IN THE MATTER OF PREMIER LEAGUE SECTION W PROCEEDINGS

Before [redacted], [redacted] & [redacted]

sitting as a Disciplinary Commission

B E T W E E N :-

THE FOOTBALL ASSOCIATION
PREMIER LEAGUE LIMITED

and

MANCHESTER CITY
FOOTBALL CLUB LIMITED

DECISION

[redacted]

[redacted](instructed by Bird & Bird LLP)
for the Football Association Premier League Limited

[redacted]

(instructed by Clifford Chance LLP)
for Manchester City Football Club Limited

Hearing Dates: 16-19, 23-26, 30 September 2024; 1-2, 4, 7-10, 14-17, 21-24, 28-31 October 2024; 1, 4-5, 11-14, 18-20 November 2024; 3-6 December 2024

<u>(A) Introduction</u>

<u>i) Preamble</u>

1) In February 2023 the PL commenced these proceedings against the Club. The Club was charged with well over 100 individual breaches of the PL Rules across the course of many seasons. The breaches alleged to have been committed by the Club were divided by the PL into 4 broad categories – Charges 1, 2, 3 and 4. Charge 1 was divided into four sub-charges – Charges 1(A), 1(B), 1(C) and 1(D). Charge 4 was also divided into four sub-charges – Charges 4(A), 4(B), 4(C), 4(D). We refer to those together as '***the Charges***'.

2) The Club denied each of the Charges.

3) Subsequent to the commencement of the proceedings we were appointed pursuant to <u>Section W</u> of the PL Rules as a Disciplinary Commission to hear and determine the Charges.

4) This document and the Appendices annexed to it and referenced herein set out our findings on the Charges. This document also contains an overview of the more detailed matters addressed and findings made in the individual Appendices; it is intended to provide a roadmap through those Appendices. This document and the Appendices are to be read as a whole. Together they comprise the decision and reasoning of the Commission – '***our Decision***'.

5) <u>Appendix 36</u> is a glossary and list of abbreviations that we have used in our Decision. <u>Appendix 37</u> is a *dramatis personae* to identify and give brief biographical details of key individuals and entities who feature in our Decision. Throughout our Decision we have used abbreviations or shorthand to refer to such individuals and entities. We have done that for the reasons set out in <u>Appendix 6</u>; no disrespect is intended towards any individual or entity by adopting that course.

6) The serious wrongdoing alleged by the PL against the Club by each Charge required strong, cogent evidence to prove that individual Charge. As set out below and in the Appendices to this document, with the exception of Charge 4(B) we were satisfied to the requisite standard that there was such evidence.

7) As a result, and as set out in more detail in our Decision, we found each of the Charges proven against the Club bar Charge 4(B).

ii) Observations on the course of the proceedings

8) The substantive hearing of the Charges ('***the hearing***') began in September 2024 and finished in December 2024. A procedural chronology of the progress of the proceedings from their commencement in February 2023 until the conclusion of the hearing is at Appendix 35.

9) The proceedings were at all times extremely hard fought on both sides. We in no way mean that as a criticism of either party; it is simply fact. No stone was left unturned. Both throughout the interlocutory stages and at the hearing issues were fiercely contested between the parties.

10) The PL set out its case in a Statement of Charges (subsequently amended) and a Statement of Facts. Together those documents (which ran to approximately 500 pages) set out

a) The 100+ breaches of the PL Rules alleged by the PL to have been committed by the Club, and

b) The facts and matters on which the PL relied to support the Charges.

Section E of the Statement of Charges recorded that the PL regarded the Club's conduct as having involved '*extremely serious, significant, sustained and intentional or reckless breaches of rules critical to the proper and fair operation of the PL's league competition*'.

11) The PL's Statement of Charges and Statement of Facts were subsequently supplemented with an additional 50 pages of Further Information.

12) The Club's Answer (subsequently amended) responded to both the Statement of Charges and the Statement of Facts. The Club denied each of the Charges in full. Over the course of more than 200 pages the Club's Answer set out the numerous individual bases underlying each of its denials. The Club's Answer was also supplemented by Further Information.

13) The pleadings were completed by

a) A lengthy Reply to the Club's Answer served by the PL, and

b) A short Rejoinder from the Club addressing certain matters of Swiss law.

14) The pleadings helpfully defined the extent of the (very considerable number of) factual and legal issues that existed between the parties on each of the Charges. Those issues were further defined

a) In a List of Issues prepared by the parties,
b) In the parties' written opening and closing submissions for the hearing, and
c) In helpful 'roadmap' documents that (at our request) the parties prepared at the end of the hearing.

15) The proceedings generated an enormous volume of documents and other evidence. By way of illustration

a) We were told that the process of disclosure resulted in many millions of documents being searched. That exercise led to a vast number of documents being disclosed. The lion's share of the burden of that search and exercise fell on the Club

b) The PL served witness statements from 6 individuals who gave evidence before us at the hearing. The Club served witness statements or documentary evidence from 24 witnesses, most of whom gave evidence at the hearing. In total the witness statements relied on by the parties ran to well over 700 pages

c) Both parties served and relied on evidence from experts in the fields of
   i) Abu Dhabi politics and governance
   ii) Accountancy standards
   iii) Financial information analysis
   iv) Assessment of FMV
   v) Football sponsorship[1]
   vi) Swiss law.

   The experts each produced written reports, often more than one. Experts of like discipline met and produced joint statements of the issues on which they were agreed and the issues that remained in dispute. With supporting documents, those reports and joint statements ran to many, many thousands of pages

[1] Although in the case of the PL the relevant individuals were principally witnesses of fact.

d) Although the parties made great efforts – for which we were extremely grateful – not to drown us in paper at the hearing, the volume of documents contained in the bundle used at the hearing remained extremely substantial. To give an illustration

   i) By the end of the hearing the *index* to the hearing bundle ran to more than 750 pages

   ii) The Core Bundle of key documents ran to many tens of thousands of pages.

16) The substantive hearing took place over 42 days in the last quarter of 2024. Oral evidence was given by factual and expert witnesses over the course of 34 days. The parties spent 4 days at the start of the hearing and 4 days at the end of the hearing making oral submissions to the Commission to supplement their written submissions (which themselves ran to several hundred pages on each side). The bundle of legal authorities contained over 300 authorities, including numerous iterations of the PL Rules, UEFA Statutes and Regulations, English, AD and overseas legislation, English, foreign and CAS caselaw, accounting rules and guidance and academic commentary.

17) Despite the scale and intensity of the proceedings, they were managed efficiently and effectively by the parties' representatives. We commend the parties and their representatives for that, and on the manner in which the hearing itself was conducted. While the scope of the proceedings remained vast, their efforts made them manageable.

18) It has taken us much longer than we would have wished, and much longer than we had anticipated would be the case when the hearing concluded, to produce our Decision. That is regrettable. However, we were fortunate to have available to us throughout the period in which our Decision has been being prepared not only all of the documents that were used at the hearing but also

   a) Verbatim transcripts of the evidence given by each witness and expert at the hearing. Those transcripts ran to approximately 7,000 pages, and

   b) Extremely detailed written submissions from the parties (that they had supplemented orally over 4 days at the end of the hearing) on the evidence and each of the numerous issues that we were tasked with determining in the proceedings.

