1. **Introduction: the Football Association and Football League**

1.1 When football clubs started off in Britain in the latter half of the nineteenth century that is what they were - simply clubs, voluntary associations made up of groups of men who got together to play matches against other similar groups. In this period football was a very rough and ready game and often there was often disagreement about the rules, the use of hands or feet, the numbers of players and the length of time for playing matches. Football, as we know it today, has its origins in the old violent 'folk' forms of the sport which are still played in some English villages and the, later, codified forms of football which emerged out of the English public schools. Sport in the schools was used as a means of inducing discipline and of encouraging leadership in middle class boys. Some public schools took up the handling variant of 'football', later to become amateur rugby union (in the south) and professional rugby league (in the north). Those that took up the 'kicking' code (or Association football) were instrumental in the spread of football into industrial towns and cities in Britain and, indeed, all around the world.

1.2 The origins of many British professional football clubs lie in local neighbourhood associations, or in church and religious movements or else in the specific industrial traditions of the local areas where clubs were sited. Both Everton and Queens Park Rangers, for example, have their origins in church orders, while Manchester United, Arsenal, West Ham and many other clubs emerged out of local works teams. Cricket clubs seem to have been the origin of the major football clubs in Sheffield. As football became more popular it became clear that a common set of rules for playing the sport would have to be established. This was done in Cambridge in 1862 and the Football Association was established in 1863. Notice, today, that this is still the Football Association, rather than the English FA, signalling the fact that football started in England, something which turned out to be both a help and a hindrance in the long term development of football in this country. The FA Cup was the first established national football competition in the world. It was first contested in 1863. It is known as a challenge cup so, initially, the winners of the competition were given a bye into the next year's final to be challenged by another qualifier. At this stage the sport in England was still dominated by the old southern-based public schools traditions, and most of the early administrators, and indeed all the early winners of the FA Cup, came from this sort of background.

1.3 As football spread in the 1870s and 1880s and became more popular in working class areas, especially in the north and midlands, a number of issues needed to be addressed. For example, many more people now wanted to watch football as well as play it. Local clubs became sources of entertainment and of cultural meaning for
working class spectators who followed the local game. This had a number of important implications:

- Firstly, it was important that clubs had a more regularised fixture list rather than an informal and haphazard set of local arrangements.
- Secondly, clubs needed some sort of rudimentary way of accommodating spectators safely - the first primitive football 'stadia' began to emerge.
- Thirdly, as crowds grew in size it made economic sense to charge them a small fee (an admission charge) for the entertainment and the facilities they were offered.
- And, fourthly, as crowds grew ever larger and fixtures became regularised players needed more time to train for and otherwise prepare for football matches.

To do that they required payment for players to substitute for time spent not doing their 'normal' jobs. These developments signalled the arrival in football of the Football League and of the professionalism associated with league football.

1.4 The patrician, upper class originators of the Football Association and the FA Cup did not approve of professionalism (see Tomlinson, 1991). Being 'paid to play', for them, was something which was against the spirit of sport, which ought to be played 'for its own sake'. Of course, many of the game's public school supporters could afford to play sport for no payment, but this approach also connected with ideas about chivalry and 'fair play' in sport for the English upper classes. After all, commercial developments, such as paying players, might induce cheating, particularly if players' livelihoods depended on the result of matches. It was also 'wrong' to play sport 'for' spectators rather than for the participants; the involvement of football crowds could lead, for example, to excessive partisanship, the abuse of players and officials. Also, mass spectating, for working class men, was connected by their social 'betters' with opportunities for drinking and gambling rather than with the rather 'healthier' outcomes produced by their participating in sport.

1.5 These historic divisions - between the 'amateur' traditions of the southern based FA, representing the national team and 'local' football, and the 'professional' approach of the northern based Football League, representing the professional football clubs - is deeply inscribed on the shape and traditions of football in England. In almost all other countries there is just one governing body for the sport. Here, even today, the peculiar effects of regionalism and the English class system are writ large in the way in which the national sport is organised and run.

2. Early Commercial Developments

2.1 The first paid professional players had played football in Britain at least since 1876 (Vamplew, 1988) and they were formally recognised by the football authorities in 1885. Three years later, in 1888, the Football League was formed made up, initially, of 12 clubs drawn from the north and midlands. Attendances in the first season totalled 612,000 fans with Everton leading the way with an average home gate of 7,260. A Second Division was added to the League in 1892 making 28 clubs, and by 1904 the League had expanded to 40 clubs, 22 of them in the north and midlands. Between 1920 and 1922 two, new regionalised divisions were added, strengthening the southern representation and raising the total number of League clubs by 1924/25.
to 88. Finally, in 1950/51, four more clubs joined bringing the professional complement up to 92.

2.2 As soon as clubs became employers, with wage bills and costs to meet in terms of improving football grounds and services, the local businessmen and traders who had founded clubs moved to change the status of the new organisations into limited companies. Small Heath (now Birmingham City) became the first football limited company in 1888. Aston Villa soon followed, though William McGregor, founder of the Football League reported that "people howled" when he had suggested the move, "but then people will howl at anything if it is novel" (Leatherdale, 1997, p.171). Villa introduced turnstiles in 1892. Between 1888 and 1914, 38% of club directors were 'industrialist merchants', 13% in alcohol or tobacco, 30% professionals and only 4% 'gentleman' (Tischler, 1981). Limited companies are owned by shareholders and run by directors. Limited liability enabled directors to borrow from banks without becoming personally liable for any club debts (Szymanski and Kuypers, 1999). All the large clubs followed this lead. The Football Association, concerned about profit making out of football ensured that, "the right class of men who love football for its own sake" became directors by prohibiting their payment.

2.3 Most of the early football directors ran football clubs less for direct profit than for the desire to contribute locally to an important community activity, to improve their local status and, yes, to avail themselves of modest business opportunities around the staging of club matches. Directors in the building trade could expect to win the business to build club stands, for example; those in hosiery provided the playing kit; director/bakers sold the club pies for home games. In essence, the club was placed in the trust of local businessmen who benefited in small but significant ways from their work for the club. Fans had little direct role in running clubs, though they did contribute considerably to the funding of new stands at many grounds (Taylor, 1992).

