CONSULTATION RESPONSE

Response to the Independent Football Regulator's consultation on the Draft State of the Game Report

Submitted by The Orange Ledger (2035 Agency LLP) on 13 November 2026.

Figures as of 13 November 2026 (Orange Engine release v2cq for our squad cost estimates).

QUESTIONS

Question 1. Do you have any comments or views on the draft State of the Game Report?

Question 2. Do you have any comments or views on the conclusions drawn by the IFR at the end of each of the five Sections of the draft State of the Game Report?

Question 3. Do you have any comments or views on the 'Future Actions' set out at the end of the Executive Summary of the draft State of the Game Report?

Question 4. Do you have any comments or views on the evidence base used by the IFR for the purposes of the analysis set out in the draft State of the Game Report?

Question 5. Do you have any comments or views on further work the IFR could do for the purposes of analysing the issues set out in the draft State of the Game Report?

Question 6. Document upload

QUESTION 1.

Do you have any comments or views on the draft State of the Game Report?

Summary. We support the report's diagnosis and offer one proposition to build on it: the regulator should measure success not only by whether clubs comply with financial rules but by whether those rules produce financially sustainable clubs. Our evidence, from filed accounts read twice, shows why the distinction matters. Premier League clubs report persistent losses while their squad costs sit, in aggregate, below the League's 85% limit; reported profit includes gains from transactions with owners; a large share of club

borrowing is owed to owners, some of it in forms the accounts do not label consistently; and future broadcast money and transfer receivables are already pledged or sold. We set out five areas where the IFR could measure outcomes directly, and one proposal, Dynamic SCR, for the IFR to test.

Our evidence comes from the filed accounts of Premier League and English Football League (EFL) clubs on the Companies House register. Each figure was agreed by two blind readings unless stated, and counted only where the readings agree; the Profitability and Sustainability Rules (PSR) figures are our own calculation from those accounts. It does not test the Independent Football Regulator's (IFR) own figures, which come from data clubs gave it. Where it bears on the draft report, it broadly supports the report's concern over losses and dependence on owner funding, and it adds four things the public accounts can show.

Finding: owner-related gains inside reported profit. Premier League profit before tax over the 20 seasons from 2005/06 to 2024/25, on the nearest group that holds only the club, is a loss of £4,428.3m. That figure includes £711.8m of owner-related gains and credits, in 11 items: asset sales inside the owner's group, loan waivers and similar. Without them the loss is £5,140.1m. For 2020/21 to 2024/25 alone, the reported loss is £2,937.0m, and £3,596.5m without those gains. Five of the 11 items are larger than £70m: Chelsea 2023/24 (£198.7m), Newcastle 2024/25 (£129.0m), Villa 2024/25 (£113.7m), Chelsea 2022/23 (£76.3m) and Bournemouth 2022/23 (£71.4m). [Source A]

Finding: who the clubs owe, in the Premier League and the EFL. From 2020/21 to 2024/25, owners were owed 30% to 35% of the Premier League clubs' loans attributed to a lender each season, or 36% to 47% counting balances owed to the owner that the accounts do not call loans; a further £261.6m to £487.8m a season could not be attributed to either side. [Source B] In the EFL's three divisions, owners were certainly owed between 58.2% and 69.6% of the clubs' borrowing in each season, and in

the Championship between 56.9% and 66.7%; banks and bondholders were owed between 6.0% and 8.9%. [Source F] For the 24 clubs of the 2026/27 Championship, read at the top UK company above each club, owners lent £624.3m of the £1,441.3m borrowed at 22 of them, 43.3%, or 51.6% counting lenders whose control the accounts do not show. [Source G] The EFL figures count only lenders the accounts show to control the club, so they are floors; the Premier League figures count the owner's group companies as well. The three sets of shares are read on different companies, seasons and definitions of the owner, so they should not be compared as one series.

Finding: future income already pledged or sold. The Premier League borrowing notes we read include loans secured on future broadcast money, central distributions, parachute payments and transfer receivables, and the sale of transfer receivables to lenders. Examples, each agreed by both readings, are in our answer to question 2. [Source B] 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. [Source C]

Finding: what public disclosure does not show. No Championship filing, on the pages read, prints the parachute payments received. [Source C] In each season the accounts of between 13 and 17 of the 48 League One and League Two clubs give no turnover, because small companies may file without a profit and loss account. [Source F] The PSR deductions for youth, women's football and community rest on audited supplementary information that is not public. [Source D] Of the 75 Premier League club-seasons where both readings agree transfer fees payable, 33 are agreed only as a lower bound. [Source B] Our answer to question 4 sets these out.

Proposal: five areas for outcome measures. Our answer to question 5 develops each as the problem, our evidence, why it matters, what the IFR could investigate or recommend, and how success would be measured:

1. profitability as an explicit outcome measure, aggregate and underlying, alongside owner-funding dependence and cash resilience;

2. transparency of owner funding and debt, including intra-group balances, transfer payables, borrowing secured on future income and guarantees;

3. transfer financing and the risk that one club's failure to pay spreads to others;

4. revenue distribution judged by whether it reduces owner dependence and exposure to failure, not only by how much money moves;

5. results that others can check, on common definitions, with published reconciliations subject to confidentiality.

It also sets out Dynamic SCR, a squad cost limit tied to a league profit target, as research for the IFR to test independently and publish.

