 1.33 and 1.34.

The £150 million threshold sits in a clear gap. In the 2024/25 accounts we read, six Premier League clubs had commercial revenue above £150 million: Manchester City £340.4m, Manchester United £333.3m, Liverpool £323.5m, Tottenham Hotspur £276.7m, Arsenal £263.2m and Chelsea £200.9m, £1,738.0m together and £289.7m on average. The next was Newcastle United at £108.3m. The threshold therefore falls in a gap of £92.6m between the sixth and seventh clubs, so on these accounts the six clubs it captures do not depend on the definitional differences described below. The consultation's figures (paragraphs 1.37 and 1.38: £1.9 billion together, £322 million on average) are for 2025/26, from the State of the Game report, a season not yet in filed accounts; ours are 2024/25 as filed, so the two are not directly comparable. Chelsea, the lowest of the six, reported £200.9m in 2024/25, £24.4m less than the year before: a club can approach the threshold from one year to the next.

The fee at the threshold. In the tool, the commercial category adds £682,825 to a club's fee, the largest single category fee, against £317,309 for the Champions League. A Premier League club that crosses £150 million goes from £562,033 to £1,244,858. Because the draft rules divide each category's levy equally among the clubs in it (Rule H), a club just over £150 million pays the same £682,825 as a club at £340 million. For a club near the line, a measurement difference of a few million pounds, from the company read or from where hospitality is printed, would move its fee by

£682,825. We suggest the IFR consider a fee in proportion to each club's revenue above the threshold, which would match how the category's share of the levy is already set.

Who pays relative to revenue. The consultation's own Table 2 shows the effect of the categories together. Under the proposed methodology, the six highest-revenue Premier League clubs would pay 47.03% of the levy against 46.78% of total revenue, and the other Premier League clubs 41.98% against 36.37%, while the Championship's share falls from 11.08% of revenue to 8.42% of the levy. The other fourteen Premier League clubs are the one group whose share of the levy is well above its share of revenue. That follows from a flat Premier League fee: it may be intended, but the consultation does not say so, and it would help to state it.

What counts as commercial revenue. The draft rules include hospitality in commercial revenue and exclude matchday revenue (definition h). Clubs do not print hospitality in the same place. Bournemouth's matchday revenue includes £4.7m of hospitality and events and £1.9m of shop merchandise. Crystal Palace and Fulham print their hospitality inside a commercial line, with no split. A club notifying its "commercial revenue" from its own accounts could include or leave out the same income depending on where its accounts put it. We suggest the rules define commercial revenue line by line against the audited accounts, with a reconciliation from the accounts' own headings to the IFR's definition.

QUESTION 3.

Do you have any other comments on the matters set out in this chapter?

Agree, with two requests: say which accounts set the commercial category, and publish the clubs it covers.

Which year and which accounts. Paragraph 1.56 says the illustrative fees use "club financial accounts for the 2025/26 season", while the draft rules set the commercial category on a club's "most recently completed financial year", and for the first chargeable period on information clubs provide on the IFR's request under section 65 of the Act (draft rules, footnote 21). It would help to say which accounts, and which company's, will be used for the first chargeable period, 2027/28, and when they must be filed, and to reconcile any figure a club provides on request to its audited accounts.

Financial years differ. A club's "most recently completed financial year" does not cover the same months at every club. Arsenal's and Liverpool's 2024/25 accounts end on 31 May 2025, most clubs' on 30 June and Sunderland's on 31 July; Wolves' latest accounts cover 13 months. We suggest the rules say how a year that ends on a different date, or is longer or shorter than twelve months, is treated, for example by scaling it to twelve months and stating the date by which it must end.

Accounts that are not filed. Where a club's information is missing, the draft rules use its most recent information otherwise reported to the IFR. Our readings show this is not rare: Derby County filed no accounts for 2020/21 or 2021/22, the seasons that led to its administration, and Sheffield Wednesday's for 2024/25 were not on the public register when we read the EFL's accounts. The rules could say how old that earlier information may be before the IFR estimates instead.

Publish the list. The commercial category moves a club's fee by £682,825, and it rests on a figure the club notifies rather than one the competition organisers hold. We suggest the IFR publish each year which clubs fall in each category, with the company and financial year used for each and the basis of the calculation, so that clubs, supporters and lenders can see why a club pays what it does. Where a club's commercial figure comes from information it has notified to the IFR rather than from its published

accounts, the IFR could publish the figure where disclosure is permitted and otherwise say how it verified it.

Our readings of the clubs' filed accounts, with the filing and page behind each figure, are available to the IFR on request.

QUESTION 4.

Do you agree with the IFR's proposed approach to calculating actual and estimated costs?

Agree. We hold no evidence on the IFR's own costs, so we comment only on how they are reported to clubs.

