

The rise of a club beyond its history and dreams

Hull City's first experience of the top division is down to shrewd business, civic pride and happy timing

A Premier League table with Hull City beaming out in sixth place presents the season's most romantic story, a crucible of local pride amid all the global brands. But there is also a hard business nose behind Hull's rise and to understand it you begin at the KC Stadium.

The launch pad for City's revival, the stadium was built by the local council for £43.5m and the source of the money tells its own tale about Hull. The city feels far from everywhere - a "cul-de-sac ending at the sea" as one fan at Sunday's match cheerfully described it - and uniquely it has its own telephone company, Kingston Communications, with trademark white phone boxes. In 1999 the council made £263m from selling part of the company and resolved to build a new, landmark stadium for the football and Hull FC rugby league clubs as a statement of ambition in their futures and in that of an often beleaguered city itself.

The council was not, however, too eager to sign that bonanza over to the club while it was substantially owned by Stephen Hinchliffe, who in February 2001 was sentenced to five years in prison (reduced to four on appeal) for corruption and bribery following the £70m collapse of his company, Facia. Hinchliffe, with a businessman, Nick Buchanan, had in 1998 bought 65% of Hull from David Lloyd, the former tennis profes-

sional and fitness clubs entrepreneur, who had become disillusioned after failing to rouse the slumbering Tigers at Boothferry Park.

Hinchliffe was a living, breathing, Mercedes-driving advert for a fit-and-proper-person test. The police had been investigating him for fraud since Facia's 1996 collapse and the Department for Trade and Industry had also been seeking to disqualify him from acting as a company director.

The game's authorities were then still deriding the idea of establishing such a test and, even now they have introduced it, somebody with long-standing criminal investigations hanging over him can still take over a club - as Thaksin Shinawatra did at Manchester City. People are barred from being club directors, or 30% shareholders, only once they have been convicted or disqualified.

In February 2001, with Hinchliffe still the largest shareholder, Hull City fell into administration with debts of £1.8m, after Lloyd changed the Boothferry Park locks because Buchanan's regime had lapsed on the rent.

Into this landscape arrived Adam Pearson, the Leeds United commercial director who, it would turn out, was leaving Peter Ridsdale's Elland Road with shrewd timing. Backed financially by a Leeds-based internet entrepreneur Peter

Wilkinson, Pearson saw in Hull's wreckage "massive latent potential": a one-club city, no competitors for miles around, with a council presenting it with a new stadium.

Pearson and Wilkinson bought the club from the administrator for £360,000 and the council was prepared to do business with them. In December 2002 City moved to the KC Stadium, immediately attracting extraordinary crowds, beginning with 22,000 for the first home game, against Hartlepool, in the bottom division. Pearson recalls "immense pride" from fans hungry for respectability and success.

He says he and Wilkinson invested some money, although the club was soon self-funding, and he went through two managers, Brian Little and Jan Molby, before finding Peter Taylor, "the right man at the right time", to win Hull promotions in 2004 and 2005. In the Championship their ascent faltered; Pearson says the economics in that division are awful, the clubs without parachute payments all losing money trying to compete.

"It needed a boost financially," he explains, "which wasn't available to me."

Two businessmen, Paul Duffen and Martin Walker, and an Essex-based property investor, Russell Bartlett, were looking to buy a football club when West Ham, whom Bartlett supports,

were for sale in 2006. The Icelandic bank Landsbanki was backing them initially but after West Ham won promotion the price tripled and the Icelanders ultimately bought the club themselves. Duffen's consortium continued looking at Championship level, first at Cardiff before Keith Harris, merchant banker and serial football takeover broker, introduced them to Hull. It was, Duffen says a little unromantically, "a perfect box-tick": wide catchment area, new stadium all paid for and property around it to develop.

They bought the club in June last year for a reported £13m. Pearson shared his handsome profit for seven years' involvement with his backer, Wilkinson. They looked for another club, tried to buy Leeds out of administration but lost to Ken Bates' consortium, then Pearson bought into Derby County, ushering them quickly into a takeover led by the United States consultancy GSE.

"I don't feel regret," Pearson says of selling Hull just before their delirious promotion to the Premier League. "I had seven great years, it was a fantastic deal financially and the club needed new investment."

When planning how to vault the financial chasm between the Championship and Premier League Duffen and Bartlett calculated that clubs with parachute payments have wage bills of £12-£15m, so to have half a

chance of competing by paying wages of £8m, Hull would lose £6m. So they budgeted to invest that, £6m, for three seasons, Duffen moving from Surrey to become full-time chairman in Essex and providing most of the money.

Under Phil Brown, an inspired appointment, they made it, via the play-offs, in one season. Around football they are considered to have spent the £30m Premier League TV windfall wisely. Duffen explains it: they looked for free agents, where no transfer fees were payable, unearthing this season's find, Geovanni, that way, but did spend to sign others: £500,000 for George Boateng, £1m for Daniel Cousin, more than £2m each for Anthony Gardner, Kamil Zayatte and Peter Halmosi; 12 players altogether, without borrowing. If Hull do not make it this season - "We don't use negative words like relegation at this club," Duffen says firmly - the players' contracts stipulate they can leave for free, or take a drop in wages, to ensure the books would balance. If they survive, Hull could become a Premier League fixture.

A debt-free Premier League club with a paid-for stadium would surely fetch more than £13m from a buyer but Duffen, clearly relishing being involved, says they have no plans to sell. Duffen argues that City, given their catchment area, which includes wealthy stretches of

Yorkshire as well as poor neighbourhoods in Hull, can be "bigger than Bolton, Blackburn, Reading, Wigan and Middlesbrough". Asked whether he is pleasantly shocked by Hull's start in the Premier League, he says no.

"This was our plan, we have confidence in Phil Brown, the coaching staff and players and, when a plan succeeds, you should not be shocked," he argues - with, throughout, a determined and straight face.

A brief history of Hull

1865
Hull FC, the rugby league club, is formed

1904
Football club Hull City formed, renting at Hull FC's Boulevard Ground

1910
Tigers finish third in the Second Division, the closest they came to top-flight football until last season

2002
Still in the old Third Division, City move from Boothferry Park to the new KC Stadium; Hull FC move from the Boulevard to share the ground

2008
Hull City win promotion to the Premier League, the top flight, for the first time in their history