2.4 Most economists reject the idea that football clubs have ever been run as pure profit maximisers. After all, in 1896 the FA placed a limit of 5% of the paid up share capital as the maximum dividend payout to shareholders. This was raised to 7.5% in 1920, 10% in 1974 and 15% in 1983. Making money out of a football club was a hazardous and unlikely business, certainly up until the 1990s. Even today one can still find examples of major investors - Jack Walker at Blackburn; Jack Hayward at Wolves; Matthew Harding at Chelsea - who spent millions at their own clubs for little apparent financial gain.

2.5 By 1928/29 the new, expanded, Football League attracted 24 million spectators and these crowds were more evenly spread between larger and smaller clubs than at any time before or since. This is a period when clubs could withhold the registration of players if they did not want them to move and there was a maximum players' wage, which severely limited the pay differentials between clubs and which lasted until 1961. Thus, opportunities and incentives for players to transfer from less successful to more successful clubs were relatively weak. Many players also had strong local ties and were loathe, in any case, to leave friends and supporters with whom they had strong local contacts. So, large clubs did not dominate transfer dealings. Thus, in 1947 Notts. County broke the English transfer record by signing the England centre forward, Tommy Lawton for £20,000. Amazingly, County were then a Third Division side.
2.6 From the 1960s the inequalities between professional clubs began to grow. In 1950 the income ratio between Division One and Division Three clubs was 2:1. By 1970 it had grown to 5:1. By 1995 it had reached 10:1 (Szymansky and Kuypers, 1999, p.143). It has been growing larger ever since that date. The new commercial era began with the lifting of the maximum wage in 1961. This signalled the beginning of a new lifestyle and identity for football players, some of whom began to become national celebrities, with wages and media exposure to match (Russell, 1997). In the late 1970s commercial sponsorship began really to take off in football – clubs could now wear a sponsor’s name on their shirts. By the early-1980s, in this more commercial era, larger clubs had already begun to complain about the fraternal Football League policy of income redistribution to smaller ones. Around this time clubs were allowed, for the first time, to keep all their income from home matches, meaning that the bigger clubs gained an advantage on the smaller ones. At this time too, all clubs received the same (paltry) sum from TV income. By the late 1980s top clubs were talking secretly to the TV companies about a possible breakaway TV deal. These tensions came to a head when the Hillsborough disaster of 1989 made all club administrators think about a new future for the sport.

3. The post-Hillsborough Revolution

3.1 It seems clear, at least, that the central marketing and social premises for the launch of a new TV-funded FA Premier League in the more optimistic post-Hillsborough climate for football in England in the early 1990s were based on predictions of likely increasing social and economic divisions in Britain. Calls for more unified and more assertive forms of leadership in the sport in the liberal Taylor Inquiry report into the Hillsborough Stadium tragedy of 1989 produced an opportunist move by the patrician governing body, the Football Association, in tandem with senior Football League clubs who were seeking to dissolve financial ties with struggling clubs in the lower reaches of the 103 year old 92 club Football League, to set up a new and distinctive ‘blue chip’ league format. The result was the FA’s own Blueprint for Football published in 1991.

3.2 An analysis of social and leisure trends for the 1990s in the Blueprint produced by the private leisure consultancy, the Henley Centre for Forecasting (p8), notes the, “dramatic affluence gains” of the 1980s and the growing disparity between rich and poor during that decade, as well as the, “increasing division between public sector and private sector facilities...developments rooted in reactions to fundamental class, affluence and attitude shifts”. In this account, football is a mass spectator sport which carries social and psychological baggage from a very different era of social stratification and leisure pursuits from those promised for Britain in the 1990s. More specifically (pp 8-9):

In the 1990s and beyond, patterns of affluence and the associated fragmentation of circumstances and interests may make it almost impossible to formulate any leisure activity as a truly mass market one. The implication is that hard choices have to be made as to the consumer segment to which the offer is to be targeted, and hence the ingredients of that offer. As implied above, the response of most sectors has been to move upmarket so as to follow the affluent 'middle class' consumer in his or her pursuits and aspirations. We
strongly suggest that there is a message in this for football and particularly for the design of stadia for the future.

3.3 This increased market segmentation, the presumed growth in the importance of leisure and leisure spending for the affluent consumer in the 1990s, and the growth in competition for the leisure £ at this time, recommends here the formulation of out-of-home leisure activities not as single events (e.g. 'going to the football match') but rather as "integrated leisure experiences, combining the central attraction with a far broader package of associated activities such as eating", a route, it is noted, "which has long been followed in the USA where sports events are enveloped in a substantial array of activities contributing to a total spectacle" (p11).

3.4 Finally, such a social realignment of the sport is also recommended by, and has consequences for, post-war changes in local ties of 'community'. With rising levels of spatial mobility and especially with rises in car ownership and with the increased reliance on the car for facilitating leisure spending, "there has been and will continue to be, a gradual erosion of the physical and psychological sense of mobility which once existed" (p13). The implications of this for football are two-fold: firstly, a re-evaluation of the 'benefits' of stadium location in difficult-to-access, run down, inner city locations; secondly, beyond, perhaps, those clubs with massive media exposure (in Manchester, Leeds, Liverpool, etc.) the issue of how to sustain the key psychological attachment between clubs and supporters in an age of increasing locational mobility. Put more succinctly, "the question of finding new mechanisms to cultivate this attachment which do not rely on physical proximity is a pressing one" (p13).

3.5 Following this prognosis on likely social and market shifts for leisure in Britain, since the early 1990s, as we have pointed out, top clubs in football clubs in England, especially through a new cadre of aggressive 'professional' administrator/entrepreneurs who have slowly replaced patrician local dynasties at club control (King, 1998), have vigorously sought to establish a new and distinctive 'marketised' branding for the sport using the symbiotic Sky Sports/FA Premier League relationship as its promotional axis. The new League, for example, has very quickly become a major player in leisure markets spanning sport, entertainment, popular culture and television. The clubs which make up the League are also diversifying their activities in ways which open up especially new leisure markets and which connect them more directly with local businesses and with other important opinion formers and national, and increasingly global, commercial concerns.