(B) Some overarching matters

i) Burden and standard of proof

19) At Appendix 7 we set out

   a) Where we found the burden of proof to lie in these proceedings, and

   b) The standard of proof that we considered to be applicable to the Charges.

ii) Circumstantial evidence and inferential cases

20) As we set out below and as will be apparent from the Appendices in which we consider the factual evidence and set out our factual findings, the PL's case depended in part on

   a) What we made of circumstantial evidence, and

   b) What inferences we were prepared to draw from primary sources of evidence.

21) The principles that we applied when considering such matters are set out in Appendix 7.

iii) The two principal sources of factual evidence available to us

22) The principal sources of factual evidence available to us at the hearing comprised

   a) Contemporaneous and near-contemporaneous documents

   b) Written and oral evidence from individual witnesses.

23) The matters that we kept in mind, the principles that we applied and the approaches that we took when considering each of those sources of evidence are set out in Appendix 7.

iv) 'Missing witnesses' and 'missing documents'

24) Both parties invited us to draw inferences from the fact that

   a) Certain individuals who (it was said) could have given relevant evidence in these proceedings had not in fact been called to give evidence at the hearing, and

   b) Certain relevant documents which (it was said) could have been provided on behalf of one party or the other had not in fact been provided for use at the hearing.

   Despite the vast number of documents that were available, and the extensive factual evidence that was given by the witnesses who did appear at the hearing, the evidential picture available to us was therefore not as complete as it might have been.

25) The approaches that we took

a) To assessing what, if any inferences, were properly to be drawn, and any inferences that we considered it appropriate to draw, and
b) In light of the fact that the evidential picture was incomplete

are set out in Appendix 7.

26) In similar vein we had to consider what weight, if any, should be given to documents that had been provided by third parties
a) That appeared to represent only an incomplete record of relevant matters or
b) Which contained information to which no witness was willing or able to speak at the hearing.

The approach that we took to such documents and the conclusions that we reached in relation to such documents, are also set out in Appendix 7.

v) The factual witnesses who gave evidence before us

27) We heard factual evidence from 27 witnesses. All were, to a greater or lesser extent, cross-examined.

28) At Appendix 6 we have set out
a) The broad issues on which each witness gave evidence, and
b) The conclusions that we reached both as regards
   i) The reliability of the evidence given by each witness, and
   ii) The substance of that evidence.

29) We concluded that the majority of the witnesses of fact who gave evidence before us were doing their best to provide honest evidence and to assist us in our determination of the Charges. However, as set out principally in that Appendix 6 we concluded
a) That evidence given by a number of important factual witnesses called to give evidence on behalf of the Club was false in a number of key respects, and
b) That certain of those factual witnesses had given evidence at the hearing that they knew to be untrue and so had been dishonest.

30) How those conclusions impacted on the factual findings that we made in relation to the subject matter of each Charge is apparent in the Appendices in which we have set out those factual findings. So

a) Appendix 15 sets out where we have not accepted the evidence of factual witnesses who gave evidence relevant to Charge 1(A)

b) Appendices 16, 17 and 18 set out where we have not accepted the evidence of factual witnesses who gave evidence relevant to Charge 1(B)

c) Appendix 19 sets out where we have not accepted the evidence of factual witnesses who gave evidence relevant to Charge 1(c).

vi) Witnesses who provided evidence in writing but who did not appear at the hearing

31) We were invited by the Club to have regard to, and place weight on, evidence given by a number of individuals in letters and other documents, but who (for a variety of different reasons) did not appear before us to give oral evidence.

32) We set out the approach that we adopted in respect of such evidence at Appendix 7. We also in that same Appendix 7 set out the conclusions that we reached in the light of such evidence and the weight, if any, that we gave to the written evidence given by such individuals. Where appropriate, reference is made to that written evidence in other Appendices also.

vii) The experts who gave evidence before us

33) The views that we formed as regards the evidence given by expert witnesses are set out in the Appendices in which we have considered the issues to which their evidence related. Where we preferred the evidence of one expert over another of like discipline, or where we concluded that we should not accept the opinion of an expert, we have said so and given reasons for that conclusion.

(C) An important preliminary point: the Club's criticisms of the PL and its prosecution of the Charges

34) The Club was highly critical

a) Of the PL's investigation of the Club
b) Of the PL's decision to bring the Charges, and
c) Of a number of aspects of the manner of the PL's prosecution of these Charges.

35) Those criticisms, the bases on which the Club contended they were justified and the consequences that the Club submitted flowed from them are principally set out in Appendix 3. That Appendix 3 also sets out the PL's response to those criticisms.

36) For the reasons set out in that Appendix 3 we rejected the Club's criticisms of the PL. In our view they were not justified and did not lead to the consequences urged on us by the Club.

(D) An introduction to some key regulatory obligations relevant to each of the Charges

37) At the heart of these proceedings lie a number of different regulatory obligations with which PL member clubs must comply. It is convenient to summarise the key regulatory obligations briefly before we turn to the facts that underlie each of the Charges.

i) Charge 1

38) Throughout the period to which these proceedings related every PL member club has had an obligation under the PL Rules to submit annual accounts to the PL that have been prepared and audited in accordance with applicable legal and regulatory requirements - the Accounts Submission Requirement: Appendix 8.

39) What that obligation requires in practice was in issue between the parties, and we heard expert evidence on that issue. Our determination of the issue is set out in Appendix 8. In our view it requires a PL member club to submit to the PL annual accounts

a) That provide a true and fair view of the PL member club's financial position at the relevant date

b) That disclose sufficient information about any transactions between the PL member club and 'related parties' ('***related party transactions***') to allow a user of the accounts to understand the impact of that relationship on the financial statements.

ii) Charge 2

40) CLFFPRs are the UEFA Regulations that have since 2013/14 been in place to govern financial fair play ('***FFP***'). Appendix 9 sets out the evolution of the CLFFPRs and their provisions at the times relevant to these proceedings.

41) The break-even requirement is a central provision of the CLFFPRs. In summary, since the introduction of the CLFFPRs a PL member club wishing to compete in UEFA club competitions is required

a) To obtain a licence to do so, and

b) To comply with the CLFFPRs. For present purposes 'compliance' means

i) Submitting 'break-even results' for periods (defined as a monitoring period) that have been calculated in accordance with detailed criteria set out in the CLFFPRs. Put simply a club's break-even result is a financial calculation that reflects the difference between a club's income and its expenditure in a monitoring period, and

ii) Those break-even results matching or exceeding threshold financial 'break-even requirements'.

