

Bachelor's degree in Business Administration and Management

FINAL PROJECT

Title: How do La Liga soccer clubs account for the value of their stadiums and sports cities in their financial statements?

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Abstract

This work consists of analyzing the stadiums of La Liga. The main objective is to answer the key question of the work about how they are accounted for. Through the annual accounts of the first-division clubs of La Liga, the ownership of the stadium and how they appear on the Balance Sheet. With the help of the notes in the report, joint information on the stadiums will be obtained and I will make some accounting entries. After this procedure, I will be able to provide relevant and noteworthy information about the first-division clubs. I will add current conflicting issues of some clubs concerning their stadiums, either on legal or economic problems. Finally, the conclusions obtained are based on the analysis carried out, proposing recommendations for the clubs. The project is about football stadiums and their impact on the annual accounts which, thanks to my current auditing practices at EY, have allowed me to interpret the statements better.

Keywords: football stadiums, annual accounts, annual reports, concessions, ownership, depreciation, subsidies.

Resumen

Este trabajo consiste en analizar los estadios de La Liga. El principal objetivo es responder a la pregunta clave del trabajo sobre cómo se contabilizan. A través de las cuentas anuales de los clubs de primera división de La Liga se identificará la propiedad del estadio y como aparece en el Balance de Situación. Con la ayuda de las notas de la memoria se obtendrá información en conjunto sobre los estadios y formalizaré algunos asientos contables. Después de este procedimiento podré proporcionar información relevante y destacable de los clubs de primera división. Añadiré temas conflictivos actuales de algunos clubs en relación con sus estadios, ya sea sobre temas jurídicos o económicos. Por último, las conclusiones obtenidas son en base al análisis realizado, proponiendo recomendaciones para los clubs. En resumen, el proyecto trata sobre los estadios de fútbol y su impacto en las cuentas anuales que gracias a mis practicas actuales de auditoría en EY me han permitido una mejor interpretación sobre los estados.

Palabras clave: estadios de fútbol, cuentas anuales, memoria, concesiones, propiedad, amortización, subvenciones.

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I.PROPOSAL OF FINAL DEGREE WORK

It is proposed to present in the following project an in-depth investigation of La Liga football stadiums. Did you know that they are accounted for according to the type of ownership? This is a topic that has not been previously investigated, and there are similar projects that confirm the existence of information sources to proceed with this work. This demonstrates the project's feasibility. Before starting to read the project, I let you a famous phrase of the iconic French writer who was aware of the importance of the stadiums:

*"El fútbol me recuerda viejos e intensos amores, porque en ningún otro lugar como en el estadio se puede querer u odiar tanto a alguien."
(Françoise Sagan)*

II. WRITTEN WORK

1. Contents

1.1 Introduction and Justification

LALIGA is a Spanish institution, innovative and socially responsible, leader in the leisure and entertainment sector. It is a private sports entity, formed by the 20 LALIGA EA SPORTS soccer clubs in the first-division and the 22 LALIGA HYPERMOTION clubs in the second-division.

Headquartered in Madrid (Spain), it has the most extensive international network of all sports properties, with a presence in 41 countries through 11 offices.

At the end of the fiscal year, each club submits its annual accounts. So, for season 2022/23 I will consider the last exercise available of the accounts ended on 30th June of 2023. From them, I will consider relevant items affecting the topic of the research, especially stadiums and training grounds. Spanish stadiums have large capacity facilities such as 'Camp Nou' or the 'Bernabeu', where almost 100,000 people can be accommodated. They are highlighted around the world. But this is not the main remarkable aspect.

Moreover, stadium accounts are chosen to be analyzed in this research because they are the most significant asset of the clubs and a key aspect for revenue generation. The stadiums have a strong impact on the Balance Sheet. Also, in the notes of the annual accounts the clubs specify how they have accounted for the investments in the stadium and the training grounds and how they depreciated them. The research will analyze the type of property of the sports facilities.

The first point to consider is the type of ownership of the stadiums since some are owned by the club and others are owned by the municipalities or other public institutions, in this last case the clubs have access to the use of the stadium through administrative concessions or short/medium term right of use. The research consists of identifying each type of ownership of the first-division stadiums and then finding the details of each one in the annual accounts. The objective is to see the impact of these accounts on the balance sheet and the profit and loss account. We will see, one by one, the aspects allowed by the accounting rulings and standards.

The analysis will verify how the club accounts for the concessions of the facility, the valuation of the right of use, and the term of the depreciation. Also, I look at the depreciation of the fixed assets invested in the concession facilities since the depreciation of these fixed assets can not go beyond the concession period.

The main justification of the work is the importance of detail and focus on stadiums and getting to know more about them. This research will help the fans and any other person interested in sports facilities to understand stadiums and how they impact on the annual accounts: Balance Sheet and Profit and Loss accounts.

Thank you to the academic tutor Jordi Campo Fernández for his guidance. I also extend my gratitude to the professionals who agreed to be interviewed and to my father Jose María Duran for his support.

1.2 Objectives, questions, and hypothesis

The main objectives of the work are:

From the annual accounts, to identify the type of ownership of each stadium and to understand its accounting. Check if the information appears in memory and look at the annual accounts to identify the stadiums from the accounting point of view with the help of the notes of the annual report. Through the necessary calculations, we will verify that the clubs as entities comply with the regulations and follow the agreements with the entities that own the stadiums. Another objective is to describe some of the financial issues that clubs have with their stadiums.

To analyze how these facilities have been accounted for based on each of the typologies: ownership or concessions. Identifying relevant and most common aspects and knowing how each entity resolves the subjective features allowed by the standard:

Depreciation periods applied; Valuation of the sports facilities, how the right of use of a stadium is valued; Its impact on the balance sheet and profit and loss account; Investments made on assets owned by third parties.

Some questions are proposed to be answered throughout the paper but mainly these three questions:

- Which kind of ownership, public or private, applies to each stadium?
- How do La Liga first-division soccer clubs account for the value of their stadiums and sports cities in their financial statements?
- Have all Clubs accounted for the right-of-use of the facilities in their assets?
- Where can we find the sports facilities as 'tangible' or 'intangible' assets in the Balance Sheet?

The hypothesis of this research is how the stadium's ownership or concessions have a crucial impact on the financial accounts affecting the net equity, working capital and debt.

To help this research some interviews will be done to show evidence about the accomplishment of the accounting requirements established on the Annual Report.

1.3 Theoretical Framework

Before starting the research, the first step was to find out information to prove the viability of the work. If there was information similar or useful for the development of the study. I found out the next projects ¹that inspired me and provided me with information that would help me. All of them offered a wide vision of the economy and finance of the clubs from La Liga.

In the first one, the author analyzed the relevant items of accounting statements of the professional clubs, in concrete, from the 1st division of La Liga in the 2020/2021 season. It includes an economic, financial, legal, structural, and organizational vision joined with an analysis of the initiators of the soccer industry in Spain.

The previous project encouraged me to research on stadiums due to the lack of information given. They only named their importance because they represent a big expense for the club. But this statement needs to be deepened. Also helped me to confirm that 'La Liga' accounts are completed. In the second one, the research remarks on the regulations established in Spanish football and the type of entities allowed. What I noticed, was the form of creation of the clubs. The norm establishes that the private sports clubs, having the purpose of practicing one or more sports and competitors, must adopt the SAD² form under the '*Reglamento General de la Liga Profesional*'- this type of company aimed to reduce the vast quantities of general debt for clubs. The main cause was the big growth of soccer and achieving a better position in classifications but having so many expenses on players and facilities like stadiums prevented them.

For this reason, the Financial Fair Play term was created to ensure that all clubs playing in the UEFA³ competition had to guarantee solvency. No debts with players, public administrations, or other clubs. Almost 80% of LaLiga's investment is composed of non-current assets, which are related to players and stadiums, so, that made me focus on stadiums due to the more weight supposed. If they are under concession on property or the investments for improvement.

The third one is about the financial and competitive yield of *La Liga*, and includes an empirical analysis of the data from 2016 to 2020 of 4 years. It is useful for my research because talks about financial aspects that affect the clubs' results. The most remarkable measure for me was the asset growth, it is the ratio between the total asset growth of the clubs during the year with respect to last year. This percentage reflects the Club's growth from the asset's perspective. This information corroborates the big weight that assets have, especially non-current assets which usually are bigger in this type of entity. The stadiums and the players are the most expensive goods they own or must pay.

¹*'Análisis de los estados financieros de los clubes de fútbol profesional en España'*

'Análisis económico financiero de la Liga de fútbol española.'

'Rendimiento Financiero y Competitividad deportiva de Los Clubes de Fútbol'

'La problemática contable de los derechos federativos en el ámbito del fútbol profesional.'

[References found in Bibliography section.]

Finally, a project I found was of the accounting problems about the federative rights in the field of professional football. Inspired me and encouraged me to keep on with my research because states that there are always problems with finances. Also provides interesting information about how assets are identified, they must follow two requirements according to the law NIC 38, from ICAC² in 1998 which says, « The objective of this Standard is to prescribe the accounting treatment of intangible assets that are not specifically covered by another Standard, not specifically addressed in another Standard explained on this project ». The relation with my project helps to recognize assets, when this is obtained outside of the company there might not be problems of accounting, like stadiums with club ownerships, because it follows a simple accounting, and their cost corresponds with the acquisition price. However, the author of this research from Sevilla comments that there are problematic assets. It is a way of making me aware of the possibilities of conflicts found during the analysis. So, there will be an exclusive section of the project for talking about the conflicts found during the analysis of the stadium accounting, and above all concessions on intangible assets.

