



Begbies Traynor Football Distress Survey

Scottish Football League – March 2013

One in Eight Scottish Football Clubs ‘Facing Financial Distress’

One in eight Scottish football clubs are still facing financial distress according to new figures from leading business rescue and recovery specialist Begbies Traynor.

The Begbies Traynor Red Flag Alert Football Distress Survey has shown that four clubs (13%) in Scotland’s three top divisions are displaying signs of financial distress at the end of March 2013. The level has fallen by half since October 2012 when six clubs (19%) were in peril, and the new report reveals that exactly the same number of Scottish clubs are in financial distress as when the survey was first carried out in March 2012.

“Levels of distress within football clubs have actually fallen since the peak of last year’s problems in October...”

This latest survey comes at a time when most clubs’ finances are at their weakest after the majority of their season ticket, sponsorship and television revenue has been spent, as the football season nears its climax.

“Levels of distress within football clubs have actually fallen since the peak of last year’s problems in October, and this positive trend counters the seasonal peak of pressure on clubs’ finances that usually comes in the spring,” said Ken Pattullo of Begbies Traynor in Scotland.

“...it was widely accepted that a sea change was needed in the way clubs approached their finances.”

“After a number of well-publicised club failures here in Scotland it was widely accepted that a sea change was needed in the way clubs approached their finances. These survey results show that while clubs have started to address their financial management issues, the same worrying levels of distress are present as there were a year ago, but the game has coped with the disruption that the Rangers administration caused last year.

“The fall in distress levels in the past six months even comes despite a fall in average attendances overall in the top three divisions, and shows that the vast majority of clubs have coped with the ‘Rangers effect’ that saw the average gates in the Scottish Premier League fall by almost 30%. Overall there are actually 5% more fans going to matches in the top four divisions, and that is great news for the future of the game in Scotland. That said, there are still four clubs facing serious if not necessarily terminal financial problems, and we expect to see more difficulties in the coming year,” he added.

Business distress signals, as measured in the survey, comprise a range of significant financial problems that include clubs with serious court actions against them, including winding up petitions and high court writs; clubs that have been issued with striking off notices for late filing of accounts; those with county court judgments against them; and those with serious negative balances on their balance sheet.

“...the finances of Scottish football clubs have remained similar to a year ago...”

The figures show that while an average of just 2% of UK businesses are showing such symptoms of distress, 13% (one in eight of the 32 football clubs surveyed) show the same degree of financial ill health, a similar level of distress as an average across the 72 top English league clubs outside of the Premier League.

In England, match attendances in the top four divisions fell by 1%, and unlike in the Scottish leagues it was the lower divisions in English football that saw the biggest fall in ticket sales.

“The Rangers relegation has sent average attendances in division three through the roof, as expected, with average gates up by over 1,000 %, but of course the majority of this benefit is felt by the Ibrox club.

“Overall, the finances of Scottish football clubs have remained similar to a year ago, and have dramatically improved since six months ago in October, when historically the clubs have most of their cash reserves. This is a welcome trend and we hope that clubs can make further progress over the summer and into next season.”