42) At all times material to the Charges PL Rule B.14.6 has obliged PL member clubs to comply with UEFA Statutes and Regulations (including the CLFFPRs insofar as the PL member club was obliged to comply same): see Appendix 27.

iii) Charge 3

43) The PSRs are the PL Rules that since 2015/16 have governed FFP amongst PL member clubs. The provisions relevant to Charge 3 are set out in Appendix 8. In summary in order to comply with the PSRs a PL member club's aggregated AEBTs must meet certain financial threshold levels (a loss of not more than £105million) when assessed over a rolling three-year period. If those aggregated AEBTs show losses in excess of those threshold levels, the PL member club is deemed to be in breach of the PL Rules.

iv) Charge 4

44) The PL Rules contain provisions that require PL member clubs to comply with certain requests made of them by the PL during the course of investigations. The nature and scope of the duties contained within those PL Rules are considered in Appendix 32.

v) Utmost good faith

45) The PL Rules have at all times required PL member clubs to act with a duty of utmost good faith

a) Towards the PL, and

b) Towards other PL member clubs.

The scope and nature of that duty are considered in Appendix 32.

(E) Some factual background relevant to Charges 1, 2 and 3

46) Our factual findings relevant to each of the Charges are set out in detail in each of the various Appendices to which they relate.[2] What follows is not intended to detract from those detailed findings, but rather to give a high-level overview of those factual findings by way of background to what we say below in relation to the outcome of each Charge.

i) ADUG's acquisition of the Club

47) In the 1960s and 1970s the Club had enjoyed a period of considerable success. Leaner times then followed. The Club spent the 1980s in the old Football League First and Second Divisions. Although an inaugural member of the PL in the 1992/1993 season, by the end of the 1997/1998 season the Club had been relegated to Division Two – the first time in its 100+ year history that the Club had found itself in the third tier of English football. Although it returned to the PL at the end of the 2001/2002 season, the years that followed saw the Club finish between 8th and 15th in the PL.

48) By 2008 the Club was loss-making and not thriving following a sustained period of under-investment. However, its [redacted] considered the Club to be a [redacted] with

[2] So for Charge 1 Appendices 15, 16, 17, 18 and 19, for Charge 2 Appendix 29 , for Charge 3 Appendix 30 and for Charge 4 Appendices 33 and 34. Findings made in other Appendices also feed into those factual findings.

significant potential – [redacted] that with the right investment, plans and sporting and non-sporting personnel the Club could once again become extremely successful on and off the pitch.

49) In September 2008 ADUG – a private AD investment company ultimately owned by HHSM – bought a 90% shareholding in the Club. ADUG subsequently acquired the remaining 10% of the Club the following year. During the course of ADUG's acquisition of the Club HHSM wrote an open letter to his '*fellow Manchester City fans*'. In that letter

a) He confirmed that he was buying the Club in a private capacity. He appears to have done so to meet media speculation that the Club had been bought not by him but by the Emirate of Abu Dhabi itself

b) He set out his ambitious plans and ambitions for the Club.

50 [redacted]

a) [redacted]

b) [redacted]

c) [redacted]

i) [redacted]

3 [redacted]

[redacted]

ii) [redacted]

d) [redacted]

e) [redacted]

f) [redacted]

g) [redacted]

51) Following its acquisition by ADUG the Club spent considerable time and effort drawing up plans for the steps needed to realise its perceived potential. As well as appointing a heavyweight board, talented sporting personnel were recruited to improve the Club's fortunes on the pitch. Ambitious plans were made to improve the infrastructure of the Club, including its stadium and its surrounding/related facilities. High-quality non-sporting personnel were recruited across many areas of the Club including – most relevant for the purpose of these proceedings – into the Club's commercial team.

52) As the contemporaneous documents make clear, and as we were told in evidence, the Club appreciated from the early days of ADUG's ownership that very significant funds would be required if the steps needed to realise [redacted] ambitions were to be fulfilled. It was recognised that in the short-term those funds would have to come from substantial equity contributions from the Club's owner ADUG – effectively from [redacted].

53) That is what happened. In its first season of owning the Club ADUG provided the Club with over £190million in equity investment. During the 2009/10 season ADUG provided a further £295million in equity investment to the Club. [redacted]. As set out in Appendix 15 for many years thereafter the Club continued to make substantial funding requests to ADUG, and ADUG continued to pay very substantial sums to the Club.

ii) The Club's appreciation of the need to increase commercial revenue: [redacted]

54) The Club recognised that funding [redacted] ambitions solely via the provision of [redacted] was not a sustainable model. The Club needed to grow its commercial operations and increase – very substantially – its commercial revenues. At the time of ADUG's acquisition the Club's commercial revenue was a fraction of the revenue being generated by the top clubs in the PL and more widely.

55) One of the ways (but by no means the only way) in which the Club planned to increase its commercial revenues was by seeking high-value sponsorship arrangements in the UAE generally and in AD in particular. [redacted] The Club decided that it would look to put in place a pyramid sponsorship structure whereby

a) [redacted]

b) The Club would partner with other sponsors to whom different (lesser) packages of rights and benefits could be offered at different financial levels.

56) The Club's contemporaneous documents demonstrated the figures that the Club anticipated that it might be able to generate – in the short- and longer-terms – from such sponsorship arrangements both from AD Sponsors and non-AD Sponsors.

57) [redacted]

a) [redacted]

b) [redacted]

58) No complaint was made by the PL about [redacted]. It accepted

a) That the terms [redacted] were the result of arm's length, commercial negotiations that took place between members of the Club's senior executive/commercial team [redacted] and

b) [redacted] was at FMV: see Appendix 25.

59) [redacted] the Club announced that it had also reached agreement to enter into a sponsorship arrangement [redacted].

60) No complaint was made by the PL about [redacted] It accepted

a) That the terms [redacted] were the result of arm's length, commercial negotiations that had taken place between the Club and [redacted], and

b) [redacted] was at FMV.

61) Over the course of the months and years that followed the Club

a) Entered into a series of further AD Sponsorship Agreements with [redacted], and

b) Entered into further AD Sponsorship Agreements with [redacted].

62) Details of each of the AD Sponsorship Agreements entered into by the Club and their key terms are set out in Appendix 4.

63) The PL's case was that

a) Aside from [redacted] none of the AD Sponsorship Agreements

i) Were the result of arm's length commercial negotiations between the Club and the relevant AD Sponsor, or
ii) Were at FMV

b) The Sponsorship Fees set out in those other AD Sponsorship Agreements ('***the Recorded Sponsorship Fees***') were neither payable in full nor in fact paid in full by the relevant AD Sponsor. Rather in each case the true agreement reached between the Club and the AD Sponsor was that
   i) The AD Sponsor would be liable to pay (and did in fact pay) only a fraction of the Recorded Sponsorship Fee ('***the Base Sum***'), and
   ii) The balance between the Recorded Sponsorship Fee and the Base Sum ('***the Tagged Sum***') would be payable by (and was in fact paid) by ADUG.

   Such agreements were reached pursuant to what we have defined in our Decision as '***the Disguised Funding Scheme***' (see below)

c) Each of those AD Sponsorship Agreements were (as a matter of law) shams and/or arrangements whose economic substance was very different to the appearance given in the AD Sponsorship Agreements themselves.

iii) The Club's financial position: H2 2009 and H1 2010

64) While the Club's commercial revenue increased during 2009, by Q3/Q4 2009 the contemporaneous documents show that the Club
   a) Had not been able to generate the levels of commercial revenue for which it had budgeted. 'Doing deals' (both generally[4] and with AD Sponsors in particular) had proved more challenging than the Club had anticipated
   b) Was anticipating that it would suffer very significant losses in the 2009/10 financial year and in future financial years
   c) Recognised that the only way to fund its planned levels of expenditure in the coming months and years would be by ADUG continuing to provide very significant sums by way of equity contribution.

