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**Faculty of Economics and Management**

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**Bachelor Thesis Abstract**

**Economic evaluation of selected sport club**

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# 1 Abstract

Economic evaluation of the club, is one of the most important elements of why the owners of clubs buying and pumped into them its considerable financial resources. The theoretical part summarizes the different possibilities of how football or in some case and other sports clubs raise funds. Specifically, the analysis of AC Sparta Prague Inc., was drawn from the financial statements of the club since the Spartans dominate the new majority shareholder in the form of J&T Credit Investment Inc.. For these annual reports were created graphs and tables that clearly show that in the Czech conditions, when the club does not play in the group stage of the Champions League is hardly possible be profitable of owning a football club in the Czech Republic. When compared with other clubs and it is seen that in other clubs, the situation is similar with the only difference high economic background Sparta, which allows despite annual financial losses stay on the highest level in the Czech republic. Analyses are seen two basic factors improved financial performance. It's selling players abroad and success in European competition.

Keywords: sports economics, sports industry, football clubs, operation and financial performance, AC Sparta Prague Inc., European competitions

## 2 Introduction

In this work will be analyze the financial resources of the sports club, because this is very interesting topic. For sports club it is one of the most basic things raising finance for their functioning. Opportunities for obtaining financial resources, there are many and goals in this work are to determine how the club uses these options. Over the last fifty years, the sport has undergone a very dynamic development. Sport nowadays a lot of influences by the free market economy. Preference economy in the sport is reflected mainly in the creation of financial resources, changes in the system of sporting activities and in the development of material base of sports.

Nowadays in the Czech Republic has changed the creation of financial resources, mainly by expanding their number and manner of their use. Sport has entered into commercialization and preferences of economic interests. Without economic support for the sport, however, in the form in which we know it today could not exist and developing.

Sports clubs can benefit from financial resources in the form of subsidies from local governments, from sports associations or from European funds. They can also get grants from foundations and endowment funds. The most important source of competitive sport sponsoring and other hand in the performance sport are especially important membership dues. Sports club gets revenue from ticket on yields, sports events and games. Next way is the club can show a profit in the management of their property, may receive gifts, can use bank loans and so on.

For the purpose of this work will be football Club AC Sparta Prague. This football club is the richest and the biggest in the Czech republic. This work uses the knowledge from manager of the club, who has been in the creation of this work very helpful, since I provided a valuable advice from industry in acquiring funds.

Football is the most popular sport in the Czech republic. And because the base of people who want play it, work on it, sponsorship or be something connected with these phenomena is very high percentage of Czech population. The economic power of football is too very high. This environment combines sporty cast like fun with business part.

### **3 Goals of bachelor work:**

- 1) Identify environment of sports.
- 2) Find the ways of financing sports clubs.
- 3) Sources of support sport in Czech republic.
- 4) Characterized of selected football club, and its analyze of financing.
- 5) Results about profitable of owning sports club in the Czech republic.

### **4 Conclusion**

In my work I analyze the situation of economic evaluation in the club AC Sparta Inc.. In the theoretical part I describe history of sport, concretely footballs history. In this part of bachelor work are mentioned sources of options to financing professional or semiprofessional footballs clubs. The big place has there too structures of sports clubs, which is very important for financing from the public financial sources.

Practical part is concretely focused on the selected club AC Sparta Inc.. The numbers of financial statements are analyzed in charts and tables. Every part of revenues has the big influence to the evolution of budget to the season. The budget of Sparta for the season is more than 300 millions CZK. Main items, which must fill these numbers in budget is profit from transfer of players and the money from starts in European competitions. In Sparta is typical when they had success in Europe next year the sold someone player for tens of millions CZK. But in the last five years is not profitable this way of economics. The loss of Sparta from the season 2010/2011 to 2014/2015 is 667 774 thousands CZK. Numbers that are supported by the financial statement of every year are answer to my goal number five. It can be football club in the Czech environment profitable? From this bachelor thesis and analyze economic situation in Sparta showing it is not possible without money from the Champions league. This competition it must be the goal for Czech clubs to the next years. The coefficient is near to the straight advance to basic group of Champions league. It means when you are champion in Czech league you go straight to the group of the

most famous league around the world. It must be goal for Sparta it can try achieve their economic situation to the black numbers without support of expenditures for ensure the club by J&T in the hundreds of millions CZK. There must be financial investment of the owner but it can be in the lower level than nowadays. Football is in this time something like show business. Players are like actors in the theatre and the show around matches and things connection with it must be profitable for the selected club.

Goals of bachelor thesis were met but the analyze is not gladdening for the football club AC Sparta Prague Inc. with the highest budget in the Czech republic they have the biggest ambition in Czech league but rivals can play with smaller power of results and it can be advantage in the performances on the pitch. The government must support Czech sport by investment from lottery and to young players, because this is way how bring up new players to the big football scenery. Sparta has every assumption be the best football club in the Czech republic like on the pitch and in the economy sphere too.