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# THE FINANCIAL IMPACT OF THE FA CUP

This report contains financial and other supporting analysis by Deloitte

# Contents page

Introduction	4
Executive summary	7
Income generation for clubs	9
Club case studies	15
Appendix 1: Limitations	23



# Introduction

- This document contains financial information in respect of The FA Cup over the ten year period from 2001/02 to 2010/11, including:
  - Annual TV and prize money payments;
  - Total gate receipts generated by competition matches in each year; and
  - Case studies for a sample of English football clubs, outlining the revenue impact of participating in The FA Cup in selected years.
- The financial analysis outlined within this document, as described above, has been conducted by Deloitte in respect of information provided to it by The FA.

## Methodology

### TV and prize money payments

- Deloitte have set out the annual TV payments and prize money distributed by The FA to clubs participating in The FA Cup for every season from 2001/02 to 2010/11. Deloitte have also set out The FA's forecast TV payments and prize money distributions for the 2011/12 season.

### Gate receipts

- Deloitte have outlined the total gate receipts generated annually by FA Cup competition matches for the period 2001/02 to 2010/11.
- Total gate receipts shown for each year are gross figures before matchday expenses and VAT are deducted. Gate receipts received by case study clubs in the particular year Deloitte have focussed on are net amounts, after

matchday expenses and VAT are deducted, and according to The FA's rules regarding the proportion allocated to the home club, away club, and central pool in respect of competition matches.

- Deloitte calculations are based on information provided to Deloitte by The FA. In some cases Deloitte have estimated gate receipts for certain matches, using attendance data and assumptions on ticket price and matchday expenses.

**The FA Cup with Budweiser is the world's oldest and greatest domestic cup competition. In the 2011/12 season, 763 clubs across England were accepted to play in the competition.**

## Case study clubs

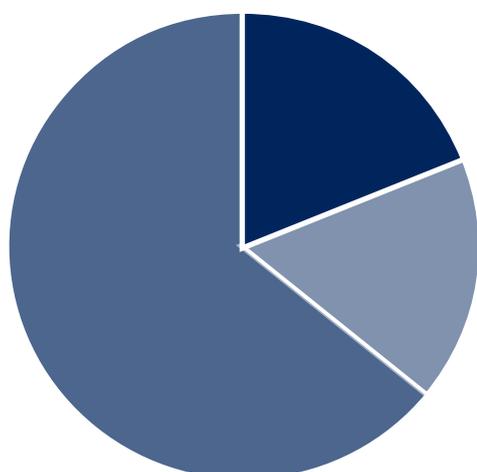
- Further analysis is provided in respect of the performance of selected case study clubs from various tiers of the English football pyramid in certain years.
- In respect of each club and the selected year, Deloitte provide data on prize money distributions, TV payments and estimated gate receipts received, as well as total estimated FA Cup revenues as a proportion of total club revenues for the selected season.
- Total revenues in respect of each case study club have been sourced from audited financial statements, or in some cases where such information is unavailable Deloitte have estimated total club revenues based on information available on that club for previous years and/or available data for comparable peer group clubs.
- For the avoidance of doubt, the scope of work has not included any direct contact, consultation with, or information provision from the clubs concerned.
- The case study clubs, and the season forming the focus of our analysis are set out below:
  - Premier League: Stoke City (2009/10, Sixth Round Proper)
  - Championship Millwall (2003/04, Runners Up)
  - League 1: Leyton Orient (2010/11, Fifth Round Proper)
  - League 2: Accrington Stanley (2009/10, Fourth Round Proper)
  - Clubs outside the Football League:
    - > Havant & Waterlooville (2007/08, Fourth Round Proper)
    - > Burton Albion (2005/06, Third Round Proper)
    - > Crawley Town (2010/11, Fifth Round Proper)

**In total The FA Cup has delivered almost £650m in prize money, TV payments and gate receipts to participating clubs over the ten year period 2001/02 to 2010/11.**

# Executive Summary

## Overview

- The FA Cup has delivered £643m in prize money, TV payments and gate receipts to participating clubs over the ten year period 2001/02 to 2010/11, comprising:



- Prize money: £121m
- TV payments: £109m
- Gate receipts: £413m

- The competition can provide important financial benefits for participating clubs at all levels of the English football pyramid.
- For example, Manchester City earned £3.4m in prize money and £0.9m in TV payments from winning the competition in 2010/11.
- For clubs further down the football pyramid, a draw against opposition higher up the leagues provides the opportunity to receive a windfall from being part of a televised match and through its share of gate receipts.
- The FA is forecast to distribute up to £24m in prize money and TV payments in 2011/12.
- Deloitte have provided case studies of football clubs at five tiers of the English football pyramid, highlighting the revenues derived from participating in The FA Cup in particular years and what proportion this contributed to overall club revenues.
- The case studies highlight the substantial financial contribution a good FA Cup run can have on a club's revenues.

## FA Cup revenues for selected clubs

League	Club	Season	Total revenue from The FA Cup (£m)	Proportion of total club revenue
Premier League	Stoke City	2009/10	2.1	4%
Championship	Milwall	2003/04	2.9	29%
League One	Leyton Orient	2010/11	1.4	30%
League Two	Accrington Stanley	2009/10	0.1	10%
Non-League	Havant & Waterlooville	2007/08	0.6	70%

Source: The FA, clubs' annual financial statements, Deloitte analysis



# Income generation for clubs

## FA Cup TV payments and prize money 2001/02 – 2010/11

Season	TV payments (£'000)	Prize money (£'000)	Total (£'000)
2001/02	13'080	12'650	25'730
2002/03	13'490	12'690	26'180
2003/04	12'170	10'690	22'860
2004/05	10'070	9'660	19'730
2005/06	10'600	9'670	20'270
2006/07	11'130	9'630	20'760
2007/08	9'010	9'650	18'660
2008/09	10'830	16'410	27'240
2009/10	9'210	14'950	24'160
2010/11	9'590	14'950	24'540
10 year total	109'180	120'950	230'130

Source: the FA, Deloitte analysis

- TV payments and prize money paid by The FA to clubs in respect of FA Cup matches totalled £25m in 2010/11.
- TV payments and prize money are linked to the quantum of rights fees received from The FA's broadcast partners for the competition.
- Prize money payments to clubs totalled £121m for The FA Cup competitions between 2001/02 and 2010/11, with £109m in TV payments.
- For the most recent season (2010/11) a total of £24.5m was paid out, split between prize money (circa £15m) and TV payments (£9.6m).
- The 2008/09 FA Cup total prize fund payments increased by 70% from the prior year, with a new prize money structure meaning individual payments increasing for winners at each stage of the competition. For the first time, clubs reaching the Semi Finals and Final were guaranteed prize money even if they lost in that round. The two clubs eliminated at the Semi Final stage each received £500k, with the runner up and winner receiving £2m and £3m respectively across the Semi Final and Final matches.
- In the 2010/11 competition, the two clubs eliminated at the Semi Final stage each received £450k, with the runner up and winner receiving £1.8m and £2.7m respectively across the Semi Final and Final matches. Manchester City, The FA Cup winners in 2010/11, received total prize fund payments of £3.4m.

## Forecast 2011/12 income generation

### FA Cup forecast live TV payments 2011/12

Round		Number of live matches	Fee per televised club (£)	Fee per round (£)
Round 1		3	67'500	405'000
	Replays	2	33'750	135'000
Round 2		3	72'000	432'000
	Replays	2	36'000	144'000
Round 3		5	123'500	1'235'000
	Replays	2	62'000	248'000
Round 4		5	123'500	1'235'000
	Replays	2	62'000	248,000
Round 5		5	212'000	2'120'000
	Replays	2	106'000	424'000
Round 6		4	212'000	1'696'000
	Replays	2	106'000	424'000
<b>Total</b>				<b>8'746'000</b>

Note: Highlights payments are also made in respect of 3 matches (6 clubs) in each of Rounds 1 to 5  
Source: The FA

