



The former England midfielder and manager Glenn Hoddle leads a session at his academy in Southern Spain, where he hopes to turn rejects from European clubs' academies into players who can be sold into professional football Neil Duncanson

Investors target profit from football's talented youth



David Conn

Alan Hansen is fronting a fund to exploit the transfer potential of players from developing countries

Even with the legal battle still raging between Sheffield United and West Ham, rooted originally in Carlos Tevez's "ownership" by anonymous investors, another group, the Hero Global Football Fund, has formed to make money from owning slices of footballers' "economic rights". The fund is not short of ambition; it has \$40m (£27m) already committed from Emirates NBD, the national bank of Dubai, whose chief executive, Rick Pudner, enthused about investing "in the transfer market which has shown itself to be a huge growth area". Wealthy individuals are invited to put a minimum \$100,000 (£68,000) each into the fund, which is registered in the tax haven of Jersey, and Hero aims to return at least a 10% profit to them.

"The fund will recruit mainly young players from around the world but especially from Africa, South America and the Far East," the launch announcement explained. "The fund makes a profit by selling players' registrations and other

economic benefits, such as image rights, to professional clubs."

Hero's investment adviser based in London, Damian Roberts, said the fund aims to put money into smaller clubs who may be in financial difficulties, enabling them to buy or hold on to young players for longer. Investors make their profit from a cut of the players' transfer fees when they are sold. He said that for investors, the motivation is to make money from football's financial boom at a time when traditional avenues of investment are suffering.

"Because the stock market is in trouble and property in a slump people are looking for alternative investment ideas," he said. "This is like the syndicate in horseracing where investors come together to own a horse."

Given the unease, both moral and regulatory, prompted by talk of investing in young footballers like horses, perhaps the most surprising aspect of the venture, and its greatest coup, is that three very public English football figures are associated with it. Alan Hansen, the former Liverpool playing legend turned BBC pundit, David Davies, until recently a senior executive at the Football Association, and David Elleray, retired referee and master at Harrow public school, are all being paid to put their names and expertise to the Hero fund. Their role, according to Davies, will be to advise whether the clubs and agents whom the fund is dealing with are "bona fide". The three will not work as talent spotters assessing if individual players are worth investing in; that task will be done according to the country and circumstances.

"Our motive is to help clubs below the biggest to be more competitive," said

Davies. "I am content this is a reputable bank and I am impressed by the people dealing with it."

Roberts said the fund will stay on the right side of football's laws because Hero will have no "material influence" over any club where they have a financial interest in a player. In the Tevez case, West Ham pleaded guilty before a Premier League disciplinary tribunal of breaching the rule which prohibits "third parties" from influencing team affairs. That was principally because Tevez's "owners", represented by Kia Joorabchian, could insist the striker be sold if an offer came in to buy him at a stipulated price.

The revelation that Tevez and Javier Mascherano's "economic rights" were owned not by their club, Corinthians, but by investors represented by Joorabchian, scandalised the game here, where the transfer system is regarded a valuable means of distributing money from rich to small clubs. When Liverpool bought Mascherano outright in January this year, the club paid £17.6m to Joorabchian's investors. He is preparing to make a mighty profit on Tevez too this summer when the striker's loan deal at Manchester United ends.

Throughout the furore, Joorabchian has

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The venture's greatest coup is that three very public English football figures have given it their backing

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Hero backs Hoddle

The Hero Global Football Fund has invested in the business set up by the former England midfielder and manager Glenn Hoddle, which trains young players who have been rejected by European clubs' academies, then aims to sell them back into professional football. The Glenn Hoddle Academy was established earlier this year at the plush Montecastillo resort near Jerez, in southern Spain, following the investment from Hero.

The idea springs from Hoddle's conviction that clubs release young players too early, preferring to buy ready-made stars. He believes that he can profitably bring these rejected players up to standard. Hoddle describes his plan as: "The first independent, professional football academy offering an alternative to the professional club system."

In his search for financial backing, Hoddle made presentations to City institutions before being introduced to Hero, which bought a major stake. The first 30 players were signed in October. The academy will, according to Damian Roberts of Hero, own the economic rights of the players and seek to sell them to clubs. "We will receive a dividend from the profits of the academy," Roberts explained.

On its website, the academy states: "This is not a famous footballer lending his name to a random, money-making scheme. The original concept was Glenn's and ... he has invested his own money, time and passion into the project."

pointed out that it is common practice, particularly in South America, for businessmen to provide football clubs with money in return for owning young players' economic rights. Joorabchian himself represents investors who own more than 60 players in South America, Spain and Portugal. Critics here, including the Premier League and its clubs, argue that the system of player ownership has unsavoury implications, and also undermines smaller clubs, who receive a small amount of money up front but do not get the full reward if a player they develop moves to a big club. Players from Brazil and other South American countries light up wealthy leagues across Europe, yet at home their clubs are mostly impoverished or in near-collapse.

Fifa and the FA have tightened up their rules on "third-party ownership" but still allow it if the owners do not wield influence over team affairs. Roberts and Davies maintain Hero's contracts will secure no such influence. Premier League clubs, however, banned the practice completely this summer. Clubs must not have any agreements where third parties "continue to own any registration or economic rights" in a player, and cannot pay a third party when signing a player.

"The clubs decided that third-party ownership was something they did not want to see," a spokesman explained. "It raises too many issues over the integrity of competition, the development of young players and the potential impact on the football pyramid. It was felt the Premier League was in a position to take a stand on this. No one wants to see what has happened to club football in South America repeated over here."

Hero first drew up plans to get into the economic rights business in the summer of 2006, enlisting Elleray as an adviser, along with the Israeli dealmaker Pini Zahavi. Roberts said they held off because of Lond Stevens' bungs inquiry and the murk surrounding the transfer system, but have pressed on since, securing the Emirates NBD investment. They decided not to proceed with Zahavi's involvement because he works as an agent which, Roberts said, could have created conflicts of interest.

The Hero fund will pay money directly to clubs here and in Europe, to enable them to buy or retain young players and pay their way in a difficult economic climate. In return the fund will be entitled to a share of the transfer fee when the player is sold - Roberts quoted potential cuts of 10% up to 40%, promising that the deals will be open and above board. The fund will not stipulate that a club must sell a player if a profitable offer comes in, will not charge interest, and will make a loss on players who do not secure lucrative moves.

The FA confirmed that discussions had taken place with Hero, but the FA and Football League said they have not yet given their approval, and will inspect any deals closely to be sure they do not fall foul of regulations.

Davies said he had no qualms about being involved, in principle or in practice: "This will enable smaller clubs to compete and hang on to players. We are promising transparency about all the deals that are done. Morally I am at ease with it."

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