3.6 A number of top English clubs are now owned not be local businessmen with the admittedly limited 'accountability' that provides, but by leisure/media corporations which aim to have football as one of a series of TV-promoted sporting franchises (see, Conn, 1997). It is clear, too, that TV companies and other corporate interests are now in the market for purchasing controlling shares in top clubs. 20 British football clubs are now quoted on the Stock Exchange or the Alternative Investors Market (AIM), in order to aid revenue raising and profit flow - and, in some cases, to realise larger profits for existing shareholders. A recent financial analysis of the English game by Deloitte and Touche (2001) has emphasised the increasing financial gap between larger and smaller clubs and that larger English clubs were beginning to overtake continental equivalents in size of annual turnover. In England new shareholders
necessarily look more directly, and dispassionately, at annual *company* rather than club or team performance and results. As Richard Williams of *The Guardian*, put it recently in relation to publicly floated football clubs in England: "Their fans *[are]* unaware of the sole duty of a publicly quoted operation which is to deliver the biggest possible profits to its shareholders. *Such a club has not merely the right but the obligation to push its prices - for tickets, replica shirts and broadcasting rights - as high as the market will stand*" The same point is made by Morrow (1999: 21) who also points out that with external shareholders now involved in clubs, such clubs may not seek to maximise profit, but they must endeavour to generate a "satisfactory return for investors."

3.7 The vertical integration of a football club with a media company or broadcaster is a common feature of the European football industry. Fininvest, the Italian listed media groups, holds a majority shareholding in AC Milan. In France, Canal+, the broadcaster and media company, holds controlling interests over Paris Saint-Germain and Servette Geneva. M6 owns a majority stake in Bordeaux and Pathe has a large minority stake in Olympique Lyonnais. Netmed, in Greece, has just bought a controlling shareholding from ENIC in AEK Athens. Other Italian TV/Football interests are being created, and UFA (in Germany) has huge influence at clubs such as Hamburg, Hertha Berlin etc. In England more recently media companies – Sky TV, Granada, NTL – have purchased stakes in clubs. Manchester United were once a takeover target of BSkyB (Brown, et al, 1999). The deal between Liverpool FC and the Granada group seems especially indicative of the new media/sport synergies (Parry, 2001: Williams et al, 2001).

3.8 More ‘traditional’ forms of identification with top football clubs in England, which have typically been shaped along the lines of locality, masculinity, class and ethnic exclusivity are, arguably, shifting because of recent changes and are increasingly mediated, as well as by satellite TV, and by new patterns of club ownership and control, by a number of factors including, among other things, *ticket price*, the centrality of the *family* audience for the sport, new forms of regulation of the football audience, and by new patterns of *consumption* around top clubs, reflected in the recent massive sales of club replica kits, licensed leisure goods, etc.

3.9 Certainly, the commercial impetuses towards flexible accumulation which are at the heart of stadium redevelopment and the 'new' football in England mean, that the rather utopian aspirations momentarily voiced in the Taylor report on Hillsborough, and elsewhere about possible *creative partnerships* at local level between clubs, fans and local authorities are unlikely to take off at major football venues. Alternatives to the 'commercial' model, available, hearteningly, in a limited sense at smaller English football clubs – e.g. at Bournemouth and at Northampton Town where supporter’s trusts have been set up - and abroad - e.g. at clubs such as St Pauli in Germany - are also likely to remain unexplored at larger football clubs in England.

3.10 Instead, the FA Premier League has instigated supporter (consumer) panels at all clubs from 1994/95 and is intent on more (largely, for them, market) research on Premier League fans; initiatives which, in themselves, have at least the potential to be 'progressive' and which mark out again a new era of relations between fans and the game's administrators, but which also seem only to confirm the game's slow drift upwards in terms of its fan base.
3.11 More broadly, the new centre-Left British Government under Tony Blair has promoted employment and educational initiatives at football clubs, including 'classrooms' sited at top football stadia, as part of a scheme to inspire learning in school failures. The current Blairite administration has identified football as an important political tool and a key, integrative, feature of a modern, regenerated and 'rebranded' Britain. Some football clubs already work, productively, with school truants and young offenders as part of their community programme. Top stars such as Manchester United’s Dwight Yorke appear in a computer software programme designed to aid the teaching of foreign languages in British schools. In addition to this some clubs run their own ‘community’ initiatives and ‘anti-racist’ campaigns.

3.12 Despite these ‘social’ aspects of recent changes, however, such general shifts in the way top clubs are now run have not gone uncontested, and in some places independent supporter organisations (new fan ‘communities’) have sprouted to oppose the increasingly ‘commercialised’ trajectories of top clubs, or plans to relocate at others (e.g. the recent disorderly fan protests at small club Brighton; the fan protests at Everton; the new fan bodies assembling to oppose the Murdoch ownership bid at Manchester United, etc.). Moreover, these fiscal and cultural ‘globalising’ tendencies have also helped to stimulate important ‘localising’ effects. All professional clubs in England, for example, now have dedicated ‘community schemes’, some of which work closely with local authorities, and which are promoted as anti-hooliganism strategies and as ways of maintaining contact with local people, particularly those experiencing disadvantage and including women and ethnic minorities. But many of them are also under-resourced and lack really deep commitment from clubs.

3.13 Partly because of cultural shifts and particularly the market repositioning of top English football clubs, it seems clear, too, that some ‘traditional’ football fans - perhaps especially less affluent, teenage male fans - are probably being effectively excluded from today’s ‘live’ football audience at the top level either through the mechanism of price or because of their alienation from the new cultures which are being established around the sport. The three graphics at the end of this fact sheet show, clearly, the new spending patterns at football: football watching today does not come cheaply. This alienation of some fans is perhaps especially so with the emerging dominance of rhetorics about 'safety' and 'safety cultures' concerning spectator behaviour inside football stadia in England. Here concern to 'sanitise' and better manage and regulate supporter behaviour - even in relation to campaigns ostensibly designed to reduce overt racism - has been connected by some oppositional supporter groups to a wider more cynical emphasis in the game aimed at further changing the social profile of the active fan base.

3.14 But, at the same time, other previously excluded fans - some females; members of 'minority' groups; more affluent fans - are probably being drawn into the sport. The implications of these shifts for identity formation, for public order and for forms of local social cohesion are already drawing some comment, but they remain substantially under-researched.
4. **The ‘New’ Football Economics in England**

4.1 Football finances in England have changed enormously, even over the past decade. At the beginning of the 1990s, Manchester United Chairman, Martin Edwards, was close to selling a controlling share in Manchester United FC for the paltry sum of £10 million. Within a decade, Rupert Murdoch, the media magnate, was willing to offer more that £600 million for the club – which was now a plc – and for a short time at the high point of the football financial boom, United had a ‘paper’ value of some £1 billion. Quite a story of football club price – or value – escalation!