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[4] Although the focus in these proceedings was on the AD Sponsorship Agreements entered into with AD Sponsors, over the years under scrutiny in these proceedings the Club entered into many further sponsorship agreements with non-AD sponsors, albeit at financial levels well below the Recorded Sponsorship Fees in the AD Sponsorship Agreements.

65) The Club's financial position caused two principal reasons for concern at that time in the months and years that followed:

a) As regards the short term there was real concern that the Club's total losses in the 2009/10 season would exceed what was at that time the record single season financial loss by a PL member club (Chelsea FC in 2006) of £140million. That was a record that the Club was adamant it should not break

b) As regards the longer term
    i) [redacted] was of the view that the Club would likely continue to suffer large losses for at least the following five seasons
    ii) There was concern as to whether – and if so how – the Club might be able to comply with the UEFA FFP Rules[5] that were under consideration at that time and that (it was believed) would likely be introduced (as well as any domestic FFP Rules that might in time be introduced into English football).

66) Receipt of ever-increasing amounts of owner funding from ADUG would not enable the Club to meet those concerns[6]. Those concerns could thus only be met if the Club was able to significantly increase its commercial revenue and reduce reliance on equity contributions from ADUG - and do so quickly.

iv) The Disguised Funding Scheme

67) It was against that background that in early 2010 the Club devised a plan to disguise shareholder funding (i.e. equity contributions paid by ADUG) as 'commercial partner revenue' (i.e. AD Sponsorship income) – what we have described in Appendix 15 as the Disguised Funding Scheme. By the Disguised Funding Scheme

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[5] The evolution of the UEFA FFP Rules – which in time became the CLFFPRs – is set out in Appendix 9. For present purposes all that need be understood is that in 2009 UEFA was proposing to introduce FFP Rules that would require clubs playing in UEFA competitions to meet a 'break-even' requirement whereby a club's 'relevant income' did not exceed its 'relevant expenses' by more than a specified amount. Equity contributions from a club's owner could not be included in a calculation of 'relevant income'. Commercial revenue from sponsorship arrangements could be included in a calculation of 'relevant income'.

[6] In essence because sums received by a club from owner-funding/equity contributions are ignored for the purposes of determining (1) the Club's annual profit and loss, and (2) compliance or otherwise with FFP rules.

a) The Club would enter into AD Sponsorship Agreements with AD Sponsors which contained substantial Recorded Sponsorship Fees at well above FMV

b) However
   i) The AD Sponsor would not be liable to pay the recorded Sponsorship Fee, and would not do so. The AD Sponsor would be liable to pay (and would in fact pay) only the Base Sum
   ii) The Tagged Sum would be payable by (and would in fact be paid by) ADUG

c) Despite only the Base Sum truly being commercial revenue (and so only the Base Sum being properly recordable as income in the Club's financial statements) the Club
   i) Would treat the entirety of the Recorded Sponsorship Fees as commercial revenue, and
   ii) Would conceal the fact that the Tagged Sum was in fact equity contribution/investment by ADUG.

68) By adopting the Disguised Funding Scheme the Club would thus be able
   a) To give the misleading impression to third parties (including regulators and its auditors) in its financial statements and any required FFP returns that its commercial revenues from AD Sponsorship Agreements (and so its income generally) were far, far greater than was in fact the case, and
   b) To conceal from third parties the true extent of the equity contributions in fact being made into the Club by ADUG.[7]

69) As set out in detail in Appendix 15

   a) [redacted]

[7] As set out in Appendix 15 the Club achieved that for many years. Regulators and even the Club's auditors [Appendix 22] remained unaware of the Disguised Funding Scheme and of the true nature of the 'sponsorship funding' received by the Club.

b) [redacted]

70) There was no direct evidence that [redacted] was aware of the Disguised Funding Scheme or authorised the operation of the Disguised Funding Scheme. We therefore concluded that the Disguised Funding Scheme was operated without [redacted] knowledge.

71) Although the Club from time to time 'tweaked' the operation of the Disguised Funding Scheme (primarily (a) to assist with the continued concealment of the Disguised Funding Scheme from third parties, and (b) to reduce the likelihood of difficult questions being asked about the Club's AD Sponsorship Agreements by third parties such as regulators and the Club's auditors), the Club continued to operate the Disguised Funding Scheme for each of the seasons under scrutiny in these proceedings in the manner summarised above and described in greater detail in Appendix 15. Each of the AD Sponsorship Agreements bar [redacted] were entered into as part of the Disguised Funding Scheme.

72) Use of the Disguised Funding Scheme enabled the Club to represent in its financial statements as commercial income from AD Sponsors a total of £949.94 million in the seasons from 2009/10 to 2017/18. Of that sum

a) Only £119.25 million represented Base Fees for which AD Sponsors were liable and which AD Sponsors in fact paid. That is the sum that should have been recorded in the Club's financial statements over those financial years as commercial revenue: see Appendix 24

b) A total of £830.69 million represented Tagged Sums, payable by and paid by ADUG to the Club. The sums making up that total[8] ought to have been recorded in the Club's annual financial statements as equity contributions from ADUG: see Appendix 24.

[8] On a season by season basis:

v) The PL's case on AD politics and governance

73) In support of its case that the Club was able to put in place, and did in fact put in place, the Disguised Funding Scheme, with AD Sponsors the PL sought to demonstrate that in AD

a) There exists a two-tier system of governance, and

b) [redacted]

74) We heard factual and expert evidence about AD politics and governance from a number of individuals. We set out what we made of such evidence in Appendix 6 and Appendix 10.

75) Ultimately we concluded that we did not need to make any finding on this element of the PL's case. That was because it did not matter how or why the Club was able to persuade AD Sponsors to participate in the Disguised Funding Scheme; what mattered is whether the PL was able to satisfy us that the Club had in fact persuaded AD Sponsors to participate in the Disguised Funding Scheme. For the reasons given throughout the various Appendices addressing such matters, we were so satisfied. [redacted]

Year	Total recorded Sponsorship Fees (£m)	Base Fees paid by AD Sponsors (£m)	Tagged Sums paid by ADUG (£m)
2009/10	27.0	4.5	22.5
2010/11	41.25	12.75	28.5
2011/12	86.75	16.0	70.75
2012/13	121.75	16.0	105.75
2013/14	127.5	16.0	111.5
2014/15	123.2	16.0	107.2
2015/16	136.17	16.0	120.17
2016/17	140.59	11.0	129.59
2017/18	145.73	11.0	134.73

vi) The Club's CPC Explanation

76) The Club denied that there had ever been any Disguised Funding Scheme of the type alleged by the PL. Its case was that the PL had misunderstood how AD Sponsorship Agreements had been funded by AD Sponsors. The reality was (the Club contended)

a) That AD Sponsors had always been liable for all Recorded Sponsorship Fees, and all Recorded Sponsorship Fees had in fact been paid to the Club by AD Sponsors from their own funds/resources. No part of any Recorded Sponsorship Fee had been paid by ADUG or from or using ADUG funds

b) AD Sponsors had from time to time applied for financial assistance from the AD Government towards their liability to pay the Recorded Sponsorship Fees. Such applications had been granted, and financial assistance had been provided to the AD Sponsors by the AD Government via the CPC. In each case the level of financial assistance provided by the AD Government to the relevant Sponsor had been in the amount that the PL wrongly contended represented a Tagged Sum from ADUG

c) [redacted]