With the previous information as a guide before starting my research the academic tutor and I approve the topic to investigate due to the viability and current sources of material as previously acknowledged of the work.

1.3.1 Explanation of stadium's history in Spain

A brief context about the topic to investigate is necessary, where the stadiums came from and why are now so important:

At the beginning of the XX century 'football' was introduced in Spain until the Civil War started, when it had to be stopped. After the war, it was reintroduced, and soccer matches took place in primitive natural grass fields, over meadows mixed with mud. At that time, they had no denomination. Sometimes the sport was played at hippodromes or bullrings. But it was not until 1902 when finally, the playing fields were demarcated.

The first soccer stadium was inaugurated in 1908. It was the 'Real Sporting de Gijón', a club that now is in the 2nd Division. However, some football teams disappeared because they had no place to play. It should also be noted that around the 40s, relevant construction aspects such as drainage or artificial lights appeared. Initially, this work was made manually and later with the help of machinery. The evolution of the materials of the stadiums is notorious. To prove it, an example is the 'Villarreal Stadium' which has solar panels and rainwater harvesting systems.

Finally, the social takeoff of soccer started after the end of the Civil War, when the biggest stadiums like 'Santiago Bernabeu' or 'Camp Nou' were built. Since then, we distinguished the terms 'fields' from 'stadiums'.

² ICAC: Instituto de Contabilidad y Auditoría de Cuentas

1.3.2 Types of property of stadiums

Nowadays each club, focusing on the Spanish league, has a stadium where matches take place. Mainly, these places are not usually owned by the stadiums, only 7 teams out of the 20 first-division teams plus the 4 clubs that might ascend, own their stadiums.

What is the difference between owning the stadium or not?

When a club owns its stadium outright, it has full ownership and control over all operations and decisions related to the stadium. The club is responsible for maintaining, renovating, and managing all stadium facilities. It can provide greater control and flexibility for improvements. However, it also places the full financial burden of maintaining and operating the stadium.

In the case of clubs that do not own their stadium, they may operate it under a concession. This means that they can have a long-term agreement with the stadium owner to use the stadium. This owner is usually the city council of the city where the club is located. Under a concession, the club may pay a rental or usage fee to the owner. However, the club has some or no control over the management of the stadium, but the owner is who approves major decisions and structural changes. In case of a concession in the short-term, the club activates the value of the stadium paying the amount accorded year by year but this right of use has a maximum duration of four years.

The choice between stadium ownership and concession depends on several factors including the company's capital, local regulations, and available investment opportunities.

1.3.3 Difficulties for having a stadium on property.

Concerning the factors mentioned above, it is worth highlighting the following difficulties encountered, which explain why most Spanish La Liga clubs do not own their stadiums:

Land constraints are a common issue since in populated areas the space available is limited and costly. It is especially complicated if it involves expropriation of private or public land. Another related factor can be disposing of the required permissions for construction, this needs compliance with the environment, and safety, among other basic regulations. Also, having alternatives like a stadium under concession might be more profitable for the company, not needing to invest so big amount of capital compared with rent or a right-of-use tariff. Might happen too that the club does not want to face the capital risk of maintaining and operating a stadium under the necessary conditions.

The previous factors are the main reason more of the 70% of the football clubs from La Liga, have their stadiums under a concession and not by property.

1.4 Methodology

The procedure of this work started in March 2024, when the idea was presented. The first step was to think of an area of my liking, either as a hobby or as a fan. Soccer shared both points. Subsequently, I thought it was what made soccer great. Matches are the main activity and also generate strong emotions, the players are the ones who play them, but really, where do the fans and teams come together and share passionate moments? In the stadiums! Yes, stadiums are large facilities that allow thousands of people to watch the game. But they are not just sports facilities. Who owns them? They are real estate owned by the clubs (SAD) or by the City Council. They require the same accounting as any other asset, right, or obligation. Their values must appear in the annual accounts, on the assets side of the balance sheet. Their acquisition price or valuations are usually high.

From now on, starting from the idea of focusing on stadiums and based on the previous arguments, I began to consider the hypothesis to verify if it is true that all clubs count these facilities and under which regimes. To begin with, I decided on a sample population: first I made a list of the first and second-division teams, second, through the tool 'Excel' I elaborated a table with important aspects: the name of the team, name of the stadium, capacity, and owner, in case of being under concession I also specified the years of the agreement and those that remain in force. Later, I searched for real issues within the same field as a theoretical framework to prove that research is possible. And after obtaining existing final degree or final master's research papers I was able to affirm with the approval of my tutor that it was possible to go ahead with the research. The first step was to make the first delivery that consisted of justifying the topic, commenting on previous aspects of the idea, also specifying the objectives to be achieved, the main purpose always has been to answer the key question of the work: 'How do La Liga soccer clubs (first and second-division) account for the value of their stadiums and sports cities in their financial statements?'

From the first moment, the first thing I have done has been to investigate, to look for sources of information. In this first delivery, I also had to show evidence of the existence of information where to obtain the necessary data and information to carry out the research. Subsequently, in the second delivery after a month I sent a draft of the work where the complete theoretical framework appeared, like the current one but more concise. Also, the beginning of the analysis of some clubs along with more bibliographical sources, and the work was structured as it should be. To obtain content I went to the annual accounts of each of the clubs, along with the Annual Report.

The chronological order of the complete work that I have done step by step was as follows:

1. See ownership of the stadium: club or City Hall
2. Accounting valuation standards: on intangible fixed assets or tangible fixed assets
3. Take note of depreciation, useful life, or other aspects that affect.
4. Look at the Balance Sheet, specifically the items in intangible fixed assets under: 'concessions' or 'administrative concessions' or in tangible fixed assets under 'stadiums'

and land' or 'sports facilities'.

5. Go to the report notes for each of the above sections.
 6. In case of concession: read the concession agreement, date of signature, and duration of the concession. Also, the breakdown of the figures together with the annual and accumulated amortization.
 7. Continuing with the concessions, see the counterparts of the Balance Sheet: the corresponding subsidies and taxes.
 8. Make accounting entries, find several entries, and verify the total amount that fits.
 9. Calculate and verify that the amortization is correct. According to the terms of point 1 and especially if it fits in the function of the duration of the contract.
 10. In the case of property, read the notes of 'tangible fixed assets' and look at the stages as they have been depreciated according to the acquisition price and the depreciation coefficients or the methods they follow for their calculation.
 11. Also look at the impact on the 'Profit and Loss' accounts, especially in the case of grants, sometimes affecting income.
 12. From all annual accounts, I realized the calculus of doing the vertical analysis, for clubs owning the stadium, finding working capital and impact of tangible among all assets.
 13. For clubs with concessions, I calculated the percentage as the impact of the subsidies to respect the total equity.
 14. After having all the necessary information on each of the above points, share it and check it.
 15. For some clubs through interviews, the verification of seats has been carried out directly by professionals working in these clubs.
 16. Based on the information obtained, the previous information is contrasted and corrected.
 17. Finally, I wrote the most relevant information of the analysis and attached the accounting entry if necessary.
 18. In addition, we have added a relevant section on the conflicts encountered during the analysis. Whether economic, legal, or social.
 19. With all the information together, it is written according to the established format.
 20. The research has required the search for information in books, links, articles, and press releases.
 21. I have also accessed the university's Virtual Campus for guidance on format, requirements, order, and access to other papers to view order.
 22. Finally, at the end of the work, it is explained whether the objectives and conclusions obtained have been achieved, as well as the opinion.
 23. As a last point in the bibliography, all sources are listed following the APA method.
 24. The appendix contains additional information about the work, such as images or Excel tables.
 25. Acknowledgments are included in this last section.
- The points listed above cover the work carried out in detail.

It should be noted that during the work there have also been unforeseen events. Sometimes it happens that not all the necessary information is found or that certain information cannot be accessed because it is confidential. It is a long and difficult work, but it has been done with a lot of effort and dedication. It is more meritorious to do this at the same time as the full-time internship as present. In addition, other unforeseen events have been encountered in completing the work, such as the change of plans. Initially, the intention was to analyze the stadiums of both the first and second-division of La Liga, but throughout the analysis, I realized that studying only the first-division was enough, since 20 teams include a variety of stadium ownership. So, there was no need to expand with 20 more teams to obtain practically the same results. Of course, I have included the teams that will be promoted next season to the first-division and some with a better chance of promotion as well.