** The Red Flag Alert statistics in this survey were accurate as at 25 March 2013.*

** The survey is anonymous and the clubs surveyed cannot be named.*

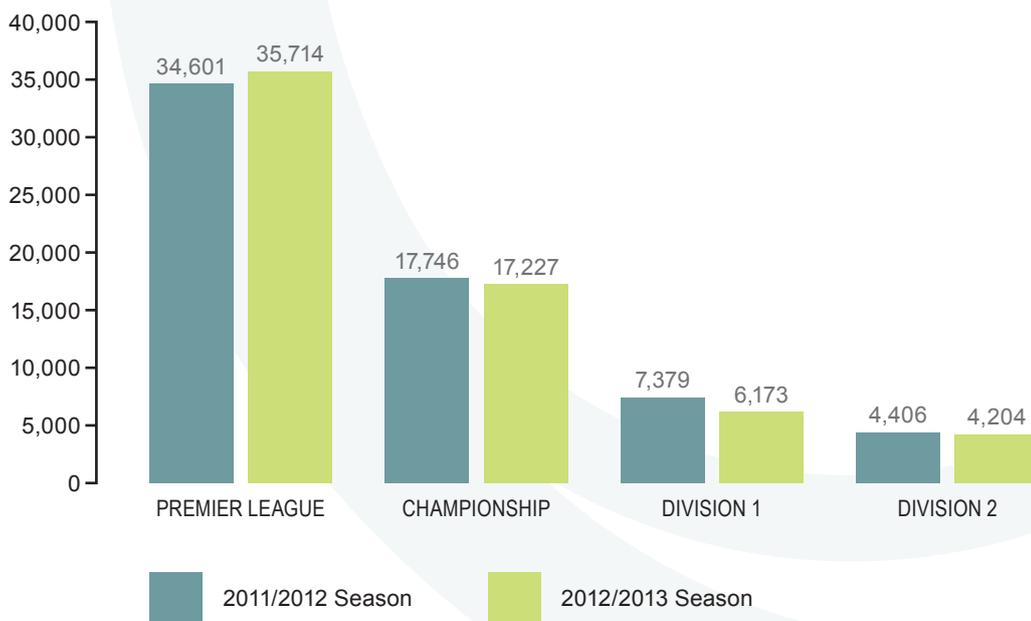


Average Scottish League Attendances – 2012/2013 Seasons



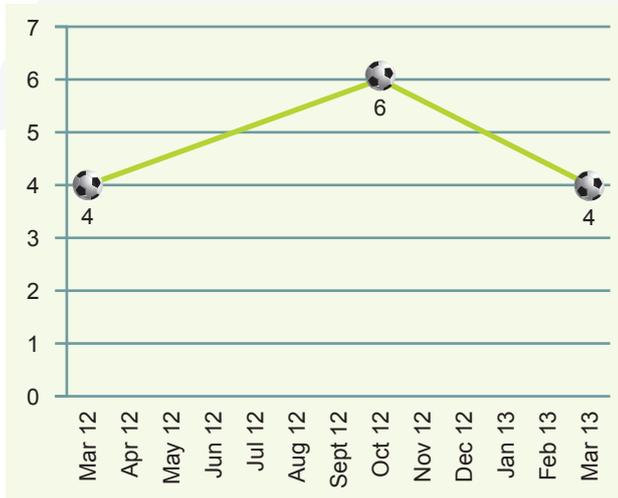
Source: ESPN

Average English League Attendances – 2012/2013 Seasons



Source: The Football League

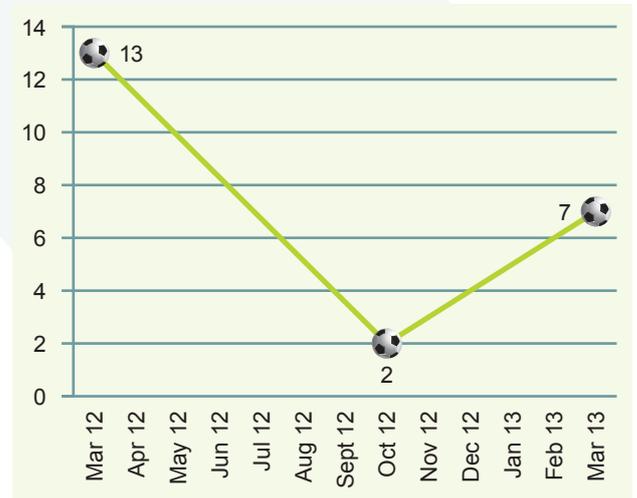
Football Club Distress – 2012/2013 Scottish Football League



Number of clubs in distress

Source: Red Flag Alert

Football Club Distress – 2012/2013 English Football League



Number of clubs in distress

Source: Red Flag Alert

For Further Information

If you would like to discuss any of the issues raised in this survey or would like further details about the services we provide to help underperforming businesses please contact:



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