### FA Cup forecast prize money payments 2011/12

Round	Number of teams	Payment per round winner (£)	Total payments per round (£)	Cumulative payments (%)
Extra Preliminary	408	750	153'000	1%
Preliminary	334	1'500	250'500	3%
Q1	232	3'000	348'000	5%
Q2	160	4'500	360'000	7%
Q3	80	7'500	300'000	9%
Q4	64	12'500	400'000	12%
Round 1	80	18'000	720'000	17%
Round 2	40	27'000	540'000	21%
Round 3	64	67'500	2'160'000	35%
Round 4	32	90'000	1'440'000	45%
Round 5	16	180'000	1'440'000	54%
Round 6	8	360'000	1'440'000	64%
Semi Finals (losers)	2	450'000	900'000	70%
Semi Finals (winners)	2	900'000	1'800'000	82%
Final (losers)	1	900'000	900'000	88%
Final (winners)	1	1'800'000	1'800'000	100%
<b>Total</b>			<b>14'951'500</b>	

Source: The FA

- The FA is forecast to distribute £23.7m in TV payments and prize money in 2011/12
- Up to 40 live matches will be broadcast live in 2011/12, comprising 16 matches on ITV and 25 on ESPN (both broadcasters sharing the Final).
- Clubs also receive payments for featuring in highlights programming and as part of radio commentary.

## **Should The FA Cup winner be a Premier League or Championship club entering at the Third Round stage, it will receive a total of £3.4m in prize money alone.**

- For lower league and non-league clubs, the prize funds on offer throughout the competition proper can represent a significant additional revenue source.
- In keeping with 2010/11, should The FA Cup winner be a Premier League or Championship club entering at the Third Round stage, it will receive a total of £3.4m in prize money.



## Gate receipts

### FA Cup gate receipts generated by clubs 2001/02 – 2010/11

Season	Gate receipts (£'m)
2001/02	34
2002/03	35
2003/04	38
2004/05	42
2005/06	37
2006/07	48
2007/08	42
2008/09	50
2009/10	39
2010/11	48
10 year total	413

Note: figures are gross gate receipts including VAT  
Source: The FA, Deloitte analysis

- Gate receipts generated over the ten seasons from 2001/02 to 2010/11 are estimated to total in excess of £400m, averaging circa £41m per season, driven by total attendances of 22.7m over the same period. These figures represent the total amounts paid by spectators, including VAT.
- The total of gate receipts for a given season is dependent on the total number of matches and number of home ties played by the larger Premier League clubs.
- For matches from the Third Round Proper up to and including the Sixth Round Proper, net gate receipts from each match are split between the two teams involved, the 'Pool' and The FA. Net gate receipts are the total ticket takings for the match less VAT and certain costs, for example travelling and accommodation expenses of the visiting club.
- Payments into the 'Pool' are distributed to Premier League and Football League clubs which participated in the competition; payments to The FA are subsequently distributed to non-league clubs who participated in the First Round Proper of the competition.
- Prior to the Third Round Proper of the competition each team in a tie will receive at least 47.5% of the net gate receipts from that match. For any tie up to and including the Sixth Round Proper a non-league club will receive a minimum of 47.5% of net gate receipts.
- For clubs in the lower leagues or outside the Football League it is often more financially attractive to be drawn away, rather than at home, against a big team because The FA Cup's mechanism for distributing gate receipts allows the away team to benefit from greater attendances. This has led to some non-league sides generating well in excess of £0.5m from a single match when drawn away to a top Premier League club.
- Clubs from the Premier League and Football League receive 45% of net gate receipts for matches played between the Third Round Proper and Sixth Round Proper of The FA Cup (42.5% in respect of replayed matches).
- In the Semi Final and Final clubs receive a lower proportion of gate receipts, however this is countered by higher prize money payments in the final rounds of the competition.