4.2 Much of the growing value of larger football clubs in England has been accredited, as we have seen, to the rising, general interest in the sport but mainly to the growing investments made by television in football here and abroad. The last, three-year TV deal between the FA Premier League and Sky TV had a value of more than £1 billion. The ‘hothouse’ boom in football finances also seems to have been predicated on the market view that pay-to-view TV would add much larger value to clubs. Instead, football pay-to-view is still in its infancy in England. It is possible that top English clubs will be offered more freedom in the next TV deal. Meantime, the larger clubs are able to show coverage of their matches abroad via the internet and these so-called club ‘e-season tickets’ are likely, in future, to offer lucrative returns to the very largest clubs in both England and Scotland. At the same time, it looks (in 2002) as if some TV companies have over-estimated the value of TV rights for football coverage at the lower levels of the sport. Club share prices, generally, seem to be falling in the early years of the new century, with even some larger clubs (e.g. Chelsea and Leeds United) reporting large losses in 2002.

5. **Clubs & Profit**

5.1 According to Deloitte and Touche (2001), in the 1999-2000 season the 92 league clubs of England and Wales generated more than one billion pounds of income, up by 13% on the previous season. It is expected that by 2002, the 20 FA Premier League clubs alone will match this figure. This unprecedented rise is actually before taking account of the impact of the newest TV deals for both leagues. With this level of turnover, however, profits are very low in football, even at the top level; this is one of the reasons for dwindling stock market interest in clubs, of course. The combined operating profit of all the FA Premier League clubs in 1999/00 was just £53 million (down 23%). The story from Football League was much bleaker - operating losses of some £112 million (37% more than total turnover). Here, TV income is much smaller, wages are high, compared to gate receipts, and the effects of an international market for player transfers, post-Bosman, are already being sorely felt.

5.2 On the back of the new broadcasting deals, Deloitte and Touche estimate that in the 2002/3 season the income of the twenty FA Premier League clubs will be double that in the 1999/2000 season, at around £1.5 billion. Similar estimations exist for the Football League clubs, for whom a projection of £520 million is forecast. The ‘gulf’ between FA Premier and Football leagues will widen; to around £1 billion. A small number of FA Premier League clubs look to have their long term futures assured. Probably a slightly larger number of Football League clubs are also managing their finances well and looking optimistically to the future. However, a larger number of smaller clubs are looking in increasingly desperate financial straits. At the beginning
of 2002, at least 14 Football League clubs were looking for a buyer in a period when
the steam seemed to have gone out of the football economic boom.

6. The New Financial Effects of Promotion and Relegation Today
6.1 Most pundits agree that the really stunning economic barrier in the game now – and
one which is having its effects all the way down the league structure – is between the
FA Premier League and the Football League. Promotion into the FA Premier League
in 1999/2000 was worth £10 million extra income per club. How well the club
performs at the top level affects the actual income and profitability. Relegation has the
opposite effect, costing clubs an initial £6-7 million. This is caused by falling
Division One clubs being unable to reduce their costs in line with their changing
fortunes because of contracted players, etc. ‘Parachute’ payments exist only for a
short time, so relegated clubs have to decide quickly whether to gamble all on a quick
return to the top level or try, radically, to reduce their outgoings and playing staff in
case an early return proves difficult to achieve.

6.2 It is a fine balance. Manchester City have spent on players and recruited a top
manager and look set for promotion back to the top flight in 2002. Other previously
FAPL clubs – Bradford City, and Sheffield Wednesday, for example – are having a
much harder time of it. Smaller clubs have had a short stay at the top – Barnsley and
Swindon Town come to mind – and have fallen quite hard. For those clubs entering
the FA Premier League in 2001, promotion was worth some £15 million – without
taking account of a range of other income benefits. Even with immediate relegation,
adding ‘parachute’ payments mean that the promotion prize is worth at least £23
million to the three promoted clubs. This is much more than the total value of many
First Division clubs. Relegation means pain – and possible ruin.

7. A Case for Restructuring? The Phoenix League Saga
7.1 With some of the larger Football League clubs looking for ways of closing the
financial gap between the elite and the rest, it looked like a major media scoop when,
on November 24 2001, the front page lead of the Daily Mail reported another
‘Revolution in Soccer’ in Britain. The big news here was that a new Phoenix League
would soon be launched in England offering two 18-club divisions, and including the
Scottish giants Rangers and Celtic. The new league threatened the future of all British
clubs that remained outside its borders. 15 of the 20 FA Premier League clubs were
reported to have agreed to the restructuring and six top Football League clubs were set
to resign from the League on December 11 to join the new enterprise. UEFA was
reported to be willing to offer its own support to this unique trans-national league, and
broadcasters, inevitably, were waiting in the wings with £millions to fund the project.
It was a great press story. But, like lots of sporting media exclusives these days,
unfortunately it had only a passing acquaintance with ‘the truth’.

7.2 So, why did this story fly at all? Actually, there are plenty of good reasons. For one
thing, it is no secret at all that Rangers and Celtic are looking for a way out from
domestic Scottish football. Manchester United’s commercial brains, Peter Kenyon,
had also argued that restructuring might be on English football’s agenda by 2004, and
might involve the top Glasgow clubs playing in a smaller FA Premier League in
England. Poor competition north of the border means average TV income in Scotland
is around 10% of what some top English clubs currently make. It also usually means the early exit of the Big Two in Scotland from European competition. With predictions that Premiership TV income will actually fall in 2004, the question emerged: why not reduce the number of top clubs sharing the TV cash and spice up the football offering by adding the Old Firm clubs to the Premiership mix?

7.3 The top Scottish clubs have recently explored the Atlantic League option – a continental league involving top clubs from Scotland, Holland, Scandinavia and Portugal – but have had little encouragement from UEFA. Cross-border leagues actually promise a commercial free-for-all, which might threaten the very existence of the game’s international governing bodies. These are based, after all, on the credibility and strength of national associations. For these reasons, of course, UEFA was rather unlikely to sanction a new British Phoenix League, no matter what the Daily Mail might argue.

