Financial fair play and the impact on football club's policy, strategy and planning

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I hereby declare that the work submitted is mine and that where I have made use of another's work, I have attributed the source(s) according to the Regulations set in the Student's Handbook.

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Abstract

This dissertation was written as part of the MSc in Banking and Finance at the International Hellenic University.
This dissertation is an economic analysis of the financial assets of leading football clubs in the Europe based on Financial Fair Play, it explains the financial behavior of these clubs under the specific and institutionalized UEFA's rule, using data from the balance sheets, articles, official websites, books, newspapers related on the financial data of the teams.
I would like to express my sincere gratitude and appreciation to my supervisor Pr. Spyros Leventis who inspired me and helped me, not only working on this topic but whatever I needed during the courses. Besides my supervisor I would like to thank my family for supporting me in every new step I make all these years. Finally, I would like to thank the other professors and the staff of the university for the excellent cooperation we had during my studies there.

Keywords: Financial Fair Play, assets, football clubs, UEFA

Contents

1. Introduction

As it is well known, football is now an integral part of the business world. Huge amounts are invested each year, in the context of the competition of companies active in the sector. The goal is, of course, to bring the club-company to the top of this category of business. This is achieved by the spending of funds in player transfers, which leads to the acquisition of domestic and international championships or other important successes, to the improvement of the team's reputation and to the ultimate goal of attracting as many fans as possible, who are at the same time the consumers of this sector through the purchase of tickets, jerseys and other clothing even in many cases of stocks.

The UEFA Financial Fair Play Regulations were introduced by Financial Control Panel of football’s governing body in Europe to prevent football teams from unnecessary wastage and consequently to protect them from the long-term threats for their survival that may result from these wastages. These regulations provide penalties for any football team that exceeds its costs over a specific time period. The worst punishment for a football team may be the disqualification from European competitions for a certain time period. Other penalties may include fines, a ban on transfers for a time period and the withholding prize money.

The five main axes:

1. **Clean money, open books:** With the obligation to provide a detailed statement of revenue and expenditure, to justify their expenses from the income of each financial year and to present the next year's analytical bundle in order to certify their solvency as companies, the European football clubs should be "clean" at 100% in order to be eligible to participate in UEFA competitions.

2. **Healthy Prospective Investors "We cannot talk about healthy competition in our competitions when some teams spend uncontrolled over those ones that do the right:** With financial fair play, UEFA aspires to disappear the pay-per-view investors from European football in the long run. This is because every year they will have to cover the damage they caused in the previous season (if they are up to 45 million for the first three years or 30 for the next), while the new regulation favors the investment costs for stadiums, training center and Academies. The prospect is to push those who want to invest money in their team in infrastructure that will belong to the club independently of the owner.
3. **Financial rationalization:** The new regulation will reduce both the cost of transfers and the cost of contracts of the players. The most reasonable mathematical formula says that it is not possible for a club to have a financial balance when wage and contract costs far exceed 50% of its income.
4. **Healthy competition on a fair basis:** "End of the credit successes" was Michel Platini's motto when he first introduced the idea of the new regulation. Plan and Strategy will return, when the teams learn to spend as much as they earn.
5. **Better organization and planning:** The teams will be required to inform UEFA online of their financial statements throughout an economic season, so they will be forced to put in order the chaos of most of the European clubs' accounts.

2. HYPOTHESIS' CHRONICLE

At the beginning of the new millennium, it became clear that while European football was profiting from horribly higher revenues, these revenues did not concern the profitability of the clubs. Instead, these revenues were largely spent on struggling to gain talent players. This struggle also led to an enormous increase in the wages of the elite players, which has led to the concern that tournaments across Europe will become a struggle amongst the owners with the largest financial resources and will therefore undermine the integrity of the games.
Simultaneously, many clubs started to make critical losses that could be sustained via subsidies from private investors or public bodies. It also led to the bankruptcy of the clubs and many creditors were leave unpaid. In order to be faced this condition, the European football governing body, UEFA (Union of European Football Federations), introduced FFPRs to ensure the long-term finances of European football teams. UEFA, is a union of associations, 54 federations across Europe are under UEFA's protection and it is essentially the link between them. The aim was to ensure the long-term economic situation of European football.
The executive committee of UEFA unanimously adopted the idea of financial fair play for the welfare of the game in September 2009 and received huge support from the whole football community as well. The main objectives of the FFP are:

- To introduce more rationality and discipline into the football club's finances

- To reduce pressure on transfer fees and salaries and limit the impact of the inflation
- Competition among the clubs within their own revenues
- To urge long-term investments in infrastructure and the field of the youth players
- Protection of the viability of the European football
- To secure the settlement of the club's liabilities on a timely basis

These objectives reflect the point of view that UEFA has to examine the systemic environment of football in Europe where individual clubs compete, in particular the broader inflationary impact of wages and transportation costs.

Nowadays, many teams have reported worsening, and repeated, financial losses. The wider financial situation has created hard market conditions for European clubs, and this can have a negative consequence on revenue generation and creates extra challenges for clubs concerning the availability of day-to-day and financing operations. Many teams have experienced liquidity scarcities, leading for example to delayed payments to employees, other clubs and social/tax authorities.

Therefore, the FFPR (Financial Fair Play Rules) were introduced by UEFA in an effort to realize these targets. The rules contain an obligation for the football clubs having balanced books by passing the test of FFPR, known as "break even". According to regulations of FFPR, clubs cannot spend more than their turnover, as all clubs have to ensure that all their expenses and liabilities are covered on a timetable basis.

The FFP measurements comprehend a multi-year valuation, allowing for a longer-term perspective and within the broader framework of the European football club. They arrive across the existing criteria of the UEFA club licensing system that are primarily planned to enable a valuation of a club's economic situation in the short term, and are initially managed by the governing bodies in each national association of UEFA.

The Executive Committee of UEFA confirmed the constitution of the two-chamber CFCB (Club Financial Control Body) in June 2012 to supervise the application of the regulations of FFP. The CFCB substituted the CFCP (Club Financial Control Panel), which had supervised clubs since the first institutionalization of the regulations in May 2010, with the main development being that the Club Financial Control Body is an organ of UEFA for the justice administration. It is also competent to enforce disciplinary meters in the case of non-fulfilment of the demands, and to decide on cases concerning the eligibility of clubs for UEFA club competitions.

The UEFA FFPRs, which were confirmed in May 2010 after an extensive deliberation period and updated in the 2012 edition, are being performed over a three-year period, with teams participating in UEFA club leagues having their employee and transfer payables supervised since the summer of 2011, and the assessment of break-even covering the financial years ending 2012 and 2013 to be valued during 2013/14.

2.1 How is the FFP break even defined?

UEFA's goal is for the clubs to achieve a two-year / three-year turnover in which they cover all their expenses at a large point. Break even in accounting does not allow either profit or damage, but the FFP is a more flexible term. A club may not achieve a break even, however, normally pass the FFP test without penalty.