**Gate receipts generated over the ten seasons from 2001/02 to 2010/11 are estimated to total in excess of £400m, averaging circa £41m per season.**

# Club case studies

## Case Study: Stoke City – Premier League

- **Stoke City's FA Cup performances in 2009/10 and 2010/11 have together generated circa £6m in revenue and qualified the club for European competition for the first time in its history.**
- Stoke City reached the Sixth Round Proper of the 2009/10 FA Cup beating Arsenal and Manchester City, who both finished in the top five of the Premier League. They lost to eventual winners, and Premier League champions, Chelsea. The run generated income of circa £2.1m, 4% of the club's total income for the year.
- The Potters' 2009/10 FA Cup run generated prize money of £0.3m from wins against York City, Arsenal and Manchester City.
- The key driver of the club's revenues from the competition were gate receipts, with four matches against top Premier League clubs. Stoke City's share of the gate receipts from these four games is estimated to have delivered over £1m.
- Additionally, Stoke's high profile opposition resulted in three of the club's five matches being televised live, generating £0.7m in TV payments.
- In 2010/11, the Potters went even further, progressing to The FA Cup Final for the first time in the club's history, resulting in the receipt of circa £3.5m in prize money, TV payments, and gate receipts. The defeat in the Final to Manchester City was preceded by a 5-0 win over Bolton Wanderers, the biggest winning margin at that stage of The FA Cup since 1939.
- Prize money in 2010/11 delivered £2.5m, including £1.8m from the Semi Final and Final alone.
- TV payments of £0.3m in 2010/11 were driven by live coverage of the Sixth Round Proper tie against West Ham United. Total prize money and TV payments combined with gate receipts mean that the club's FA Cup revenues from the 2010/11 campaign totalled circa £3.5m.
- Stoke City's participation in the 2011/12 UEFA Europa League, for which they qualified via The FA Cup, could be worth circa £15m in additional income if the Potters go on to lift the trophy.

## Stoke City's FA Cup run 2009/10

Round	Opposition	H/A	Score	Attendance
R3	York City	H	3-1	15'586
R4	Arsenal	H	3-1	19'735
R5	Manchester City	A	1-1	28'019
R5 replay	Manchester City	H	3-1	21'813
R6	Chelsea	A	0-2	41'322

## Income generated from Stoke City's 2009/10 FA Cup run

Source	£m
Prize money	0.3
TV payments	0.7
Gate receipts	1.1
Total	2.1
Proportion of club's annual income	4%

Note: gate receipts represent the amounts recognised by the club as revenue  
 Source: The FA, club's annual financial statements, Deloitte analysis

## Case Study: Millwall – Championship

- In 2004 Millwall became the first team outside the top flight in twelve years to reach The FA Cup Final, with revenues from the competition contributing 29% of total revenues.
- Led by player-manager Dennis Wise, Millwall enjoyed a run to The FA Cup Final in 2004, the first in its history, where the club was defeated by Manchester United. The club received prize money, TV payments, and gate receipts totalling £2.9m from The FA Cup.
- The biggest contributor towards this £2.9m revenue from The FA Cup was prize money, accounting for £1.7m (68%) of the total. The Semi Final victory against Sunderland generated £1m in prize money, with £0.4m coming from the Sixth Round Proper win against Tranmere Rovers.
- Both matches against Tranmere Rovers were televised, generating £0.6m for Millwall. Reaching the Final without having faced Premier League opposition may have helped the club's progress through the competition, although it didn't receive any TV payments prior to the Sixth Round Proper as no matches were televised.
- The club's share of gate receipts delivered circa £0.6m, with circa 50% of that figure attributable to the Semi Final against Sunderland at Old Trafford. The two matches against Tranmere Rovers together generated circa £0.2m in revenue from gate receipts.
- Over 20,000 Millwall fans were reported to have attended each of the Semi Final and Final.
- Millwall's performance in the 2003/04 FA Cup earned it a place in the 2004/05 UEFA Cup, the club's first ever participation in European competition. They were eliminated prior to the group stage by Hungarian side Ferencvaros.

## Millwall's FA Cup run 2003/04

Round	Opposition	H/A	Score	Attendance
R3	Walsall	H	2-1	6'977
R4	Telford United	A	2-0	5'589
R5	Burnley	H	1-0	10'420
R6	Tranmere Rovers	H	0-0	16'404
R6 replay	Tranmere Rovers	A	2-1	15'510
Semi Final	Sunderland	N	1-0	56'112
Final	Manchester United	N	0-3	72'350

Notes: Semi Final played at Old Trafford, final played at Millennium Stadium

Source: The FA, Sky Sports Football Yearbook, Deloitte analysis

## Income generated from Millwall's 2003/04 FA Cup run

Source	£m
Prize money	1.7
TV payments	0.6
Gate receipts	0.6
Total	2.9
Proportion of club's annual income	29%