Sources. A to H are readings of filed accounts on the Companies House register, held with their commits for checking; I and J are our estimates built on them; K is the IFR's own document:

- A: profit before tax of every Premier League club-season from 2005/06 to 2024/25 (400), on the nearest single-club group, with owner-related gains and credits (hidden-losses package, fi-history dca0d00b).
- B: Premier League balance sheets, 100 club-seasons from 2020/21 to 2024/25 (fi-history a8cb0a74), with borrowing attributed to a lender as restated on 8 November 2026 (fi-history de4b461c).
- C: every Championship club-season from 2020/21 to 2024/25, 120, of which 117 filed (fi-history 6eb8cc2a), with Millwall read at Millwall Holdings Limited.
- D: PSR windows ending 2021/22 to 2024/25, calculated from the public accounts (football-intel run f64e58fb, ruled limit cb4a2b62).

- E: the test of whether a parent's group accounts consolidate the club (Championship scope, fi-history 3f234d41; Premier League, fi-history 5eb702c6).
- F: every club in the Championship, League One and League Two from 2020/21 to 2024/25, each read on one company for all five seasons (History B, cb17c76f), with Millwall read at Millwall Holdings Limited as corrected on 13 November 2026.
- G: the 24 clubs of the 2026/27 Championship, their 2024/25 accounts at the top UK company above each club (History B, 07767fb15), with Millwall read at Millwall Holdings Limited as corrected on 11 November 2026.
- H: the PSR calculation for the three years to 2024/25 for each of the 20 clubs of the 2025/26 Premier League, from their filed accounts for 2022/23 to 2024/25.
- I: our estimates of each Premier League club's squad cost ratio for the 1 March 2027 test (Orange Engine release v2cq), and the filed accounts for 2024/25 they start from.
- J: our estimates of UEFA's squad cost ratio for the calendar year 2026 for the nine English clubs in European competition (Orange Engine release v2cq).
- K: the IFR's Levy Consultation (October 2026; engage.footballregulator.org.uk/levy-consultation, read 13 November 2026), cited by paragraph. Its figures are the regulator's, not ours.

QUESTION 2.

Do you have any comments or views on the conclusions drawn by the IFR at the end of each of the five Sections of the draft State of the Game Report?

Summary. Our figures point the same way as the report's conclusions on losses, owner dependence, debt and transfer financing, and add club-level detail the public accounts can show: how much reported profit comes from owners, which future income is already pledged, and why an aggregate squad cost ratio below 85% sits beside a loss. We cannot speak to wage growth, broadcast markets, stadia, governance or fan engagement.

We read the conclusions from the report's PDF: pages 61, 85, 129, 186 and 232. Where we say our figures support a finding, we mean they point the same way for the divisions and seasons we hold. They do not test the IFR's own figures, which come from data clubs gave it.

Section 1, "1.9 Conclusion" (page 61). On losses, our figures agree. Premier League profit before tax for 2020/21 to 2024/25 is a loss of £2,937.0m. [Source A] The Championship clubs whose figures both readings agree lost £190.4m, £269.5m, £179.5m, £236.3m and £156.6m in those five seasons. Staff costs were larger than turnover at 15 of 19, 11 of 19, 12 of 20, 10 of 21 and 12 of 20 Championship clubs whose turnover and staff costs are both agreed. [Source C] On the commercial gap, the IFR's levy consultation puts the six highest-revenue Premier League clubs' commercial revenue in 2025/26 at £1.9bn together, £322m on average, against £0.7bn, £54m on average, for the other 14 (paragraphs 1.37 and 1.38). [Source K] In their filed accounts for 2024/25, the six Premier League clubs with the highest turnover, Liverpool, Manchester City, Arsenal, Manchester United, Tottenham and Chelsea, report £1,738.0m of commercial revenue, £289.7m on average. [Source I] Ours is a season earlier and as each club's accounts label it; the IFR's comes from data clubs gave it. We cannot speak to wage growth against revenue growth, because the club-seasons agreed differ between years, nor to commercial growth or women's football.

Section 2, "2.7 Conclusion" (page 85).

- **Finding: losses below the 85% line.** In the Premier League, on our estimates for the first squad cost test, the 20 clubs' squad costs together are 75.2% of revenue as the rule counts it, 87.5% before the three-year average of profit on player sales, and 96.6% before player sales for the 14 clubs outside the traditional big six. In pounds, squad costs of £6,265.5m take 87.5% of the £7,157.7m of revenue the rule counts before player sales. That leaves a regulatory difference of £892.2m, 12.5% of this revenue measure, before any cost outside the rule's squad cost, such as staff outside the squad, stadium and running costs, depreciation and interest. It is not an accounting profit figure: neither the rule's revenue nor its squad cost is the figure in the accounts. [Source I] The report finds that Premier League clubs' non-player operating costs rose by 68% between 2021/22 and 2025/26 (page 21), that average losses more than doubled from £20 million in 2021/22 to £44 million in 2025/26 (page 22), and that Premier League clubs required external financing equivalent to 33p for every £1 of revenue (page 22). So a league can sit below 85% in aggregate and still lose money: the ratio counts player-sale profit as revenue, and it does not count the costs outside the squad. Our pooled figure is for 2026/27 and the IFR's losses for 2025/26, so the two are set side by side, not added.
- On the clubs in Europe: on our estimates of UEFA's squad cost ratio for 2026, Bournemouth (79.9%), Crystal Palace (77.7%) and Aston Villa (72.0%) are above UEFA's 70% limit across their whole assumption ranges, Brighton, Liverpool and Manchester City are around it, and Arsenal, Sunderland and Manchester United are below it. On the Premier League's own rule all nine central figures are below 85%. These are our estimates, not UEFA's calculation. [Source J]
- On losses against the League's own rules: on the figures the accounts print, Chelsea's PSR loss for the three years to 2024/25 is £180.3m,

