



***Supporters' Trust Open
Meeting
20/09/18***



Gavin Foxall

Agenda

- **Introductions**
- **May Open Meeting – Short recap**
- **Consultation, Ownership and Model**
 - **Current position & survey results**
 - **Expansion of income streams**
 - **Proposed New Membership**
 - **Option models**
 - **Supporters Direct view**
- **Relationships**
- **Next Steps & Actions**
- **Question & Answers**



May Open Meeting – Recap



May Open

Gavin Foxall

Meeting – Recap

Finance Review

Shaun Johnson

Season 17/18

- £350k deficit last season – not debt – due to contractual pay offs, position of team
- Significant increase in WRU for match staging costs

Financial Context

Shaun Johnson

League 1 and League 2 clubs' pre-tax profits

Clubs' pre-tax profitability remained relatively stable across both seasons 17/18 and 18/19. In 2015/16, with a significant tax loss, the club reported a deficit of £350k. This was due to contractual pay offs to owners.

Some context

Shaun Johnson

- To set it in context of other supporter owned clubs:

A co-opted view

Mark Crook

- Its difficult to run the club on player sales and cup runs
- To set in context business turns over £2.2 million a year and the owner – Trust has contributed £30k this year
- That is not enough as the major shareholder and why a debate is needed on the model itself
- Its certainly not all doom and gloom – we have very little debt – our payment to Les Scadding is it!
- We have an opportunity to have some honest conversations and engagement with the owners on our future
- The approach to finances has improved significantly and that allows us to commence the debate in a controlled manner

- Headlines from the May open meeting –

- Owners' contribution does not reflect its shareholding – especially when compared with other supporter-owned clubs

- The club needs a sustainable financial model – not relying on player sales and cup runs

- The debate on the model is needed - the survey testing the appetite for change being the catalyst – results July 18



Consultation & Ownership Model – Current Position & Survey Results



Consultation & Ownership Model – Key Statistics

Colin
Faulkner

Trust Numbers 1,457

Rewards and Benefits Numbers
– Paying monthly - 148

£32k

Yearly Contribution
£13,500

Ranging from £5 - £100

Yearly contribution - £18,600
Monthly contribution - £1,550

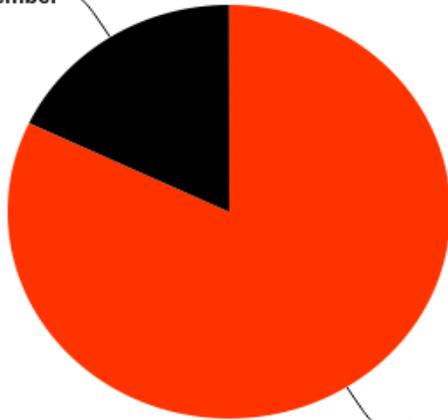
Ranging from £10 - £100



Consultation & Ownership Model – Survey Results

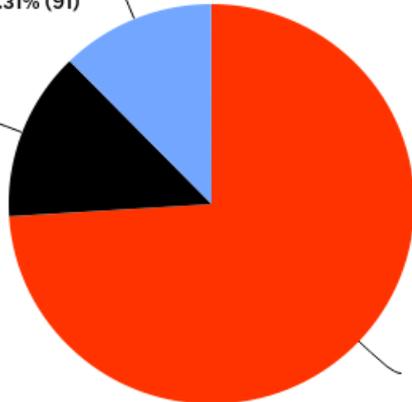
Colin
Faulkner

Not a Trust Member
17.94% (134)



Trust Member
82.06% (613)

Sell the club
12.31% (91)



Trust Model
13.67% (101)