Note: gate receipts represent the amounts recognised by the club as revenue

Source: The FA, club's annual financial statements, Deloitte analysis



## Case Study: Leyton Orient – League One

- Leyton Orient reached the Fifth Round Proper of the 2010/11 FA Cup where they took Arsenal to a replay. The run generated circa £1.4m in revenues contributing circa 30% of total club revenue for the year.
- Leyton Orient's 2010/11 FA Cup run saw them beat two Championship sides in Norwich City and Swansea City, both of whom went on to win promotion to the Premier League. They were subsequently knocked out by Arsenal in a Fifth Round Proper Replay at the Emirates Stadium in front of almost 60,000 fans.
- The run had looked in doubt in the Second Round Proper replay at home to Droylsden, as Orient were 2-1 down with two minutes of the 90 remaining. An equaliser in the dying minutes led to extra-time during which Orient found the net six times, producing an improbable 8-2 victory and a Third Round Proper tie away to Norwich City.
- Progression through to the Fifth Round Proper of The FA Cup saw Orient generate over £0.2m in prize money, which accounted for 15% of the total revenues earned from the club's FA Cup run.
- The club's success saw them broadcast live on TV four times – three times on ESPN and once on S4C, earning them £0.5m of TV revenue, with the two matches against Arsenal accounting for almost 80% of this total.
- The home match against Arsenal attracted an attendance of almost double the club's average home league attendance for the season. This, together with the replay at the Emirates Stadium, earned the club circa £0.5m in gate receipt revenue, with an additional circa £0.2m in gate revenues generated from the earlier rounds. Total gate receipt revenues of circa £0.7m accounted for 50% of the club's FA Cup income for 2010/11.
- Prior to 2010/11, the club had not reached the Fifth Round Proper of The FA Cup since their Semi Final appearance in 1978.

### Leyton Orient's FA Cup run 2010/11

Round	Opposition	H/A	Score	Attendance
R1	Dagenham & Redbridge	A	1-1	3'378
R1 replay	Dagenham & Redbridge	H	3-2	2'901
R2	Droylsden	A	1-1	1'762
R2 replay	Droylsden	H	8-2	1'345
R3	Norwich City	A	1-0	18'087
R4	Swansea City	A	1-2	6'281
R5	Arsenal	H	1-1	9'136
R5 replay	Arsenal	A	0-5	59'361

Source: The FA, Sky Sports Football Yearbook, Deloitte analysis

### Income generated from Leyton Orient's 2010/11 FA Cup run

Source	£'000
Prize money	0.2
TV payments	0.5
Gate receipts	0.7
Total	1.4
Proportion of club's annual income	30%

Note: gate receipts represent the amounts recognised by the club as revenue

Source: The FA, club's financial statements for 2009 and 2010, Deloitte analysis

## Case Study: Accrington Stanley – League Two

- Accrington Stanley’s 2009/10 FA Cup run to the Fourth Round Proper provided additional revenue during a season in which they faced a winding up order from HMRC.
- Accrington Stanley’s Fourth Round Proper tie against Premier League Fulham was the first time since the club was re-formed in the late 1960’s that it had progressed this far in The FA Cup competition, a run that generated circa £150k in prize money, TV payments and gate receipts for the League 2 club.
- The club benefitted from prize money of £113k resulting from wins against Salisbury City (Football Conference, £18k), Barnet (League 2, £27k) and Gillingham (League 1, £68k).
- Accrington Stanley generated £8k of revenue from the screening of highlights of the club’s Fourth Round Proper tie with Fulham.
- Gate receipt revenue of circa £30k was generated from the five matches, with circa 40% of this figure estimated to have come from the Fourth Round Proper tie at home to Fulham.
- The 2009/10 FA Cup run came at a time of financial uncertainty for the League 2 club, who had a creditor in excess of £0.3m payable to HMRC during the season.
- Accrington Stanley’s Cup run is estimated to have delivered the club £150k in prize money, TV payments and gate receipts equating to circa 10% of the club’s revenue.
- Accrington Stanley went on to finish 15th in League 2 in 2009/10, a performance on which they improved in 2010/11 when the club finished in 5th position thus reaching the League 2 play-offs.