Estimate and outturn side by side. Actual costs for a chargeable period are the outturn to 30 June with a forecast for July (paragraph 5.3, under operational costs), and the difference from the estimate passes into the next period's fees. We suggest the IFR publish each year, with the information it publishes before the period, the estimate, the outturn and the difference, split into staff and non-staff costs, so that a club can see where its adjustment comes from.

The average per club. Paragraph 4.5(d) puts the IFR's costs at £175,000 per club. That is an average across very different fees: in the IFR's tool they run from £516 for a National League club to £1,808,081 for a Premier League club with commercial revenue over £150 million that plays in the Champions League and played in the most recent Club World Cup. A range by division would describe the burden better than one average.

QUESTION 5.

Do you agree with the IFR's proposed true-up process?

Agree. Allocating an adjustment in proportion to what each club paid in the period it relates to (footnote 19; Rule H1.4) is the accurate way to do it, and

leaving out the clubs that enter or leave the National League's top step is reasonable.

Keep two amounts apart. The true-up carries a second amount: the fee waived for a club exempted because it entered administration is treated as an IFR operating cost and recovered from the other clubs through the true-up (Rule H1.5; paragraph 9.16). That is not a variance in the IFR's costs; it is one club's fee passed to the others. The template letter has a single line for adjustments from the previous period. We suggest the letter, and the information published before each period, show the two separately.

One wording point. Paragraph 5.6 describes the 112 clubs as those that remain in scope for the following period, the table above it as those in scope during the previous period, and the draft rule as clubs licensed in both periods. The rule's wording is the precise one and could be used throughout.

QUESTION 6.

Do you agree with the IFR's proposed approach to establishing and funding a financial reserve for litigation?

Agree. We have no evidence to add on the size of the reserve. Interest on late levy payments and financial penalties will be used first to offset litigation costs (paragraph 9.13); we suggest the IFR report each year how much of the reserve came from each source.

QUESTION 7.

Do you agree with the proposed ratcheted approach to recovering set-up costs?

Agree. Deferring recovery while the IFR's running costs are highest is reasonable. Two points.

What is deferred. On Table 5, the ratcheted approach recovers £15 million in the first five chargeable periods against £22.5 million on the simple approach, and £30 million in periods six to ten against £22.5 million. The £7.5 million moved is paid by whichever clubs are in each category in those later periods, and with promotion and relegation they will not be the same clubs that paid in the first five.

The final figure. Footnote 23 says the figure of about £45 million is indicative and subject to final analysis with the UK Government. We suggest the final figure be published before the first chargeable period, split between the Secretary of State's establishment costs and the IFR's initial costs, with each period's recovery shown in the information published before that period.

QUESTION 8.

Do you have any other comments on the matters set out in this chapter?

One drafting point. In section 5, paragraphs 5.1 to 5.3 are numbered twice, first under operational costs and again under establishment and initial costs, so a reference to paragraph 5.3 could mean either the calculation of actual operating costs or the list of initial costs. Renumbering before the final version would avoid this.

QUESTION 9.

Do you agree with the IFR's proposed chargeable period of 1 August to 31 July?

Agree. The period follows the season, and most clubs' financial years end shortly before it starts. Of the 71 EFL clubs whose accounts for 2024/25 we read, 58 end their year in June, 10 in May, 2 in July and 1 in December.

One consequence follows. The fees are set before the period starts, with the information the IFR publishes by 31 July (paragraph 9.4). By then most clubs' most recently completed financial year has ended only a month or two before, and its accounts are not yet audited, yet it is the year the commercial category uses (Rule H1.3). This is the point we make under question 3: the rules should say which figures set the category and how they are reconciled to the audited accounts.

QUESTION 10.

Do you agree that clubs should receive a single levy invoice at the start of each chargeable period and make payment in one instalment?

Agree that a single annual invoice should be the default, with discretion for a club that shows a short-term liquidity difficulty.

On our arithmetic on the IFR's tool (question 1), the division's fee is a median of 0.25% of 2024/25 turnover in the Premier League, 0.15% in the Championship, 0.09% in League One and 0.10% in League Two. Those figures leave out the parachute, UEFA and Club World Cup categories, so they do not show the full invoice for every club: a Championship club in its first parachute year pays £218,150 in the tool, five times the Championship fee, and turnover says nothing about a club's cash at the date the invoice falls due. We suggest the rules let the IFR agree a payment arrangement within the chargeable period where a club shows such a difficulty, beyond the short extension in paragraph 9.9.

QUESTION 11.

Do you agree with the IFR's proposed approach to late payments, including the charging of interest?