Everton's £137.9m and Nottingham Forest's £120.6m, against a limit of £105m; they are the three of the 17 clubs the Premier League judged for that window whose printed-figure losses are above £105m. With our assumption for academy costs, which the accounts rarely print, their losses are £117.5m, £94.7m and £90.4m. No club was charged for that window. [Source H]

- On the last PSR test, of 2023/24 to 2025/26: on our central figures, Leeds United was the one club of the 20 that needed a PSR profit in 2025/26 to stay inside its limit, £18.4m, between £8.4m and £38.4m across our assumption range; each of the others had at least £40.3m of room. Each figure assumes the club qualifies for its full limit, which above £15m depends on secure funding from its owner. [Source H]
- On losses and greater reliance on external financing: 5 to 7 of the 20 Premier League clubs a season had net liabilities, against 10 to 19 of the 23 or 24 Championship clubs, 8 to 17 of League One's 24 and 12 to 15 of League Two's. Going-concern statements relied on the owner at 13 to 18 Premier League clubs a season, 18 to 22 in the Championship, 16 to 22 in League One and 13 to 20 in League Two. Premier League shares issued in the year ranged from £270.2m to £1,266.0m a season. [Sources B and F]
- On debt: Premier League borrowing attributed to outside lenders was £1,935.1m in 2020/21 and £2,870.9m in 2024/25, and owner loans £816.0m and £1,259.7m; a further £276.6m and £279.7m could not be attributed to either side. The items agreed differ by season, so we do not state a growth rate. [Source B]
- On debt below the Premier League: owners were certainly owed 41.8% to 87.9% of League One clubs' borrowing a season and 56.4% to 82.8% in League Two. League One's 41.8%, in 2024/25, is low because Reading's £104.1m of related-party loans and Birmingham City's £126.9m from a

shareholder that did not then control the club are not counted as the owner's. [Source F]

- We cannot speak to broadcast variance or stadia.

Section 3, "3.5 Conclusions" (page 129). On reliance on owners, our figures agree. Going-concern statements relying on the owner numbered 13 (and 2 conditional), 13 (and 3), 14 (and 3), 14 (and 3) and 18 in the Premier League from 2020/21 to 2024/25. [Source B] Conditional means support only in a stated adverse event, or a promise not to call existing loans. In the EFL, counting a statement as relying on the owner only where it says so, they numbered 48 of 71 clubs in 2020/21 and 63 of 71 in 2024/25. [Source F] Among the League One and League Two accounts for 2024/25, those of Colchester United, Morecambe and Peterborough United state a material uncertainty over going concern. [Source F] On formal insolvency, one fact: Derby County's club company entered administration on 22 September 2021 and filed no accounts for 2020/21 or 2021/22. [Source C] We cannot speak to liquidity, contingency plans, earnings before interest and tax (EBIT), earnings before interest, tax, depreciation and amortisation (EBITDA), or sale values.

Section 4, "4.6 Conclusions" (page 186).

- On the gap between the Premier League and the Championship, one fact: 5 to 7 of 20 Premier League clubs had net liabilities, against 10 to 19 of 23 or 24 Championship clubs. [Sources B and F] Parachute amounts are not printed in the Championship filings, on the pages read, so we cannot check them club by club. [Source C] The IFR's levy consultation now publishes the averages for 2024/25: central distributions of £142m for a Premier League club and £11m for a Championship club, the latter £6m of EFL basic award and £5m of solidarity payment, and parachute payments of £49m, £40m and £20m in the first, second and third years,

for clubs that receive no solidarity payment (paragraphs 1.22, 1.32 and 1.33). [Source K]

- On persistent losses and reliance on owner funding: the 20-season Premier League loss of £4,428.3m includes £711.8m of owner-related gains and credits, without which it is £5,140.1m. [Source A]
- On net transfer debt: our figures support the direction. Premier League transfer fees payable against receivable, agreed, were £984.6m against £321.0m in 2020/21 (3.1 times), £1,168.1m against £466.8m (2.5), £2,257.6m against £659.6m (3.4), £2,020.1m against £799.8m (2.5) and £2,844.4m against £987.8m (2.9) in 2024/25. [Source B] Payable and receivable are agreed for different numbers of clubs, and both are lower bounds, so the ratio is approximate. The report's 3.3 times is not stated for a season or a division on page 186.
- **Finding: transfer financing in the filed notes.** The report finds that transfer factoring rose from £55 million in 2020/21 to £779 million in 2024/25 (page 23), and that five lenders account for 93.6% of transfer financing activity since 2020/21 (page 29). The Premier League notes we read show the forms it takes, each agreed by both readings. Burnley's accounts for 2021/22 show £17.2m of proceeds of factored debts, secured over the trade debtors to which they relate. Sheffield United's for 2023/24 show £18.0m of factored loans, and Aston Villa's for 2024/25 a £32.5m factored receivable loan agreement with Goldman Sachs. Crystal Palace's for 2022/23 show a £5.6m debtor for a player that the selling club had assigned to a bank, so Palace owed the bank rather than the club, and a £7.7m bank loan financing transfer fees payable to a selling club. Brentford's for 2024/25 show £43.9m of bank loans taken out in relation to the repayment of transfer fee payables. None of the borrowing notes we read says whether factored receivables were sold with or without recourse to the selling club. [Source B]