### Accrington Stanley's FA Cup run 2009/10

Round	Opposition	H/A	Score	Attendance
R1	Salisbury	H	2-1	1'379
R2	Barnet	H	2-2	1'501
R2 replay	Barnet	A	1-0	1'288
R3	Gillingham	H	1-0	1'322
R4	Fulham	H	1-3	3'712

Source: The FA, Sky Sports Football Yearbook, Deloitte analysis

### Income generated from Accrington Stanley's 2009/10 FA Cup run

Source	£m
Prize money	0.11
TV payments	0.01
Gate receipts	0.03
Total	0.15
Proportion of club's annual income	10%

Note: gate receipts represent the amounts recognised by the club as revenue

Source: The FA, Deloitte analysis

## **Case Study: Havant & Waterlooville – Conference South**

### **Havant & Waterlooville**

- Progression in The FA Cup by clubs below the Football League can deliver substantial financial benefits, particularly from gate receipts and TV payments should it draw high profile opposition.
- Havant & Waterlooville reached the Fourth Round Proper in 2007/08, twice having led Liverpool at Anfield before finally losing 5-2.
- As a result of their performance in the 2007/08 FA Cup, Havant & Waterlooville earned circa £0.6m in prize money, TV payments and gate receipts, equating to circa 70% of the club's estimated total revenues for the year.
- Progression in The FA Cup by clubs below the Football League can deliver substantial financial benefits, particularly from gate receipts and TV payments should it draw high profile opposition.

### **Burton Albion**

- In 2005/06, Burton Albion forced a replay against Manchester United after a draw at home in the Third Round Proper. A reported 10,500 Burton fans made the trip to Old Trafford to see their side lose 5-0 to the club placed 104 league positions above them, a game which delivered circa £0.5m in gate receipt revenue to the non-league club.
- Both matches against Manchester United were broadcast live on TV, with the club earning £0.2m in TV revenues. Burton's strong FA Cup performance, which generated total revenues of circa £0.7m, was followed by its promotion to the Football League in the 2008/09 season.

### **Crawley Town**

- Crawley Town were drawn away to Manchester United in the 2010/11 FA Cup. The club's run generated circa £1.5m of revenue, with circa £1m coming from the tie at Old Trafford alone – a combination of gate receipts and TV payments. Prize money to the non-league club totalled £0.2m.

**Crawley Town were drawn away to Manchester United in the 2010/11 FA Cup. The club's run generated circa £1.5m of revenue, with circa £1m coming from the tie at Old Trafford alone.**

## Havant & Waterlooville's FA Cup run 2007/08

Round	Opposition	H/A	Score	Attendance
2Q	Bognor Regis Town	A	2-1	426
3Q	Fleet Town	H	2-1	386
4Q	Leighton Town	H	3-0	378
R1	York City	A	1-0	2'001
R2	Notts County	A	1-0	3'810
R3	Swansea City	A	1-1	8'761
R3 replay	Swansea City	H	4-2	4'400
R4	Liverpool	A	2-5	42'566

Source: The FA, Deloitte analysis

## Income generated from Havant & Waterlooville's 2007/08 FA Cup run

Source	£m
Prize money	0.1
TV payments	0.0
Gate receipts	0.5
Total	0.6
Proportion of club's annual income	70%