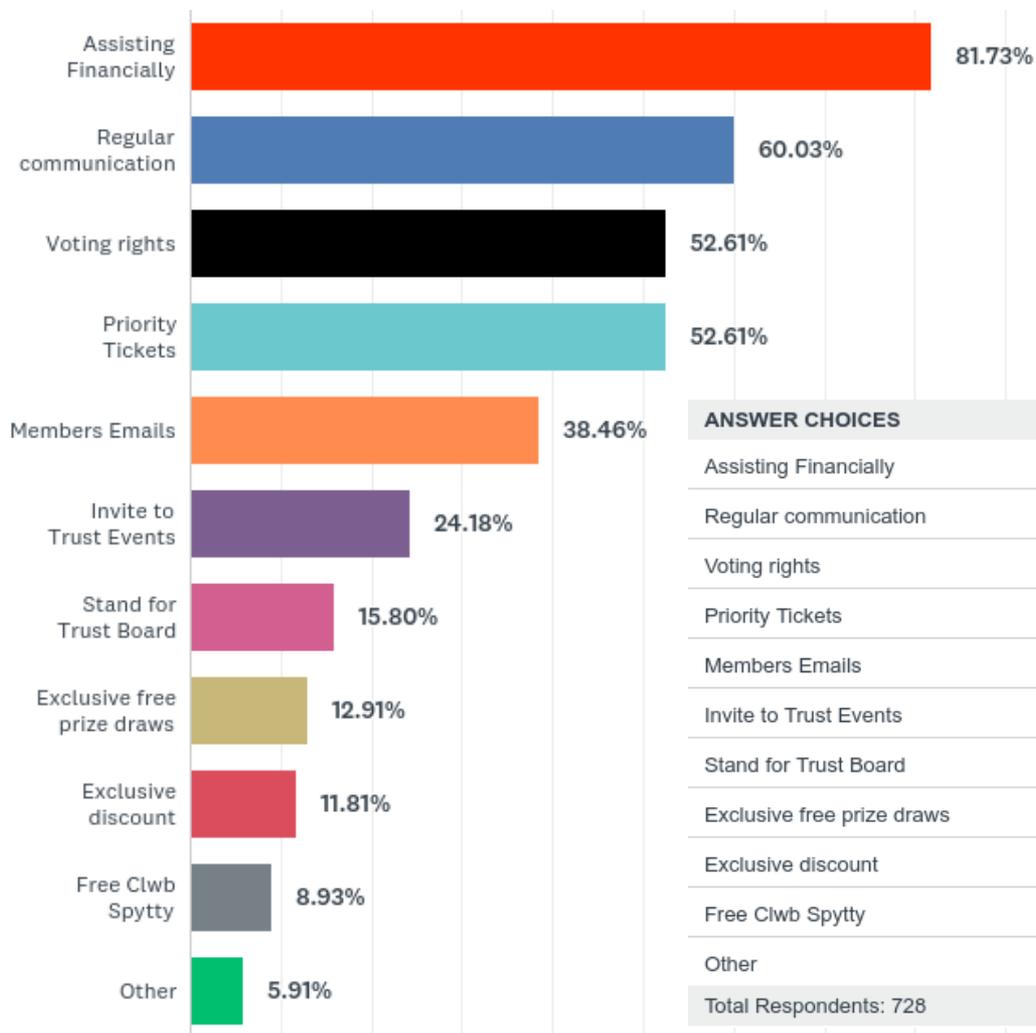
Hybrid Model
74.02% (547)

- For an accurate view **ALL** supporters were invited to participate in the survey
- This enabled us to gauge the appetite as to whether making a change to the ownership model of the club was of interest
- Any decision to change will be made by the members in accordance with the constitution
- Three basic options were presented and **YOU** suggested that the way forward for our club was to adopt a Hybrid Model
- This gives the Trust Board a mandate to investigate how this could look and share that information with the Members for debate and ultimately a decision.
- The detail to be shared is based on the 750 supporters who responded