Table: The deviations allowed by UEFA without sanctions

Control Period	**Season Number**	**Examined Seasons**			**Permissible deviation**	
		S-2	**S-1**	**S**	**Opening via Funds**	**Opening without Funds**
13-14	2	-	11-12	12-13	45m euro	5m euro
14-15	3	11-12	12-13	13-14	45m euro	5m euro
15-16	3	12-13	13-14	14-15	30m euro	5m euro
16-17	3	13-14	14-15	15-16	30m euro	5m euro
17-18	3	14-15	15-16	16-17	30m euro	5m euro
18-19	3	15-16	16-17	17-18	<30m euro	5m euro

2.2 What are the loss limits?

Under the provisions of the FFP, there are 2 different limits that must apply to clubs that do not achieve break even (or profitability) in each audit period (from this year to 3 years, but last year they are considered for 2 years).

The first is the loss of € 5,000,000, i.e. when the relevant expenses, the costs considered and accepted by UEFA, are up to € 5,000,000 more than the receipts it examines and accepts in a control period (cumulatively for 3 years and not € 5,000 for each year). In this case, the club is not punished.

The second threshold is 45,000,000 euros for last year and this year or 30,000,000 euros that will be the new limit from summer time to 2017-2018 when it will fall further. An opening of a club of up to 3 years up to 45,000,000 euros should be covered by the shareholders (eg with a share capital increase) up to the amount of 5,000,000 euros (which is the first limit and therefore the club passes the FFP test).

If the club has a three-year loss of more than EUR 45,000,000, then its case will be forwarded by the Audit Committee to the Jury of the Chamber of Financial Audit in order to impose the prescribed penalties.

There is only one exception to the open-end rule that covers shareholders above EUR 45,000,000 and concerns contracts signed before the FFP (before June 30, 2010) under 2 conditions: the trend of the loss in the season to be down and exceeding the threshold of € 45,000,000 is due only to the specific contracts and only for the 2011-2012 season. If these conditions are met, then the club does not take into account the costs of the specific contracts for the 2011-2012 balance sheet and for any such turnover.

Example: If a team officially acquired a footballer in early June 2010 and has not made a contract adjustment so far, it can deduct from the 3-year turnover that is taken into account for the 2014-2015 control period (i.e. the cost of the season 2011-2012, 2012-2013 and 2013-2014), the wage costs of the 2011-2012 (and only) season, if this is the cause that exceeds the threshold of € 45,000,000 in the three-year 'opening' and if the damage it presents each year is declining. If the club in 2013-2014 has recorded more or less the same costs, or less, from 2012-2013, then it cannot exclude the costs of the "old" contracts and be burdened with them.

2.3 What revenue and expenses are calculated?

Income from tickets, promotional rights, sponsorships and advertisements, commercial activities and other functions, transcription revenue, and income from internal funding are calculated. No revenue from extraterrestrial activities or the potential surplus in sponsorship, which is calculated by UEFA. Costs for wages and insurance contributions and employees, transfer costs, depreciation costs of one player, financing costs and dividends are calculated.

After several clubs' reactions to the original plan at the end of the last decade, UEFA made a small retreat and exclusion from the expense category for all expenses related to the construction of a team's stadium or its academies (e.g. construction, rental of premises, wages, coaches, etc.), i.e. expenditures that promote the model of self-sufficiency over time, even if they deprive resources of the club at present time. In addition, depreciation on fixed assets or intangible assets other than players' cards is not accounted for, excluding tax and expense expenses from extracurricular operations.

2.4 What about "odd" sponsorships?

The key point, with regard to the big teams and the heavier area of the rules, which will be used by all the clubs in the "red" for their benefit. The basic idea is to prevent artificially inflating an association's income through a sponsorship tailored to ... the revenue balance of companies related to the owner-major shareholder. Sponsorship from such companies is permitted, but the amounts should be adjusted based on fair value.

The example: Manchester City has close sponsorship with "Etihad Airways," an Emirate Abu Dhabi company, whose sheikh Halifa is a half-brother of the owner of "citizens," Sheikh Mansour. The 10-year agreement announced in summer 2011 between a company and a club provides sponsorship in various forms (stadium naming, ads in the training center, social events, etc.) for £ 400,000,000 in total.

Relative relationships alone are not sufficient to make the particular case fall into the particular category of related party transactions. If it turns out that Sheikh Khalifa retains any influence on Manchester City, then UEFA will activate the relevant mechanisms by looking at the size of the sponsorship.

In this case, a UEFA Special Committee will make comparisons with market prices (what are the respective previous sponsorships in the group, what are the corresponding sponsorships from other groups in the same country, why a higher price is justified for the club under review etc.), and if it judges excessive sponsorship, then it will adjust the price that will be calculated as the relevant income in the club's balance sheet.

Transfer Cost	Annual Depreciation Charge		
50m euro	10m euro	40m euro	**Book value at the end of the first season**
		30m euro	**Book value at the end of the second season**
		20m euro	**Book value at the end of the third season**
		10m euro	**Book value at the end of the fourth season**
		0m euro	**Book value at the end of the fifth season**

Condition to avoid penalty

2.5 What is depreciation and how is it calculated?

Depreciation is essentially the sharing of a player's transcription costs into the years of the contract he signs for accounting purposes. This practice results in the cost of transcription being a payroll cost for each year. Its association with the FFP is essentially an ally for the groups, which can save a lot of money from this accounting practice.
The example: One team buys a player from another team for 50,000,000 euros for 5 years. In her books she will deduct 10,000,000 (50/5) at the end of each season as a transfer fee and this amount will be deducted from the player's book value, so that at the end of his contract (if he exits) he has zero bookkeeping value. This translates the FFP data into the transfer costs. For this reason, UEFA also mentions transfers with a more correct term: obtaining a player's registration. If that player is sold before his 5-year contract ends, then his club stops recording him in his books. From the sale proceeds (which are all counted and not shared), the player's book value is deducted in the year of sale (in this example, in the 3rd year) and the result of the season comes out.

Deprecation of a player who has renewed his contract

Transfer Cost	Annual Depreciation Charge		
50m euro	10m euro	40m euro	**Book value at the end of the first season**
		30m euro	**Book value at the end of the second season**
		20m euro	**Book value at the end of the third season**
Sale Value	**Deductible Book Value**	**P\L**	

35m euro	20m euro	+15m euro
Sale Value	**Deductible Book Value**	**P\L**
10m euro	20m euro	-10m euro

2.6 Players with shared rights

The phenomenon of companies that take part of a player's rights by contributing economically to his transfer is common in Latin American countries and in countries such as Portugal and Spain. Atletico Madrid has made a number of such agreements, with a more classic example of the acquisition of Radamell Falcao with the help of Doyen. On the contrary, in England and in France, the involvement of an extracorporeal player in player transfers is prohibited by regulations. In addition, two clubs may hold the rights of one footballer, a practice which is very popular in Italy. The FFP regulates such cases as regards the revenue and expenditure side. In Annex VII, (C) (5) (b), it is expressly underlined that in order to calculate an association in its revenues the money earned from the grant of a player's share of rights, that player must definitely withdraw from the group by transfer. Only at that time will this money be included in the proceeds. On the contrary, if he wants to buy a player with the financial contribution of a third company, then he will show the costs the full amount he will pay at the time he pays it.

The example: A team allocates 35% of a player to a company for a fee, but retains him in its roster. These earnings will only be shown on the FFP balance sheet in the season that the player will be withdrawn from the roster with a transcript. If the team collects other money, then it will add them to existing revenue.