- **Finding: borrowing secured on future income.** Wolverhampton Wanderers' £60.5m of bank loans in 2020/21 were secured on future Premier League broadcast revenue; Newcastle United's £49.7m term loan in 2023/24 on an assignment of Premier League central distributions and ticketing revenues; Brentford's £26.5m overdraft in 2024/25 on a floating charge over future Premier League media rights income; Norwich City's 2021/22 accounts show £43.9m secured on future media rights and £22.6m on future contracted player receivables; and Leeds United's £41.6m of other loans in 2022/23 on the parachute payments of the 2023/24 season. Bournemouth's bank loans in 2022/23 were in part secured by guarantors (£12.8m), and its £30.0m bank loan in 2023/24 was secured by guarantors. [Source B]
- On links between clubs, owners and lenders: 233 charges were outstanding at Premier League year ends. [Source B] In this season's Championship, some owners lend without interest: Preston North End's £62.0m and Charlton Athletic's £37.3m, owed to each club's parent, carry none. Millwall's £9.7m of loan notes carry 12%, but the holders have suspended interest until June 2026. Where banks lend, the implied rate, our calculation of interest over average borrowing, is higher: 11.0% at Wolves and 9.5% at Burnley. Birmingham City's loan from Shelby Companies Limited is at a fixed 11.9%. [Source G]
- We cannot speak to broadcast markets.

Section 5, "5.5 Conclusions" (page 232). We hold nothing on governance, litigation and central costs, the fixture calendar, fan engagement or corporate governance and equality, diversity and inclusion.

QUESTION 3.

Do you have any comments or views on the 'Future Actions' set out at the end of the Executive Summary of the draft State of the Game Report?

Summary. We support Actions 1, 2 and 4 and suggest that each be judged by outcomes: whether distribution reform reduces owner dependence and exposure to failure, whether loss reduction shows in underlying profit, and whether clubs' risk plans cover what is already pledged or sold. Our answer to question 5 sets out how each could be measured.

We read the Future Actions from pages 33 to 40. Our evidence bears on three of the six.

Action 1, revenue distribution (page 35). We cannot speak to distribution itself. Two facts bear on the aim of mitigating the impact of relegation: no Championship filing on the pages read prints the parachute payments received, and borrowings secured on parachute payments or central distributions exist, at Leeds in 2023/24 (£36.8m) and Huddersfield in 2020/21 (£14.4m). [Source C] Leeds borrowed against parachute payments while still in the Premier League: its £41.6m of other loans in 2022/23 were secured on the parachute payments of the 2023/24 season. [Source B] The report finds that a Premier League club received 10 to 17 times as much as non-parachute Championship clubs in domestic competition distributions in 2025/26, against five times for a year one parachute club (page 27), and that the wage-to-revenue ratio of non-parachute Championship clubs rose from 107% in 2012/13 to almost 180% in 2021 before falling to 109% in 2025/26 (page 145). It also describes a proposed strategic partnership that would more than double solidarity payments to EFL clubs and make them depend on sporting performance (page 138).

Proposal. Judge any new distribution arrangement by what it does to clubs' resilience, not only by how much money moves. If more money reaches the EFL and the share of borrowing owed to owners, the number of

going-concern statements resting on the owner and the number of clubs with net liabilities do not fall, the arrangement has funded more spending rather than more stability. Where distributions are paid against financial conditions, borrowing secured on future distributions should be visible to whoever sets those conditions.

Action 2, reducing financial losses (page 36). The losses in our answer to question 2 bear on it, as does the £711.8m of owner-related gains and credits inside 20 seasons of Premier League profit before tax. [Sources A and C] In the three seasons to 2024/25, Premier League clubs booked £660m of profit from their owners and the owners' companies: £571.0m from selling assets and subsidiaries inside the owners' groups, £71.4m of loans a former owner released and £17.1m of costs a parent took over. [Source A] So does the size of squad costs: 87.5% of the Premier League clubs' revenue before player sales, on our estimates for the first squad cost test. [Source I] The report itself finds that the Premier League's 85% limit does not directly constrain losses or external financing (page 76).

Proposal. Measure losses on two bases: reported profit before tax, and underlying profit, before owner-related gains and before profit on player sales. Reported profit can improve because an owner buys an asset from the club or releases a loan; underlying profit improves only when the business does. Our answer to question 5 also proposes Dynamic SCR, a squad cost limit tied to a league profit target, for the IFR to test.

Action 4, managing financial risk (page 37). The action's stress tests include the loss of owner funding. Owners were owed 30% to 35% of the Premier League clubs' attributed loans each season from 2020/21 to 2024/25, or 36% to 47% with balances not called loans, and at least 58.2% to 69.6% of the EFL clubs' borrowing. [Sources B and F] At the top UK companies of this season's Championship clubs, owners lent 43.3% of the borrowing at 22 clubs, and banks, bondholders and other outside lenders 35.7%. [Source G] Going-concern reliance on the owner, and conditional

support, are as in our answer to question 2. The report finds that around two thirds of clubs said they would not be able to survive for more than 90 days without new injections of owner funding (page 4), and that around £1.2 billion of transfer receivables have been monetised through transfer factoring (page 23).

Proposal. The three stress tests, for relegation, for a reduction in revenue and for the loss of owner funding, are due by May 2028 (page 37). Each could start from what is already committed: income pledged as security or sold to a lender, transfer fees payable by instalment, and owner balances repayable on demand. The filed accounts show each in part.