Consultation & Ownership Model – Survey

**Colin
Faulkner**

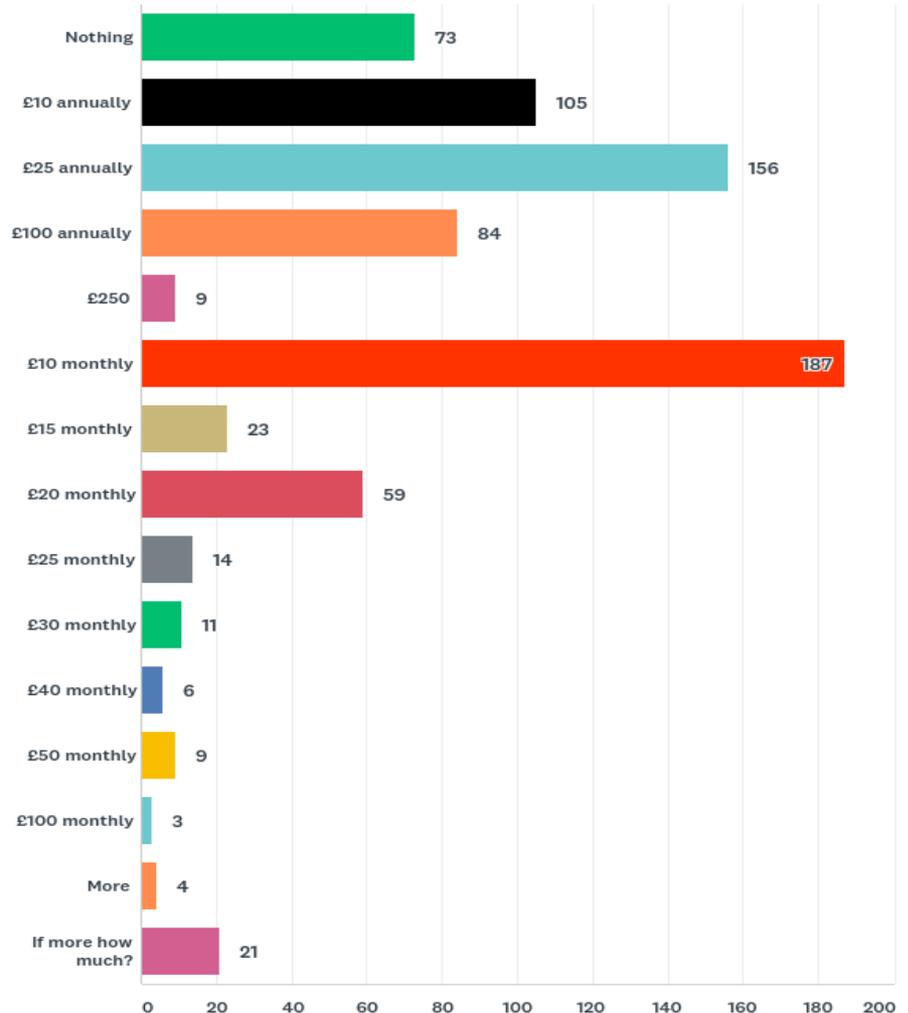


ANSWER CHOICES	RESPONSES	
Assisting Financially	81.73%	595
Regular communication	60.03%	437
Voting rights	52.61%	383
Priority Tickets	52.61%	383
Members Emails	38.46%	280
Invite to Trust Events	24.18%	176
Stand for Trust Board	15.80%	115
Exclusive free prize draws	12.91%	94
Exclusive discount	11.81%	86
Free Clwb Spytty	8.93%	65
Other	5.91%	43
Total Respondents: 728		



Consultation & Ownership Model – Key Statistics

Colin
Faulkner





Consultation & Ownership Model – Summary

**Colin
Faulkner**

- **You have told us:**
 - That communication and having a say, along with supporting the club financially, are the highest priorities for membership
 - Of 474 paying £10 or less a year, approximately 75% of you could increase this
 - Free prize draws and discounts aren't crucial to you
 - The club needs investment for us to be sustainable
- **We have listened to your responses and ...**
 - Used them to develop other income streams
 - Formulated membership packages based on what is important to you as members
 - Set out improved communication as part of being a member
 - Commenced the evolving journey of how a change could be effected
- **To continue to be a competitive League club and meet our ambition we need to generate more money through membership and other income streams...**



Mike Everett



Consultation & Ownership Model – Expansion of Income Streams



Mike Everett

What we've done

- **Bar Amber at the Ivy Bush**

- Meets the objective of different income stream
- Great effort by those to set it up in 5 days – thank you!
- It is working well and supported on match days
- Permanent licence will allow us to open at different times
- Decision on longer-term lease to be taken in a couple of months

- **Club Shop in Kingsway**

- Great success given it's in the heart of the City so more than match day
- Thanks to all those who made it happen and continue to do so
- Lease has been extended
- Continued occupation will be based on footfall

- **Easy Fundraising**

- FREE donations to Supporters Trust for online purchases from 3,300 retailers
- Supporter-led working group to promote and provide support – Andrew Perry available after meeting to provide further detail
- 383 signed up and 65% generated a donation
- Raised £1,200 last year and Target is £6k this season