Finally, it is important to define the methodological type applied. The research work I have carried out follows the mixed methodology type of work. The approach is qualitative and quantitative at the same time. This combination is advantageous because it strengthens the research, providing both written and numerical data. The demonstration of the presence of both is:

- Quantitative approach: focuses on the collection and analysis of numerical data related to stadiums, from their acquisition price or valuation to applied depreciation among other economic aspects. This type of study can include various financial and economic variables to assess the impact of stadiums on the finances of soccer clubs as well as on the local economy. The main objective is to evaluate the financial impact of soccer stadiums on the annual accounts of clubs, as well as their influence on the local economy and in some cases how they affect the profit and loss account. The data sources are mainly the annual financial reports of the clubs, especially the accounts and the annual report. From these numerical data, I will also perform the accounting entry of the concessions of some stadiums. The calculation of the annual amortization is also performed.
- Qualitative approach: through interviews with professionals in the world of soccer. Executives of La Liga clubs. After the analysis of quantitative data, these were shown to the people interviewed and they responded by providing subjectivity to the information, commenting on their perspective. It has allowed for a detailed understanding of the phenomena studied and to verify that the personal analysis coincides with that of the club. The sample was obtained randomly, with 2 people representing 24 clubs. One of the first-division and the other of the second- division. The interview channels have been electronically through the 'Zoom' application or by telephone, always respecting confidentiality, which is why I have transcribed the conversation manually. In addition, the recipients are in different cities, distributed throughout Spain, so the means of remote communication have been the most comfortable possible. The qualitative results help in the interpretation of the quantitative results.

As a researcher, I use several theories to evaluate data and contrast the conclusions obtained, both from my perspective and that of the people interviewed.

1.5 Research results

For the qualitative methodology of the work, the following interviews were conducted to obtain information about the research topic from another perspective. Professionals from the sector have contributed to this research by commenting on the accounting of the stadiums. It has been the managers of La Liga clubs themselves who have collaborated in their opinions and comments concerning the research.

In the first place, this interview has been made:

Mrs. María Ángeles Carlos Vara (Economist at Getafe C.F S.A. D)

After meeting via 'Zoom' with a member of the 'Getafe Club' from 1st Division, new information about the stadium was obtained. A summary of this reunion:

Sofía, interviewer:

'Good afternoon

First, I would like to thank you for giving me your time.

Below are some questions regarding the accounting of stadiums at your club, that's why I'd like to know:

1. As a result of the recent signing of the 40-year administrative concession for the use of the stadium and the sports city, we ask you to verify that the accounting entry below is the one that was made at the time about the balance sheet as of June 30, 2023:

Administrative concession (280)	49.081.673	36.811.255	(740) Subsidies
		12.270.418	(479) Deferred tax liabilities
	49.081.673	49.081.673	

Source: self-prepared accounting entry in 'Excel'

2. Annually we have estimated these accounting entries to be made for the allocation of the income and expenses of the concession to the Profit and Loss account. What do you think about it? Is it correct?

Amortization Other Intangible (680)	1.226.312	1.226.312	(280) Accumulated Amortization Intangible Assets
	1.226.312	1.226.312	

Source: self-prepared accounting entry in 'Excel'

Subsidy for Stadium Concession (130)	919.734	1.226.312	(746) Capital Grants
Deferred tax liabilities (479)	306.578		
	1.226.312	1.226.312	

Source: self-prepared accounting entry in 'Excel'

3. What is the annual valuation of the right of use based on? Could I have access to the report of the technician who has assessed it or receive an explanation of it?

M^a Ángeles answered:

'Hello Sofia, nice to meet you. As we are now ending the financial year, we are very busy with work but anyway, I can help you by commenting on the accounting entries you made about the stadium of our club:

1. The accounting entries are correct: we have an administrative concession with the Getafe City Council for 40 years, the amortization has been valued according to the duration of the concession and not for the 50 years of useful life, since the number is lower. We have recorded the concession on the debit side under account 680, amortization of fixed assets since the amount corresponds to the pending amortization. On the credit side the subsidy from public administrations with account number 740, which as you say is 75% of the concession. While the remaining 25% recognizes deferred tax (479) recognized as liabilities. Therefore, I correct from your entry simply the account numbers.

A relevant fact is that amortization is calculated quarterly as payments on account, because on December 31 we present the intermediary accounts. But from year to year, we consider a single payment that includes amortization of the four quarters and there are no alterations.

2. Regarding the accounting entries in the profit and loss account, it should be noted that we use account 680 to account for intangible amortization, and not 681 as you indicated. As for the concept, it is correct, the amortization is recorded as an expense and later as income, therefore the effect is neutral since the difference gives 0. The second accounting entry is correct except for the account number also, we consider recording the subsidy as the number 130 since it is imputed as income to the result of the fiscal year. However, the account is 746, not 740.
3. Unfortunately, I cannot provide the report. An independent valuer carried out the valuation of the stadium at the time the concession was signed with the city council, but as this is a confidential agreement, I will speak internally with the team to request this information and provide it to you as soon as possible if my request is accepted. Otherwise, it is not necessary to know the exact amount, a priori it could be from the entries provided: if the concession remains to be amortized 49 million and 1 million has been amortized, approximately the value of the property is around 50 million euros.

Thank you very much for these interesting questions and is a privilege for us to consider our club information for your research. You will do great, best regards, Maria.

Interview with Luís García, Director of Finance and HR of the *Real Valladolid Cf*

Good afternoon,

First, thank you for taking the time to meet with me.

Below are some questions related to the accounting of the stadium in your club. I would like to know:

1. Following the agreement signed on May 16, 1997, for the administrative concession for 40 years for the use of the stadium and the sports city agreed with the Valladolid City Council, could you please verify that the accounting entry we present below is the one that was made at the time concerning the balance sheet as of June 30, 2023, for the total value of the concession:

Administrative concession (280)	25.199.940	18.899.955	(740) Subsidies
		6.299.985	(479) Deferred tax liabilities
	25.199.940	25.199.940	

Source: self-prepared accounting entry in 'Excel'

2. Is the accounting for capital grants allocated to income in 'Profit and Loss' correct in the following way?

The accounting entry for the amortization of the Administrative Concession is as follows:

Amortization Other Intangible (680)	816.997 €	816.997,00 €	(280) Accumulated Amortization Intangible Assets
	816.997 €	816.997,00 €	

Source: self-prepared accounting entry in 'Excel'

The accounting entry of the Imputation as annual income of the Administrative Concession is as follows:

	DEBE	HABER	
Subsidy for Stadium Concession(130)	612.747,75 €	816.997 €	(746) Capital Grants
Deferred tax liabilities (479)	204.249,25 €		
	816.997,00 €	816.997,00 €	

Source: self-prepared accounting entry in 'Excel'

NOTES:

- 75% of the concession corresponds to the 'subsidies' item of Net Equity.
- 25% of the concession corresponds to the applicable tax rate.

3. What parameters were used to value the right of use at €816,997?

4. Is it possible to access the technical report justifying that value?

'Hello Sofia, thanks to you, for making me part of your research. It is a pleasure to contribute to the stadium analysis, especially of our team Valladolid Club Football'.

1. The agreement is fine, we have 14 years left of the concession since the last exercise, 2023.

Also, the accounting entry in the Balance Sheet is correct and shows the valuation of the concession of the stadium. It is true that we account the 75% of the value of the concessions for subsidies on net equity and the 25% is the tax we must pay for it. According to the regulation NIC³ 20.

2. The accounting entry from the Profit and Loss account, is also well. The capital grants are accounted as an income and the depreciation as an expense provokes a neutral effect, being the result 0.
3. The criteria used for valuating the right of use around eight thousand is based on the technical report made by an architect based on the capacity of the stadium and other aspects.
4. Sorry it is confidential, but with the information commented you have it all.

Great job Sofia!

Best regards,

Luís.'

1.6 Interviews conclusions

The interview provided by the interviewees highlights several key conclusions about the accounting treatment and valuation of the concession of the sports facilities of Getafe Cf and Valladolid Club de Fútbol. The main points are:

A correct recognition of the property of stadiums, both are under administrative concessions. The appropriate identification of stadiums in the annual accounts, and the information also correct about the duration of the agreement.

Both professionals confirm the good stadium accounting entries of the concessions for the Balance Sheet and Profit and Loss account.

This qualitative approach has helped to proceed with the research, these interviews are a key to the work. Professionals in finance in sports have confirmed that the clubs under administrative concessions follow the same accounting method and verify the correct accounting entries I have done.

³ Norma Internacional de Contabilidad (NIC) 20: Contabilización de las subvenciones del Gobierno

III.GLOBAL VIEW OF MAIN CLUB`S STADIUMS

The global view of the football stadiums of the 20 first-division teams along with the top 4 teams classified from the second-division in the 2023/24 season with the possibility of promotion to the first-division is shown in the following table, with the most relevant information:

Stadiums ownership summary top 24 teams' season 2023/2

Club	Stadium Name	Capacity	Owner	Right of use	Limit Date	Y. Left*
Girona F.C.	Montilivi	14.320	<i>Ayuntamiento de Girona</i>	Administrative concession	Nov 2018- Dec 2068	45
Athletic Club	San Mamés	53.289	<i>San Mames Barria SL (private & public)</i>	50 year lease + purchase option	Sep 2013-Sep 2063	40
Real Madrid C.F.	Santiago Bernabéu	81.044	Real Madrid C.F.	Ownership		
F.C. Barcelona	Camp Nou	99.000	F.C. Barcelona	Ownership		
Real Sociedad	Reale Arena	39.500	<i>Ayuntamiento de San Sebastián</i>	Administrative concession	Aug 1993-Aug 2033	10
Real Betis Balompié	Benito Villamarín	60.721	Real Betis Balompié	Ownership		
Valencia C.F.	Mestalla	49.430	Valencia C.F.	Ownership		
Atlético de Madrid	Civitas Metropolitano	70.460	Atlético de Madrid	Ownership		
Villarreal C.F.	La Cerámica	23.000	<i>Ayuntamiento de Villarreal</i>	Administrative concession	Mar 2008-Mar 2032	9
Getafe C.F.	Coliseum Alfonso Pérez	17.000	<i>Ayuntamiento de Getafe</i>	Administrative concession	Oct 2022- Oct 2062	39
U.D. Las Palmas	Estadio de Gran Canaria	32.400	<i>Cabildo de Gran Canaria</i>	Administrative concession	Mar 2006- Jun 2027	4
C.A. Osasuna	El Sadar	23.516	<i>Gobierno de Navarra</i>	Administrative concession	Jun 2015-Jun 2045	22
Deportivo Alavés	Mendizorroza	19.840	<i>Ayuntamiento de Vitoria-Gasteiz</i>	Administrative concession	Jul 2023- Jun 2030	7
Cádiz C.F.	Nuevo Mirandilla	20.724	<i>Ayuntamiento de Cádiz</i>	Administrative concession	Jul 1981- Jun 2031	8
Granada C.F.	Nuevo Los Cármenes	19.336	<i>Ayuntamiento de Granada</i>	Right of Use, year after year	Until 30 Jun 2024	1
U.D. Almería	Power House Stadium	15.274	<i>Ayuntamiento de Almería</i>	Administrative concession	Aug 2022- Aug 2047	24
Sevilla F.C.	Ramón Sánchez-Pizjuán	43.883	Sevilla F.C.	Ownership		
Celta de Vigo	Abanca Balaídos	29.000	<i>Ayuntamiento de Vigo</i>	Administrative concession	1992-2034	11
R.C.D. Mallorca	Mallorca Son Moix	23.142	<i>Ayuntamiento de Palma</i>	Administrative concession	Dec 1997- Dec 2037	14
Rayo Vallecano	Campo de Fútbol de Vallecas	14.708	<i>Comunidad de Madrid</i>	Right of Use, year after year	Anually	
S.D. Eibar	Ipurúa	8.164	<i>Ayuntamiento de Eibar</i>	Administrative concession	Mar 1998-Mar 2028	5
Real Valladolid C.F.	José Zorrilla	27.618	<i>Ayuntamiento de Valladolid</i>	Administrative concession	Jun 1997-Jun2037	14
C.D. Leganés	Butarque	12.450	<i>Ayuntamiento Leganés</i>	Right of Use, year after year	Anually	
R.C.D. Espanyol	Stage Front Stadium	40.000	R.C.D. Espanyol	Ownership		

* since 30th June 2023

Source: Sofía Duran elaboration.

This table is composed of:

- The names of the 24 clubs analyzed during
- The name of each football stadium
- The capacity, the maximum number of people that fit in the stadium.
- The ownership of the club, if yes is indicated with a 'Yes' that the club owns the stadium.
- In case the club does not own the stadium, the owner is indicated in the next column
- If it is a right of use, the type of agreement is specified
- Duration of the agreement, from the year signed to the deadline
- Years remaining from the agreement since the last financial year (30 June 2023).

The table above shows a complete picture of the main characteristics of the 24 clubs analyzed in this work: 20 teams from the first-division of La Liga and 4 aspirants to promotion according to their classification in the 2023/24 season.

The summary is that 7 of the 24 teams own the stadiums where they play their games:

Real Madrid, F.C. Barcelona, Real Betis B., Valencia C.F., Atlético de Madrid, Athletic Club y el R.C.D. Espanyol

But one of these 7, the *Athletic Club*, has mixed ownership of the stadium, a mix of ownership between public, and private institutions, and the Club.

The other 17 clubs' stadiums are owned by the city council of the city where they play and have agreed to an administrative concession that allows them the right of use, but the full control of the sports facilities is not in the clubs. In turn, 14 of the 17 clubs that have an administrative concession have signed a long-term agreement:

Girona F.C, Real Sociedad, Villarreal C.F., Getafe C.F, U.D. Las Palmas, C.A. Osasuna, Cádiz F.C, U.D. Almería, Celta de Vigo, R.C.D Mallorca, S.D. Éibar, Real Valladolid, S.D and Deportivo Alavés.

The other 3 clubs have the right-of -se on the short-term basis for a maximum period of 4 years:

C.D. Leganés, Rayo Vallecano and Granada C.F.

In some cases, the clubs have not activated the value of the right to use the concession. In this research, I will analyze now how each club is accounting in their financial statements for the stadiums.

IV. WORK DEVELOPMENT

1. Account analysis for 'stadiums' in 1st division

First, the analysis for each of the clubs is required, appointing the stadiums accounts. Starting with the 1st Division:

1.1 Clubs owning the stadium.

The clubs that own their stadiums are:

- **Real Betis Balompié**

The Real Betis is a team that owns the stadium 'Heliopolis'. Was inaugurated the 1929 with the match Spain- Portugal winning 5-0. The stadium has a capacity of around sixty thousand spectators. In 1982 hosted two matches of the Mundial Competition. Last year, in 2023 presented a plan for building a new preference grade. There are some conflicts later commented on. This investment in progress in the stadium and the development of the new training grounds reaches 23,8 million of euros in the accounts of 30th June 2023. These investments are not yet depreciated since the works are not yet finished. Moreover, the investment carried out in 2023 has helped to provoke a bigger negative working capital. The impact of the Stadium on the Balance Sheet on 30th June 2023 is as follows:

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	55.724	29%
Total Assets	193.282	100%
Current Asset	51.156	26%
Current Liabilities	120.878	63%
Working Capital	-69.722	-36%
P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	1.977	1,3%

*Sports facilities is almost the total amount of the Fix Assets

The fixed assets represent almost 30% of the total assets. This percentage will grow since Betis is still investing in the improvement of the Stadium.

36% of negative working capital relative to total assets is a bad figure that shows a strong financial weakness of the Club.

1,3% depreciation cost relative to revenues is a correct figure compared to other clubs.

Source: Sofia Duran elaboration

- **Sevilla Fútbol Club**

Sevilla's Club is the owner of the stadium 'Ramón Sánchez-Pizjuán' inaugurated in 1958 with an actual capacity of around forty thousand seats. There have been disputed 25 matches of the Spanish national team. The net value of the stadium is 35,2 million euros, very low since they have not invested in it since a long time ago. The facilities are under a plan of improvement of both the 'Ramón Sánchez-Pizjuán' stadium and its sports complex.

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	35.287	13%
Total Assets	265.686	100%
Current Asset	94.955	36%
Current Liabilities	161.080	61%
Working Capital	-66.125	-25%
P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	2.985	1,4%

*Sports facilities is almost the total amount of the Fix Assets

In the 2023 Balance Sheet, Sevilla Stadium only weighs 13% of the total assets. This low impact is due to Sevilla's stadium being very old and needs to be updated.

Even though, the low impact of the stadium Sevilla has a 25% negative working capital figure. To the extent that the stadium investment is not fully financed in the long term, it will cause an increase in the negative working capital.

Source: Sofía Duran elaboration

- **Real Madrid**

The Santiago Bernabeu Stadium, owned by Real Madrid, was inaugurated in 1947. Cataloged as an elite stadium by the UEFA⁴. It has been completely renovated, but the accounts of 2023 still show a big part of the investment in progress, this means that the stadium was not finished on 30 June 2023. The global investment of Real Madrid in the stadium has been higher than expected damaging the strength of his balance sheet.

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	1.165.257	50%
Total Assets	2.317.771	100%
Current Asset	587.291	25%
Current Liabilities	732.323	32%
Working Capital	-145.032	-6%
P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	14.263	1,8%

*Sports facilities is almost the total amount of the Fix Assets

The investment in the Real Madrid stadium and sports city reaches half of the value of total assets. This percentage will increase during the year as the Santiago Bernabeu project is still not finished.

The weight of the 1,8% amortization relative to sales will grow significantly, as a large part of the investment in the stadium is not yet being amortized since it is considered an asset in progress.

Source: Sofía Duran elaboration

⁴ UEFA: Unión de Federaciones Europeas de Fútbol

- **Fútbol Club Barcelona**

The club has owned the stadium 'Camp Nou' since 1957, when it was built. It is the stadium with the most capacity in Europe, around one hundred thousand people can be inside. Is close because of the modulation. So, the team is playing temporarily in another stadium 'Estadi Olímpic Lluís Companys'. The club has a big debt commented later.

The impact of the stadium in the Annual Accounts of 30th June 2023 is as follows:

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	236.631	17%
Total Assets	1.401.607	100%
Current Asset	561.571	40%
Current Liabilities	840.665	60%
Working Capital	-279.094	-20%

P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	12.951	2,1%

*Sports facilities is almost the total amount of the Fix Assets

Source: Sofia Duran elaboration

The stadium began its full renovation in 2023, so an investment increase of over 1 billion euros is expected.

The most concerning issue is how this huge investment will impact the Club's Net Debt and if it will damage the Working Capital which was already 279 million euros negative before undertaking this investment.

To the extent that the stadium investment is not fully financed in the long term, it will cause an increase in the negative working capital.

- **Valencia Fútbol Club**

Valencia Football Club, owner of the 'Mestalla' from 1923 when it was built. Supported important events such as 5 meetings of the Spanish Olympic team during the Olympic games in 1992. The Club started to build a new stadium, but they stopped the construction due to financial problems. Now the challenge is to finish the construction of the new one and sell the land of the old Mestalla.

