



Sports club Braga accounts analysis for the last three seasons

Maria José da Silva Faria¹, Nuno Sousa Campos², Catarina Isabel da Silva Magalhães³, Miguel Teixeira Carneiro⁴, Rafael Rodrigues de Jesus⁵

¹ PhD in Business Sciences, Professor at Universidade Lusíada Norte and Instituto Universitário da Maia, Portugal

² Student of Sport Management Course at ISMAI Coach at Sport Club Castêlo da Maia, Portugal

³ Student of Sport Management Course at ISMAI, Portugal

⁴ Student of Sport Management Course at ISMAI Athlete at club Atlético de Rio Tinto, Portugal

⁵ Student of Sport Management Course at ISMAI, Collaborator with mold-tech Company, Portugal

Abstract

Sporting Clube de Braga's accounts were elected because it was a sports club officially founded on January 19, 1921. It is an eclectic club that, apart from football, is distinguished in sports such as athletics, swimming, futsal, billiards, taekwondo or basketball, with a remarkable national and international acclaim. The methodology used in this study was that of an exploratory analysis through the observation of the accounts reports of the last three sports seasons. The data used in the analysis of the Sporting Club de Braga accounts were obtained through the official website of the sports organization. Its history, together with its mission and values, are also information made available by the sports organization on its official website. We can conclude that its assets gradually increased over the three sports seasons, the equity, decreased from the first sports season to the second sports season, and recovered this decrease in value in the third sports season. In relation to performance, the club has always shown positive results over the three seasons analyzed, which is why we can see a positive evolution of the club.

Keywords: Braga, sports, history

1. Introduction

Sporting Clube de Braga is a sports club officially founded on Wednesday, January 19, 1921 and based in the city of Braga.

Sporting Braga is the seventh Portuguese club with more football titles. The awards include the Portuguese Cup in the seasons 1965/66 and 2015/16, the Portuguese Football Federation Cup in 1976/77 and the League Cup in 2012/13. In the last seasons it qualified repeatedly in the first five places of the Portuguese championship, assuring assiduous presences in the UEFA Cup and Champions League with meritorious results. The conquest of the Intertoto Cup in 2008 (the only Portuguese club to have won the competition in this way and one of the 4 Portuguese clubs with European titles), the second place in the Championship in 2010, the unprecedented presence in the group stage of the 2010/11 edition of the Champions League and later in the group stage of the same in the 2012/13 edition and the second place in the UEFA Europa League of 2010-11, are unique moments of the international affirmation of the Portuguese club that has grown more in recent years.

The increase in sports growth has been accompanied by a significant increase in the number of members. Currently, Braga is the fourth club with the most members, with more than 30 000 members.

At the end of the 2009/10 season, when the club was competing for first place in the championship with Benfica, several thousand fans accompanied the team on trips to the cities of Leiria and Figueira da Foz. At home, the game with more fans was the reception to Marítimo on February 14, 2010 which had 30,184 spectators in the stands of the Municipal Stadium of Braga.

Main historical dates for the club:

- 1921- Foundation of Sporting Clube de Braga: on 19 January 1921, a group of young Minho youths met with the idea of creating a football club in the city of Braga. Thus, Sporting Clube de Braga was born.
- 1948- Champion of the 2nd Division: on 29 January 1947, Sporting Clube de Braga became champion of the second national division, thanks to a victory over the "Eleven United" at Montijo.
- 1948- Climb to the 1st Division: after consecutive seasons in the second national league, Sporting Clube de Braga moved up to the I National Division, through the victory at Montijo mentioned above.
- 1950- Opening of the 28th of May Stadium: in 1950 the 28 de Maio Stadium was inaugurated, becoming the new "home" of Sporting Clube de Braga. Currently the stadium is called Stadium 1- de Maio.
- 1964- Champion of the 2nd Division: on April 20, 1964, Sporting Clube de Braga guaranteed the climb to the 1st National Division, through a home victory against Covilhã.
- 1966- Conquest of the Portuguese Cup: on 22 May 1966, Sporting Clube de Braga won the Portuguese Cup against Vitoria de Setúbal at the Jamor stadium. With this victory, the club guaranteed, for the first time in its history, participation in an international football competition.
- 1971- 50 years of the club: the 50th anniversary of Sporting Clube de Braga, took place in a ceremony held in the Medieval Hall of the Public Library.

