CONSULTATION RESPONSE

Response to the Independent Football Regulator's Liquidity and Licensing Technical Consultation (November 2026)

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

QUESTIONS

Question 1. Do you have any comments on the IFR's risk-based approach to liquidity?

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QUESTION 1.

Do you have any comments on the IFR's risk-based approach to liquidity?

The Orange Ledger reads English football clubs' filed accounts to measure their finances against the rules that govern them; it is published by 2035 Agency LLP.

Our evidence comes from accounts filed at Companies House, each figure agreed by two independent readings unless stated. We support setting liquidity expectations club by club. Our comments are on two points: the exemption for Premier League clubs, and the evidence the 2028 review could use.

The Premier League exemption (1.12 and 1.13). We accept that the starting expectations need not apply to Premier League clubs now. The filed accounts suggest that the 2028 review should test the reasons given, and we offer our readings for it:

- Owners were owed 30% to 35% of the Premier League clubs' loans attributed to a lender in each season from 2020/21 to 2024/25, or 36% to 47% counting balances owed to the owner that the accounts do not call loans.
- Borrowing attributed to outside lenders was £1,935.1m in 2020/21 and £2,870.9m in 2024/25.
- In 2024/25, 18 of the 20 clubs cited owner support in their going-concern assessment.
- Between five and seven clubs a season had negative net assets.

These are figures for borrowing and owner funding, not for liquidity. They show that Premier League clubs also rely on their owners. They do not test whether liquidity risk is lower in the Premier League, and our readings cannot answer that. The first financial plans would.

Which company the expectation applies to. Our answers to questions 5 and 7 set out why the company that holds the cash matters as much as the amount.

QUESTION 2.

Do you have any comments on the proposed amounts set out for the baseline starting level?

We tested the baseline against the latest filed accounts of the 24 clubs in this season's Championship. For each club we read the company we identified as operating the team, which the consultation says is the entity a licence names (3.1), not its parent. We read its accounts for the year ending in 2025, twice and independently. We compared its cash at bank at the year end with one month of its total staff costs, the nearest public measure of the consultation's "wages".

- 9 of the 24 clubs held at least one month of staff costs in cash at the year end, and 15 held less.
- Seven held less than a quarter of a month.
- At three clubs, a bank overdraft at the year end was larger than the cash.
- The two readings agreed on every cash and staff-cost figure.

This is not a finding that any club would fall short. The expectation uses forecast cash wages, not past staff costs. Qualifying liquidity can also include assets other than cash at bank, such as gilts, money market funds and, for up to a third, transfer receivables. What the figures show is that clubs start from very different places. We suggest the regulator tests the baseline against each club's actual resources before it settles the level and the timetable.

Three cautions. A year end is a single day, and cash can move a long way within a month. Staff costs in the accounts include bonuses and other accruals, so they are a stand-in for the forecast cash wages the consultation uses. And where a club sits in a group, the cash may be held elsewhere. At Swansea City, the parent company held £10.4m at the same year end, against £3.0m at the club company. Which company counts decides whether a club meets the baseline. Our answer to question 5 returns to this.

QUESTION 3.

Do you have any comments on the risk-adjusted components for medium and higher risk clubs?

The risk-adjusted component adds two months of operating losses for a medium-risk club and five months for a higher-risk club (Table 1). Operating losses are the club's forecast net operating cash outflows: payments less receipts, not total spending (1.6b). Two things set the amount: the risk category and the forecast. We comment on both.

Owner reliance (1.9d). One indicator of low risk is limited reliance on frequent owner funding injections. The filed accounts show how common that reliance is. In the EFL, counting a going-concern statement as relying on the owner only where it says so, 48 of 71 clubs relied on the owner in 2020/21 and 63 of 71 in 2024/25. In the EFL's three divisions, owners were certainly owed between 58.2% and 69.6% of the clubs' borrowing in each season from 2020/21 to 2024/25. Read from going-concern statements alone, this indicator would mark most EFL clubs. We suggest the IFR says how it will measure reliance. One measure is the owner money received in each recent year as a share of operating cash outflows. The IFR could also say whether money already paid in as share capital counts the same as loans the owner may recall.

Encumbrance (1.9g). Another indicator is limited encumbrance of assets and future income. The public record shows a charge but not always what it secures. Of 595 pairings of an outstanding charge with a Premier League club's season, 70 match no borrowing in the accounts we read. We suggest the IFR measures encumbrance from the security register in the plan (tab 6.1c), with each charge linked to the facility it secures.

The forecast. The component rests on the club's own forecast of its net operating cash outflows. The public record cannot check that forecast. Of the 71 cash flow lines in the template, at most 8 could be filled from any of

the three filings we tested (question 6), and two of the three companies file no cash flow statement. We suggest the IFR compares each forecast with the outturn reported in the next plan, and adjusts the component where a club's forecasts prove optimistic.

QUESTION 4.

Do you have any comments on the implementation of a phased approach, which gives clubs three years to build up to their specific liquidity expectation?

We support phasing. Our baseline test (question 2) suggests clubs will start from very different places. At their 2025 year ends, eight of the 24 Championship clubs held less than a third of a month of staff costs in cash. A third of a month is the step a lower-risk club would need by summer 2028 (1.29a). At the other end, nine held at least a month. For the reasons given under question 2, these are not compliance findings, and they cannot show whether three years is the right period. We suggest each club's first financial plan sets out how it will meet each annual step, so that a likely shortfall shows a year ahead rather than at the deadline.

QUESTION 5.

Do you have any comments on the IFR's approach to qualifying liquidity and the categories of assets that may be used to satisfy a club's liquidity amount?