What we've done



Proposed New Trust Membership

- To be covered in detail later on
- Could net the club circa **£100k** – an increase of **£68k**. If numbers remain and the minimum contribution was adopted – Bronze package
- Includes specific members' group for exiled supporters

• County Lottery – Re-launch

- It has been re-configured to release more funds to the club
- On current numbers it will increase the contribution to the club by circa £15,000
- Weekly draw with prizes ranging from £50-£400

• Clwb Spytty

- £5 a year, replaces Junior Trust Membership
- 4 FREE games
- Exclusive Membership Card, Free gift & 10% discount at club shop
- Priority Ticket for premium games

- In addition to the above it would be remiss to not recognise the subscription draw, programme team, half time draw and many others that provide much needed resources into the club. Thank you!





Mike Everett

How you can help...

Area	Bar Amber	Easy Fundraising	County Lottery	Clwb Spytty	Proposed New Membership	Volunteering
How can I help ?	Use on match days & other opening times	Signing up and then buying your every day items	Signing up for the weekly lottery	Signing your children or grandchildren up	By switching your membership before it renews	By offering your time and skills
When can I get involved ?	Next home game	Immediately	Re-launch 1 st November	Launching 1 st October	Effective 1 st November	Straight away – extra hands are always needed
What's in it for me ?	Helping the Club	Donating to the club by buying differently – it costs nothing	Chance to win a weekly prize	Supporting future generations	New benefits	Being involved in a football environment
Who do I contact ?	Ryan Courtney	Andrew Perry	Phil Burgess	Hayley Ford	Colin Faulkner	Poppy Reynish



Ryan Courtney



Proposed New Membership



Proposed New Membership

Ryan Courtney

& Fees

Headlines of the new membership below

- More detail available on website
- It is a tiered membership and it includes the tiers below the one chosen

Area	Bronze	Silver	Gold	Platinum	Ex Pats	Corporate
Cost per month	£5	£10	£20	£50	£25	£1000 p/y
Benefit	Owner	Members Card	Golden ticket draw	Player appearance at business or club	Regular communication – exclusive video from manager or player each month	Logo advertised on Club & Trust websites; team sheets & Trust programme page
Benefit	Regular Trust news	Local area discount	One hospitality game	Opportunity to purchase Cup Final tickets *	Voting rights	Advertorial in 2 programmes
Benefit	Voting rights	5% shop discount		Director for a day plus one guest	Bespoke Members card	Player appearance at business
Benefit	Priority tickets	Invites to 2 open training sessions			Bespoke clothing	2 places in Boardroom for home match
					One hospitality game	



Ryan Courtney

Proposed New Membership & Fees

- The proposed changes are a direct output of the survey
- The change will phase out junior, concession, family and annual membership
- Intention is to commence the new membership 1st November 2018
- New members joining will be offered one of the packages outlined
- Existing members will transfer on to the new membership packages when their membership renewal date is due – **As a minimum that will be to the Bronze package**
- There is an option to change over earlier if members so wish and that would be welcomed.
- Volunteers are here tonight for any change of membership

In financial terms the change could mean an increase of:

- 5k monthly
- 68k annually
- Assuming membership numbers remain

and transfer to a minimum bronze package, R & B transfer to equivalent monthly package

- The minimum target is to move from 32k to **£100k**

One last point whatever the model moving forward the club needs the support now and in the future - supporters will play an important part financially

Club	Members	Yearly Contribution
Wycombe	180 Fans – regular donations 140 – one off payments	£85k
Exeter	Donations & 31 Club	£100k
Wimbledon	Subscriptions Blue and Gold Club (30)	Over £100k £35k



Kevin Ward



Option Models



Consultation & Ownership Model – Options

Kevin Ward

Option	Remain	Hybrid	Sell
Description	Club stays with Trust as majority shareholder	Share of ownership between Trust and other parties	Club is sold in full or part
Achieved	Through more donations	Through selling part ownership in return for investment	Through selling in part or full
Prevent	Owners not contributing	Owners not voting for it	Owners not voting or no buyer for the price
Tenure	Owners' decision	Would be agreed as part of any vote	For any new owner to decide
Future Change	Members will always decide	Possible depending upon the terms of the shared ownership	Decision for any new owner
Assurances	Constitution will govern	Shared agreement will govern	Depending on terms of sale
Challenges	Sustainability is an issue	How much do you sell and is it attractive	How much is it worth and is it attractive