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	262.975	76%
Total Assets	348.170	100%
Current Asset	40.792	12%
Current Liabilities	130.673	38%
Working Capital	-89.881	-26%

P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	977	0,9%

*Sports facilities is almost the total amount of the Fix Assets

Source: Sofia Duran elaboration

Valencia CF owns both the stadium and the new stadium. The weight of these investments on their balance sheet is very high, representing 75% of the total assets.

The club needs to invest a significant amount in the new stadium but once it is completed, they will be able to sell the current stadium and normalize their balance sheet.

- **Atlético de Madrid**

On October 2, 1966, Atlético de Madrid completed the move to its new stadium next to the Manzanares River (later called Vicente Calderón), the Metropolitan was demolished and replaced by residential and office buildings. As a curious fact, the new configuration of streets originated after the demolition and new constructions form the silhouette of the Atlético de Madrid's coat of arms.

Later the Vicente Calderón stadium was demolished due to some problems caused by the facilities. In its place was built the 'Vicente Calderon River Park' of 37 hectares. The name of the park kept the name of the old stadium as a tribute to the red and white team.

The Club acquired the 88,150 m2 plot of land on which the Metropolitan Stadium is located from the Madrid City Council, by public deed granted on May 5, 2017. The price of the plot, which allows for a buildable area of 151,500 m2, was €60.2 million, settled in full in prior years, through cash disbursements and through the delivery to Madrid City Council of external urbanization works relating to the accesses to the plot (valued at €29.8 million).

On September 16, 2017, the Metropolitan Stadium was inaugurated. This date was the date on which this fixed asset was put into operation. Total costs incurred in the construction of the stadium, including the cost of the land plot (in 2017, €60,298 thousand recorded under 'Stadiums and sports halls'), amounted to a total of €334,355 thousand in 2018.

These are the figures we have taken from the 30th of June 2023 annual accounts of Atletico de Madrid S.A.D. to analyze the impact of the investment in the stadium related to the total assets and other financial parameters:

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	351.414	34%
Total Assets	1.043.622	100%
Current Asset	279.469	27%
Current Liabilities	378.292	36%
Working Capital	-98.823	-9%
P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	6.700	1,9%

*Sports facilities is almost the total amount of the Fix Assets

Considering that the stadium is newly and recently constructed, the fact that its impact on the total asset value is only 34% is a good indicator.

The working capital is negative, but relative to the total assets, it is a low percentage compared to other clubs.

The impact of nearly 2% of amortizations relative to sales is a high figure, but it makes sense given that is a new stadium.

Source: Sofia Duran elaboration

- **Athletic Club de Bilbao**

Athletic Club, co-owner of the San Mamés Stadium, was inaugurated in 2013. In 2015 was awarded at the World Architecture Festival from Singapore, as one of the new best-built sports buildings in the world. The owner of this stadium is the society of 'San Mames Barria S.L' composed by the bank BBK⁵, the Athletic Club the Regional Government, the Council of Vizcaya, and the Bilbao Municipality. The impact on the financial states on 30th June of 2023 is as follows:

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	100.460	52%
Total Assets	191.745	100%
Current Asset	89.098	46%
Current Liabilities	47.536	25%
Working Capital	41.562	22%

P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	1.390	1,23%

*Includes 42.227 k € of fix assets & 58.233k € valued invested in the company owner of the stadium (San Mamens Barria SL)

The club leases the stadium, but it shows in the Balance Sheet part of the cost of the investment through each participation of the company that owns the stadium *San Mames Barria S.L.* Even though that fact the fixed tangible assets investment of the club is half of the total assets.

Athletic Club has a very wealthy Balance Sheet, positive working capital reflects that fact.

Source: Sofia Duran elaboration

1.2 Clubs with stadiums under concessions

They are accounted for in three different ways:

- On a precarious basis: the stadium is granted and loaned without the need for signing.
- Right of use: the City Council, as a public administration, grants the club the right to exploit the stadium on a short-term basis. The right of use is renewed annually. It is a legal form with a maximum term of 4 years and can subsequently be renewed for identical periods.
- Administrative concession: the City Council of the city where the club is located, as a public sector entity, grants the football club, a private initiative, the right to exploit the stadium with public ownership. Unlike the right of use, this permit is valid for an agreed-upon time in exchange for the payment of a charge. This type of accounting is the most common.

⁵ BBK: Bank of Bank Bizkaia Kutxa

Clubs accounting for their stadiums under no ownership basis are.:

- **Granada Club de Fútbol**

Results that Granada CF has a concession in the short term, they activate the right of use of the stadium year by year. But in the last exercise, 2023, they did not activate. For the sports city, they signed an administrative concession. It has been waiting to sign a long-term concession since October 2013, for a term of 75 years. In 2023, being the last year available, still has 65 years remaining the concession of the training grounds. Finally, the sports city is recorded in non-current assets, within intangible fixed assets under the heading 'administrative concessions'.

- **Rayo Vallecano**

The case of Rayo Vallecano is peculiar since the Community of Madrid signed on June 30, 2019, a new agreement for the transfer of use of the Vallecas Stadium under order 1260/2019 for a four-year term, with the possibility of extension. The agreement establishes certain conditions to be fulfilled by the club, to pay annually a fee of 81 thousand euros (according to the press) to cover maintenance and improvement costs. As this is not a long-term administrative concession, but only a 4-year right of use agreement. The club has chosen not to activate this right. Even so, the agreement establishes certain conditions to be fulfilled by the club, namely, to pay an annual fee of 81,000 euros (according to the press) to cover maintenance and improvement costs. In 2023, it can be seen in the Profit and Loss account that it has registered this value under the heading 'Other current management expenses' included on the 1.7 million that it records as an expense. However, there is no explanation of this in the Annual Report.

- **Unión Deportivo Almería**

The concession agreement between UD Almeria and the City Council for the use of the 'Powerhouse Stadium' was signed on August 9, 2021, for a term of 25 years. In June of 2023, there are still 23 years left of this agreement. But the case of this club is controversial. The club has not activated the right of use of the stadium on intangible assets. At tangible assets epigraph, has accounted for the investment for the modulations of the stadium forced by the auditors to realize this improvement works for 15 million euros maximum in 9 years since 2021.

- **Villarreal Club de Fútbol**

Villarreal CF has had an administrative concession for the use of the stadium since 2008, for 25 years, until 2033. Therefore, the 'La Cerámica' stadium is owned by the Villarreal City Council. The soccer stadium is used by the company for both first and second-division matches. As for the land, it is also ceded by the city council but through a free concession and has been used for the construction of a new sports city. A usual fact is that in June of 2023, the club did not account for the concession because do not activate the right of use. Consequently, on the Balance Sheet, the value for 'concessions' on intangible assets is zero. This case is accepted following the International Financial Reporting Standard 16 (IFRS 16) – Leases which establishes: 'If the club chooses not to activate the stadium concession right-of-use asset, this could mean that the right-of-use asset and the lease is not recognized.'

- **Cádiz Club de Fútbol**

In this club the 'Nuevo Mirandilla' stadium is owned by the city hall of Cádiz, meaning that the club disposes of an administrative concession. It was signed in 1981 for 50 years but in 2012 after remodeling works of the stadium, was modified. In exercises 2015/2016 the elements associated with the previous administrative concession were written off. A new valuation of the right to use the land and buildings of the main stadium was recorded according to the estimated economic valuation report of the free transfer of use of facilities issued on June 30, 2016, by an architect registered with the Official Association of Architects of Catalonia. So, the annual accounting entries for 30th June 2023 were:

Initial Accounting of the Concession in 2016			
Administrative concession (280)	11.174.263	8.380.697	(740) Subsidies
		2.793.566	(479) Deferred tax liabilities
	11.174.263	11.174.263	
Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	744.955 €	744.955,00 €	(280) Accum. Amort. Intangible Assets
	744.955 €	744.955,00 €	
Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	558.716,25 €	744.955 €	(746) Capital Grants
Deferred tax liabilities (479)	186.238,75 €		
	744.955,00 €	744.955,00 €	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	5.596	8,1%
Subsidies included in Net Equity	5.595	8,1%
Net Equity without Subsidies	1	0,0%
P&L *	(000) Eur	% On Revenues
Depreciation Concession	-745	-1,2%
Income Concession	745	1,2%
*(Neutral effect)		

Source: Sofía Duran elaboration

The Subsidies accounted for the Cádiz FC Balance sheet contribute to Net Equity, representing 99% of its total value. Without these subsidies, the equity will decrease substantially leading to financial weakness.

The depreciation of the concession has a neutral effect on the P&L account and represents 1% of the total revenues.

- **Getafe Club Fútbol**

In point 5 of the report, the Club explains that the club has an Administrative Concession signed on October 22, 2022, we have verified from information in the press that the concession was signed for 40 years with a possible extension of 10 years. The concession will initially end on October 21, 2062. Likewise, amortization will be based on the duration of the agreement, so 40 years. Not at 50 years of useful life as indicated in note 1 of the Annual Report, because interest is less.

The determination of the value's concession is based on an external technical report, usually from an architect who makes an appraisal of the value of the annual right of use of the stadium. With this concession in place, Getafe FC plans to invest in renewing completely the stadium using the long-term loan from CVC (loan transacted granted by La Liga to all clubs payable during 50 years in exchange for 11% of the TV rights, 38 out 42 clubs subscribed the agreement).