- Relegation. Transfer fees payable by instalment fall due whatever the division a club plays in. Premier League transfer fees payable, agreed, were £984.6m at 16 clubs in 2020/21 and £2,844.4m at 17 clubs in 2024/25. These are lower bounds. [Source B] A relegation test that starts from revenue alone will understate the cash a relegated club still owes.
- Reduction in revenue. The report finds that a 50% reduction in broadcast revenues would increase average losses by £79 million for Premier League clubs outside the big six and by £27 million for clubs receiving parachute payments (page 177). Where next season's broadcast money is already assigned to a lender, as at Newcastle United, Brentford and Wolverhampton Wanderers in the years set out in our answer to question 2, the club has less to absorb a fall than its revenue suggests. [Source B]
- Loss of owner funding. Balances repayable on demand could be called in when an owner withdraws support. Withdrawal of new funding and a demand to repay existing loans are separate shocks that could come together, and a test could model both. Bournemouth's accounts for 2022/23 show £115.3m owed to its then parent, non-interest-bearing and repayable on demand; Chelsea's for 2023/24 show £303.2m owed

to its parent, interest free and payable on demand. [Source B] Conditional support, given only in a stated adverse event, is weaker than a count of going-concern statements suggests.

We cannot speak to contingency plans.

Actions 3, 5 and 6, and the Outlook. National League governance, fans' views, corporate governance and boardroom diversity, and the Outlook on pages 39 to 40: we hold nothing on them.

QUESTION 4.

Do you have any comments or views on the evidence base used by the IFR for the purposes of the analysis set out in the draft State of the Game Report?

Summary. The IFR's own figures come from data clubs gave it, which the public cannot see. The public accounts corroborate some of them where definitions allow, but they leave gaps: parachute receipts, PSR deductions, squad cost ratios, transfer financing terms, lenders, owner funding held outside loans, and which company is the club. We list what the filings contain and do not contain, so that the IFR can decide which gaps to close by disclosure and which by publishing its own reconciliations.

What follows is what the public filings contain and do not contain, from our readings of them.

- Parachute payments. No Championship filing, on the pages read, prints the amount received. Three agreed entries are nil: Swansea 2021/22, Huddersfield 2022/23 and Norwich 2024/25. [Source C] The regulator's own averages are now published, £49m, £40m and £20m in the three parachute years in 2024/25 (levy consultation, paragraph 1.32), but the amount each club received is still not in its accounts. [Source K]

- PSR deductions are not public. Our calculation reproduces each club's statutory loss and the window, but not the published PSR losses: even after the Covid amount the Everton decision allowed, its stadium agreement and our estimates of the deductions, our loss is about £45m larger for Everton's window ending 2021/22, and about £21m for Nottingham Forest's ending 2022/23, the two cases with a printed loss. The deductions it cannot see, for youth, women's football and community, rest on audited supplementary information that is not public, and neither club prints those amounts. [Source D] For the three years to 2024/25, Aston Villa is the one club of the 20 whose notes print its youth development, women's and community costs. For the others our central figure assumes an academy cost of £10m a year, an assumption with no source, and our range runs from none to £15m a year. [Source H]
- Squad cost ratios are not published. Neither the Premier League nor UEFA publishes a club's squad cost ratio, so ours are estimates from public accounts, with assumption ranges. The UEFA estimates leave out one line UEFA counts, other transfer income and expenses, because public accounts do not show its size. [Sources I and J]
- Transfer fees. Of 100 Premier League club-seasons, transfer fees payable are agreed in 75. In 33 of those, one reading found a larger total than the other, so the agreed figure is a lower bound, and 15 club-seasons print no transfer payable on the pages read. [Source B]
- Transfer financing terms. The notes show that receivables were factored or assigned, but not whether the lender has recourse to the selling club if the buying club does not pay. None of the borrowing notes we read says so. Where a selling club assigns a receivable, the buying club's accounts may show the debt as owed to a bank, as Crystal Palace's did in 2022/23, so the chain from buyer to seller to lender is visible only by reading both clubs' accounts. [Source B]

- Lenders the accounts do not name. Some Premier League loans have no named or described lender, and some balances owed to group companies may be trading balances, so they cannot be attributed to the owner or to an outside lender: £261.6m to £487.8m a season from 2020/21 to 2024/25. [Source B] Wolverhampton Wanderers' £241.5m owed to group undertakings in 2023/24 is an example: the note does not say whether it is a loan or a trading balance. [Source B]
- Owner funding outside loans. Owner money can sit in equity, or in balances the accounts do not call loans. Everton's accounts for 2022/23 and 2023/24 hold £450.8m owed to Bluesky Capital Limited, a company controlled by the then owner, inside equity rather than borrowings. Chelsea's for 2023/24 show £303.2m owed to its parent, interest free and payable on demand, which the note calls an amount owed to the parent undertaking, not a loan. A measure of owner dependence that counts only loans will miss both. [Source B]
- Charges against borrowings. Of 595 pairs of a charge outstanding on the register and a Premier League club-season, 70 match no borrowing in the accounts read. [Source B]
- Share issues against the register. Of 35 Premier League club-seasons with an allotment or share issue, 29 match the allotment returns filed. West Ham 2021/22 (£125.0m) has no allotment return on the register for its issue. [Source B]
- Accounts not filed or not held. Sheffield Wednesday 2024/25 and Derby County 2020/21 and 2021/22 filed no accounts. [Source C] Middlesbrough's parent, The Gibson O'Neill Company, and Derby County's, Clowes Developments (UK), are mainly a transport and a property business, so their group borrowing is not the club's. At Burnley and Sheffield United the top UK company has filed no accounts, so any borrowing there is unread. [Source G]