7.4 A new Phoenix League would, arguably, have made some sense, of course, to the ‘middle-range’ English clubs - those faced with the prospects of possible relegation from the cash-rich Premiership to the much less lucrative waters of the Football League. In 2001 a club such as relegated Coventry City, for example, faced a penal drop in TV income from around £23 million in the Premiership to £7 million (including ‘parachute’ payments) in the Football League. The Sky Blues, with a costly new stadium in the offing, was a reported £50 million in debt in 2001 and leaking cash. Recently relegated Nottingham Forest failed to publish accounts in 2000 and was reckoned to be at least £20 million in the red, a stiff penalty for Premiership failure. Sheffield Wednesday is another recent FA Premier League faller which is now in sharp financial decline.

7.5 A softer landing in a new Second Division of a Phoenix League – why have relegation at all out of the top group of 36 clubs? – would certainly offer more stability for clubs faced with this sort of convulsive ‘snakes and ladders’ financial ride. In fact, the value of most of the stock market-listed football clubs in England has more than halved in recent years. Everyone in the English game could do with more financial stability, especially as player salaries keep on rocketing, draining up to 80% of top club turnover.

7.6 But why might the larger English clubs – the real decision makers here - have opted for a new Phoenix League at all? Good question. The addition of Rangers and Celtic to the English fold would, obviously, be a major financial draw – but it also risks potentially damaging hooliganism at a time when top English clubs are currently having some success with such problems. The reduction in the size of the top ‘English’ division – from 20 to 18 clubs – would also be attractive to some larger clubs, especially given their burgeoning European commitments. But it would only make sense if the top 18 clubs continued to make their own TV deals as an exclusive elite. Why share TV cash between 36 clubs when the real attractions for television are the cosmopolitan clubs at the top of the sport? Would more TV money really be available to cover the lower orders in a new two-division Phoenix League? Top English clubs have certainly shown little appetite recently for sharing their TV and sponsorship cash among a larger group. Am I missing something here?
7.7 It is also hard to see why some of the middle-range Premiership clubs might vote for a smaller top division – and one including Rangers and Celtic - as the Phoenix option would demand. This means effectively losing at least four English places at the elite table. The Evertons and the Sunderlands of the English game, for example, are worried enough already about holding on in a 20-club group. Having routinely to finish in, say, the top 13 or 14 clubs in England to ensure competing at the highest level might just be a step too far, even for these creaking giants. Even a “feather-bedded” relegation would be of little consolation. Under current rules, 14 Premier League clubs would need to vote for a dangerous structural change of this kind. It is hard to spot them - unless, of course, the game’s super-elite had good enough reason to hold a gun to their collective heads.

7.8 Which leads us to the rest of the Football League clubs, the 56 honest troopers that would be left behind by this latest football ‘revolution’. Here the story is both rather grim and, strangely, rather hopeful. In 1999/2000, as we have seen, the 72 Football League clubs had a combined operating loss of £112 million. The fact that 14 League clubs are currently up for sale and that two smaller, debt-laden clubs, Swansea City and York City, have recently been valued at just £1 for prospective buyers tells you all you need to know about the grisly economics of football’s bargain basement. Few clubs here make anything but annual losses. Most are at risk and in 2002 the PFA made loans of £1 million to clubs to help with salary payments. But troubled York City is being taken over by a Supporters Trust, to follow similar innovative developments at Chesterfield, Lincoln City and Bournemouth. Here, the old commercial model for football has been exchanged for one which extols, instead, democratisation and supporter involvement and also the longer-term sensible financial management of the club. There is a viable future here.

7.9 These more ‘community-centred’ models seem likely to be the direction for many smaller football clubs in England, irrespective of the Phoenix League outcome. It becomes harder and harder, I’m afraid, to see a new Wimbledon crashing into the top table’s party from below. The new European and global ambitions of the larger British clubs sadly hold out little prospect either for meaningful domestic TV income share beyond a small elite. The new transfer regulations, the growth of football academies and the global patterns of player recruitment have alsolessoned the importance of smaller clubs as useful nurseries for the production of football talent for their larger neighbours. In the new globalised football era, the old fraternal model of cross-subsidisation of smaller clubs by larger ones has substantially run its course, it seems.

7.10 Manchester United’s £multi-million transfer deals, its sponsorship riches and internet commerce and its New York Yankees tie-up, as well as the club’s reported 50 million (?) followers around the world, make a Phoenix League actually seem rather small beer - and one unlikely to be to Old Trafford’s exclusive taste. Near neighbours Bury and Stockport County may still be playing the same game, but it is one which is now located in a very different league – in a different universe, in fact. So don’t expect top football’s relentless quest for increased income, for more profit, to stop. There is more restructuring ahead, you can be sure of that. But a 36-club Phoenix League? It seems unlikely.
8. **Which Clubs are the Most Powerful – and the Weakest?**

8.1 The largest operating profits in football in 2000 are found at the FA Premier League clubs, but only Manchester United at £29.1m. shows a really healthy profit on turnover in a year when the club’s spending on players was limited. United’s profit is three times greater than closest rivals Arsenal, at £8.9m – made only with a £22 million sale of Nicolas Anelka. The top clubs in this list were also there last year; success can lead to success in the financial stakes. Relegation from the FA Premier League usually leads to serious operating losses and the pressure to spend on players in a bid for success leads some clubs to spend beyond their means. A club must be able to afford its spending to achieve or to gain financially from a successful gamble for on-pitch success. Long-term financial damage will almost certainly translate, according to Deloitte and Touche, into the ‘fire sales’ of players, resulting in on-pitch failure and more decline.

8.2 The game, as a whole, of course has never been richer, since the first Deloitte and Touche report was undertaken in 1991. The total income for the 92 clubs has grown since then, by 313%, to £820 million. The next few years will see a further incredible growth due to the new TV broadcasting deals, which will apply from the 2001/2 season onwards. The question facing the industry now is whether this new cash will translate into higher levels of sustained profitability, or just to lower losses. The average club wages have continued to rise over the last decade, and these continue to account for an ever-increasing portion of the clubs’ costs – which swallow up income. The other main club revenue raising facility - the stadium - can help bring in cash, but the strong message from the accountants is to spend only what you can afford. This message is a sensible one, but it is one hardly likely to go down well with supporters who often agree with the entrepreneur’s motto that one has to ‘speculate to accumulate.’