Consultation & Ownership Model – Constitution & Process

**Kevin
Ward**

- Before we table any resolution to the members there is a significant amount of work to be undertaken to ensure that all the known factors are presented to allow a decision
- To support this the Board intend to:
 - Hold a number of members' meetings to give a balanced view on what the options will mean
 - There will be one in the first quarter of next year
 - Any likely vote to change the ownership model is likely to be after the season ends – for obvious reasons
- The Board will provide supporting documentation that gives substance to any proposed change the basis that sits behind it
- It is important we get this right and need to take the time to do so
- Ultimately it is the decision of the members and they need to be afforded the detail to make such an important decision



Consultation & Ownership Model – Constitution & Process

**Kevin
Ward**

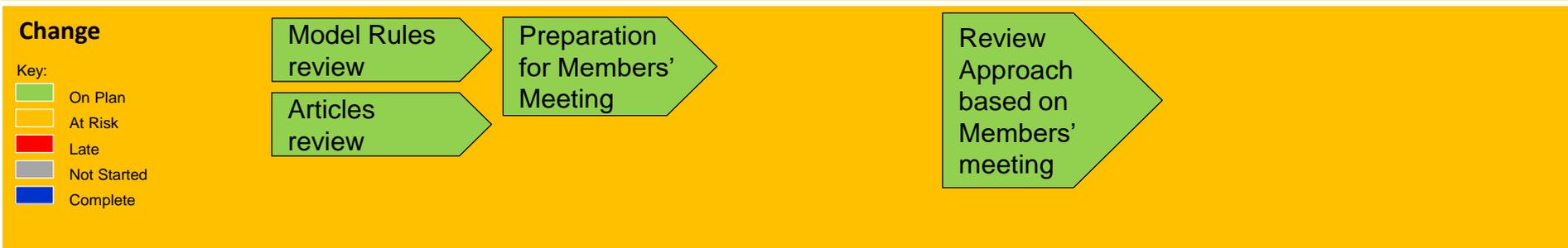
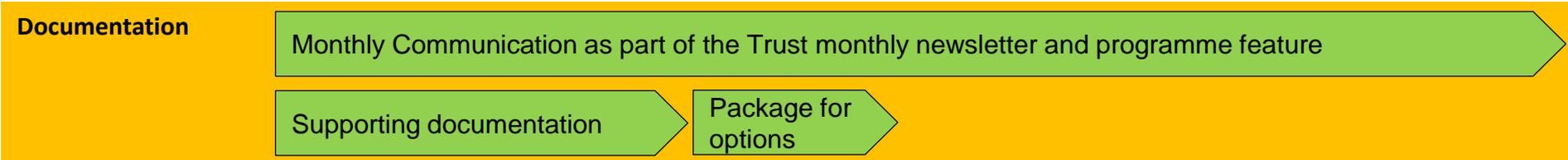
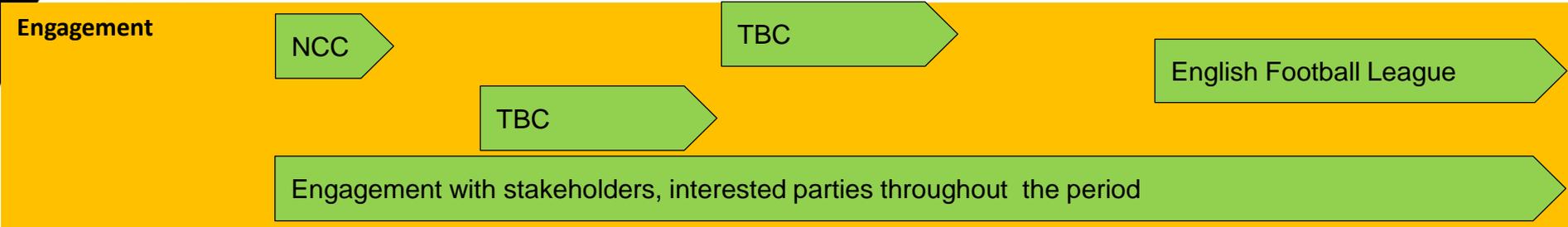
- Our adopted model rules will guide the process for any change to our constitution and ownership model
- This will cover, but not limited to:
 - whether any change is part of a Annual General Meeting (AGM) or Special General Meeting (SGM)
 - Type of resolution – special or ordinary
 - Advance notice that is needed to call the meeting
 - How many members are required to pass any resolution
- As you would expect we will take advice from stakeholders such as Supporters Direct
- There are a number of pertinent conditions within our current model rules and our intention is to cover these in more depth at our next gathering