- Owner loans the notes do not split. Queens Park Rangers' shareholder loans, in every season, and Nottingham Forest's related-party loans in 2020/21 and 2021/22 are not split between the controlling party and other shareholders, so on those lines the owners' share of debt is a range. [Source C]
- Group accounts and the club. In the Championship, five parent companies that file group accounts do not consolidate the club for the season: their filings do not name the club company, or they end on a different date. The same test on 400 Premier League club-seasons found no failure. [Source E] Which company is read matters: Millwall's club company owed £177.6m to its parent, Millwall Holdings, inside the group, while Millwall Holdings itself owed £9.7m. We first read the club company, and corrected it on 11 November 2026. [Source G]
- Debt, on the report's definition and ours. The report's chart 2.6.1 puts Premier League gross debt at £1,990m in 2020/21 and £3,079m in 2024/25, excluding non-interest-bearing shareholder loans (page 78). The filed accounts show £1,935.1m and £2,870.9m owed to outside lenders in those seasons, with owner loans of £816.0m and £1,259.7m counted apart. [Source B] The two move together and differ by what each counts as debt. The report states its definition, which is what makes the comparison possible.
- Shareholder loans in the Championship. The report finds that shareholder loans account for 78% of debt in the Championship (page 98). On the filed accounts, owners were certainly owed between 56.9% and 66.7% of the Championship clubs' borrowing in each season from 2020/21 to 2024/25, counting only lenders the accounts show to control the club. [Source F] The figures differ in season and in who counts as the owner: a shareholder that does not control the club counts in one and not the other. A common definition of owner funding would let the two be reconciled.

- Net transfer debt. The report's 3.3 times is for English football as a whole (page 29). On the Premier League lines both readings agree, payables were between 2.5 and 3.4 times receivables in each season from 2020/21 to 2024/25. [Source B] The direction agrees.
- Factoring. Across the 100 Premier League club-seasons we read, three borrowing lines are labelled as factoring, £67.7m in total, against the report's £779 million of factoring in 2024/25 alone (page 23). [Source B] Assumption. On our reading of the accounting, factoring that passes the risk to the lender may leave no borrowing in the selling club's accounts, so the public accounts show only part of it. The IFR's club-reported data gives substantially broader coverage; publishing it by division, with the recourse position, would close much of the gap.
- Different seasons and bases. The report's 2025/26 figures include estimates for a season not yet in filed accounts (page 66). Our figures are filed seasons to 2024/25, and our squad cost estimates are for 2026/27. Where we set the two side by side we say so; a reader should not add them.

QUESTION 5.

Do you have any comments or views on further work the IFR could do for the purposes of analysing the issues set out in the draft State of the Game Report?

Summary. We propose that the IFR measure whether financial rules produce financially sustainable clubs, not only whether clubs comply with them. We set out five areas where an outcome measure would help, each with the problem, our evidence, why it matters, what the IFR could investigate or recommend, and how success would be measured. We then offer Dynamic SCR, a squad cost limit tied to a league profit target, as research for the IFR to test independently and publish. Our dataset, built from filed accounts and read twice, is available to the regulator on request.

1. **Profitability as an explicit outcome measure.**

- **Problem.** A club can comply with the League's squad cost rule and still lose money every year. The report finds that the Premier League's 85% limit does not directly constrain losses or external financing, and that on 2025/26 squad costs it would have bound only three clubs (page 76).
- **Our evidence.** On our estimates for the first test the 20 clubs are at 75.2% together, and the league still loses money. Premier League profit before tax over the 20 seasons from 2005/06 to 2024/25, on the nearest group that holds only the club, is a loss of £4,428.3m, and £5,140.1m without owner-related gains and credits. Before player sales, squad costs take 87.5% of the revenue the rule counts, a regulatory difference of 12.5% of that measure before any cost outside the rule's squad cost; it is not an accounting margin.
- **Why it matters.** A ratio measures one cost against revenue; it does not measure whether the business pays its way. Reported profit can also improve through transactions with the owner rather than through the business.
- **What the IFR could investigate or recommend.** Publish, for each division, aggregate profit before tax, underlying profit, the share of losses funded by owners, and a measure of cash resilience such as the months a club could operate without new owner funding. Proposal: a defined underlying profit. We use the term for profit before tax, less owner-related gains and credits (asset sales inside the owner's group, loans an owner releases, costs a parent takes over), less profit on the disposal of player registrations. It is not statutory profit before tax, a PSR result or a squad cost ratio. Leaving out profit on player sales does not treat player trading as outside the football business; it shows how far a club's result depends on sales that vary from season to season. Published beside reported profit, with the two reconciling items shown

separately, it would let a reader see how much of a result comes from the business and how much from the owner and from player trading.

- **How success would be measured.** Underlying profit improving over successive reports, a falling share of clubs needing owner funding to continue, and fewer going-concern statements resting on the owner.