9. **The Crucial Story of Wages and Salaries**

9.1 It has become something of a truism in football in recent years that as club incomes rise, so players’ salaries have increased. An additional, important component of this development has been the tendency, post-Bosman, for proportionally more of the monies used to finance transfer deals to end up in the pockets of players and agents than ion the coffers of clubs. As transfer fees have disappeared at the end of contracts – and dramatically fallen as players near the end of their contracts – so players and their advisors have begun to take account of the total transfer value of players and to translate these into demands for increased wages. In 2002 we seem to be on the brink of £100,000 a week contracts for top players. The general trend since the mid-1990s has seen the wages and salaries rise for each league and division. Total wages in the FA Premier and Football Leagues increased by 21% from £620m in 1998/99 (65% of turnover) to £747m in 1999/2000 (69% of turnover).

9.2 In the FA Premier League 42% of the increased income in recent years has come from centralised deals by the FA Premier League, such as those with TV, with the balance coming from growth within the clubs. As income has grown, wages have grown even more rapidly. Even taking into account the enormous new TV deals, Deloitte and Touche estimate that wages will outstrip available income in just five years time. For
these sorts of reasons, clubs have been talking for some time about introducing a ‘salary cap’ for players’ wages. This works reasonably well in some sports (e.g. rugby league) but it is much more difficult to exercise when it has to apply across international borders – as it would need to in football. The so-called top G14 European clubs are also reported to have been in recent discussions about limiting players’ wages – but there are many legal and other boundaries to be overcome before this becomes a serious proposition (see Williams, 2001, Ch. 10).

9.3 In 1999/2000 only three clubs in the FA Premier League (Everton, Leeds United, Watford) managed to improve their wages to turnover ratio (spend a lower percentage of turnover on wages than in the previous season). The situation in the Football League was better, with 21 clubs able to improve their wages turnover ratio. But seven out of 19 clubs in Division One had wage bills that exceed 100% of their turnover compared to four out of 20 clubs in the 1998/1999 season. At only three FA Premier League clubs in 1999/2000 (Leeds United, Watford, and Manchester United) did wages make up less than 50% of turnover. Common business practice suggests that companies are in trouble if wages exceed 65-70% of turnover. Figure 1 shows that wages and salaries are making progress towards this ‘critical’ figure since the Bosman ruling in 1995. But, then, football is no ordinary business: the aim of football clubs is to win football matches, not to make profit. The two things do not always go hand in hand.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wages</th>
<th>Turnover</th>
<th>Wages as %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/96</td>
<td>163</td>
<td>346</td>
<td>47%</td>
</tr>
<tr>
<td>1996/97</td>
<td>218</td>
<td>464</td>
<td>47%</td>
</tr>
<tr>
<td>1997/98</td>
<td>305</td>
<td>582</td>
<td>52%</td>
</tr>
<tr>
<td>1998/99</td>
<td>391</td>
<td>670</td>
<td>58%</td>
</tr>
<tr>
<td>1999/00</td>
<td>471</td>
<td>772</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: Deloitte & Touche, 2001: 16

9.4 In 1999/2000 FA Premier League wages increased by 20%, a slower rise than in previous seasons. In contrast, in Football League Division One wages rose by 38%, a very high annual salary increase at this level even since the lifting of the maximum wage in the early 1960s. The rise in top Football League salaries is probably due to club owners being willing to spend much more with the promise of future riches is the FA Premier League as the bait. Without a salary cap it seems unlikely that players’ wages will fall – at least not until the next TV deals, which may well be smaller than the ones recently struck by the Football authorities and ailing TV companies.

The financial gulf

9.5 The notion of a ‘financial gulf’ is common parlance now when talking about the difference between the FA Premier and Football Leagues. But recent financial figures also make it clear that there are obvious ‘leagues within leagues’. In 1999/2000 Chelsea’s wage bill was some £38m more than that of the bottom FA Premier League club, Watford. This is one of the reasons, of course, why it is so much harder these days for the smaller ‘provincial’ clubs to succeed at the highest level. Watford went close actually to winning the First Division title in the mid-1980s. The changing
economics of the sport make this same proposition most unlikely today. In the FA Premier League - to a substantial extent – the finishing position in the league mirrors the size of a club’s wage bill. Sometimes clubs ‘over-perform’, usually because they have an exceptional manager who has built up a personal following among his players. Martin O’Neill’s successes at Leicester City are a good example; when the manager, and some top players, left City began to stumble.

9.6 Research shows that the average wage bill of the bottom six finishers in a division in the Football League is roughly equal to the top six in the division below. The biggest ‘up lift’ required in wages paid is when a club moves from Division One in the Football League to the FA Premier League. A club going up here must find an extra 60% of income to meet the average wage bill of a bottom six club FA Premier League club. Promotion to the Premier League is worth about £15m (£10m from TV). In terms of dealing with relegation from the FA Premier League to the Football League, it has been calculated that the ‘cost’ of such a move, in terms of lost revenue, is about £7m. Taking the recommended wages turnover of around 70%, wages need to be reduced on average by around £4.5m for relegated clubs over the course of a summer, a considerable challenge. The problems facing the so called ‘yo-yo clubs is that whilst income will fall when they leave top-flight football, it is far harder to cut costs by the same amount.

Can money buy success?

9.7 When considering the FA Premier League and Division One of the Football League, there is clear evidence that you get what you pay for. Top paying clubs end up in the top spots. That relationship in Divisions Two and Three is less clear, with the lower sums involved meaning its easier to buck the economic trend. At the lower levels, the abilities of coaches and managers to get more from their staff seems to become more crucial. Most of the findings in this section point to the evidence of intra-league polarisation. Those that can afford to stay up with the pace, and those that cannot. In the FA Premier League in 1999/2000 There were three clubs that paid over £40m in wages (Chelsea, Manchester United, Liverpool). Arsenal paid £34m and Newcastle United paid £29m. The next nine clubs paid between £20 and £29m, with the last six clubs paying less than £17.5m. Similarly, in Division One the wages at Blackburn Rovers were £22.1m. After Charlton Athletic at £11m the next eight clubs paid between £7.5m and £10.9m. In Division Two, Reading paid £5.4m and Wigan paid £3.5m, with the top seven clubs clearly leading the group. However its not money that does the talking all the time, there are exceptions to this. The ‘new TV’ money should have an effect on wages paid and improving the regular competitive balance between the divisions.