- 1975- Return to the 1st National Division: in 1975, Sporting Clube de Braga return to the I National Division, behind FC Porto, SL Benfica is SC Portugal, the club for more consecutive years in the I National Division.
- 1977- Portuguese Football Federation Cup: in the 1976/1977 sports season, Sporting Clube de Braga won the Portuguese Football Cup, in the only edition of the competition.
- 1981- Gold Medal of the city in the 60th anniversary: in the celebrations of its 60th anniversary, Sporting Clube se Braga received the Gold Medal, awarded by the Braga City Council.
- 1996- Diamond Wedding: celebration of 75 years of Sporting Clube de Braga.
- 2003- Braga Municipal Stadium: on December 30th 2003, the Municipal Stadium in Braga, better known as Estádio da Pedreira, was inaugurated. This inauguration affirms itself as a benefit for the municipality, valuing the city and the region.
- 2008- Interto Cup: of all the clubs that took part in this competition, Sporting Braga were the ones that went the furthest, being also the last winner of the competition.
- 2010- First time in the Champions League: in the 2010-2011 sports season, Sporting Clube de Braga made its debut in the Champions League with a home win against Celtic. After eliminating Celtic and Sevilla, SC Braga ensured their presence in the group stage of the Champions League.
- 2011- European League Vice Champion: on 18 May 2011, Sporting Clube de Braga lost to FC Porto in the European

final in Dublin, thus bringing their European dream to an end.

- 2013- League Cup Winner: in the 2011/12 sports season, Sporting Clube de Braga reached, for the first time, the semi-finals of the League Cup. Therefore, in the following sports season, the club's course became longer, ending up winning the League Cup.
- 2016- Conquest of the Portuguese Cup: on 22 May 2016, 50 years after their last victory, Sporting Clube de Braga won the Portuguese Cup at the Jamor Stadium against FC Porto.

Taking into account its history and the study that is intended to be done, we sought to verify the positions that the club reached during the sporting seasons under study. In the 2016/2017 sports season, Sporting Clube de Braga finished the season in fifth place, eight points behind their direct rival from Minho, Vitoria Sport Club. In the following sports season (2017/2018), Sporting Clube de Braga finished the season in fourth place, just three points behind third place, Sporting Clube de Portugal. In the last sports season distinguished for the case study (2018/2019), Sporting Clube de Braga voted to finish the season in fourth place, this time seven points behind the podium, finished by Sporting Clube de Portugal.

2. Empirical analysis

A look at the club's reports and accounts was made from which the information in table 1 below was extracted. The analyses of the accounts shall be made according to the times at which the account reports were drawn up.

Table 1: Balance sheet (Values in euros)

Assets	2016	2017	2018	2019
Non-Current Assets	18 475 207	26 854 461	26 854 460	45 081 876
Current Assets	9 618 062	21 490 323	21 490 323	12 347 766
Total Assets	28 093 269	48 344 783	48 344 783	57 429 642
Equity Funds and Liabilities Equity				
Total Equity Fund	11 975 368	14 752 351	14 752 351	12 923 049
Liabilities				
Non-Current Liabilities	101 544	9 831 793	9 831 793	17 368 254
Current Liabilities	16 016 358	23 760 630	23 760 638	27 138 338
Total Liabilities	16 117 901	33 592 432	33 592 432	44 506 593
Total Equity Funds and Liabilities	2 893 269	48 344 783	48 344 783	57 429 642

Source: the authors

The club grew between 2016 and 2019, with the 2017 and 2018 seasons being the seasons that most capitalized on the club's assets. It also grew from an estimated 16 million euros in debt to 33.5 million euros in 17/18 and 44.5 million euros in 18/19.

These facts can be explained by the purchase of several players, which forced the club to resort to banks to take out loans that could ensure payment of wages to them.

The club's overall liquidity ratio shows that it is increasing its ability to meet short-term debts. At the level of reduced liquidity it is also increasing again demonstrating that the club has the means to meet its short-term liabilities. The opposite is true for the immediate liquidity, because although the club has sufficient means to meet its debts, the money it has is not sufficient to pay short-term debts. This is why it may have some financial difficulties, but it should focus its vision on the medium and long term to ensure a sustainable form of sports management.

3. Conclusion

Through the analysis of Sporting Clube de Braga's accounts, we came to the conclusion that its assets have progressively increased over the course of the three sporting seasons. As far as its equity capital is concerned, it decreased from the first sports season to the second sports season, having recovered this decrease in value in the third sports season. With regard to the income statements, the club has always shown positive results, i.e. its income has always been higher than its expenses. With the help of the calculation of the different ratios, we infer that Sporting Clube de Braga does not present a value of current assets higher than the value of short-term liabilities, since none of the values was higher than 1 (or 100%). Therefore, Sporting Clube de Braga may find itself in a situation of financial imbalance, leading to liquidity problems.

4. References

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