



# FANS MEETING

Wednesday 24th May 2017  
at Swindon MECA  
Regent Circus, Swindon

## Meeting Guide

Supported By



# Contents

|   |    |
|---|----|
| Introduction .....  | 4  |
| Challenge 1: The Finances.....                                | 4  |
| Challenge 2. The County Ground Atmosphere .....               | 7  |
| Challenge 3. The Lack of Connection.....                      | 8  |
| Challenge 4. “Power Out” - An Unpopular Chairman?.....        | 9  |
| Supporter Ownership .....                                     | 11 |
| The Wider View – Supporters’ Trusts in the EFL.....           | 13 |
| Benchmarking – League One Club Accounts .....                 | 16 |
| Challenge 5. The County Ground .....                          | 17 |
| Why do we think buying the County Ground is a good idea?..... | 17 |
| How much is the County Ground going to cost?.....             | 18 |
| How will we raise the funds to pay for it? .....              | 18 |
| Where do community shares fit?.....                           | 19 |
| Community Shares - Case Studies .....                         | 21 |
| Fundraising Steps .....                                       | 22 |
| Grants .....  | 23 |
| Other ways we can raise money .....                           | 24 |
| Red Army Fund Update .....                                    | 25 |
| Swindon Town Fans First .....                                 | 26 |
| Conclusion.....   | 27 |

# Agenda

**7:00pm**

Doors Open

Please buy a drink and support the venue, which was provided free of charge

**7:30pm to 7:45pm**

Introduction

A review of activities and progress since the March AGM

**7:45pm to 8:00pm**

The Wider View

Taking a look at the successes and failures of other Football League clubs

**8:00pm to 8:30pm**

County Ground Update

FAQ's, Funding avenues, opportunities, critical next steps and timeline

**8:30pm to 9:00pm**

Swindon Town Fans First

An open discussion on taking positive action to ensure a bright future

# Introduction

At our AGM back in March, we examined the five key challenges that Swindon Town currently face and we introduced the idea of a **“Let’s Work Together”** promotion, aimed at the club, council, media and fans all joining forces to ensure a better future.



There has been some progress, but more still needs to happen to turn this around. Let’s review...

## Challenge 1: The Finances

Our suggestion was simple – be honest, open and transparent. We called upon the club to take positive steps towards allaying the fears of supporters, by creating a full set of accounts with commentary, and by holding an open AGM to allow fans to ask questions.

The latest set of abbreviated and unaudited accounts for Swindon Town Football Club have now been released, covering the period between May 2015 and May 2016, but we’ve yet to see any further detailed commentary that will help to ease the concerns of worried supporters.

Having worked with Supporters Direct to better understand how other clubs are coping (more on that later) we are under no illusions that balancing the books is an easy job. The plea is “help us to understand”, let fans see the facts and understand the challenges, and reduce the negativity that surrounds the club.

The Swindon Advertiser summarised what they could, and suggested the accounts support claims that the club is heading back to an even keel, but there was no detail of note to consider.

**The club’s debt was still showing as just under £5million** during the course of the year to May 2016, and yet in February 2017 we had a proclamation that the club was ‘debt free’ :

***“I know it doesn't seem like it at the moment but the club is the most secure it has been in a long time as we are debt free.”*** Lee Power, Chairman’s Statement, February 2017

The improved figures should also cover the club’s business in the transfer window in the summer of 2015, with Massimo Luongo, Ben Gladwin and Nathan Byrne all departing for sizeable fees, along some of the club’s highest earners like Wes Foderingham and Andy Williams being released by the club. Town’s play-off final appearance at Wembley at the end of the 2014/15 season is also likely to be factored in.

The club still owe £2.95m to creditors, with £2million falling due after more than one year, and £950,000 falling due after more than five years, not by instalments, a figure that has not changed in the last year.

**Crucially, the club did not embrace the “Let’s Work Together!” rally cry...**

“Swindon Town did not respond to the Advertiser's request to comment on the release of their accounts.”

## What does all of that mean to the Swindon Town of 2017?

What will be the true impact of relegation to League Two... and where are we at with the debt now?

In the absence of real information, we can only scratch around and try to understand.