77) We rejected that explanation – defined in the proceedings as the CPC Explanation - as untrue. We concluded that it was an 'explanation' that the Club had concocted well after the event in an attempt to obscure and conceal the realities of the Disguised Funding Scheme. The reasons for our conclusions in that regard are set out principally in Appendix 15, into which matters set out in Appendices 12, 13, 14, 22 and 33[9] also feed.

78) We also concluded that the [redacted] did not reflect records of genuine commitments by the [redacted], given on each occasion at the conclusion of a formal application process by an AD Sponsor, to provide financial assistance to AD

[9] As set out in those Appendices, the CPC Explanation was not an explanation that the Club ever offered when challenged (as it was from time to time) by third parties about the AD Sponsorship Agreements and its arrangements with AD Sponsors until very late in the day. [redacted].

Sponsors towards their Recorded Sponsorship Fees. For the reasons principally set out in Appendix 15 we concluded that the [redacted] were documents generated by or on the instruction of [redacted] for the purpose of

a) Reassuring AD Sponsors that, irrespective of the actual terms of the AD Sponsorship Agreement entered into, their own liabilities and obligations would not exceed the Base Fee, and
b) Concealing the existence of the Disguised Funding Scheme and the realities of the AD Sponsorship Agreements from third parties such as regulators and auditors should the need arise.

vii) Practical consequences of the Club's operation of the Disguised Funding scheme

79) By using the Disguised Funding Scheme at the very end of the 2009/10 financial year[10] the Club was able to avoid breaking the record for the largest single season loss in PL history. It did so in large part because it disguised equity contributions from ADUG – in the form of Tagged Sums – as commercial revenue from AD Sponsors pursuant to those AD Sponsorship Agreements. Had it not done so it would have claimed that unwelcome record.

80) The Club was also then able as time passed to negotiate a host of AD Sponsorship Agreements which contained Recorded Sponsorship Fees

a) Far in excess of the FMV of the rights granted by the Club to AD Sponsors under those AD Sponsorship Agreements: see Appendix 25
b) Towards which the AD Sponsors were only liable to pay (and did in fact pay) the relevant Base Sum, with the relevant Tagged Sum being payable (and in fact paid) to the Club by ADUG.

81) For the reasons set out in Appendices 20 and 24 those AD Sponsorship Agreements were shams and/or did not reflect the economic substance of the arrangements that the Club in fact had with its AD Sponsors. But because the Club concealed the true nature of those AD Sponsorship Agreements and held them out as genuine commercial relationships, it purported to record the entirety of the Recorded Sponsorship Fees as commercial revenue

[10] Including ones that backdated obligations to pay Recorded Sponsorship Fees to earlier in the 2009/10 season.

a) In its financial statements for each season between 2009/10 and 2017/18. Those financial statements
   i) Were submitted to the PL in each of those seasons pursuant to the Accounts Submission Requirement: see Appendix 8
   ii) Were used to assess whether the Club had complied with the PL PSRs in 2015/16, 2016/17 and 2017/18

b) In its annual submission to UEFA under the CLFFPRs in each of the seasons between 2013/14 and 2017/18. The Disguised Funding Scheme enabled the Club (1) initially to appear as if it was making good progress towards complying with the CLFFPRs,[11] and (2) subsequently to assert to UEFA that it was compliant with the CLFFPRs.

82) The consequences of that for the purpose of these proceedings are considered
   a) Summarily below, and
   b) In more detail in Appendices 23, 24, 29 and 30.

viii) Project Longbow

83) In Q3 2012 the Club launched what it termed Project Longbow. As set out in Appendix 15 we accept the Club's explanation (consistent with the contemporaneous documents) that Project Longbow was a multi-strand project whose purpose was to explore how the Club might boost its revenues and reduce its operating losses. Drivers behind the project included
   a) The need for the Club to meet UEFA break-even requirements in the recently-introduced CLFFPRs, and
   b) The perceived need to position the Club to meet domestic PL FFP requirements that (it was believed) might be introduced into the PL Rules in the future.

84) Many of the strands of Project Longbow were genuine, legitimate attempts to achieve those aims. One was not. That was the Fordham Arrangement.

[11] As set out in Appendix 14, in 2013/14 UEFA challenged the Club's claimed compliance with the CLFFPRs in reporting periods ending 2012 and 2013. The Club's position was that it had complied with the break-even requirement. The figures relied on by the Club to assert compliance reflected the entirety of the Recorded Sponsorship Fees being commercial revenue (and none of the reported Sponsorship Fees reflecting equity contributions from ADUG). The Investigatory Chamber of the CFCB disagreed with the Club's assertion of compliance. However, the issue of compliance/non-compliance was never resolved; UEFA and the Club instead entered into the 2014 UEFA Settlement Agreement.

85) The Fordham Arrangement is described in detail in Appendix 19. In essence the Fordham Arrangement was a closed-circle arrangement entered into by the Club with a third party (Fordham) – which was in reality little more than a front for ADUG – whereby

a) ADUG funds would be used (and were used) to enable Fordham to acquire from the Club (at a sizeable, artificially-inflated price) the Club's entitlement to benefit financially from its players' image rights, and

b) ADUG funds would be used to enable Fordham to take on and meet liabilities (of the Club) to make payments to Club players who had licensed the ability to use their image rights to the Club.

86) The Fordham Arrangement was thus

a) A further device by which ADUG funds could be paid into the Club in a manner that concealed their true origin, and which enabled the Club to pretend that such funds represented operating income in its financial statements and FFP returns, and

b) A device by which ADUG funds were to be used to meet what were in reality Club liabilities, enabling the Club to remove operating expenses from its financial statements and FFP returns.

87) The realities of the Fordham Arrangement were known to [redacted]. The Fordham Arrangement was operated with the knowledge and approval of (at least) those individuals identified in Appendix 19. Those individuals included [redacted]

ix) An example of the Disguised Funding Scheme in action: plugging an unexpected shortfall in May 2013

88) [redacted]. That triggered an immediate liability of the Club in the region of £20m, which in turn created an unbudgeted 'hole' in the Club's finances for the 2012/13 financial year.