Therefore, the annual accounting entries for the concession on 30th June 2023 were:

Initial Accounting of the Concession in 2022			
Administrative concession (280)	49.081.673	36.811.255	(740) Subsidies
		12.270.418	(479) Deferred tax liabilities
	49.081.673	49.081.673	

Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	1.226.312	1.226.312	(280)Accum.Amort. Intangible Assets
	1.226.312	1.226.312	

Income of the Administrative Cor			
Subsidy Stadium Concession(130)	919.734	1.226.312	(746) Capital Grants
Deferred tax liabilities (479)	306.578		
	1.226.312	1.226.312	

Source: Sofia Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	23.750	19,2%
Subsidies included in Net Equity	36.121	29,1%
Net Equity without Subsidies	-12.371	-10,0%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	-1.226	-1,8%
Income Conccesion	1.226	1,8%
*(Neutral effect)		

Source: Sofia Duran elaboration

The impact of the concession is very significant, without the concession the club would have a negative equity of more than 12 million euros. So, the club will be in bankruptcy.

The valuation of the right of use is very high, one reason is that includes the training grounds.

On the P&L there is a neutral effect, representing 1,8% of the revenues.

- **Unión Deportivo Las Palmas:**

The case of this club is that has a right to use sports facilities free of charge granted by the Gran Canaria Sports Institute (Instituto Insular de Deportes de Gran Canaria). This is an agreement for the assignment of the facilities signed on March 13, 2006, with an expiration date of June 30, 2027. The amount of this assignment was obtained through an independent appraiser for an initial amount of 53.88 million euros. And the impact on the annual account in June 2023 is:

Initial Accounting of the Concession in 2006		
Administrative concession (280)	53.879.160	40.409.370 (740) Subsidies
		13.469.790 (479) Deferred tax liabilities
	53.879.160	53.879.160

Yearly Depreciation of the Concession		
Amortization Other Intangible (680)	2.565.674	2.565.674 (280)Accum.Amort. Intangible Assets
	2.565.674	2.565.674

Yearly Income of the Administrative Concession		
Subsidy Stadium Concession(130)	1.924.256	2.565.674 (746) Capital Grants
Deferred tax liabilities (479)	641.419	
	2.565.674	2.565.674

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	11.911	19,5%
Subsidies included in Net Equity	7.697	12,6%
Net Equity without Subsidies	4.214	6,9%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	-2.565	-10,6%
Income Conccesion	2.565	10,6%
*(Neutral effect)		

Source: Sofía Duran elaboration

U.D. Las Palmas subsidies have a big significance on Net Equity. If subsidies were removed, the Net Equity would decrease more than 60% to only 4,2 M€.

The depreciation of the concession weighs 10% of total revenues and has a too high percentage related to revenues.

This high valuation of the Concession (2,5 M per year of use) makes no sense for this size of Stadium. In the In the conclusions, we will show a table comparing the yearly valuations of the right of use of all clubs.

- **Club Atlético Osasuna**

The 'Club Atlético Osasuna' in 2015 at year-end signed with the city hall the right of use of the Stadium derived from the Rental Contract of the Tajonar facilities (sports city) at fair value of the assigned assets. The duration of the contract was 30 years, so in 2023 there are 7 years of right of use left. 'El Sadar' stadium was valued at 23.5 million plus 18.4 million for the assignment of the sports city. The stadium is amortized using the straight-line method at 3%. So, the annual accounting impact of the administrative concession, only considering the stadium, in June 2023 is:

Initial Accounting of the Concession in 2015			
Administrative concession (280)	23.543.160	17.657.370	(740) Subsidies
		5.885.790	(479) Deferred tax liabilities
	23.543.160	23.543.160	
Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	1.224.420	1.224.420	(280) Accum. Amort. Intangible Assets
	1.224.420	1.224.420	
Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	918.315	1.224.420	(746) Capital Grants
Deferred tax liabilities (479)	306.105		
	1.224.420	1.224.420	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	10.167	10,2%
Subsidies included in Net Equity	<u>18.777</u>	18,8%
Net Equity without Subsidies	-8.610	-8,6%
P&L *	(000) Eur	% On Revenues
Depreciation Concession	-1.224	-1,7%
Income Concession	1.224	1,7%
*(Neutral effect)		

Source: Sofía Duran elaboration

The club Atlético Osasuna subsidies are higher than net equity, meaning that the club is heavily reliant on subsidies. Without them, the club would be financially under bankruptcy.

The depreciation of the concession has a neutral effect on the P&L. It represents almost 2% of the revenues earned during the last

- **Deportivo Alavés, S.A.D**

Deportivo Alavés has an agreement with the Vitoria-Gasteiz City Council for the use of the Mendizorrotza Field. From January 14, 2011, until July 31, 2023. At the end of the previous fiscal year, the City Council approved the extension of the agreement for one more year, from August 1, 2023, to July 31, 2024. In the long term, the club has recently signed a new covenant until 2030.

In the 2023 exercise of the accounting of the stadium, the intangible fixed assets for the right of use it is fully depreciated and the counterpart is the total of the income for subsidies. That is because is the last year of the concession. At the time of determining the fair value, an appraiser in 2013 recorded €2,020,157 for the transfer of use, and in counterpart, the total income went to grants in Equity. The impact on the last financial year, 2023, and the last year of the concession is:

Initial Accounting of the Concession in 2011			
Administrative concession (280)	2.020.157	1.515.118	(740) Subsidies
		505.039	(479) Deferred tax liabilities
	2.020.157	2.020.157	
Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	202.016	202.016	(280)Accum.Amort. Intangible Assets
	202.016	202.016	
Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	151.512	202.016	(746) Capital Grants
Deferred tax liabilities (479)	50.504		
	202.016	202.016	

Source: Sofia Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	4.582	5,7%
Subsidies included in Net Equity	0	0,0%
Net Equity without Subsidies	4.582	5,7%
P&L *	(000) Eur	% On Revenues
Depreciation Concession	0	0,0%
Income Concession	0	0,0%
*(Neutral effect)		

Source: Sofia Duran elaboration

The no value for subsidies in 2023 is because is the last year of the concession and it is totally amortized. In July 2023 the club signed a new concession.

The impact of subsidies on net equity is insignificant, without it, the club maintains financial stability.

The total depreciation of the concession reflects these results.

- **RC Celta de Vigo**

The 'Abanca Baídos' stadium together with the 'Barreiro' soccer field and the 'La Madroa' sports facilities are under a concession approved on March 28, 1992, until May 16, 2014. On January 30, 2009, the agreement was extended until 2034. Therefore, there are still 11 years left on the contract. Likewise, these assets are depreciated according to their useful life or the term of the contract if shorter.

Therefore, it is optional for the club to account for the concession because as explained in note 4.1 on intangible fixed assets, this value is accounted for following the criteria established by the ICAC⁶, in number 77, consultation 6 which indicates: 'On the accounting treatment of the assignment of public domain assets that entails exclusively the right of use of such assets, without the consideration'. Therefore, the sports facilities are recorded at fair value without consideration since they were transferred free of charge by the City Council of Vigo. So, the accounting entry is:

Initial Accounting of the Concession in 2009			
Administrative concession (280)	31.127.897	23.345.923	(740) Subsidies
		7.781.974	(479) Deferred tax liabilities
	31.127.897	31.127.897	

Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	1.245.116	1.245.116	(280)Accum.Amort. Intangible Assets
	1.245.116	1.245.116	

Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	933.837	1.245.116	(746) Capital Grants
Deferred tax liabilities (479)	311.279		
	1.245.116	1.245.116	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	73.654	42,0%
Subsidies included in Net Equity	10.272	5,9%
Net Equity without Subsidies	63.382	36,1%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	1.245	1,8%
Income Concession	-1.245	-1,8%

*(Neutral effect)

Source: Sofía Duran elaboration

The *Celta Vigo* concession for the stadium use has a low impact related to the total equity.

The annual depreciation of the concessions is almost 2% among revenues earned, this is a standard figure compared with other clubs.

⁶ ICAC: Instituto Contabilidad y de Auditoría de Cuentas

- **Real Club Deportivo Mallorca:**

The 'R.C. D Mallorca' has a concession with the City Council with the right to use the 'Mallorca San Moix' stadium, which was signed on December 15, 1997, as a collaboration agreement for the use of the stadium. With a duration of 40 years, plus an extension of 25 years. In the fiscal year 2022, the extension was approved, therefore to 2023, there are still 44 years of concession. In note 4 on the annual report, it is established that the concession is accounted for following the criteria established by the ICAC, in number 77, consultation 6 which states: 'On the accounting treatment of the assignment of public domain assets that requires exclusively the right of use of such assets, without the requirement of consideration'. In other words, is optional the activation. In any case, the club accounts for the right of use of the stadium as follows:

Administrative concession (280)	20.284.939	15.213.704	(740) Subsidies
		5.071.235	(479) Deferred tax liabilities
	20.284.939	20.284.939	

Yearly Depreciation of the Concession

Amortization Other Intangible (680)	260.577	260.577	(280) Accum. Amort. Intangible Assets
	260.577	260.577	

Yearly Income of the Administrative Concession

Subsidy Stadium Concession(130)	197.606	263.474	(746) Capital Grants
Deferred tax liabilities (479)	65.869		
	263.474	263.474	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	49.138	37,6%
Subsidies included in Net Equity	8.739	6,7%
Net Equity without Subsidies	40.399	30,9%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	260	0,4%
Income Concesion	-260	-0,4%

Source: Sofía Duran elaboration

The *R.C.D. Mallorca's administrative concession* represents a small part of the net equity, without it the club will remain stable.