2.7 About the penalties

If club passes from the Audit Committee to the Court of Auditors, it will have to wait for a penalty. It has 9 levels, none of which is associated with a particular misconduct. The penalty for a club that has not complied with the FFP provisions may be:

(a) warning and / or

(b) reprimand and / or

(c) a fine and / or

d) deduction of points (from group stages) and / or

(e) retention of prizes from European competitions and / or

(f) a ban on declaring new players in European competitions and / or

(g) limiting the number of players it may declare in European competitions and / or

h) exclusion from an ongoing or future European event and / or

(i) deduction of title or prize

This is the most "sensitive" area of the FFP, because since the conception of the idea until today, UEFA has not formally stated on which case the penalty will be imposed and on what criteria a fine or exclusion will be decided from European competitions.
Theoretically and on the basis of what has been suggested by UEFA, the goal in the first two years of the FFP is to exclude any group if it has break even problems in order to give a reasonable adjustment period, to cover a big "opening", as in the case of Manchester City.
However, UEFA Secretary General Gianni Infantino has often stood on the intentions of each club to show its finances and compliance. Therefore, even if it exceeds the threshold of € 45,000,000, if the balance sheets show a reduction in the annual deficit, then UEFA will not resort to the stricter penalties provided by the statutes.
If, however, a team with an opening of € 6,000,000 over a period of three years does not have shareholders willing or able to meet the € 1,000,000 required by the FFP, it can be excluded from European competitions, even if its financial position is much better than the City.
The example: Everything is a matter of reading and a different approach in every case, at least until it is resolved. As a result, Manchester City with an opening of over € 100,000,000 for the three-year turnover surveyed for participating in the 2014-2015 European Championships was fined € 60,000,000, with a roster restricted to the next Champions League from 21 players to 25 (without affecting the mandatory number of 8 native players as defined by UEFA), a pay bench for the next season equal to this season. However, it was not excluded from the Champions League of the new season.
In the summer of 2012, Europa League and Super Cap European champion, Atletico Madrid, was one of the first 23 teams to be punished under the FFP regulations. Its penalty was withholding the bonus until it resolved the issue of the debts to the Spanish Tax Office. Rohimbangos had debts of € 175,000,000 and executed a repayment plan in over a decade, with annual interest of 4.5%. By presenting the agreement before September 30, 2012 to UEFA, they avoided further sanctions and received the prize.

Licensing for European competitions goes not only through the financial provisions of the FFP. An association must meet a set of conditions outlined in dozens of pages of FFP regulations.
These include minimum requirements for infrastructure (e.g. UEFA stage, open training throughout the year), staff (e.g. secretary, general manager, financial manager, doctor, etc.) in academies (e.g. at least 2 groups at level k15-21, one at level k10-14 and one at level k10 etc.) and at a legal level (e.g. compliance agreement with UEFA rules, etc.).

In addition to the break even for the settlement of arrears, a club will also have to present new season budgets to prove to UEFA that it maintains absolute control of its finances. If it fails in any of these areas, then UEFA will impose (if so) any of the above mentioned penalties.

3. UEFA “Financial Fair Play Regulation” and accounting implications

Regulations in recent years have really balanced the disturbed budgets of European football. As it is stated in the UEFA website, the new fair play was a turning point in the discussion with the national associations and other interested parties (ECA, European Football Associations, FIFPro Europe).

The decisions taken:

- The new regulations will increase transparency, as clubs will be required to publish their financial data, including payments to managers.
- There will be greater harmonization of financial and accounting principles for football transactions, with specific accounting requirements for player transfers.
- A broader approach to anticipating potential economic problems will be adopted, with a set of new indicators to allow closer monitoring of budgets by the Club Financial Control Body (CFCB). The indices are: a sustainable debt ratio, which will improve the tracking of the club's debt position, and the deficit ratio for player transfers, which will improve the tracking of transfers by clubs that exceed a certain limit.

Finally, it is planned to introduce different requirements to ensure better protection and placement for new players (introduction of child protection policies, new medical requirements and better youth development programs), as well as improving standards and encouraging the development of women's soccer in Europe.

3.1 Economic objectives of the new regulation

- Improvement of the financial capacity of the FCI by increasing their transparency and credibility.
- Prioritization of the protection of creditors by ensuring that the FCI will settle debts to third parties (state, athletes, local players, etc.) on time.
- Introduction of greater discipline and logic in the financial management of FCAs.
- Encouragement of FCs to operate on their own revenues.

3.2 Financial Conditions

- Publication of annual and quarterly financial statements audited by certified auditors-accountants.
- Clubs must not have outstanding debts to third parties until March 31 (prior to receiving the license) for transactions made until December 31 of the previous year.
- Presentation of the future financial statements proving the smooth operation of the FCA.
- Clubs must not have a negative net asset and certified by a statutory auditor that they cannot continue operating.

3.3 Basic financial licensing condition (Break-Even requirements)

- Relevant income: tickets, TV rights, sponsorship and advertising, commercial activities, other operating income, income or profits from the sale of athletic contracts, profits or proceeds from the sale of fixed assets, financial income.
- This category does not include income from non-sports activities and non-measurable financial assets.
- Relevant expenses: cost of sales, salary and personnel fees, other operating expenses, depreciation of athletes' contracts, financial expenses and dividends.
- This category does not include depreciation of materials and immaterial fixed assets (excluding athletes' contracts), academic expenses, social offers, non-measurable financial assets, financial expenses associated with the construction of fixed assets and overheads or taxes not related to its sporting activity of FCs.

3.4 Accounting Result

- The difference between relevant income and expenses is the result of a balance.
- If the revenue is greater than the expense over a specific time period, then the Club has a Break-Even surplus. If the opposite occurs, there is a Break-Even deficit.
- The maximum deficit that a FCA may have in a period of time is € 5 million (acceptable deviation).

3.5 Infringement Rules

- Club's failure to continue functioning.
- Negative net worth (Total assets - total liabilities <0 from one period to the next)
- Break-Even deficit for one or two previous years greater than acceptable deviation.
- Outstanding debts
- UEFA may request additional financial information when staff costs account for 70% of total revenue, and the total debt of a football club is 100% of total revenue.

<u>Approval for licensing: </u>None of the above conditions has been violated and the club has a surplus for the past two years or a deficit within the allowable deviation of 5 million, taking into account any surplus over three and four years.

3.6 Accounting principles and standards

- The standards to be followed by the clubs for the preparation of the financial statements are the national accounting standards or the IFRSs.
- Basic accounting principles to be complied with are the principle of fair presentation of financial information, the consistency of presentation, the accrual principle, separate presentation of each class of accounts.
- Financial Conditions:
    1. Balance sheet
    2. Income Statement
    3. Cash Flow Statement
    4. Explanatory notes
    5. Financial report of the administration of the club

3.7 Transfer accounting

- Costs related to the development of new athletes from club’s academies are only recorded on the balance sheet than the value of the athletes from a market-purchase.
- If the value of the athletes is restored below the balance sheet, then the amount stated will be reduced to the actual level and the difference is charged to the profit and loss account as revaluation cost.
- The value of an athlete's contract will be gradually depreciated over the lifetime of the athlete (contract duration)

- Only the direct costs of acquiring the athlete are capitalized and the value of the contract on the balance sheet cannot be upgraded.

4. CASE STUDIES

Below, we will see some cases from some European teams which, for separate reasons, they did not comply with the provisions of the FFP and therefore did not manage to avoid being punished by UEFA. Of course this will be much more understandable, since the financial data some of them will be presented in another chapter.