Note: gate receipts represent the amounts recognised by the club as revenue

Source: The FA, Deloitte analysis

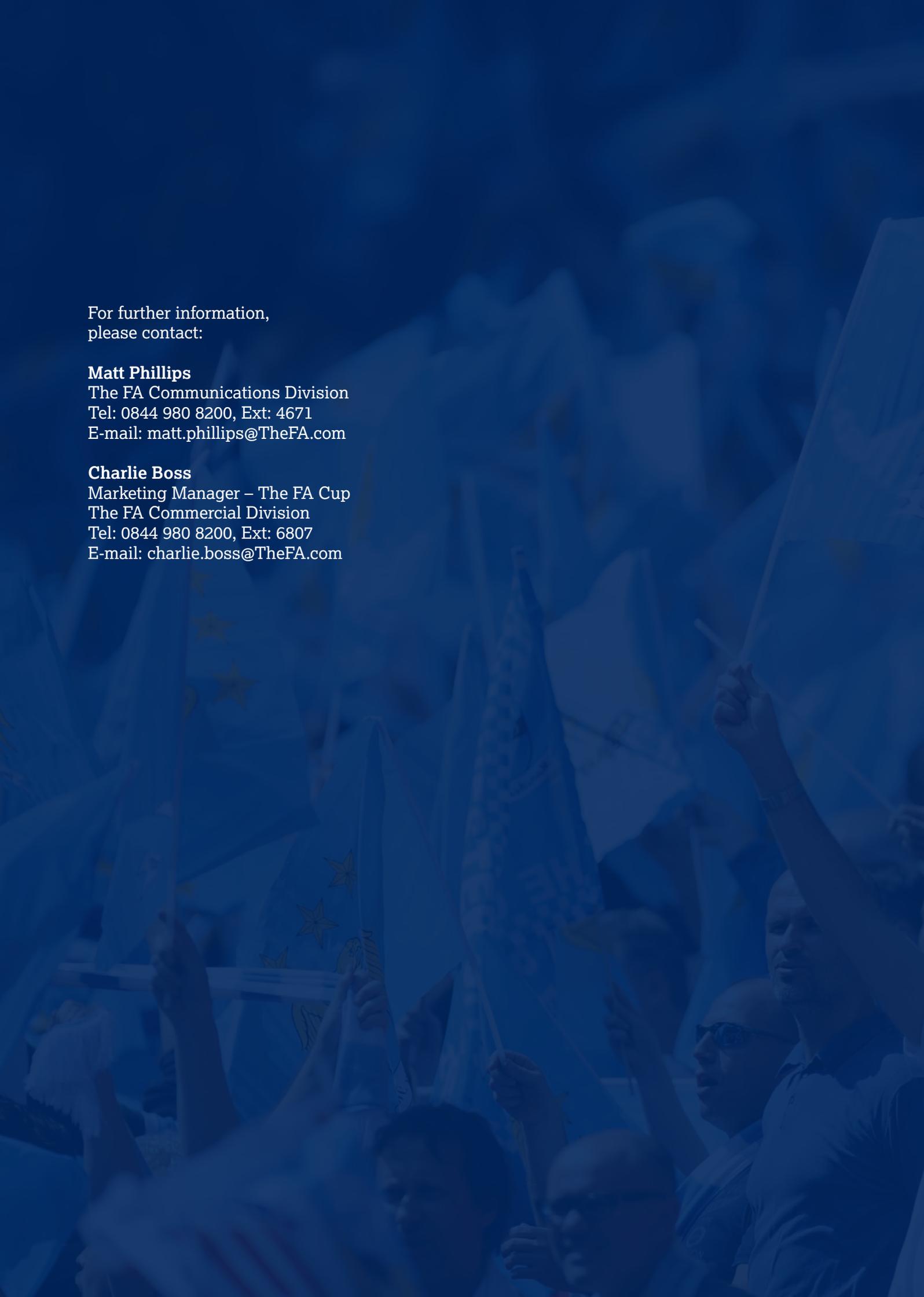
**Burton's strong FA Cup performance, which generated total revenues of circa £0.7m, was followed by its promotion to the Football League in the 2008/09 season.**

# Appendix 1: Limitations

## Limitations

- Unless otherwise stated, the information contained in this report and upon which it is based, except where obtained directly from The FA, has been obtained from publicly available financial statements, websites, media reports and sports business press/publications. Whilst all reasonable care has been taken to ensure that such information has been accurately extracted or derived from these sources, neither The FA nor Deloitte have not separately verified the information, nor sought to establish the reliability of the sources.
- Deloitte's procedures have not included audit or verification work. Deloitte do not express any conclusions or opinions on any information presented herein.
- Accordingly, neither The FA nor Deloitte accept no liability however so arising, directly or indirectly, from any error or incompleteness of fact or opinion in this document to the extent caused by inaccuracies or incompleteness in the information on which Deloitte have relied.
- This document has been developed based on the information available at the date of the document.





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