The annual depreciation is very low because of the large duration of the concession and the low valuation of the right of use. Only signifies the 0,4% of total revenues.

- **Girona Fútbol Club:**

Girona Fútbol Club, SAD, has had a concession for the 'Montilliví' stadium from 2018 until 2068. It had a free concession until it was valued in 2013 by the Technical Architect Mr. Josep Planas Feliu, who updated its value in 2017 as a rental of the stadium. Finally, in 2018 the City Council ceded in use to the Club for the use and management of the Municipal Stadium of Montilliví on June 30. It was valued at 10,25 million euros. Hence, amortization, using the straight-line method based on the useful life is 10.25 divided by 50, and the annual depreciation is 205 thousand euros. Anyway, the accounting for the stadium is:

Initial Accounting of the Concession in 2018			
Administrative concession (280)	10.521.500	7.891.125	(740) Subsidies
		2.630.375	(479) Deferred tax liabilities
	10.521.500	10.521.500	

Yearly Depreciation of the Concession			
Amortization Other Intangible (680)	205.030	205.030	(280)Accum.Amort. Intangible Assets
	205.030	205.030	

Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	153.773	205.030	(746) Capital Grants
Deferred tax liabilities (479)	51.258		
	205.030	205.030	

Source: Sofia Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	19.882	39,17%
Subsidies included in Net Equity	6.920	13,63%
Net Equity without Subsidies	12.962	25,53%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	-205	-0,3%
Income Concession	205	0,3%

*(Neutral effect)

Source: Sofia Duran elaboration

Subsidies in the *Girona F.C.* are representative of respect the total equity. With no concession, the net equity will decrease significantly by 30%.

The annual depreciation concerning total revenues is too low due to the low valuation of the yearly right of use of the stadium.

- **Real Sociedad**

Real Sociedad has a collaboration agreement signed in 1993 with 'Anoeta Kiroldegia S.A.', an entity of the San Sebastián City Council, with a 25-year term plus 15 years extendable. In 2023 there are 10 years left in the contract of the administrative concession without considering the extension. Likewise, the assignment is the right to use the stadium 'Real Arena' for'. The stadium in 2023 has been recorded under 'other intangible assets' for an amount of 15.17 million euros corresponding to the pending amortization of the right of use. This has been calculated on a straight-line basis and by the duration of the contract (40 years). As detailed in note 5 of 'intangible fixed assets', it has been already amortized for 30 years for 45.5 million euros. This has been verified with the calculation and if we add to these 45.5 the 15.1 pending, we obtain the total of 60.68 of the stadiums. The counterparty subsidies are 75% of the concessions and taxes effect is 25% of it. The accounting entry concerning the concession recorded in the Balance Sheet and P&L account is as follows:

Initial Accounting of the Concession in 1993			
Administrative concession (280)	60.668.686	45.501.515	(740) Subsidies
		15.167.172	(479) Deferred tax liabilities
	60.668.686	60.668.686	

Yearly Depreciation of the Concession			
Am.Other Intangible (680)	1.516.717	1.516.717	(280)Accum.Amort. Intangible Assets
	1.516.717	1.516.717	

Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	1.137.538	1.516.717	(746) Capital Grants
Deferred tax liabilities (479)	379.179		
	1.516.717	1.516.717	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	75.481	27,54%
Subsidies included in Net Equity	12.383	4,52%
Net Equity without Subsidies	63.098	23,02%

P&L *	(000) Eur	% On Revenues
Depreciation Concession	-1.516	-1,4%
Income Concession	1.516	1,4%

*(Neutral effect)

Source: Sofía Duran elaboration

Real Sociedad Club's net equity weighs around 28% respect of total assets. The subsidies load 12 out of 75 million euros of net equity. Without it, the equity will decrease by 16%.

The depreciation of the concession among revenues is normal and represents almost 1,5%.

1.3 Analysis of the top 4 clubs of the second-division in season 2023/2024.

Considering that we are at the end of the 2023/24 season, we can already define some clubs that will be promoted to the first-division according to the points obtained. We will consider the first four teams of which the first two are promoted directly (Leganes and Valladolid) together with the next two (Eibar and RCD Espanyol), which have a high probability of promotion, will play the playoff against the next two teams. The four teams are analyzed below.

- **Eibar CF**

Sociedad s Eibar has the stadium under a concession on the right of use agreed on March 4, 1998, by the City Council of Eibar for 30 years, until 2028. In the last fiscal year, 2023, the right of use was not activated and therefore the value of the concession does not appear in intangible assets. However, in the tangible fixed assets, the Ipurúa Stadium is recorded under the heading 'sports stadiums and pavilions' of the tangible fixed assets in the Balance Sheet. This heading shows the cost of the real estate, 31 million euros, less the accumulated depreciation for the year, 14 million euros, applying the straight-line depreciation method. In addition, the other numerical values under this heading correspond to fixed assets in progress, as the sports complex is in the third phase of renovation.

- **Real Club Deportivo Espanyol**

The club owns the stadium, valued at around 60 million Euros. The club at the beginning played at the 'Estadi Sarrià' located in the heart of Barcelona from 1923 until 1997. In 2001 moved to 'Estadi Olímpic Lluís Companys' meanwhile the actual stadium 'Stage Front Stadium' was built and finally inaugurated in 2009. The relevant accounting characteristics of 2023 are:

BALANCE SHEET IMPACT	(000) Eur	% On Tot Assets
Fix Tangible Assets*	115.899	55%
Total Assets	209.658	100%
Current Asset	23.581	11%
Current Liabilities	77.685	37%
Working Capital	-54.104	-26%
P&L	(000) Eur	% On Revenues
Depreciation Fix Assets*	2.948	3,84%

*Sports facilities is almost the total amount of the Fix Assets
Source: Sofia Duran elaboration

The new stadium has a strong impact on the Balance Sheet.

The club could not finance all the investments in the long term, this is one of the reasons why they have a negative working capital figure, reaching 26% of total assets.

Fixed asset depreciation is very high related to revenues, the reason is the underuse of the stadium. RCDE has a high potential to grow revenues.

- **Leganes**

The case of the Leganes Club is problematic, like the case of Granada Futbol Club. They have a right of use for their stadium 'Butarque' on the short term, for 1 to 4 years maximum. In the last annual accounts (2022/2023), they did not account for any right-of-use. Anyway, they are waiting for juridical security to acquire a long-term concession, that allows them to invest and make use of the sports facilities to improve their conditioning and provide them with major improvements.

- **Valladolid**

The sports facilities of Real Valladolid Club de Fútbol are owned by the City Council of Valladolid and their use is granted for 40 years, since the agreement was signed on May 16, 1997. In other years, after an appraisal, the right to use the New Jose Zorrilla Stadium was recorded as an intangible asset at a fair value of 16,399,940 with a credit to subsidies as it was a free transfer. As of June 30, 2022, note 5 of the Notes to the consolidated financial statements on intangible assets shows a breakdown of the value capitalized for 'concessions', which includes the soccer stadium, land, and adjoining fields. The breakdown of the concession accounting entry is as follows: gross balance of 25.2 million, subtracting the accumulated amortization of 12 million euros and the amortization for the year of 816 thousand (following the straight-line method during the concession period), therefore the accounting entry would be as follows based on the data in the Balance Sheet:

Initial Accounting of the Concession in 1993			
Administrative concession (280)	25.199.940	18.899.955	(740) Subsidies
		6.299.985	(479) Deferred tax liabilities
	25.199.940	25.199.940	
Yearly Depreciation of the Concession			
Am.Other Intangible (680)	816.997	816.997	(280)Accum.Amort. Intangible Assets
	816.997	816.997	
Yearly Income of the Administrative Concession			
Subsidy Stadium Concession(130)	612.748	816.997	(746) Capital Grants
Deferred tax liabilities (479)	204.249		
	816.997	816.997	

Source: Sofía Duran elaboration

NET EQUITY IMPACT	(000) Eur	% On Tot Assets
Total Net Equity (NE)	-17.443	-30,11%
Subsidies included in Net Equity	8.426	14,55%
Net Equity without Subsidies	-25.869	-44,66%
P&L *	(000) Eur	% On Revenues
Depreciation Concession	816	1,34%
Income Concession	-816	-1,34%

*(Neutral effect)

Source: Sofía Duran elaboration

Valladolid Club is facing financial difficulties as the total equity shows, but without the subsidies, the situation would be even worse.

The depreciation concession is 1,34% of total revenues, it has low incomes earned then.

V. RELEVANT ISSUES

Some conflict aspects were founded during the analysis of the clubs in what matters of regulations or other problems were detected.

1. One of the conflicts found during the research is the Valencia Club de Fútbol's contentious-administrative⁷ appeal problem with its Mestalla stadium. Centers on a legal and administrative dispute related to the urban requalification and financial obligations of the club.