4.1 Exclusion of Milan

The judiciary of the UEFA clubs' financial control body has decided to impose a blockade of European competitions on "rosoneri" for violations of the Financial Fair Play provisions and the decision became known on Wednesday 27/06/2018.

The punishment concerns their next presence in the European competitions until 2020, which has already been secured and would be the participation in the Europa League of the 2018-2019 season. According to UEFA's announcement, AC Milan can appeal to CAS, but the hopes of changing something there are infinitesimal.

The Italian club is basically punished for their inability to show balanced income and expenses, since the last three seasons of Silvio Berlusconi had a total loss of around 300,000,000 euros. Despite the actions of the new administration to match the finances, the loss of important sponsorship agreements that reduced revenue has inhibited efforts in convincing UEFA that it is operating a consolidation plan.

In addition, during the season, the European confederation rejected both the voluntary agreement proposed by Milan and the compromise agreement, through which the Italian club would accept the violations and accept a more lenient punishment.

4.2 The punishment of Manchester City

It is known that citizens receive a lot of money from sponsorships of companies controlled by Abu Dhabi and its owner's family, Mansour. Among them are Etihad, Etisalat, Aabar (shares in UniCredit and Virgin Galactic) and the Abu Dhabi Tourism Ministry. Since 2010, therefore, Mansour has used these companies, to invest money in the City, which the FFP explicitly forbids. This was done either by re-pricing or by the renegotiation of sponsorship agreements. Companies with a sponsorship agreement with the City have paid the bonuses to achieve targets (goal achievement) without achieving them. In other examples, the club asked companies to pay upfront the money for their sponsorship.

All of these companies received money from the Abu Dhabi United Group, owned by Mansour, and then transferred to the club via overstated sponsorships.

The club was required to comply with the following requirements:

- Maximum damage of EUR 20,000,000 for the financial year 2014 and a maximum loss of EUR 10,000,000 for the financial year 2015.
- In the income statement calculations in the settlement period, Manchester City should not attempt to improve the financial terms with two commercial partners.
- Income from sales of assets internally of the group would not be accounted for in future balance sheets.
- The wage costs (of the football section and officials) should not be increased for the next two seasons.
- Throughout the compromise period, City was subject to a limitation of the number of players it could declare on the A list for its participation in UEFA competitions. For the 2014-2015 season, City could claim up to 21 players instead of 25.
- Reduce transfer costs for the 2014-2015 and 2015-2016 seasons.
- Limitation of number of new entries in the A list for participation in UEFA competitions. The exact limitation depended on the net transferring position of City in each of the periods of the agreement.
- A fine of EUR 60,000,000, which would be withheld from the proceeds of its participation in the European competitions of the 2013-2014 season. Of this amount, the € 40,000,000 would be returned if the City fulfilled its obligations to the Audit Body of the Associations.
- The City was obliged to produce every 6 months a progress report that would substantiate its compliance with all agreed measures.

4.3 Paris Saint Germain penalized for breaches of FFP

Paris St-Germain's £167m agreement with the Qatar Tourism Authority was the cause the French club failed the rules of financial fair play. The sponsorship deal was considered to have an unfair worth by the independent investigation panel of UEFA.

That means the French champions, who reached the Champions League quarter-finals the season of 2014, exceeded allowed financial deficits by a wide margin. Under FFP, clubs are limited to losses of £37m over the past two years. Clubs who fail the FFP test have been offered a settlement deal by the investigation panel, although the details remain unknown. The club was required to comply with the following requirements:
- Maximum damage of EUR 30,000,000 for the financial year 2015 and zero loss for the financial year 2016.

- In the cost-benefit calculations in the conciliation period, Paris Saint-Germain's agreement with Qatar Tourism Authority was adjusted to market prices much lower than those of the club's revenue estimates, and will apply for as long as the trade agreement is in force.

- The wage costs (of the football section and officials) have not increased for the next two periods since the imposition of the penalty.

- Throughout the compromise period, Paris was subject to a limitation of the number of players who could declare in the A list for her participation in UEFA competitions. For the 2014-2015 season, Paris has declared 21 players instead of 25.

- Reduce transfer costs for the 2014-2015 and 2015-2016 seasons.

- Limitation of number of new entries in the A list for participation in UEFA competitions. The exact limitation depends on Paris's net transcriptional position in each of the periods of the agreement.

- A fine of 60,000,000 euros, which had been withheld from the proceeds of her income for her participation in the European competitions of the 2013-2014 season. Of this amount, the € 40,000,000 would be refunded as long as Paris fulfilled its obligations to the Audit Body of the Associations.

- Paris was obliged to draw up every 6 months a progress report that would substantiate its compliance with all the measures agreed.

4.4 Galatasaray's case

2 March 2016:

UEFA has announced since January the possible punishment of Galatasaray as a result of irregularities in Financial Fair Play. More specifically, the Turkish club seemed to have exceeded the allowable limit of financial losses on the balance sheet, thus endangering it.

Thus, on Wednesday afternoon, UEFA proceeded to exemplary Galatasaray punishment for the 2016-2017 and 2017-2018 seasons. Initially, Turkish media had leaked out that the punishment would have been a season, but as UEFA confirmed, Galatasaray has been outside European competitions for two consecutive years.

23 June 2016:

The CAS finalized Galatasaray's two-year blockade of European competitions, rejecting the Turkish club's appeal against UEFA's decision. The European Football Confederation imposed this penalty on Galatasaray for breaches of financial fair-play regulations and CAS has today ratified its punishment.

The Istanbul team had won the "Europa League" season ticket 2016-17, through the conquest of the Cup. Osmanlispor, who last Monday entered the draw of the qualifying round B, will now take its place.

4.5 Barcelona sells players due to Financial Fair Play

5 January 2016:

How does the strongest group in the world strengthen? And especially when? Barcelona from tomorrow can formally join the potential of Arda Turan and Aleix Vidal, as the FIFA punishment imposed on her on the transfer ban has been finalized. But the problems are not solved. Wins have increased operating costs. Starting with player wages, the percentages between earnings and wages increased by 8 points, from 65% to 73%, above the 70% threshold. Its roster is worth about 700 million euros, while additions are being considered, such as the one of Pogba, in a few days. the issue of Neymar renewal will be discussed with EUR 10 million being made EUR 20 million, as the Brazilian striker has requested.

The truth is that Barcelona has no room for operating profit, so it has to join sales, since it cannot make other moves without breaking Fair Play. It may not be happening in January, but in the summer, but Maserano, Pike, Danny Alves, Ter Stegen and Adriano, it seems that outside of unexpected will change the shirt. Also, the issue with its sponsor Qatar Airways should be clarified as the Spaniards they argue that maybe one step before the cessation of co-operation, even if the contract expires in 2021.

4.6 UEFA punishes harshly Malaga

The case of Malaga is the most indicative of the wide scope covered by the FFP and is not limited to club break even.

The Andalusian club was punished in 2013, shortly after its episodic blockade in the Champions League quarter-finals. Cause of EUR 8,450,000 in arrears to Spain's tax office. The case came to CAS, with Malaga claiming that it had entered into an interim suspension agreement to the Spanish state before June 30, 2013, which was the deadline for UEFA. The club also argued that it could not be held responsible for the delay of the Spanish authorities to issue the relevant letter of the agreement, which they submitted too late.