10. Player Transfers and Trading

10.1 Despite the uncertain future of the transfer system, the quest for signing the ‘superstar’ player continues unabated. Fan pressure at all times seems to be the main reason for this. The TV-income connected increased ability of the FA Premier League clubs to pay more and more for top players have meant this ‘bullish market’ has remained unchecked. The higher costs of home-grown players is one reason for the influx of foreign players into the market. Clubs try to lock in their players through extended contracts, and the consequential escalated ‘high’ transfer fees mean increasing offers in the ‘too good to refuse’ category of the selling clubs. FIFA is
currently reviewing these transfer deals, although any change will be challenged by the big spenders.

10.2 The total increased spending on transfers within English football has increased by more than 50% over the last five years, and this can be attributed, largely, to non-English transfers. Spending within the English leagues is at its lowest in five years. This ‘total spend’ figure is about 31.5% of the total income of the clubs and, realistically, more what clubs can really afford. For every pound spent by clubs in 1999/2000, 41p went on transfers and 59p went on wages. This switch of expenditure from transfers to wages is likely to continue, of course, following Bosman.

### Transfers between English clubs

10.3 £158.2m was spent on transfers within the English League in 1999/2000, just 47% of total transfer expenditure in the English game and pointing to the rise in foreign transfers into the English game in recent years (See Figure 2). Spending within the English game by FA Premier League clubs fell in 2000 by 28% to just over £78 million. Of this, £53 million was spent on other FA Premier League players and just £100,000 on players in the Football League Division Three.

#### Figure 2: Total Transfer Expenditure (£ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>English Transfers</th>
<th>Non-English Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995/96</td>
<td>134.6</td>
<td>78.4</td>
</tr>
<tr>
<td>1996/97</td>
<td>140.7</td>
<td>100.4</td>
</tr>
<tr>
<td>1997/98</td>
<td>160.0</td>
<td>69.9</td>
</tr>
<tr>
<td>1998/99</td>
<td>174.7</td>
<td>142.2</td>
</tr>
<tr>
<td>1999/00</td>
<td>158.2</td>
<td>182.0</td>
</tr>
<tr>
<td>1995-00</td>
<td>768</td>
<td>573</td>
</tr>
</tbody>
</table>

Source: Deloitte & Touche (2001: 27)

10.4 The main argument in favour of maintaining a ‘substantial’ transfer system as put forward by the governing bodies of the game is that is redistributes the wealth in football, ensuring the survival of many smaller clubs, allowing them to supply the next generation of talent. The past five years has seen £96m pumped down the divisions into the Football League. In 1999/2000 the Football League received £27.2m from the FA Premier League, representing 24% of the £112m of operating losses run up by all the Football League clubs together. This money along with grants from the FA Premier League and Sport England keeps the Football League clubs academies and schools of excellence going – though more clubs also seem to be running into financing difficulties.

10.5 In recent years, English clubs have been ‘buying European’ more regularly. Deloitte and Touche point to a number of factors contributing to this:

- The European pool of players is considerably larger than the English one
- Rich English clubs are able to pick the European players that they want
• Lower taxes here allow clubs to attract players
• New foreign coaches are using their knowledge of the continental market

Perhaps we need to add to this that English managers and coaches also see foreign players as technically superior and more disciplined than some of their English equivalents. With time pressure increasing at the highest levels, English clubs can also buy players from abroad who are already ‘battle hardened’ for play at the top levels. 1999/2000 saw, for the first time, more money spent on the non-English than the English market. It is likely that some Football League clubs will also increase their own transfer spending in their attempts to reach for the huge rewards – and pressures – now apparent at the top of the sport.

**Foreign players**

10.6 In the 1999/2000 season there were 215 foreign national playing in England’s leagues, double the number of four years earlier. This averages out to 6/7 foreign players per FA Premier League Club, and just over one per Football League Club. This flow rate into the English game is now slowing, suggesting that many clubs want to keep a core of English players as well. Recently top foreign coaches, such as Houllier and Wenger, have stressed the importance of holding onto an English playing backbone because of the physical and psychological challenges of playing in the English league.

10.7 FIFA and UEFA recently agreed a standardised principle on the new transfer system, though there still seems to be uncertainty about a number of issues (e.g. an annual ‘transfer window’) Issues surrounding different laws in different countries still need sorting out. There are a few certainties, however. Top players’ power will continue to grow, as will the power of agents. Clubs will probably become more unstable as a result – and players are likely to move more frequently. There is likelihood, too, that spending on players will increase, and that players themselves will take a bigger portion of the ‘pot’. The recent transfer of Sol Campbell to Arsenal is a case in point. Reaching the end of his contract, Campbell’s transfer value to Spurs was nil. But Campbell’s advisors were able to add wage weight to their client’s deal because of this. The overall package still came more cheaply to Arsenal – but most of that money went ‘out’ of the sport – into Campbell’s pockets. Spurs could not invest transfer monies elsewhere – or even into the development of the club’s ground. The FA Premier League is a net spender on transfers, the Football League a net recipient. Most of the FA Premier League money on transfers now goes abroad. Net transfer spending has risen over the last few years, although it now seems to be slowing down finally, especially as transfer fees are disappearing for some top players.

**11. Financing Football Clubs**

11.1 Football is a growing industry, with spending (on players and stadia) often occurring in advance of anticipated revenue. With insufficient growth in traditional sources of income, other sources of funding need to be found in the shape of bank borrowings, loans, hire purchase and leasing, share capital and retained profits. It must be remembered that not all options are open to all clubs. The FA Premier League, prior to transfers in 1999/2000, was cash positive (£77m). A deficit of £135m on transfers created a deficit on trading activity of £58m (See Figure 3). This coupled with spending on stadiums was funded by shareholder investment of £78m and new
borrowings of £129m. Net debt increased most in 1999/2000 at Newcastle United, up to £37.3m. Manchester United saw their net funds fall by £27m, to £10.6m. Chelsea showed the biggest improvement, boosted by a new shareholder deal with BSkyB. Newcastle United, Manchester United and Chelsea were their biggest English spenders in 1999/2000 on stadia and new facilities.