Consultation & Ownership Model – Timetable

Kevin Ward

	Sept/Oct	Nov/Dec	Jan/Feb	Mar/Apr	May	June
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- Key:
- On Plan
 - At Risk
 - Late
 - Not Started
 - Complete



James Mathie



Consultation & Ownership Model – Supporters Direct View



EFL Clubs (2015/16)

	Champion- ship	League 1	League 2
	£m	£m	£m
Turnover	548	124	82
Total wages	542	107	59
Wage:turnover ratio	99%	86%	72%
Operating losses (pre-player trading)	(261)	(38)	(12)
Net debt	(1,273)	Not available	



James Mathie



Andyh
@AndyhHolt



The trap.

So [@ASFCofficial](#) is operating on a £1.1m budget net. According to some [@SkyBetLeagueOne](#) average budget is £3.6m.

We will not lose money at that level.

The best FINANCIAL situation for us is to stay up, without promotion or relegation.

I'm not setting ambition level..

7:43 am · 28 Aug 2018

132 Retweets 345 Likes



James Mathie

Potential competitive advantage...

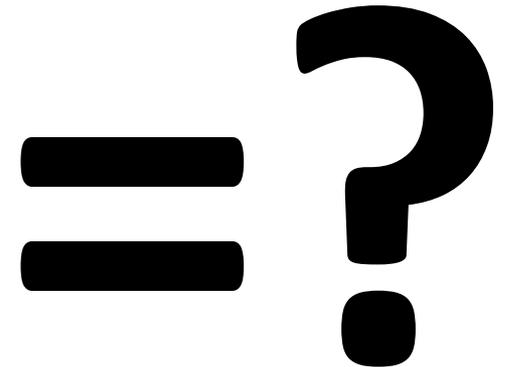
volunteers +

sponsors +

Match day revenue +

fundraising/income generation +

partnerships



BUILD A WINNING CLUB





James Mathie

Guesstimate of achievable competitive advantage.....

£150k (volunteers)

£50k (sponsors)

£50k (match day revenue)

£150k (fundraising/income generation) +

£50k (partnerships)

=450k?

BUILD A WINNING CLUB





James Mathie

**Club dependent on
owner to fund
losses**

**Owner considering
exit in next 12-18
months**

League 1

64%

30%

League 2

60%

30%



AFC



WIMBLEDON







James Mathie

Final thoughts to ponder.....

1. A community owned club is only as big as the community willing to support it. Have we reached the potential of the County community?
2. Is controlling your own destiny important?
3. Is there a perfect model – will all supporters always be happy?



Shaun Johnson



Relationships



Relationships

WRU/RP and the club have been in dialogue for a number of months over our contribution as a licensee

- As with any negotiation we have agreed on some things and not others
- Where we have agreed we have paid and where we haven't we have entered into a dialogue and asked for further information to support the request
- We have now reached a position where we have pretty much resolved all issues leading to:
 - Payment where agreed
 - Credits where we had challenged and WRU/RP agreed
 - A clear process on how we are engaged in financial commitments for maintenance
 - This has been key as it enables us to budget accordingly for the future
- We are still in dialogue on match day hosting and hope to conclude this soon
- Given the sensitivity of the discussions we have been unable to communicate on the matter to date – Our thanks for your understanding and to WRU/RP for their co-operation



Gavin Foxall



Next Steps & Actions



Next Steps & Actions

- **Implementation – October/November**
 - Re- launch
 - Lottery - 1st November
 - Clwb Spytty – 1st October
 - Membership – 1st November
- **Decisions around income streams – October/December**
 - Bar Amber – December
 - Club Shop – October
- **Engagement - September/October**
 - Trust Surgeries match days commencing Cambridge game
 - Communication – monthly – Trust news letter – October
- **Execution – Commencing now**
 - Ownership model plan covering
 - Engagement
 - Meetings
 - Documentation
 - Change



Gavin Foxall



Questions & Answers