CAS dismissed the appeal, arguing that the FFP regulations defined the overdue debt as "non-agreed" (not taking into account the Spanish State's obstruction) and therefore upheld the exclusion penalty from the two European competitions in the next 4 years and a fine of 300,000 euros.

4.7 Financial Fair Play “hurts” Inter

More problems with the Financial Fair Play regulation may be in the summer of Inter Milan, which has already been restricted to its transfers. Particularly, Nerazzurri should earn at least EUR 40 million through transfers before the start of the summer transfer period (30/6/2019).

If the Milanese does not comply with the rules of the FFP, the club may receive a severe punishment even with a kick-off from the Champions League next season.

With a possible sale of Mauro Icardi or Ivan Pericic in the winter, this obstacle can easily be overcome, losing a major player.

5. A general view of the top level in Europe

Starting with the analysis of the data, in order to have a global picture, we will need to study our sample. This will consist of the two teams with the most domestic championship winnings in their tournaments. The top five leagues were selected, including England, Germany, Spain, Italy and France. The competition there for discrimination is higher, as opposed to sub-league leagues such as Greece, Turkey, etc. This may be because these five countries are the most powerful economies in Europe but also because they have the largest consumer audience, those who buy tickets, jerseys, club subscriptions, and so on. We would describe these clubs as key players of the football market and the proof is the table below:

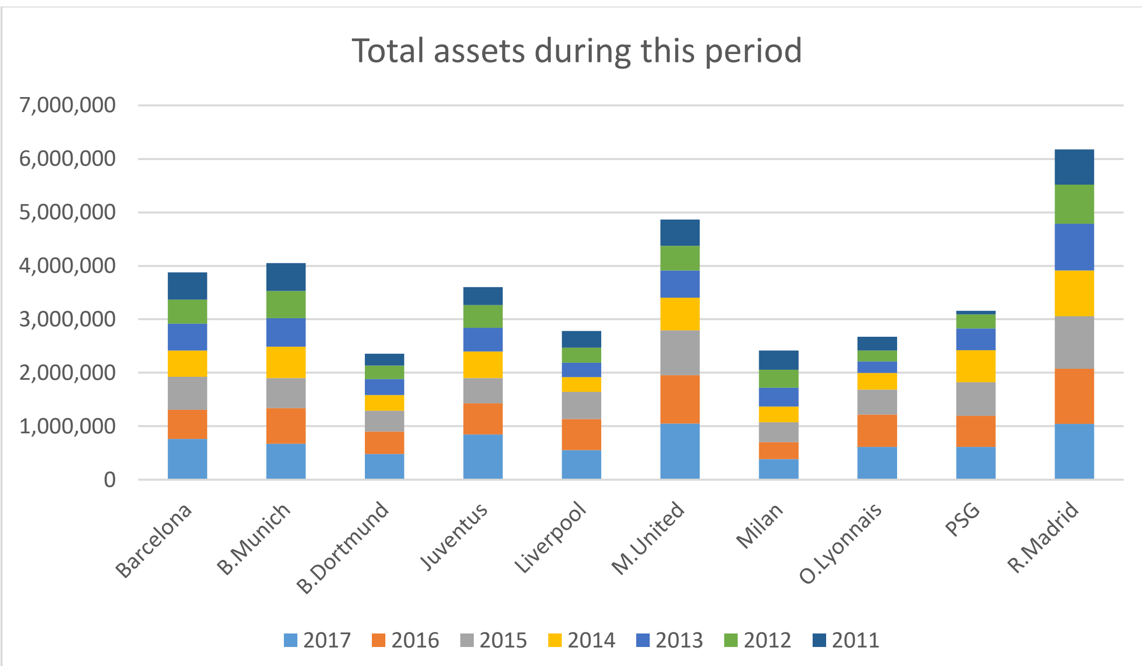
Football Club	Domestic Leagues	Domestic Cups	Champions League
Barcelona	25	30	5
Bayern Munich	28	18	5
Borussia Dortmund	8	4	1
Juventus	34	13	2
Liverpool	18	8	5
Manchester United	20	5	3
Milan	18	5	7
Olympique Lyonnais	7	5	-
Paris Saint Germain	7	12	-
Real Madrid	33	19	13

Among these clubs, mainly at European level, competition can become ruthless and often go beyond the limits, or sometimes there are cases that have already happened, as in some examples that have been mentioned earlier.

5.1 General financial situation of the sample

	Total Assets (th Euro)						
Club	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Barcelona	760,199	546,484	615,239	493,766	503,185	451,277	509,464
Bayern Munich	675,453	660,845	562,808	588,100	535,357	509,194	518,637

Borussia Dortmund	478,597	424,545	386,539	292,295	302,415	248,706	221,726
Juventus	847,240	577,558	474,267	495,921	443,367	427,782	334,040
Liverpool	550,902	581,637	510,253	278,522	269,420	280,490	312,715
Manchester United	1,051,286	901,936	837,972	614,951	504,092	466,126	487,668
Milan	388,045	315,200	370,188	291,301	354,595	334,284	363,756
Olympique Lyonnais	614,205	604,397	467,481	309,478	215,475	202,248	259,966
Paris Saint Germain	612,800	579,592	633,006	595,171	407,790	262,768	64,506
Real Madrid	1,045,119	1,031,690	977,486	860,415	871,164	731,224	657,971

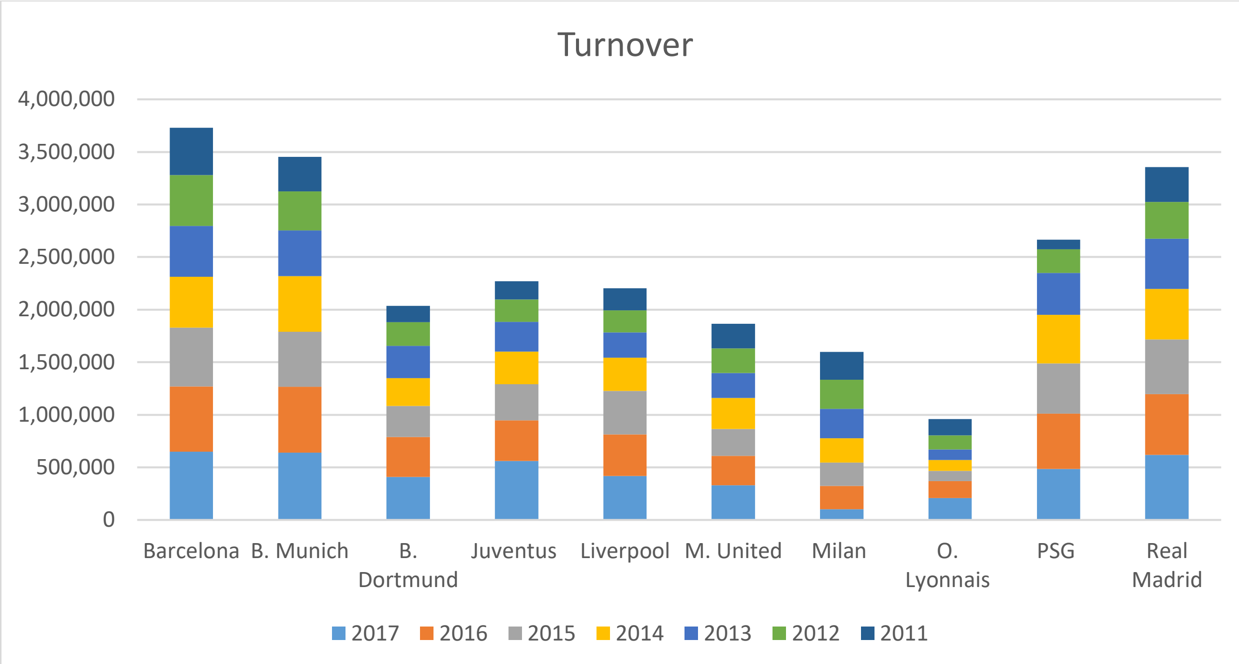


As we can easily observe, we see that there were generally no significant fluctuations in the assets of these clubs. Our chart shows the change in assets during the enforcement of the regulation until the ending of 2017 and at least during this time we observe that the European football elite shows stability and robustness in terms of financial exposures.