2. Owner funding and debt transparency.

- **Problem.** Owner money reaches clubs as equity, as loans, as balances owed to group companies and as loans held inside equity, and the accounts label these inconsistently. The report finds that around £13.7 billion of security is pledged against club debt (page 84), but the public accounts do not show it in one place.
- **Our evidence.** From 2020/21 to 2024/25, owners were owed 30% to 35% of the Premier League clubs' loans attributed to a lender each season, or 36% to 47% counting balances owed to the owner that the accounts do not call loans; a further £261.6m to £487.8m a season could not be attributed to either side. Everton held £450.8m owed to an owner-controlled company inside equity; Wolverhampton Wanderers' £241.5m group balance is not described as either a loan or a trading balance. Which company is read matters: Millwall's club company owed £177.6m to its parent, Millwall Holdings, inside the group, while Millwall Holdings itself owed £9.7m. Borrowing terms are disclosed unevenly: some accounts print a contractual rate, such as Birmingham City's fixed 11.9%, while others print only total finance costs, so the implied rates in our answer to question 2 are our calculation and comparisons of financing costs are hard to make.
- **Why it matters.** The stress test for the loss of owner funding needs to know what the owner provides and on what terms. A balance repayable on demand, a guarantee and a loan held in equity carry different risks if the owner leaves.

- **What the IFR could investigate or recommend.** A common schedule, at the club and at the top UK company above it: owner equity introduced, owner loans with lender, rate, interest charged, waived or suspended, security and repayment date; external debt; intra-group balances, stating whether each is a loan or a trading balance; transfer payables and receivables by maturity; borrowing secured on future income; and guarantees given or received. The reporting entity should be named, so that a club and its parent are not confused.
- **How success would be measured.** No unattributed borrowing in the schedule; the owner's share of debt reported on one definition across divisions; reconciliation of the schedule to the filed accounts.

3. Transfer financing and contagion risk.

- **Problem.** Transfer fees are paid by instalment, receivables are sold or pledged to lenders, and a buying club's debt can end up owed to a bank. The report finds that transfer factoring rose from £55 million in 2020/21 to £779 million in 2024/25 (page 23), that Premier League clubs reported approximately £975 million of transfer factoring, equivalent to 78% of remaining receivables, and that in the Championship more had been monetised than remained (page 29).
- **Our evidence.** The filed notes show factored debts at Burnley (£17.2m, 2021/22) and Sheffield United (£18.0m, 2023/24), a factored receivable loan at Aston Villa (£32.5m, 2024/25), a selling club's receivable assigned to a bank and owed by Crystal Palace (£5.6m, 2022/23), and bank loans taken out to repay transfer fee payables at Brentford (£43.9m, 2024/25). None of the borrowing notes we read says whether factored receivables were sold with or without recourse.
- **Why it matters.** If factoring is with recourse, a buying club's failure to pay returns to the selling club; if without, it rests with the lender. The

answer decides where the loss lands and how far it spreads. Five lenders account for 93.6% of transfer financing activity since 2020/21 (page 29).

- **What the IFR could investigate or recommend.** Ask clubs and lenders, in confidence, whether each factoring arrangement is with or without recourse; map the chain from buyer to seller to lender; and recommend that accounts state the recourse position and the counterparty for factored and assigned receivables.
- **How success would be measured.** A known recourse position for every factored receivable; a published, aggregated map of exposures by division; and a stress test showing whether one club's default would leave another club unable to meet its own obligations.

4. Revenue distribution linked to financial discipline.

- **Problem.** More money can fund more spending rather than more stability. The report finds that the wage-to-revenue ratio of non-parachute Championship clubs rose from 107% in 2012/13 to almost 180% in 2021 before falling to 109% in 2025/26 (page 145).
- **Our evidence.** Going-concern statements relied on the owner at 13 to 18 Premier League clubs a season, 18 to 22 in the Championship, 16 to 22 in League One and 13 to 20 in League Two. Borrowings secured on parachute payments or central distributions exist, at Leeds in 2023/24 (£36.8m) and Huddersfield in 2020/21 (£14.4m). The IFR's levy consultation publishes the 2024/25 averages, £49m, £40m and £20m (paragraph 1.32), but not what each club received.
- **Why it matters.** If distributions are pledged before they are paid, a change in distribution changes what lenders hold, not only what clubs spend.
- **What the IFR could investigate or recommend.** Test any new arrangement on whether it reduces owner dependence and exposure to failure, and recommend that clubs print the central distributions they

receive, with parachute and solidarity payments shown separately, and any borrowing secured on future distributions.

- **How success would be measured.** Falling owner shares of debt, fewer going-concern statements resting on the owner and fewer clubs with net liabilities in the divisions that receive more, over the life of the arrangement.

5. Independently checkable results.

- **Problem.** The figures that decide compliance are not public, so no one outside the League and the club can check them. The PSR deductions rest on audited supplementary information that is not public, and where a commission has published a figure the gap from the public accounts is large. Neither the Premier League nor UEFA publishes a club's squad cost ratio, so ours are estimates from public accounts, with assumption ranges.
- **Our evidence.** Our loss is about £45m larger for Everton's window ending 2021/22, and about £21m for Nottingham Forest's ending 2022/23, than the published PSR losses. Of the 75 Premier League club-seasons where both readings agree transfer fees payable, 33 are agreed only as a lower bound.
- **Why it matters.** A rule whose results cannot be checked depends on trust in each calculation. Common definitions and published reconciliations let fans, lenders and clubs see that clubs are treated alike.
- **What the IFR could investigate or recommend.** Common definitions for the measures above; once a test is settled, publication of each club's result with its deductions, any adjustment to the value of transactions with related parties, and the secure funding counted, subject to confidentiality where a figure is commercially sensitive; and a published reconciliation from the filed accounts to each regulatory measure.

