Abstract

Title: The impact of COVID-19 pandemic on the economy of selected clubs in Czech hockey league.

Objectives: The main objective of this paper is to evaluate the impact of COVID-19 on the economy of clubs HC Sparta Prague and Mountfield Hradec Králové.

Methods: The main methods that were used in this paper were analysis and usage of instruments of financial analysis to assess the impact of COVID-19 pandemic on the economy of said clubs. Another method used in this paper was an interview with representatives of mentioned clubs.

Results: From conducted research shows that the pandemic had a direct impact on clubs economics. The biggest impact that the pandemic had was on revenues of the club, mostly tickets sales were affected, because spectators could not attend matches. The biggest decrease of revenues was from ticket sales, year-on-year decrease od revenues was in club HC Sparta Praha 79,03 %, which is equal to 26,15 milions CZK, in team Mountfield HK this decrease was 66,26 %, which is equal to 12,35 milions CZK. Other area of revenues that was affected were revenues from promotion and advertisement – HC Sparta Praha year-on-year result was lower by 29,60 mil. CZK (21,3 %) and Mountfield HK by 6,68 mil. CZK (9,5 %) Because of said impact the clubs had to face a challenge to find enough funds to support its operation. Both clubs reacted by cutting costs of players rewards, while HC Sparta Praha after consulting with players agreed on 50 % cut, then later 20 %, the same step was taken by Mountfield HK, moreover they terminated contracts of few players because of vis major, the suit will be settled by court. The loss of HC Sparta Praha in COVID-19 affected seasons was 38,88 mil. CZK before tax. Because of lower budget of Mountfield HK the cuts of costs and support from government, the financal result of the club was positive, equal to 2,28 mil. CZK before taxation.

Key words: Economical crisis, finance, financial analysis, hockey, pandemic, revenues, balance sheet, sport, costs, profit and loss account.