Regarding to the size of total assets, this can vary from club to club and always has to do with the goals of the club, the fans, the titles and the investors who strengthen them. In our example, it is no coincidence that real is the club that has always had the most total assets, since it is the most successful club on the planet with most European and world trophies and not only.

5.2 Turnovers

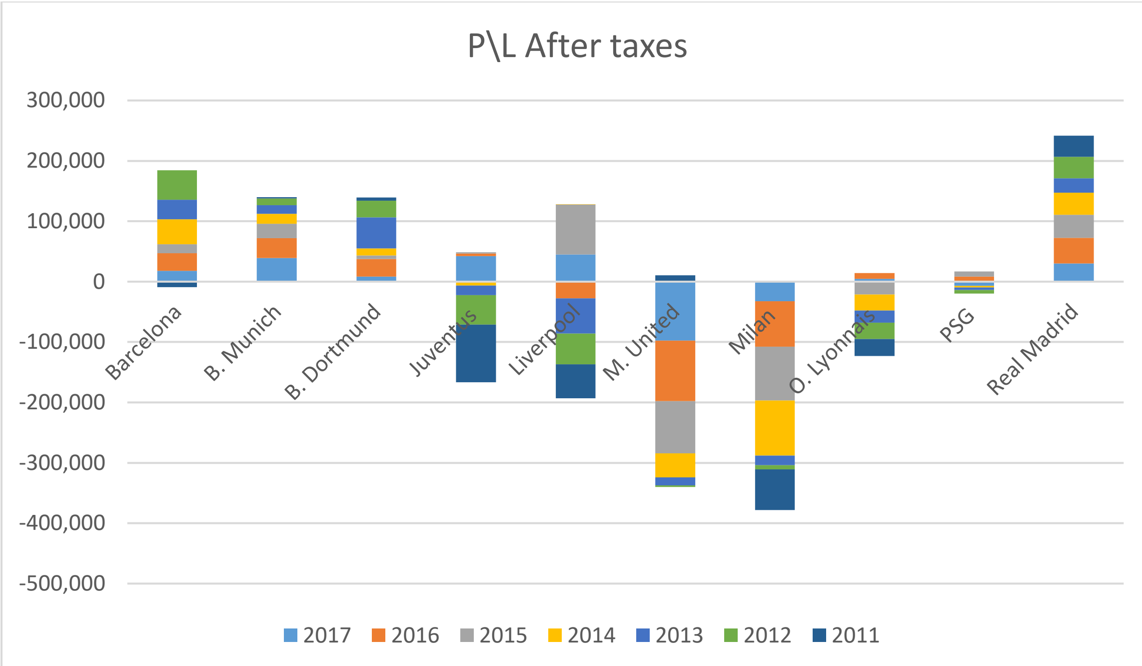
	Operating Revenue (th Euro)						
Club	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Barcelona	648,218	620,115	560,697	484,639	482,588	482,999	450,654
B. Munich	640,458	626,801	523,684	528,656	432,763	373,367	328,455
B. Dortmund	409,936	379,767	293,029	265,962	307,817	222,869	155,785
Juventus	559,672	386,108	343,635	312,984	281,912	212,291	172,066
Liverpool	416,751	395,481	414,138	315,957	241,139	211,250	209,620
M. United	328,713	279,759	256,543	293,936	239,063	232,209	236,017
Milan	100,665	223,943	221,035	232,322	278,713	275,870	266,811
O. Lyonnais	208,959	160,004	96,859	104,434	101,535	132,053	154,851
PSG	484,750	527,353	477,198	460,819	399,524	225,226	90,679
Real Madrid	619,939	576,781	518,365	481,801	478,836	349,455	331,242



As we can see here, the sizes vary from club to club, but the proportions over the years remain almost identical. So the four clubs with the biggest revenue are right now and the clubs that have a leading role in the Champions League, while the other clubs have for years been away from some distinction in the top club competition. While in the top four we also see the Barcelona and Pari Saint Germain, two of the clubs that each of them for its own reasons employed the regulation of FFP.

5.3 P\L After taxes

	P\L After taxes (th Euro)						
Club	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Barcelona	18,134	28,769	15,150	41,118	32,488	48,781	-9,325
B. Munich	39,190	33,037	23,827	16,523	14,022	11,056	2,193
B. Dortmund	8,209	29,436	5,532	11,970	51,193	27,530	5,400
Juventus	42,568	4,062	2,298	-6,674	-15,911	-48,654	-95,414
Liverpool	44,779	-27,875	82,714	510	-58,312	-50,653	-56,382
M. United	-97,465	-100,497	-86,136	-39,953	-13,352	-2,823	10,474
Milan	-32,624	-74,871	-89,301	-91,285	-15,723	-6,857	-67,334
O. Lyonnais	4,672	9,805	-21,434	-26,436	-19,859	-27,238	-28,033
PSG	-6,846	8,162	8,910	-2,900	-4,120	-5,660	0
Real Madrid	30,280	42,018	38,326	36,726	24,054	35,254	35,182



First of all, what we see from the chart is that from 2011 to 2017, almost all teams except Manchester United and Pari Saint Germain managed to improve their profitability. Concerning PSG and Manchester, there are two clubs that have invested in recent years probably the most enormous amounts in transfers that apparently have not yet depreciated. Regarding to Milan, it suffered from very serious financial problems and, as a result, failed to secure its participation in European competitions, as a result it didn't managed to receive UEFA's bonus for its participation, income from the tickets from the European competitions, and at the same time it had been trying to retain a high-value roster as well that led to today's result.

Then, as we can see, the most interesting cases are the profitability of Bayern Munich, Borussia Dortmund, Barcelona and Real Madrid. These clubs manage to score significant profit rates in this period, each for their own reasons. Real, as we all know, is the team with the most cups in the Spanish championship and the Champions League, something that has increased its popularity to a huge extent, as a result of counting today most fans around the world who, as we have already said, are the consumers of football sector. The other three clubs of course have their fans, who support them in all competitions, but they are among the few clubs that have limited their transfer costs and have turned over the last few years to develop their academies and to promote their own children in the first team, and many times even manage to sell them to other clubs for a lot of money.

The remaining clubs, as we see, have also undergone financial crisis in the period under review but today they are able to score positive signs of profitability.

