

Supporter Ownership Structures

Introduction

The Football Supporters' Association is the leading organisation in England and Wales promoting community ownership as a positive model for football clubs.

We believe that clubs where supporters have an ownership stake and play a positive role in their communities are more sustainable.

The FSA works with fans and clubs to provide support, guidance and resource as well as actively nurturing a network of like-minded clubs to share information, promote community ownership values and involve supporters meaningfully in governance.

This document is a brief guide to the different potential ownership structures available to clubs.

Why corporate law matters

To understand how supporters can have a stake in their football clubs it helps to grasp some basics of corporate law. Corporate law defines **who owns an organisation, who controls it, and how decisions are made.**

When a club is incorporated, it becomes a legal entity separate from its owners. This gives members **limited liability**, meaning they can only lose what they invest. Share capital is fully at risk, however: if a club fails, shareholders are last in line and may lose all their investment.

In the UK, there are two main legal frameworks for incorporated organisations:

- **Company law**
- **Co-operative and community benefit society law**

Both allow limited liability and member control, but they differ in how power is shared:

- **Company law:** one share, one vote
- **Co-operative and community benefit societies:** one member, one vote

The Football League and Premier League require a company structure because companies can enter **Company Voluntary Arrangements (CVAs)**, which are not currently available to co-operative and community benefit societies.

Legal models for community ownership

Community Benefit Societies (CBSs)

CBSs are well suited to supporter ownership because they are **democratic, community-focused, and non-profit distributing**.

They are part of the wider legal framework for co-operative and community benefit societies, which provides:

- A democratic basis for member rights and responsibilities
- A unique form of share capital known as **withdrawable shares**

Key features:

- One member, one vote (regardless of investment)
- Open membership
- Registered with the Financial Conduct Authority
- Operate for the benefit of the wider community
- Protected by a **statutory asset lock**, preventing assets being sold for private gain

CBSs can pay limited interest on shares, but only at a level considered sufficient to attract and retain investment.

There are two main forms within co-operative and community benefit societies:

- **Co-operative societies**, which exist primarily for the benefit of their members
- **Community benefit societies**, which exist to benefit the wider community

Advantages of a CBS structure

The CBS model for community ownership offers:

- A strong democratic structure
- Limited liability
- The ability to issue withdrawable shares
- One-member-one-vote governance
- A non-profit distributing model

Withdrawable shares are particularly important because they allow supporters to invest with the possibility of withdrawing their capital in the long term, subject to the society's rules.

Unlike company shares, withdrawable shares:

- Cannot be traded
- Cannot increase in value
- Are not dependent on finding a buyer

Conditions attached to withdrawable shares include:

- A limit per member
- Interest capped at a level sufficient to retain investment
- Withdrawals subject to notice periods and annual limits
- No capital growth (and possible reduction in value)

These features help prevent football clubs being used for speculative purposes and ensure that surplus funds are retained for the club and community.

Barriers for CBSs

- Withdrawable shareholdings are currently capped
- Football League and Premier League rules do not permit clubs to be structured as community benefit societies (although there are options available to create a holding company which does meet EFL/PL regulations)
- CBSs cannot currently enter a CVA

This places a greater emphasis on sustainable financial management, which aligns with wider football governance objectives.

The CBS model is generally better suited to football clubs because it prioritises community benefit rather than only member benefit. Most supporters' trusts – and many supporter-owned clubs – are structured as CBSs.

Community Interest Companies (CICs)

Community Interest Companies were introduced in 2005 to allow companies to operate for community benefit rather than shareholder profit. They are fully subject to company law but include additional safeguards for the community.

Key features:

- Must meet a legally defined [community interest test](#)
- Have a statutory asset lock written into their governing documents
- Must include “Community Interest Company” or “CIC” in their name
- Dividends are capped and only payable if community objectives are met

CICs can be formed as:

- Company Limited by Guarantee (CLG)
- Company Limited by Shares (CLS)
- Public Limited Company (Plc)

CICs that issue shares generally follow **one share, one vote**, meaning control can rest with those holding larger shareholdings unless governance arrangements are adapted.

Advantages of a CIC structure

CICs prioritise community benefit over financial return.

Advantages include:

- A statutory cap on dividends
- Flexibility in legal form (CLG, CLS, or Plc)
- Eligibility to enter a CVA, which is required under Football League rules
- The ability to create different classes of shares to balance investor and supporter interests

Barriers for CICs

- CIC CLGs cannot issue share capital and must rely on debt finance
- CIC CLSs cannot make public share offers without converting to a Plc
- CIC Plcs face significant regulatory and compliance costs
- All CICs are subject to [financial promotion rules](#)
- Democratic control is weaker unless governance is deliberately structured to address this

Some of these issues can be mitigated by using multiple share classes, including supporter shares held by a supporters' trust.