We support the approach, and in particular the exclusion of written commitments from owners (1.25). In the EFL's three divisions, owners were certainly owed between 58.2% and 69.6% of the clubs' borrowing in each season from 2020/21 to 2024/25. Owner loans often carry no interest. At the top UK companies of this season's Championship clubs, Preston North End's £62.0m and Charlton Athletic's £37.3m carry none. Existing loans and future owner support are different things. Whether an

existing loan can be called in depends on its terms; whether the owner puts in more money is the owner's decision. A written promise of future funding is not money the club controls: in the stress the buffer is meant to cover, the owner may withdraw it or be unable to pay. Money the owner has already paid in, held in the club's name, is different, and the proposal counts it as cash.

Transfer receivables (1.20b). Receivables count towards the final third only where they are unencumbered and available to be factored. The filed accounts show how often they are not, and how hard that is to see:

- Burnley's accounts for 2021/22 show £17.2m of proceeds of factored debts, secured over the trade debtors they relate to.
- Sheffield United's for 2023/24 show £18.0m of factored loans.
- Aston Villa's for 2024/25 show a £32.5m factored receivable loan agreement.
- Crystal Palace's for 2022/23 show a £5.6m debt for a player that the selling club had assigned to a bank, so Palace owed the bank, not the club.
- None of the borrowing notes we read says whether factored receivables were sold with or without recourse to the selling club.

A factored receivable can stay on the balance sheet, with the money received shown as a loan. A reader of the receivables line alone would count it as available. We suggest that a receivable counts only where the club confirms it is not sold, assigned, pledged or charged. The financial plan could show that status line by line (our answer to question 6).

Which company holds the cash (1.27). Qualifying liquidity must be held in the licensed entity's name (1.19a). We suggest the guidance also says, in terms, that amounts due from group companies never count, however short their terms. Our own reading of Millwall shows why the company

matters. The club company owed its parent, Millwall Holdings Limited, £177.6m at June 2025. That was a balance inside the group. At Millwall Holdings, borrowing was £9.7m of loan notes. Read at one company, the club looks heavily owner-funded; read at the other, it does not. A liquidity test faces the same choice: cash held by a parent, or owed to the club by a parent, is not the club's to spend in a stress.

QUESTION 6.

Do you have any comments in relation to the Financial Plan Template?

Tab 6.2, transfer receivables. The template already asks whether each receivable is "unencumbered and available for forward factoring" (column L). We suggest replacing the single yes or no with separate questions, because the conditions overlap. A factored receivable is often assigned to the factor, and factoring is not always a sale in the accounts. For each receivable the club could state:

- whether it is still recognised in the club's accounts;
- whether it has been factored or sold;
- whether it has been assigned, pledged or charged;
- whether any financing against it is with recourse to the club;
- which facility in tab 6.1a, or entry in the security register in tab 6.1c, it relates to.

A receivable would count as qualifying only where it has been neither factored nor assigned, pledged or charged. The same column for payables (column L of the first table) could say who the club owes when a selling club has assigned the receivable to a lender.

Tab 6.1a, the debt schedule. The type of debt groups "shareholder debt (including from group companies)" together. We suggest separating debt owed to the owner from balances owed to other companies in the group. Millwall's £177.6m was owed to its parent, inside the group, and our own reading first counted it as owed to the owner. A template that puts the two in one class invites the same mistake.

Tab 3.2, the balance sheet. It already separates amounts due from group companies from cash at bank and from other qualifying liquid assets. We support keeping that separation.

What a public reader can see. We tested how much of the template a member of the public could fill, for the year just ended, from a club's filed accounts. We used three filings for 2024/25: a club company filing full accounts (West Bromwich Albion), a medium-sized company (Lincoln City) and a small company that files no profit and loss account (Accrington Stanley). Two independent assessments classed every line, and a class counts only where both agree. A line counts as filled where the accounts show its figure, including a nil. The three filings illustrate three kinds of filing; they are not a sample of all clubs.

- Cash flow (tab 3.3): of 71 lines, 6, 8 and 7 could be filled. West Bromwich Albion's club company files no cash flow statement, because its parent's group accounts include it, and Accrington Stanley files none.
- Covenant breaches (tab 6.1b): none of the five questions could be answered from any of the three.
- Transfer schedules (tab 6.2): of 20 lines, 2 could be filled at West Bromwich Albion, none at Lincoln City and 1 at Accrington Stanley.
- The balance sheet (tab 3.2) is the most visible: 33 of 42, 21 of 42 and 26 of 40 lines could be filled. The count of lines differs where both assessments treated a line as a heading.

The template is meant to ask for more than the accounts show. The gap matters for one reason: from the public record, nobody outside the regulator and the club can tell whether a club meets its liquidity expectation. We suggest the regulator consider publishing, at least by division, how much qualifying liquidity clubs hold against their expectations.

QUESTION 7.

Do you have any comments in relation to the IFR's proposed Rules and Guidance?

We support a power to transfer a licence, with two additions to the information a club provides.

Liabilities left behind (Guidance 1.34e). The guidance asks for details of assets and liabilities that stay with, or move from, the current company. We suggest it also asks the club to show, for each liability that stays, which company will meet it and from what. A transfer should not leave the old company holding debts and no income. Results can differ sharply between two companies in one club. In 2024/25 Aston Villa reported a profit of £17m, and the company above it reported a loss of £97m.

The group structure (Guidance 1.34c). We suggest the diagram names every UK company between the licensed entity and its ultimate owner, with company numbers, and states which of them file group accounts. The register of people with significant control does not always lead there. At Millwall, the club company's register names an individual with control but no shares, so a search that follows the register stops at the club company and misses its UK parent.

Our readings and the method behind every figure are available to the regulator on request.

The exact text as submitted on 14 November 2026