### Figure 3: Income and Outgoings in the FA Premier League in 1999/00 (£ millions)

<table>
<thead>
<tr>
<th>Income</th>
<th>Outgoings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matchday income</td>
<td>Wages &amp; Salaries</td>
</tr>
<tr>
<td>£260</td>
<td>£471</td>
</tr>
<tr>
<td>Commercial/other</td>
<td>Other operating costs</td>
</tr>
<tr>
<td>£270</td>
<td>£224</td>
</tr>
<tr>
<td>TV income</td>
<td>Players bought (UK)</td>
</tr>
<tr>
<td>£242</td>
<td>£105</td>
</tr>
<tr>
<td>Players sold</td>
<td>Players bought (non-UK)</td>
</tr>
<tr>
<td>£120</td>
<td>£150</td>
</tr>
</tbody>
</table>

**Trading deficit FA Premier League 1999/2000 £58 million**

*Source: Deloitte & Touche, 2001: 37*

11.2 At smaller Football League clubs continuing losses increase pressure on supporter investors. According to Deloitte and Touche, a decade ago the cost of keeping a Third Division club going was between £150-200k per year. In 1999/2000 it had risen to three to four times that amount – and it is still rising. In Division Two alone, at least 22 clubs had gone through some sort of insolvency between 1985-2000. UEFA is promising to introduce a licensing scheme for all top division clubs in Europe for the 2003 season, a scheme designed to ensure the financial solvency of top clubs. Manchester United is a global success story – the world’s richest club (see Figure 4). However, apart from at a handful of clubs such economic success is inherently unstable. Chelsea was soon facing mounting debts, for example, as on-field success faded and new enterprises proved costly.

### Figure 4: World’s 10 Richest Clubs (1998/99)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Club</th>
<th>Revenue (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manchester United</td>
<td>£111.3m</td>
</tr>
<tr>
<td>2.</td>
<td>Bayern Munich</td>
<td>£83.5m</td>
</tr>
<tr>
<td>3.</td>
<td>Real Madrid</td>
<td>£76.1m</td>
</tr>
<tr>
<td>4.</td>
<td>Chelsea</td>
<td>£59.1m</td>
</tr>
<tr>
<td>5.</td>
<td>Juventus</td>
<td>£58.5m</td>
</tr>
<tr>
<td>6.</td>
<td>Barcelona</td>
<td>£55.7m</td>
</tr>
<tr>
<td>7.</td>
<td>Milan</td>
<td>£54.1m</td>
</tr>
<tr>
<td>8.</td>
<td>Lazio</td>
<td>£50m</td>
</tr>
<tr>
<td>9.</td>
<td>Inter Milan</td>
<td>£49.1m</td>
</tr>
<tr>
<td>10.</td>
<td>Arsenal</td>
<td>£48.6m</td>
</tr>
</tbody>
</table>

*The Guardian 6 December 2000*

But the overall movement is for net debt to increase within English football. Of the top football bank loans in 1999/2000, only five of the top 18 are not in the FA Premier League. All but one of the ‘top ten’ clubs by net bank borrowings came from the FA Premier League - the exception was soon to be promoted Bolton Wanderers. Those offering loans know that FA Premier League clubs are a safer financial bet than smaller Football League clubs. But a fall from grace from the top level can also have a dramatic effect on finances.
Is Football a Good Investment?

11.3 This is an issue of the heart and the head; emotionally and financially. Yes, football is a good investment for emotional reasons – but usually not for financial ones. Those who bought shares in some of the early flotations, and sold them early, did pretty well. Those who got involved later did not. In 2001 Mihir Bose (Daily Telegraph, 31 October 2001) told his readers that: ‘The City has fallen out of love with football…The stock market is unpredictable, football is even more unpredictable. Mix the two and you get a very dangerous cocktail.’ Football has not offered the return on investment predicted by many analysts. This is because clubs controlling their own TV deals have not materialised. Football is an expensive business to be involved in, which now more than ever need future investment. Deloitte and Touche suggest the game needs to look to three areas for future funding:

- The benefactors - but the annual cost of investment has risen dramatically.
- The customers – with returns from the stadium showing plenty of scope for increase
- The fans – who must help clubs do more to control their financial situation.

11.4 Supporters will always want administrators to put more money into clubs, of course. But in 1999/2000 only 18 out of 83 clubs examined by Deloitte and Touche made pre-tax profits. The reality is that despite the real profits made by a small number of major shareholders at clubs in the 1990s, and the asset stripping of others, it is probably still much easier to make big profits from other businesses than it is from most football clubs. The attractions of the sport to investors, however, span the glamour and excitement offered by modern sport, and the status offered to football club owners. Small investors can feel a sense of ‘ownership’ of their club. Those men with controlling shares can also wield influence in political and cultural circles in a way which is barely offered by other investments. The costs to some are high, however. Club owners are routinely abused when things go wrong – even when they have lost their own money in a club. Nobody it seems loves even a generous loser in the modern game.
References & Further Reading

Football Association (1991) *Blueprint for Football*, FA

This fact sheet was prepared by John Williams & Sam Neatrour, March 2002
FA Premier League Fan Survey 2001

**Average spend on club merchandise**

- **Total**: £77
- **Chelsea**: £164
- **Leeds United**: £162
- **Sunderland**: £149
- **West Ham United**: £145
- **Liverpool**: £144
- **Tottenham Hotspur**: £140
- **Manchester United**: £136
- **Manchester City**: £131
- **Everton**: £128
- **Charlton Athletic**: £127
- **Bradford City**: £122
- **Arsenal**: £109
- **Newcastle United**: £105
- **Ipswich Town**: £105
- **Middlesbrough**: £105
- **Aston Villa**: £105
- **Coventry City**: £105
- **Leicester City**: £105
- **Southampton**: £105

**Average season ticket cost**

- **Total**: £77
- **Arsenal**: £283
- **Chelsea**: £247
- **Tottenham Hotspur**: £239
- **West Ham United**: £238
- **Manchester United**: £237
- **Newcastle United**: £236
- **Southampton**: £235
- **Liverpool**: £224
- **Leeds United**: £224
- **Middlesbrough**: £224
- **Ipswich Town**: £224
- **Aston Villa**: £224
- **Coventry City**: £224
- **Leicester City**: £224
- **Bradford City**: £224
- **Derby County**: £224
- **Charlton Athletic**: £224
- **Sunderland**: £224
- **Everton**: £224
- **Manchester City**: £224
- **Derry County**: £224
- **Derby County**: £224