5.4 Indicator Study

In this section we will study all the necessary financial indices for each club individually in order to get a complete picture of what is happening in each case. First of all, a few words in detail for each indicator:

- As far as corporate financing is concerned, return on equity (ROE) is a measure of a company's profitability in relation to equity, also known as net assets or assets less liabilities. ROE is a measure of how well a business uses investments to generate profits. The formula is: **ROE= Net Income/Shareholders Equity**
- Return on assets (ROA) is an indicator which counts the profitability of a business relating to its total assets. ROA gives an investor, manager, or analyst an idea as to how efficient a business' management is at using its assets to generate profit. Return on assets is displayed as a percentage and it is calculated as: **ROA = Net Income / Total Assets**
- The current ratio is a liquidity ratio that counts a business' ability to pay long-term and short-term obligations. Analysts compare current assets to current liabilities in order to calculate the current ratio. **Current Ratio = Current Assets / Current Liabilities**
- Debt/Equity Ratio is used to assess a company's financial leverage.
  Debt/Equity Ratio= Total Liabilities/ Shareholders Equity

- There are a variety of metrics in order to measure profitability. EBITDA (earnings before interest, taxes, depreciation, and amortization) is one ratio of a company's financial performance and it is used to determine the earning potential of a company. **EBITDA = Net Profit + Interest +Taxes + Depreciation + Amortization**

  All data for the calculation of the above financial ratios are derived from the balance sheets of the clubs and all the amounts are calculated in th Euro.

5.4.1 Barcelona

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	18,134	760,199	209,991	587,983	56,983	115,347
2016	28,769	546,484	133,916	407,586	41,603	97,295
2015	15,150	615,239	177,697	444,590	102,041	68,608
2014	41,118	493,766	134,840	378,766	61,460	53,540
2013	32,488	503,185	145,800	397,403	93,355	12,427
2012	48,781	451,277	101,581	316,777	154,469	-19,969
2011	-9,325	509,464	183,608	409,970	168,152	-68,658

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	5.59705987	15.72125846	2.385428026	0.357137876	111,217
2016	4.616773729	29.56883704	5.264381025	0.328558881	120,342
2015	7.967452775	22.08197295	2.462457679	0.399687352	104,942
2014	8.222375794	76.79865521	8.327426352	0.355998162	134,325
2013	39.49126901	261.4307556	6.456472272	0.366881981	118,454
2012	-23.59887826	-244.2836396	10.80954713	0.320670377	125,758
2011	-8.420315185	13.5818113	-1.83035504	0.44785716	66,386

5.4.2 Bayern

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	39,190	675,453	280,267	163,108	68,887	443,458
2016	33,037	660,845	235,269	160,561	84,014	416,270
2015	23,827	562,808	180,985	118,816	53,260	390,732
2014	16,523	588,100	211,757	135,215	77,370	375,515
2013	14,022	535,357	166,118	133,180	144,939	257,238
2012	11,056	509,194	154,697	122,140	138,336	248,718
2011	1,286	518,637	188,778	134,826	145,050	238,761

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	0.523149881	8.837364531	5.802032118	1.718290948	149,091
2016	0.587539337	7.936435487	4.999205563	1.465293564	142,502
2015	0.440393927	6.098041624	4.233592984	1.523237611	111,310
2014	0.566115868	4.400090542	2.809556198	1.566076249	98,695
2013	1.081173855	5.450983136	2.619186823	1.247319417	95,578
2012	1.047274423	4.44519496	2.171274603	1.266554773	86,041
2011	1.17220149	0.538613928	0.247957627	1.400160206	63,206

5.4.3 Borussia Dortmund

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	8,209	478,453	147,027	147,734	18,561	312,158
2016	29,436	424,545	152,007	89,439	25,564	309,542
2015	5,532	386,539	170,435	76,824	23,637	286,078
2014	11,970	292,295	99,925	90,443	56,603	145,249
2013	51,193	302,415	45,807	95,286	66,511	140,618
2012	27,530	248,706	95,229	86,867	68,384	93,455
2011	5,400	518,637	188,778	134,826	145,050	238,761

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	0.532727016	2.629758007	1.715738014	0.995214372	74,073
2016	0.37152632	9.50953344	6.933540614	1.699560594	86,668
2015	0.351166465	1.933738351	1.431162185	2.218512444	55,594
2014	1.012371858	8.241020592	4.095177817	1.104839512	49,132
2013	1.150613719	36.40572331	16.92806243	0.480731692	87,531
2012	1.661238029	29.45802793	11.06929467	1.096262102	59,979
2011	1.17220149	2.261675902	1.041190659	1.400160206	32,442

5.4.4 Juventus

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	42,568	847,240	326,179	427,480	325,986	93,774
2016	4,062	577,558	175,014	267,059	257,116	53,383
2015	2,298	474,267	158,163	312,813	116,809	44,645
2014	-6,674	495,921	178,192	317,761	135,533	42,627
2013	-15,911	443,367	126,885	254,794	139,942	48,631
2012	-48,654	427,782	89,936	213,932	149,241	64,609
2011	-95,414	518,637	188,778	134,826	145,050	238,761

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	8.034913729	45.39424574	5.024314244	0.76302751	159,381
2016	9.819137179	7.609163966	0.703305988	0.655338333	84,739
2015	9.623070893	5.147272931	0.484537191	0.505615176	79,829
2014	10.63396439	-15.65674338	-1.345778864	0.560773663	65,717
2013	8.116962431	-32.71781374	-3.588674845	0.497990534	55,357
2012	5.621089941	-75.30529802	-11.37355008	0.420395266	578
2011	1.17220149	-39.96213787	-18.3970677	1.400160206	-32,477

5.4.5 Liverpool

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	44,779	550,902	141,534	301,411	136,744	112,747
2016	-27,875	581,637	143,973	369,966	133,748	77,923
2015	82,714	510,253	157,571	324,366	68,720	117,167
2014	510	278,522	69,528	221,867	111,256	-54,601
2013	-58,312	269,420	64,243	212,400	109,182	-52,162
2012	-50,653	280,490	73,852	141,458	132,459	6,573
2011	-56,382	312,715	79,034	211,731	48,741	52,243

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	3.88617879	39.71635609	8.128305942	0.469571449	84,327
2016	6.464253173	-35.77249336	-4.792508042	0.389151976	25,728
2015	3.354920754	70.59496275	16.21038975	0.485781494	101,725
2014	-6.101042105	-0.934048827	0.183109413	0.313376933	13,263
2013	-6.165062689	111.7901921	-21.64353055	0.302462335	22,472
2012	41.67305644	-770.6222425	-18.05875432	0.522077224	13,888
2011	4.985777999	-107.9225925	-18.02983547	0.373275524	-56,139

5.4.6 Manchester United

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	-97,465	1,051,286	534,609	1,199,654	95,218	-243,586
2016	-100,497	901,936	424,077	999,749	58,201	-156,014
2015	-86,136	837,972	304,182	750,386	145,212	-57,626
2014	-39,953	614,951	180,127	478,793	110,844	25,314
2013	-13,352	504,092	196,479	368,568	74,082	61,442
2012	-2,823	466,126	158,860	310,856	76,325	78,945
2011	10,474	487,668	199,731	335,366	79,225	73,077

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	-5.315872012	40.0125623	-9.271026153	0.445635992	15,249
2016	-6.781122207	64.41537298	-11.14236487	0.42418347	-10,359
2015	-15.5415611	149.4741957	-10.2791024	0.405367371	5,595
2014	23.29292091	-157.8296595	-6.496940407	0.376210596	22,966
2013	7.204355327	-21.73106344	-2.648722852	0.533087517	26,608
2012	4.9044398	-3.575907277	-0.605630237	0.511040482	29,638
2011	5.673344554	14.33282702	2.147772665	0.595561267	63,131