89) On 25 May 2013 – less than a week before the end of that 2012/13 financial year – [redacted] that that liability would result in the Club being £9.9million 'short' of complying with UEFA FFP for that season [redacted] that the shortfall be met by [redacted]

[redacted] i.e. the use of the Disguised Funding Scheme. In a matter of days, without AD Sponsors even being approached, a number of modified AD Sponsor Agreements were generated which purported to reflect 'agreements' on the part of certain AD Sponsors to increase recorded Sponsorship Fees *per se*, to pay bonuses for events that had already taken place and to pay for a US tour. The feared UEFA FFP shortfall was thus 'plugged'.

90) [redacted].

x) Other devices used by the Club to conceal operating losses

91) The Disguised Funding Scheme enabled the Club to represent ADUG equity contributions as commercial revenue and thereby record income in its financial statements as being greater than was in fact the case. Alongside that however the Club also utilised devices to disguise the true extent of certain Club liabilities and so to record its operating expenses in its financial statements as being smaller than was in fact the case. In each case what was in reality a liability of the Club that ought to have been met by the Club was met by ADUG.

92) The first in time of those devices was the [redacted]. That is addressed in detail in Appendix 16. In essence a significant part of the remuneration that we find was payable by the Club to [redacted] in return for the services that [redacted] was contracted to provide to the Club [redacted]

a) Was not recorded in [redacted] employment contract (or elsewhere) as a liability of the Club or as being payable by the Club, but

b) Was instead recorded in a Consultancy Agreement between [redacted] and [redacted]

The [redacted] thus concealed the true extent of the Club's liabilities for [redacted].

93) The monies used to fund the [redacted] – which totalled £8.866million - were ADUG monies.

94) Next in time was the [redacted]. That is addressed in detail in Appendix 17. In essence the [redacted] resulted in ADUG paying significant sums to [redacted]

a) Which were not recorded in [redacted] contract with the Club or the Club's accounting records, but

b) Which reflected liabilities on the part of the Club to [redacted].

The [redacted] thus concealed the true extent of the Club's liabilities for [redacted] remuneration.

95) The monies used to fund the [redacted] – which totalled £7.4million - were ADUG monies.

96) Finally there was the [redacted]. That is addressed in detail in Appendix 18. In essence the [redacted] resulted in ADUG paying a significant sum to [redacted] in respect of a liability of the Club to [redacted] that

a) Was not recorded as a liability of the Club or as being payable by the Club, but

b) Was instead recorded in a Consultancy Agreement between [redacted] and [redacted]

The [redacted] thus concealed the true extent of the Club's liabilities in respect of [redacted].

97) The monies used to fund the [redacted] – which totalled £500,000 - were ADUG monies.

98) The realities of each of the [redacted], the [redacted] and [redacted] were known to [redacted] the Club. Those Arrangements were operated with the knowledge and approval of (at least) those individuals identified in Appendix 16, Appendix 17 and Appendix 18.

99) For the reasons set out in Appendices 20 and 24 each of those Arrangements were shams and/or did not reflect the economic substance of the arrangements that in fact existed.

100) The consequences of that for the purpose of these proceedings are considered

a) Summarily below, and

b) In more detail in Appendices 24, 29 and 30.

xi) Consequences flowing from the above

101) The Club's financial statements for the seasons between 2009/10 and 2017/18 did not show a true and fair view of the Club's financial position: Appendix 23. That was because

a) In each of those years the financial statements

i) Wrongly recorded as income sums that ought to have been treated and recorded not as income but as equitable contributions from ADUG: see Appendix 24. The Club's income across those years was consequently hugely overstated by over £830 million

ii) Failed to disclose the AD Sponsorship Agreements as related party transactions when they ought to have done so: see Appendix 26

b) In [redacted] the financial statements wrongly excluded from the Club's expenses sums paid by ADUG pursuant to the [redacted]: see Appendix 24. The Club's expenses across those years were therefore understated by over £8.866 million

c) In [redacted] the financial statements wrongly excluded from the Club's expenses sums paid by ADUG pursuant to the [redacted]: see Appendix 24. The Club's expenses across those years were therefore further understated by £7.4 million

d) In [redacted]he financial statements wrongly excluded from the Club's expenses sums paid by ADUG pursuant to the [redacted]: see Appendix 24. The Club's expenses that year were therefore further understated by a further £0.5 million

e) As regards the Fordham Arrangement

i) In [redacted] the financial statements wrongly recorded as operating income the sum of £24.5 million[12] that ought to have been treated and recorded not as income but as an equitable contribution from ADUG: see Appendix 24. The Club's income in that year was consequently overstated by £24.5 million

ii) In [redacted] the financial statements wrongly excluded sums totalling £49.414 million from the Club's operating expenses: see Appendix 24. The Club's operating expenses for those years were therefore understated by that amount.

(F) Investigations into the Club

102) In late 2013/14 UEFA

a) Asked questions about certain of the Club's AD Sponsorship Agreements, and
b) Investigated whether the Club had in fact complied with the break-even requirement in the CLFFPRs in earlier seasons.

However no findings were made in such regard. UEFA and the Club entered into the May 2014 UEFA Settlement Agreement: Appendix 14.

103) In November 2018, following a hack of the Club's servers in 2017, Der Spiegel published a series of articles making allegations about (amongst other things) the true source of recorded Sponsorship Fees: Appendix 11.

104) Those Articles prompted

a) An investigation by UEFA. That investigation led to the CAS proceedings. The CAS proceedings led to the CAS Award. The substance of the CAS Award, and certain matters arising therefrom, are set out in Appendix 12
b) An investigation by the PL into the Club's financial arrangements: Appendix 13.

105) Our detailed factual findings about the PL investigation and how the Club responded to that investigation are set out at Appendices 33 and 34.

[12] Although the financial statements for the 2014/15 and 2017/18 financial years ought subsequently to have recorded that £1.5m and £5.625m had not been paid.

(G) The Charges and our key findings and determinations of each of the Charges

106) The Charges and the Club's Answer to the Charges defined the scope of these proceedings. The respective positions of the parties were set out in the pleadings. We do not make extensive reference to the same here. Appendix 1 (for Charges 1, 2 and 3) and Appendix 2 (for Charge 4) set out summaries of the parties' respective cases on the core factual and substantive issues on those Charges

107) As well as denying the factual foundation for the Charges the Club

a) Challenged the ability of the PL
   i) To bring the Charges as a whole against the Club, alternatively
   ii) To bring Charge 2 against the Club

b) Raised a number of other defences
   i) To the Charges as a whole, and
   ii) To individual Charges.

108) Those challenges and defences are considered in detail in Appendices 3, 27, 28 and 31. The conclusions that we reached were that

a) The Club's challenges to the PL's ability to bring the Charges failed
b) None of the matters raised by the Club provided it with a defence to any of the Charges[13].

109) Before we turn to each individual Charge, we make one further overarching observation. While the facts that underlie each of Charges 1(A), 1(B) and 1(C) are discrete, all have in common the feature that they involved conduct (and as we have found, intentional conduct) which would

a) Disguise the true nature of certain revenues and liabilities/expenses, to give the appearance of minimising the Club's financial dependence on ADUG and

[13] Although as set out in those Appendices certain matters raised by the Club do operate to reduce the extent/degree of the Club's breaches of the PL Rules in certain respects.

b) Give a misleading impression in the Club's financial statements that the Club's financial position was better than it in fact was.