The club was planning to move to a new stadium, so this action involved selling its current 'Mestalla' stadium. It could not start the sale without municipal and autonomic authorization on the requalification of the land for residential and commercial uses. In 2005, the club signed an agreement with the Valencia City Council on the urban requalification of the land of the old Mestalla, which implied that the club had to comply with certain financial and infrastructure conditions. However, due to the financial crisis faced by the club at that time, it was unable to comply with the agreed conditions, so the City Council reconsidered the viability of the agreement, considering modifications and possible sanctions for the club for not complying with the agreed requirements. In defense, the club filed a contentious administrative appeal to defend its interests and seek legal solutions to the present problems. However, as the financial obligations are crucial in the appeal, the works of the Nuevo Mestalla continue to be paralyzed, thus affecting the club's image. The possible solutions to the conflict are the renegotiation of the agreement, adapting to the situation of the club, and seeking benefits for both parties. Or a legal solution by defining the rights and obligations of Valencia CF and the municipal authorities. Also, to resort to external sources of financing to solve the financial problems and to finalize the new stadium.

The recent news about this conflict is from April 2024, when Valencia CF and Valencia City Council announced that they still working to update the activity license of the current Mestalla stadium, by the new Sports Law that requires updated licenses for sports facilities. But until September there will not be news about it due to the changes in the administration of the city hall. The focus of the club is getting the license to proceed with the planning of the new stadium.

2. Another conflict that appeared in this project is the case of the clubs: Eibar and Villarreal.

S.D. Eibar does not activate the right to use its stadium in its annual accounts. The Ipurua stadium is owned by the Eibar City Council, which allows the team to use the facilities without the need to reflect a right of use in its annual accounts. The case of Villarreal is similar, they did not activate the right of use of their stadium 'La Cerámica'. These two cases are different from normal practices in the industry.

⁷ RRYF Global s definition: The contentious-administrative appeal is a legal means available to citizens to challenge acts and decisions of the public administration that they consider contrary to the law or harmful to their rights and legitimate interests.

3. Clubs that are negotiating a Long-Term Concession but are not reaching an agreement: Granada & Leganes clubs.

This happens also with the Granada Cf, which renewed in 2023 for one year the stadium lease. The club accounts for the right-of-use year by year.

The assignment agreement between the club and the municipality is an agreement for the use of the stadium 'Nuevo Los Cármenes' without transferring ownership rights or significant control over the asset. These types of agreements (year by year) are generally considered operating leases and do not require the activation of the right of use as a fixed asset on the club's balance sheets.

The conflictive case of the Granada club joining with the Leganes is that both refuse the long-term concession of the stadium waiting to obtain such concession on a better term.

4. Another economic conflict is the case of FC Barcelona, the club is in a delicate economic situation, with a debt is above one billion Euros before doing the investment in the stadium, on April 23, 2023, they signed negotiations with 20 investors to finance the 'Espai Barça': a project to redevelop the soccer stadium that will end in the summer of 2026, but is expected to open in November of this year with less capacity. The financing is above one billion. The club, despite the enormous economic effort to be paid over the next few years, has been dreaming of the new stadium for years, since the also stadium was in very poor condition.

5. A similar case is that of Real Betis Balompié with the renovation of the Estadio Benito Villamarín. In 2016 the club presented a plan to remodel the stadium and has been facing financial challenges ever since. The COVID-19 pandemic severely affected Real Betis' finances due to a lack of revenue that year, as it did many other clubs. It also affected neighbors' noise complaints. This project is part of the club's strategic plan to increase its annual revenue to more than 150 million euros. The renovation will include the demolition and reconstruction of the stand and the modernization of other areas of the stadium. 65 million in debt with the investor Pricoa Private Capital to be repaid in six years is one of the financial efforts done to make possible the investment.

VI. CONCLUSIONS

The objectives have been successfully achieved:

I found sources of information related to the main topic, especially the 24 clubs' annual accounts. Identify for each of them the stadium's accounting, type of property, and method of accounting. I read the notes on the Annual Report to know about the details of the stadiums, duration of concessions and type of depreciation. Also, I reflect the impact on the stadiums through calculus, showing their big weight on annual accounts and accounting entries. Finally, I commented on 5 relative issues related to stadiums.

After completing the analysis of the stadium accounting impact on the main financial statement: Balance Sheet and Profit and Loss account, I can answer the questions proposed at the beginning of the project:

About Which kind of ownership, public or private is applied for each stadium, we confirm that 7 clubs out of 24 studied are property of the clubs, so, private ownership. Except one of them, which is of mixed property. Meanwhile, the other 17 clubs are from public ownership, property of the city hall where the clubs are located.

Respect how La Liga first-division soccer clubs account for the value of their stadiums and sports cities in their financial statements, it depends on the type of ownership of the stadium:

-The clubs who own the stadium account the annual depreciation based on the cost of the development and land acquisition.

- While the ones under concession, account in the Balance Sheet in the year which starts the concession the total value of the concession with counterpart 75% of the concession value on subsidies in net equity plus 25% on deferred tax liabilities. Then the subsidy is imputed yearly as an income on the profit and loss account and the depreciation as an expense. So, it has a neutral effect.

The sport facilities are accounted as "intangible' assets' only when the clubs are under concession agreements with the valuation of the right of use. All direct investments done by clubs in the stadiums no matter if owned or not are accounted as "Fixed tangible Asset."

The Clubs that do not show the concessions in their Balance Sheet do it correctly when they only have a year right-of-use (Granada & Leganes) but not when they have longer terms of use (Villarreal & Eibar), technically is not forbidden but they do not follow the common and recommended practice.

The hypothesis of this research is 'how the stadium ownership or concessions have a crucial impact on the financial accounts affecting the net equity, working capital, and debt' I have verified club by club that impact.

So, after completing the club's analysis of the stadiums, I can draw a solid conclusion about the research done:

Stadiums are the main asset of the Clubs, which have a significant direct impact on the Clubs' Balance Sheets, and to a lesser extent on the profit and loss accounts, although they are the ones that enable the generation of an important portion of the entity's total income (Match Day incomes).

In Clubs that own their stadiums, the significant investment definitively impacts the assets, with the stadium's value having a higher weight the newer the stadium is, often exceeding half the total asset value.

In these clubs, the significant investment in the stadium harms the working capital, which is usually already negative for football clubs. The reason is that they are unable to finance the entire investment with long-term resources.

In clubs with stadiums under administrative concession, it is observed that one of the main effects of accounting for the right of use as an intangible asset is that it helps them to show better net equity, and in some cases, it allows them not to show negative equity.

A highly controversial issue is the difference in criteria observed in the valuation of the annual right of use, which ranges between 80 euros per seat and 19 euros per seat of the stadium.

Club	Stadium Name	Capacity	Owner	Yearly value for the use of the Stadium	Concession Value per St. seat (€/seat)
Girona F.C.	Montilivi	14.320	<i>Ayuntamiento de Girona</i>	205.030,00 €	14
Real Sociedad	Reale Arena	39.500	<i>Ayuntamiento de San Sebastián</i>	1.516.717,00 €	38
Getafe C.F.	Coliseum Alfonso Pérez	17.000	<i>Ayuntamiento de Getafe</i>	1.226.312,00 €	72
U.D. Las Palmas	Estadio de Gran Canaria	32.400	<i>Cabildo de Gran Canaria</i>	2.565.674,00 €	79
C.A. Osasuna	El Sadar	23.516	<i>Gobierno de Navarra</i>	1.224.420,00 €	52
Deportivo Alavés	Mendizorroza	19.840	<i>Ayuntamiento de Vitoria-Gasteiz</i>	202.016,00 €	10
Cádiz C.F.	Nuevo Mirandilla	20.724	<i>Ayuntamiento de Cádiz</i>	744.955,00 €	36
Celta de Vigo	Abanca Balaídos	29.000	<i>Ayuntamiento de Vigo</i>	1.245.116,00 €	43
R.C.D. Mallorca	Mallorca Son Moix	23.142	<i>Ayuntamiento de Palma</i>	260.577,00 €	11
Real Valladolid C.F.	José Zorrilla	27.618	<i>Ayuntamiento de Valladolid</i>	816.997,00 €	30

Source: Sofía Duran elaboration

So it is evident that some Clubs try to inflate the valuation of the right of use to improve the positive effect that the concession has on the equity position and to show a stronger balance sheet.

Finally, there are cases where clubs decide not to recognize the right of use, leading to a non-homogeneous view of the balance sheets of clubs with administrative concessions.

As a final recommendation, I believe there should be a regulation that unifies the criteria for valuing usage rights and mandates the accounting of these rights.

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"El fútbol me recuerda viejos e intensos amores, porque en ningún otro lugar como en el estadio se puede querer u odiar tanto a alguien."
(Françoise Sagan)_

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VIII. ANNEX

Logos of the clubs analyzed.



Real Madrid



Barcelona



Girona



Athletic Club



Atlético de Madrid



Real Sociedad



Real Betis



Valencia CF



Villarreal



Getafe



Las Palmas



Osasuna



Alavés



Mallorca



Rayo Vallecano



Sevilla



Celta de Vigo



Cádiz



Granada CF



Almería



S.D. Eibar



Leganés



Valladolid



Espanyol

Source: Image from [Squadre di Calcio Spagna - Enciclopedia Italiana™](#) | Futebol de botão, Futebol, Times de futebol brasileiro (pinterest.com).