5.4.7 Milan

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	-32,624	338,045	114,018	286,158	128,436	-76,549
2016	-74,871	315,200	134,769	290,445	75,182	-50,427
2015	-89,301	370,188	141,165	311,082	92,475	-33,369
2014	-91,285	291,301	125,451	374,743	10,764	-94,206
2013	-15,723	354,595	144,118	374,179	47,337	-66,921
2012	-6,857	334,284	134,361	341,316	47,916	-54,948
2011	-67,334	363,756	129,715	335,366	16,506	11,884

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	-5.416060301	42.61845354	-9.650786138	0.398444216	-294
2016	-7.250619708	148.4740318	-23.75348985	0.464008676	-9,455
2015	-12.09376967	267.6166502	-24.12314824	0.453787104	-24,154
2014	-4.09217035	96.89934824	-31.33700193	0.334765426	-5,144
2013	-6.29871042	23.49486708	-4.434072674	0.385157906	52,723
2012	-7.083642717	12.47907112	-2.051249835	0.393655733	8,431
2011	29.6088859	-566.5937395	-18.51075996	0.386786377	-14,896

5.4.8 Olympique Lyonnais

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	4,672	614,205	125,212	286,158	237,299	90,748
2016	9,805	604,397	132,147	290,445	331,240	-17,288
2015	-21,434	467,481	118,916	311,082	223,818	-67,419
2014	-26,436	309,478	116,313	374,743	108,482	-173,747
2013	-19,859	215,475	75,514	374,179	47,712	-206,416
2012	-27,238	202,248	64,325	341,316	48,646	-187,714
2011	-28,033	259,966	109,602	335,366	43,927	-119,327

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	5.768248336	5.148322828	0.760658086	0.437562465	10,746
2016	-35.96049283	-56.71564091	1.622278072	0.45498115	-7,744
2015	-7.933965203	31.79222474	-4.584999176	0.382265769	-11,317
2014	-2.7811991	15.21522674	-8.542125773	0.310380714	-24,010
2013	-2.043887102	9.620862724	-9.216382411	0.201812502	-25,573
2012	-2.077426297	14.51037216	-13.46762391	0.188461719	-10,141
2011	-3.178601658	23.4925876	-10.78333321	0.326813094	19,694

5.4.9 Pari Saint Germain

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	-6,846	612,800	418,386	517,530	26,634	68,636
2016	8,162	579,592	377,407	489,288	34,794	55,510
2015	8,910	633,006	417,852	380,411	205,163	47,432
2014	-2,900	595,171	305,160	511,680	44,884	38,607
2013	-4,120	407,790	220,591	352,534	13,947	41,309

2012	-5,660	262,768	164,861	248,796	18,542	-4,570
2011	-1	64,506	47,274	61,505	1,911	1,090

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	7.928259223	-9.97435748	-1.117167102	0.808428497	93,387
2016	9.441217799	14.703657	1.408231998	0.77133917	98,819
2015	12.34554731	18.78478664	1.407569596	1.098422496	98,639
2014	14.41614215	-7.511591162	-0.487254923	0.596388368	68,968
2013	8.871698661	-9.973613498	-1.010323941	0.625729717	65,958
2012	-58.49846827	123.8512035	-2.153991354	0.662635251	40,350
2011	58.17981651	-0.091743119	-0.001550243	0.768620437	-17,067

5.4.10 Real Madrid

Year	Net Income	Total Assets	Current Assets	Current Liabilities	Non-Current Liabilities	Equity
2017	30,280	1,045,119	339,856	425,485	117,386	502,248
2016	42,018	1,031,690	237,416	372,171	247,406	412,113
2015	38,326	977,486	271,002	368,592	239,499	369,395
2014	36,726	860,415	246,408	346,965	202,514	310,936
2013	24,054	871,164	252,518	376,017	220,793	274,354
2012	35,254	731,224	202,804	354,635	200,493	176,096
2011	35,182	657,971	181,224	286,687	230,442	140,842

Year	Debt to Equity	ROE%	ROA%	Current Ratio	EBITDA
2017	1.080882353	6.028894092	2.897277726	0.798749662	162,882
2016	1.503415325	10.19574728	4.072735027	0.637921816	203,449
2015	1.646180917	10.37534347	3.92087457	0.735235708	164,182
2014	1.767177168	11.81143386	4.268405363	0.710181142	149,882
2013	2.175328226	8.767504757	2.76113338	0.671560062	153,759
2012	3.152416864	20.01976195	4.821231251	0.571866849	96,408
2011	3.671695943	24.97976456	5.347044171	0.632131907	66,107

6. Conclusions

In the context of this paper, it was explained that UEFA's Financial Fair Play is a regulation that all teams have to observe in any domestic league in Europe of independent capacity in order to qualify for participation in European competitions. The reason for Financial Fair Play is to impose a good financial management on the groups and to prevent counterfeiting of results, since sports societies, like the rest economic units, they can use the various accounting mechanisms that exist to fine-tune their results.

The major European clubs showed growth of 3% between 2011 and 2017, which is totally opposed to the economic course of Europe in prolonged recession. Leading clubs (e.g. Bayern Munich, Real Madrid, Barcelona, etc.) resist vigorously in economic terms, presenting economic growth on the revenue side. The millions of supporters and simultaneously "sponsors" of the top teams in the world, ensure forever the continuous increase in revenues. At the same time, these groups have large financial exposures due to expensive transfers, large contracts, etc. It is clear that the robust financial clubs (Real Madrid, Manchester United, Barcelona, Bayern Munich and so on) have been investing in academies, stadiums and training centers.

Indeed, the club's tactics, especially the very powerful ones, were, is and will be to invest most of their capital in expensive transfers for commercial and competitive reasons. At the same time, the smaller clubs in this direction have been moving in order to be able to participate in European revenue-generating competitions, which are often able to "save" small clubs from bankruptcy. UEFA does indeed help the participating clubs in their economic growth by offering extra cash bonuses. For this reason, the Champions League is considered and is the largest inter-club European event.

But the TV distribution system favors the rich championships of Europe (England, Spain, Germany, Italy, France), whose teams receive much more money than the rest. Something logical, as they are much more developed, but unequal, as the already wealthy clubs become much richer. As far as the money bonuses are concerned, they are almost entirely back in already robust financial groups. So here, the smaller clubs are "stingy". Finally, in the field of tickets, it is obvious that both the price and the completeness of the stadiums are much larger in first-class clubs than in the second and third ones. In conclusion, though, there is financial help from UEFA but it does not favor closing the gap between clubs.

Regarding to the research, it has been observed that under the imposition of this regulation, the clubs in our sample exhibit remarkable changes to the best, apart from few cases. Particularly, most clubs have increased their profitability and reduced expenses and loans, improving simultaneously their financial ratios. Cases such as Milan, which has been damaging, have at least managed to reduce them. About Manchester, it is known that excessive and unnecessary sums have been invested in transfers, that’s why we have this result there, something that happened with Pari Saint Germain, but there, the signs started to become positive. Let us hope in the future, this situation to be continued and spread to every corner of

Europe in order to have a healthy and purely competitive football that will attract even more fans.

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