In such circumstances it is unrealistic to wholly compartmentalise each Charge, and we did not do so when reaching our Decision. The Club's proven misconduct as regards one Charge inevitably caused us to look more carefully at the misconduct alleged in other Charges as a continuation of the intentional conduct.

i) Charge 1(A)

110) Each of the AD Sponsorship Agreements [redacted] was a sham: Appendix 20.

111) If we are wrong to reach that conclusion, then the economic substance of each AD Sponsorship Agreement differed from the legal form of the relevant AD Sponsorship Agreement in that the Tagged Sum element of the Recorded Sponsorship Fee was an equity contribution payable and paid by ADUG not commercial revenue payable and paid by the AD Sponsor: Appendices 15 and 24.

112) Either way the Club's financial statements in each of the seasons to which Charge 1(A) relates

a) Very substantially overstated the Club's revenue, and
b) Did not provide a true and fair view of the Club's financial position: Appendices 23 and 24 .

113) By submitting annual accounts to the PL in each season that did not provide a true and fair view of the Club's financial position

a) The Club breached the Accounts Submission Requirement, and
b) The Club thus breached PL Rule C.71/Rule E3 in each of the nine seasons to which Charge 1(A) relates.

114) The Club knew that the annual accounts that it was submitting to the PL in each season did not provide a true and fair view of the Club's financial position, alternatively the Club was reckless as to whether those annual accounts provided a true and fair view: Appendices 15 and 23. As a result the Club also acted other than with utmost good faith as alleged in

Charge 1(A) and so in further breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

115) None of the matters raised by the Club provides a defence to Charge 1(A): Appendix 31.

ii) Charge 1(B): [redacted]

116) The agreements underlying the [redacted] were a sham: Appendix 20.

117) If we are wrong on that, then the economic substance of such agreements and the [redacted] as a whole differed from the legal form of those agreements, in that the liability recorded therein was a liability of the Club (1) which was the Club's obligation to pay, and (2) which ADUG paid on its behalf: Appendices 16 and 24.

118) Either way the Club's financial statements in each of the four seasons to which this limb of Charge 1(B) relates

a) Ought to have recognised the sums payable under the [redacted] as an expense of the Club (but did not), and
b) Did not provide a true and fair view of the Club's financial position: Appendices 23 and 24.

119) By submitting annual accounts to the PL in each season that did not provide a true and fair view of the Club's financial position in such regard

a) The Club further breached the Accounts Submission Requirement, and
b) The Club thus further breached PL Rule C.71/Rule E3 in each of the four seasons to which this limb of Charge 1(B) relates.

120) Additionally in those seasons the Club breached PL Rule Q.7 & 8/P.7 & 8. That was because (as set out in Appendix 16)

a) The terms of [redacted] ought to have been set out in [redacted] contract with the Club
b) They were not, because no reference was made to the [redacted].

121) The Club knew that because of the [redacted] the annual accounts that it was submitting to the PL in each season did not provide a true and fair view of the Club's

financial position, alternatively was reckless as to whether those annual accounts provided a true and fair view: Appendices 16 and 23. As a result the Club also acted other than with utmost good faith as alleged in this limb of Charge 1(B) and in breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

122) None of the matters raised by the Club provides a defence to this limb of Charge 1(B): Appendix 31.

iii) Charge 1(B): [redacted]

123) The agreements underlying the [redacted] were a sham: Appendix 20.

124) If we are wrong on that, then the economic substance of such agreements and the [redacted] as a whole differed from the legal form of those agreements, in that the liability recorded therein was a liability of the Club (1) which it was the Club's obligation to pay, and (2) which ADUG paid on its behalf: Appendices 17 and 24.

125) Either way the Club's financial statements in each of the six seasons to which this limb of Charge 1(B) relates

a) Ought to have recorded the sums payable under the [redacted] as an expense of the Club (but did not), and
b) Did not provide a true and fair view of the Club's financial position: Appendices 23 and 24.

126) By submitting annual accounts to the PL in each season that did not provide a true and fair view of the Club's financial position in such regard

a) The Club further breached the Accounts Submission Requirement, and
b) The Club further breached PL Rule C.71/Rule E3 in each of the six seasons to which this limb of Charge 1(B) relates.

127) Additionally in those seasons the Club breached PL Rule K.12 & 20/T.12/13 & 19/20. That was because (as set out in Appendix 17)

a) The terms of [redacted] remuneration and image rights payments ought to have been set out in his contract with the Club
b) They were not. The contract made no mention of the [redacted].

128) The Club knew that because of the [redacted] the annual accounts that it was submitting to the PL each season did not provide a true and fair view of the Club's financial position, alternatively was reckless as to whether those annual accounts provided a true and fair view: Appendices 17 and 23. As a result the Club also acted other than with utmost good faith as alleged in this limb of Charge 1(B) and in breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

129) None of the matters raised by the Club provides a defence to this limb of Charge 1B: Appendix 31.

iv) Charge 1(B): [redacted]

130) The agreement underlying the [redacted] was a sham: Appendix 20.

131) If we are wrong on that, then the economic substance of that agreement and the [redacted] as a whole differed from the legal form of that agreement, in that the liability recorded therein was a liability of the Club (1) which it was the Club's obligation to pay, and (2) which ADUG paid on its behalf: Appendices 18 and 24.

132) Either way the Club's financial statements in the season to which this limb of Charge 1(B) relates

a) Ought to have recognised the sum payable under the [redacted] as an expense of the Club (but did not), and
b) Did not provide a true and fair view of the Club's financial position: Appendices 23 and 24.

133) By submitting annual accounts to the PL in that season that did not provide a true and fair view of the Club's financial position in such regard

a) The Club further breached the Accounts Submission Requirement, and
b) The Club further breached PL Rule C.71/Rule E3 in the season to which this limb of Charge 1(B) relates.

134) The Club knew that because of the [redacted] the annual accounts that it was submitting to the PL in that season did not provide a true and fair view of the Club's

financial position, alternatively was reckless as to whether those annual accounts provided a true and fair view: Appendices 18 and 23. As a result the Club also acted other than with utmost good faith as alleged in this limb of Charge 1(B) and in breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

135) None of the matters raised by the Club provides a defence to this limb of Charge 1B: Appendix 31.

v) Charge 1(C): Fordham

136) The agreements underlying the Fordham Arrangement were a sham: Appendix 20.

137) If we are wrong on that, then the economic substance of those agreements and the Fordham Arrangement as a whole differed from the legal form of those agreements, in that

a) The fee paid to the Club to acquire the image rights was an injection of funds into the Club by ADUG. It was an equity contribution not operating income
b) The liability to make the image rights payments was a liability of the Club (1) which it was the Club's obligation to pay, and (2) which ADUG paid on its behalf:

Appendices 19 and 24.

138) Either way the Club's financial statements in each of the seasons to which Charge 1(C) relates

a) Ought to have recognised the sum received under the Fordham Arrangement as an equity contribution to the Club from ADUG and not as operating income of the Club (but did not)
b) Ought to have recognised the image rights paid by ADUG as operating expenses of the Club (but did not)
c) Did not provide a true and fair view of the Club's financial position: Appendices 23 and 24.