In a recent article on the BBC Sport website it was revealed that Accrington Stanley, a current League Two club, received £770k of funding from the Premier League:

***“It is understood the Premier League made a £430,000 payment to Accrington this season, in addition to a £340,000 grant towards its youth development programme”*** <http://www.bbc.co.uk/sport/football/39874533>

It was also stated in ‘The Independent’ newspaper that League One clubs get significantly more, and revealed that the step up to the Championship is even more lucrative:

***“It is understood Accrington and each League Two club will receive just £430,000 in solidarity payments from the Premier League this season...The payments are linked to the value of the Premier League's broadcasting rights, with League One clubs getting £650,000 each and Championship clubs £4.3million.”***

<http://www.independent.co.uk/sport/football/premier-league/accrington-stanley-chairman-criticises-out-of-touch-premier-league-after-threatening-to-withdraw-a7727496.html>

It’s not clear whether the Academy funding is relevant, but it would appear on the surface that our club will be missing out on at least £220k of Premier League revenue now that we have been relegated.

We don’t know the numbers involved , but this year’s season tickets went on sale during a particularly bad run and it seems increasingly likely that we will see sales figures significantly down on recent years.

It doesn’t take a genius to work out that losing a couple of thousand regular Adult supporters will cost the club at least £1 million in ticket sales, if not more, and additional losses on Premier League funding and sponsorship revenue along with regular matchday spend will also contribute towards a steady decline.

Relegation on the final home match of the season prompted Lee Power to speak on-air after the final whistle, where we he talked about the recent necessity to get the finances under control, and backed up the concerns that we have already mentioned:

***“Getting relegated has probably cost the club another million pounds”***

*Lee Power, BBC Wiltshire, April 2017*

With this in mind, it’s even more important that we understand the challenges that the club face.

We need the club to start engaging with supporters in a totally new way, we need transparency, and we need to work together as club and community to get things back on track.

## ***Let's Work Together!***

At the end of April, the Swindon Advertiser put ten questions to Lee Power, and the club initially responded by saying that they would look to address the questions once the season was over. However this changed and chief sports writer Matthew Edwards was later informed there would be no further comment.

Our message is clear: **Please reconsider this position, supporters need answers, help us to help you!**

As has been stressed already, greater transparency will definitely lead to greater attendances and sales.

We understand it's not easy, but by joining forces we can improve the current position.

### **The Swindon Advertiser Ten questions**

1. What have you learned from your three-and-a-half years as owner at Swindon Town?
2. Has the 'Swindon Town Way' failed and do you need to rethink your five-year plan for the club, following relegation?
3. Do you accept the need to improve the engagement of both yourself and the club with the local media and supporters generally and how will you go about this?
4. You have said on numerous occasions that the club is on an even keel financially. Do you have proof of this away from the abbreviated accounts? How much does the club owe you and how much have you taken out of the club in your three-and-a-half years in charge?
5. Will you consider any possible outside investment expertise and influence, including recent plans from the Supporters' Trust, to come into the club in a bid to improve fortunes?
6. How would you judge Tim Sherwood's time at the club since being made director of football and do you regret the decision to make the announcement so publicly, especially given his recent comments that it was 'never a job for him'?
7. Can you clarify the ownership status of the training ground? How do you plan on funding the project, what deal have you proposed to the Nigel Eady Trust and how will it be funded should they not give their backing?
8. You have said that you remain committed to Swindon Town despite relegation, how do you plan to get Swindon moving back in the right direction and will there be investment in the squad over the summer to achieve this?
9. You also threaten that there would be no club if you were to leave. Can you clarify what you mean by this and why the club is in such a precarious position that you allude to, given that you have stated on numerous occasions that the club is in its most secure position for a long time with no debts?
10. Finally, will you agree to sit down with the Swindon Advertiser for a question and answer session regarding your ownership of the club and its future, which – for clarity - we will publish in full within the pages of the Swindon Advertiser and on the Advertiser website.

## Challenge 2. The County Ground Atmosphere

We started to see results quite quickly after the AGM - the Swindon Advertiser worked fantastically well with Town press officer Andrew Steele-Davis and made a real go of getting a buzz around the MK Dons match. It was fantastic, and it worked.