Agree, with one change to the wording. Paragraph 9.10 and Rule I2.2 make the Bank of England base rate plus 5% the standard rate of interest, which the IFR may reduce or waive. The template letter on the levy fee says interest "will not exceed" that rate, and the template letter on late payment calls the charge "a late payment penalty". Interest on a late fee and a financial penalty under the IFR's enforcement powers are different things, and paragraph 9.13 treats them separately. We suggest the letters use "interest" throughout and state the rate applied, the days overdue and how the amount was calculated, and that the levy fee letter use the standard-rate wording of the rule.

QUESTION 12.

Do you agree with the IFR's proposed approach to levy exemptions?

Agree, with one change: the exemption should not depend on whether the club has already paid.

Paragraph 9.15 proposes that a club in formal administration should be exempt. The draft rule is narrower: the IFR may exempt a club that has entered administration without having paid its levy fee (Rule H1.5). The invoice is issued on or shortly after 1 August and is due within 30 calendar days (paragraphs 9.6 and 9.9), so most of a season falls after the due date. Derby County went into administration on 22 September 2021. On the proposed timetable its fee would normally already have been due: a club in that position that had paid on time could not be exempted, while one that had not paid could be. As drafted, the exemption favours the club that pays late.

We suggest the exemption turn on the date the club enters administration: for example, the fee for the rest of the chargeable period from that date waived, or refunded if already paid. The rule should also say which company's administration counts, since in a group the club as the Act defines it and the companies around it can differ (question 1).

QUESTION 14.

Do you have any comments on or suggested changes to the draft Levy Rules, not already covered?

Yes, four drafting points.

1. Rule I1.2 says the invoice will typically issue "on or shortly after the end of the start of the Chargeable Period". The words "the end of" look left over from an earlier draft; paragraph 9.6 says on or shortly after 1 August.

2. The threshold is worded three ways. Rule H1.3 counts clubs that earned "at least" £150 million; the rules' own summary and paragraph 1.39 say "more than" £150 million; the tool and the template letter say "over". A club at exactly £150 million would be in the category under the rule and out of it under the other wording.

3. Cross-references in Rule H1 point to the wrong paragraphs. Rule H1.1 refers to Rule H1.3 for the true-up adjustment, which is in Rule H1.4, and Rule H1.3(b) refers to Rule H1.1(a)(i) and (ii) for revenues listed in Rule H1.3(a). Between Rules H1.4 and H1.5 there is a paragraph numbered 9.

4. The exemption sits inside the rule on the true-up (Rule H1.5), although the rules list exemptions as a matter of their own (Rule B1.2(g)). A separate rule would be easier to find and to apply on the terms we suggest under question 12.

QUESTION 15.

Do you have any comments on or suggested changes to the template letter outlining the Levy fee?

Yes, three additions.

- For the commercial category, the letter should state the figure the club notified, the company and financial year it comes from, and the threshold, so that the club can check it against its accounts.
- It should show how a Championship fee is built. In the IFR's tool the Championship fee of £43,630 has two parts, £23,798 and £19,832, the second labelled solidarity, and a club with parachute payments is charged the first part and its parachute fee. The draft rules describe the same adjustment another way, as a reduction in the parachute revenue counted (footnote 20). Either way, the letter's single category amount would not show a club how its fee was reached.
- It should show separately the part of any adjustment that comes from a waived fee (question 5).

QUESTION 16.

Do you have any comments on or suggested changes to the template letter outlining exemptions from paying the Levy fee?

Yes. The letter says the IFR may grant an exemption where a club has formally entered administration; the draft rule allows it only where the club has not yet paid (Rule H1.5). If the rule stays as drafted, the letter should say so. If it changes as we suggest under question 12, the letter should state the date the administration began, the part of the fee waived and any refund of a fee already paid.

QUESTION 17.

Do you have any comments on or suggested changes to the template letter outlining late payment penalties?

Yes. The letter calls the charge "a late payment penalty"; the rules provide for interest (Rule I2.2). We suggest it say interest, and set out the amount overdue, the due date, the rate applied, the number of days and the interest charged (question 11).

QUESTION 19.

Do you have any other comments on the matters set out in this consultation?

Our main points, in the order of the consultation:

- measure commercial revenue on a defined set of companies, reconciled line by line to audited accounts, and say which year and which accounts set the category (questions 1 to 3);
- consider a commercial fee in proportion to revenue above the threshold, rather than the same fee for every club over it (question 2);
- publish the clubs in each category, with the company, year and basis used, and the commercial figure where disclosure is permitted (question 3);
- keep a single annual invoice as the default, with discretion for a club that shows a short-term liquidity difficulty (question 10);
- show a waived fee separately from the IFR's own cost variance in the true-up (question 5);
- base the administration exemption on the date of administration, not on whether the club has paid (question 12);
- correct the drafting points in the rules and letters (questions 14 to 17).

We would be glad to discuss any of these with the IFR.

The exact text as submitted on 14 November 2026