139) By submitting annual accounts to the PL in the relevant seasons that did not provide a true and fair view of the Club's financial position in such regard

a) The Club further breached the Accounts Submission Requirement, and
b) The Club further breached PL Rule C.71/Rule E3 in the seasons to which Charge 1(C) relates.

140) The Club knew that because of the Fordham Arrangement the annual accounts that it was submitting to the PL did not provide a true and fair view of the Club's financial position, alternatively was reckless as to whether those annual accounts provided a true and fair view: Appendices 19 and 23. As a result the Club also acted other than with utmost good faith as alleged Charge 1(C) and in breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

141) None of the matters raised by the Club provides a defence to this limb of Charge 1C: Appendix 31.

vi) Charge 1(D)

142) AD Sponsorship Agreements were related party transactions: Appendix 26.

143) As a result, the Club's financial statements for each of the nine seasons to which Charge 1(D) relates ought to have

a) Disclosed the AD Sponsorship Agreements as transactions with a related party, and
b) Provided sufficient information about the relationships that made the AD Sponsorship Agreements transactions with related parties to allow a user of the financial statements to understand the impact of the same on the financial statements:

Appendix 26.

144) The Club's financial statements did not make any such (or any such sufficient) disclosures.

145) The absence of such disclosures did not of itself mean that the Club's financial statements did not provide a true and fair view of the Club's financial position. However, it did mean that that the Club's financial statements had not been prepared and audited in accordance with applicable legal and regulatory principles: Appendix 8. As a result

a) The Club further breached the Accounts Submission Requirement, and
b) The Club further breached PL Rule C.71/Rule E3 in the seasons to which Charge 1(D) relates.

146) The Club knew that because of the absence of required disclosures the annual accounts that it was submitting to the PL did not comply with the Accounts Submission Requirement, alternatively was reckless as to whether those annual accounts did so: Appendices 26 and 22. As a result the Club also acted other than with utmost good faith as alleged in Charge 1(D) and in breach of the PL Rules in that regard. By its conduct the Club clearly intended to circumvent the PL Rules.

147) None of the matters raised by the Club provides a defence to Charge 1D: Appendix 31.

vii) Charge 2

148) A detailed record of our findings on Charge 2 is at Appendix 29.

149) In light of the findings made on Charge 1(A), each limb of Charge 1(B) and Charge 1(C)

a) The Club's annual accounts fall to be restated
   i) to remove overstated commercial revenue and operating income, and
   ii) to add in understated liabilities and operating expenses

   for the purpose of assessing whether the Club complied with the break-even requirement in the CLFFPRs (as varied by the 2014 UEFA Settlement Agreement: Appendix 14) in each of the seasons to which Charge 2 relates: Appendices 9 and 24

b) When so restated the Club did not (by a very substantial amount) meet the break-even requirement set out in the CLFFPRs (as so varied by the UEFA 2014 Settlement Agreement) in any of the seasons to which Charge 2 relates: Appendix 29.

c) The Club's failure to comply with the CLFFPRs was a breach of PL Rule B.14.6 in each of the seasons to which Charge 2 relates.

150) If we are wrong about Charge 1(A) then in light of findings made on Charge 1(D):

a) The values of the AD Sponsorship Agreements fall to be reduced down to FMV for the purpose of assessing whether the Club complied with the break-even requirement in the CLFFPRs (as varied by the 2014 UEFA Settlement Agreement) in each of the seasons to which Charge 2 relates: Appendices 9, 24 and 29

b) The FMV of each AD Sponsorship Agreement was very substantially below
   i) The Recorded Sponsorship Fee, and
   ii) The sums used by the Club at the time of its CLFFPRs submissions to calculate relevant income (and thus its break-even result) in each season to which Charge 2 relates:

   Appendix 25

c) When such sums are restated to FMV (as they should be for CLFFPRs purposes on this alternative case) and the Club's income and break-even result are restated, the Club did not meet the break-even requirement set out in the CLFFPRs (as varied by the UEFA 2014 Settlement Agreement) in any of the seasons to which Charge 2 relates: Appendix 29.

151) None of the matters raised by the Club provides a defence to Charge 2: Appendices 27, 28 and 31.

viii) Charge 3

152) A more detailed record of our findings on Charge 3 is at Appendix 30.

153) In light of the findings made on Charge 1(A), each limb of Charge 1(B) and Charge 1(C):

a) The Club's annual accounts fall to be restated
   i) to remove overstated commercial revenue and operating income, and
   ii) to add in understated liabilities and operating expenses

   for the purpose of assessing whether the Club complied with PSR requirements in each of the seasons to which Charge 3 relates: Appendices 8 and 24

b) When so restated the Club did not (by a very substantial amount) meet the PSR requirements in any of the seasons to which Charge 3 relates: Appendix 30

c) The Club's failure to comply with the PSRs was a breach of the relevant PL Rules in each of the seasons to which Charge 3 relates.

154) If we are wrong about Charge 1(A) then in light of findings made on Charge 1(D):

a) The values of the AD Sponsorship Agreements fall to be reduced down to FMV for the purpose of assessing whether the Club complied with the PSRs in each of the seasons to which Charge 3 relates: Appendices 8, 24 and 30

b) The FMV of each AD Sponsorship Agreement was very substantially below
   i) The Recorded Sponsorship Fee, and
   ii) The figures recorded in the Club's annual accounts in respect of commercial revenue from the AD Sponsorship Agreements in each season to which Charge 3 relate:

   Appendix 25

c) When such sums are restated to FMV (as they should be for PSR purposes on this alternative case) the Club did not meet the PSR requirements in any of the seasons to which Charge 3 relates: Appendix 30.

155) None of the matters raised by the Club provides a defence to Charge 3: Appendix 31.

ix) Charge 4

156) A detailed record of our conclusions as regards Charge 4 (in the light of the factual findings that we have made in Appendix 33) is at Appendix 34.

157) The Club made concerted efforts to stop and frustrate the PL investigation. The Club breached duties of co-operation that it owed to the PL

a) In the majority of the respects set out in Charge 4(A): Appendix 34
b) In each of the respects set out in Charge 4(C): Appendix 34
c) In the respect set out in Charge 4(D): Appendix 34.

We find that the Club did not breach duties of co-operation that it owed to the PL in the respects alleged in Charge 4(B): Appendix 34.

158) At the very end of the section in its Statement of Charges setting out Charge 4 the PL reserved the right to assert that, in the event that we made findings on Charges 1, 2 or 3 to the effect that we have in fact made, the Club had committed '*additional and perhaps more*

egregious acts of non-cooperation' by making inaccurate, dishonest and/or misleading statements when responding to questions from the PL about its financial arrangements in the course of its investigation.

159) However such assertions did not form any part of Charge 4 as it was presented by the PL at the hearing; the Statement of Charges was not amended to bring such a charge. We therefore say nothing further about that.

(H) Conclusion

160) We find the Charges set out above proven to the requisite standard.

[redacted]