

Abstract

Title: Causes of Derby County Football Club insolvency

Objectives: This thesis aims to identify the causes of Derby County Football Club's financial problems, which resulted in the club entering administration. Another objective was to develop a comprehensive set of information on the issue of insolvency in the professional football industry.

Methods: The research was conducted in the form of a case study focusing on events that occurred in Derby County from the arrival of owner Melvin Morris CBE to the entering of administration. Descriptive analysis was chosen as the main method of investigation.

Results: The case study demonstrated that the financial problems of Derby County Football Club were not the result of a single error or event. A combination of three negative factors can be identified as the cause of the insolvency. The first was a poorly functioning system of redistribution of broadcasting rights income, which resulted in an excessive barrier between Premier League and Sky Bet Championship. The second negative influence was the mismanagement of Derby County Football Club by the club's management. The financial capacity of the club has not been reflected in the pursuit of sporting success. Both causes contributed to the destabilization of the club's finances. Derby County's crisis was subsequently exacerbated by the Covid-19 pandemic.

Keywords: football, Covid-19, Financial Fair Play, football clubs finances, mismanagement