- **How success would be measured.** An outside analyst able to reproduce each published result from the filed accounts and the published reconciliation.

A proposal to test: Dynamic SCR.

The limits of the 85% rule. A squad cost limit is the competition's own rule. Under section 22 of the Football Governance Act 2025, a discretionary licence condition may restrict a club's overall expenditure but not expenditure of a particular kind. We therefore ask the IFR to test whether the League's squad cost rules can deliver sustainable profit across the league, and whether a limit linked to profit should be put to the League. The report puts Premier League revenue in 2025/26 at about £7.5bn (page 65) and the average loss before tax at £44m a club (page 22), about £880m across 20 clubs; its 2025/26 figures include estimates for a season not yet in filed accounts. A league profit before tax of 3% of revenue would be about £225m, a change of about £1.1bn, or 15% of revenue.

The objective and the mechanism, as published in October 2026. Each season the League would calculate, from the clubs' latest accounts, the squad cost limit that would deliver a league profit of 3% if every club spent to it, and move the permitted limit from 85% towards it by at most 5 percentage points a year. The limit would tighten by itself and loosen only by a deliberate decision, and the allowance above the limit before sporting sanctions would fall from 30 percentage points to 15. A club that uses all of its allowance would have none the following season and earn it back at 5 points per compliant season, not 10, and the levy on spending above the limit should be steeper than today's. The five clubs with the best three-season record would lose 2 percentage points a year from the fourth season, down to 10 percentage points below the base, and newly promoted clubs would start 10 percentage points above it and come down 2 a year; these two adjustments serve competitive balance, not the profit target. Two limits are therefore in play. The target limit is a calculation: the limit that

would deliver a league profit of 3% if every club spent to it, recalculated each season. The permitted limit is the one clubs must meet: it starts at 85% and moves towards the target by at most 5 percentage points a year, so during the transition clubs may spend above the target. From the IFR's totals, for example, the target is 61.3% in 2026/27 while the permitted limit is 85%; the two meet in 2031/32.

The model results. We ran it as a static scenario, not a forecast, on the 20 clubs of 2026/27 for eight seasons. Starting from the IFR's league totals, divided among the clubs by revenue as our own assumption, the limit that delivers 3% is 61.3% in 2026/27 and rises to 64.5% by 2031/32, as the model's costs change and, from the fourth season, as the five clubs squeezed spend less. The permitted limit steps down from 85% to 65% in 2030/31 and meets that target in 2031/32. If every club spends to its permitted limit, the league reaches 3% in 2031/32; from our own club-by-club estimates it reaches 3% in 2030/31. If clubs above their limit cut to it and clubs below stay below, the league reaches 3% in 2029/30 on our estimates and in 2031/32 on the IFR's totals. In every result each club's limit is the base plus its own adjustment, applied to its own revenue, and the base is solved so that the twenty limits together deliver 3%. Table 8 of the attached document compares the scenarios.

The adverse scenarios. In a fixed-band stress test, not the proposal as designed, every club stays at its red line where it is above it, with no feedback; the league does not reach 3% within eight seasons on either starting point, so the enforcement design matters. If profit on player sales is 25% lower in every season, the dates do not move: 2030/31 on our estimates and 2031/32 on the IFR's totals, with the limit at 67.2% and 62.9% by the eighth season; at 50% lower they are the same, with the limit at 65.7% and 61.1%. And if costs outside the squad keep growing faster than revenue at the pace of the last four years, the case built on the IFR's totals does not reach 3% within eight seasons, even with the limit falling to

50.0%; on our estimates the league reaches 3% in 2032/33, with the limit at 54.6%.

Its limitations. Assumption. The model assumes each £1 cut from squad costs as the rule counts them adds £1 to profit before tax, which the two measures do not guarantee. The same 20 clubs play all eight seasons, with no promotion or relegation, and the five clubs squeezed are fixed for the whole period. Our club-by-club estimate leans optimistic: other costs are held at 2024/25, wages as contracted, and player-sale profit is modelled from one window. The split of the IFR's totals across clubs is ours and is not validated at club level. A profitable league can still contain loss-making clubs, so the proposal sits beside the League's solvency tests, not instead of them, and a rule tied to revenue needs continuous monitoring of commercial deals.

Questions for the IFR to test independently.

1. On the IFR's own club data, which squad cost limit would have delivered a league profit before tax of 3% of revenue in each of the last five seasons?

2. How far does £1 less of squad cost on the rule's terms change profit before tax in the accounts, club by club?

3. How fast can clubs adjust, given contract lengths and transfer instalments, and is 5 percentage points a year the right pace?

4. Does a shrinking allowance change behaviour, and what happens to the league's result if clubs spend to the edge of the allowance?

5. How do costs outside the squad behave, and does the limit need to follow them down faster than any step allows?

6. Once the target is reached, who should be able to loosen the limit, and on what evidence?

We offer it for the IFR to test and publish, not as a finished rule, and not as a power the IFR could impose: the choice of a squad cost limit is the

League's. We can provide the filing, page and reading behind every figure here, so that the IFR can compare club debt, owner funding and reported profit with its own data, club by club and over time.

QUESTION 6.

Document upload

We attach a short PDF of the key tables behind these answers, each with the filings it comes from. It contains nothing from the Premier League's, UEFA's or the EFL's own documents.

The exact text as submitted on 13 November 2026