Companies Limited by Guarantee (CLGs)

A **Company Limited by Guarantee (CLG)** is a well-established and respected legal structure that is widely used by charities, community organisations, and not-for-profit bodies across the UK. Rather than issuing shares, a CLG is owned and controlled by its members, who agree to guarantee a nominal amount (often £1) in the event of insolvency.

CLGs are particularly well suited to football clubs and supporter-led organisations that want **strong democratic governance without exposure to speculative ownership**.

Key strengths include:

- **Clear member control:**
CLGs are member-based organisations and can be structured on a **one-member-one-vote** basis, ensuring democratic control regardless of financial contribution.
- **Strong protection of community purpose:**
Because CLGs do not have shareholders, there is no pressure to generate dividends or capital growth. This allows clubs to focus on **sporting success, financial sustainability, and community benefit**.
- **Compatibility with football regulations:**
CLGs meet the Football League's requirement for clubs to be structured as companies, including the ability to enter a **Company Voluntary Arrangement (CVA)** if required. This makes them a practical and compliant option within the professional game.
- **Lower risk of asset stripping:**
With no share capital and no transfer of ownership through share sales, CLGs reduce the risk of speculative takeovers and short-term ownership strategies.
- **Flexible funding options:**
While CLGs cannot issue shares, they can raise finance through:
 - Membership subscriptions
 - Loans or loan stock
 - Grants and public funding
 - Supporters' trust investment
 - Donations and community fundraising

In practice, many CLGs work effectively alongside a **supporters' trust structured as a Community Benefit Society**, which can raise withdrawable share capital and invest in or lend to the club.

- **Proven track record:**
CLGs are widely understood by regulators, funders, and governing bodies, making them a familiar and trusted structure for long-term community ownership.

CLGs as a long-term ownership model

For clubs and supporter groups whose priority is **control, stability, and community benefit rather than financial return**, a CLG can be just as attractive as a CBS. The absence of share capital removes incentives for speculation, while company law provides a robust and recognisable framework for governance and accountability.

When combined with strong constitutional protections – such as asset locks, restricted voting rights, and supporter-led boards – CLGs can offer a **secure, democratic, and sustainable model of community football ownership**.

CBS vs CLG: choosing the right structure

Both **Community Benefit Societies (CBSs)** and **Companies Limited by Guarantee (CLGs)** can provide strong foundations for democratic, community-led football clubs. The choice between them is less about which model is “better” and more about which is **best suited to a club’s circumstances, ambitions, and regulatory environment**.

When deciding between a CBS and a CLG, supporters’ groups and clubs may wish to consider the following factors:

Democratic control

Both structures can be designed to operate on a **one-member-one-vote** basis. CBSs embed this principle in law, while CLGs rely on their governing documents to achieve the same outcome.

Raising capital

CBSs can issue **withdrawable shares**, allowing supporters to invest equity directly in the organisation.

CLGs cannot issue shares, but can raise funds through **membership income, loans, grants, donations**, or investment from a supporters’ trust or other community body.

Risk and speculation

Neither structure is designed for speculative ownership. CBSs prevent speculation through non-transferable, non-appreciating shares and an asset lock. CLGs eliminate share-based speculation entirely by having no share capital at all.

Regulatory compatibility

CLGs are fully compatible with Football League and Premier League rules, including eligibility to enter a **Company Voluntary Arrangement (CVA)**. CBSs are currently restricted by league regulations, which may influence the choice for clubs operating in or aspiring to the professional leagues.

Governance and flexibility

CBSs offer a clear statutory framework for community ownership. CLGs offer greater flexibility in governance design, allowing clubs to tailor their constitutions to local needs while remaining within company law.

Long-term objectives

A CBS may be particularly attractive where **broad supporter investment** is a priority.

A CLG may be preferable where **stability, regulatory compliance, and protection from ownership change** are the overriding concerns.

What is best for my club?

There are no one-size fits all options. You need to figure out what your aims and objectives are, what you want your club to achieve and what means the most to your club and its fanbase before you start to consider which structure would be most suitable.

See all the options as busses rather than taxis. You aren't going to find one that goes exactly to your destination, but you can find the one that takes you closest then customise it to fit your needs.

Check out the simple decision chart below to help find your best fit!