We need to see more of that, it's clear that Andrew wants to improve the communications coming out from the club and present a much more positive view.

His work is to be applauded, but he is going to need more support from up on high.

On the pitch, we are (at time of writing) still seeking a new manager and in the AGM pack we talked about the playing style that has been adopted over recent years.

We're hoping that with a new manager, and a new division to consider, we will see an alternative style that gets people onto the edge of their seats. We can't claim to be football experts and so shouldn't say too much on this front, but let's hope the new season brings that added excitement.

### ***Let's Work Together!***

On the fan front, the new season also needs to bring lots of fan engagement as we seek to rebuild connections with between the club and the supporter base.

Hopefully Andrew Steele-Davis and the club can work with fans groups like the Great Western Reds to come up with new ways to improve the match day atmosphere - we mentioned flags and other ideas like "Pack the Town End" at our AGM - it needs positive action in the new season to make a difference.

It's worth saying at this point that the Great Western Reds did a great job of organising an end of season barbeque and the weather was kind, which made a depressing relegation day slightly easier to deal with.

Hopefully we can see more fan organised events. It's not just up to the select few to get new ideas up and running, we need more and more fans to want to make a difference, and we also need the club to encourage this, get involved and drive some new initiatives.



## Challenge 3. The Lack of Connection

As we all know, the playing squad has been dramatically reduced at the end of the season, with many loanees being returned to their parent clubs, and several players being released. We will need to recruit big in the summer – so looking at the lack of connection with fans, let's make sure the new faces that are brought in are aware that they are part of our community.

Let's get it built into their contracts that they are expected to attend schools and colleges to promote the club and encourage new fans. We need more fans.

We don't want to be the next Leyton Orient, and it's not too late for the club to do a complete about turn and make this the most fan engaged club in the Country.

### *Let's Work Together!*

The new manager also has an important part to play.

We need someone who is passionate, able to communicate their vision to the players, the supporters, the media and most importantly to the fans. We need a leader, and a great role model.

That person is not easy to find, but It's a fantastic opportunity for someone new to come in and make a real impression not only on the football going public, but on the wider community.

Let's give the new manager our full backing, whoever they are, and let's see lots of positive news in the media about Swindon Town. We also want to see the manager and players going out there into Swindon and wider Wiltshire, and encouraging people to come to watch their local team.

Lots of interviews, let's get to know this new bunch of Town representatives.

It will be extra work, but with a squad of players working on a rota basis - it's not much to ask.

If we use some imagination we might be able to make a lot of local people happy, and get the bonus of some wider national press coverage that shows Swindon Town in a positive light.

## Challenge 4. “Power Out” - An Unpopular Chairman?

In the AGM pack we talked about the three scenarios where Lee Power might or might not leave the club. We talked about what many people currently want: “Power Out” and what the reasons and implications might be if that were to happen tomorrow.

None of them were particularly great - in scenario one, faced with severe financial issues beyond Lee Power’s capability to resolve, we might face administration/further relegation or a winding-up order.

In scenario two we talked about the club being sold, but with so many unwelcome suitors out there, would it be a case of “out of the frying pan, into the fire”?

...and finally we discussed the most likely outcome, that Lee Power is here to stay for the foreseeable future, no investment is sought, and budgets are likely to be cut in accordance with income. This is still valid.

***“I don’t want to go on but it’s a difficult job. We’ve had to get the finances under control, which was the main thing, or there wouldn’t be a football club, and then try and get a team that are competitive and I haven’t done that. I have to take full responsibility. One thing is for sure, I won’t be leaving.***

***I will make sure we will get a squad together next season and fight and get our way back into League One. I’ll be here for the long haul, I have told people that and nothing changes there, Everyone is devastated, the team’s relegated and it’s my job now to pick up the pieces and carry on with the club. If I was to give up, there wouldn’t be a club.”*** Lee Power, BBC Wiltshire, April 2017

Whilst we don’t agree with the final sentence, the remainder of this quote is pretty clear – Lee Power aims to stay and is going to keep fighting.

Whilst many would love us to start an official “Power Out” campaign, we don’t believe that would be productive, and we think it would ultimately be fruitless. Would it make for an unpleasant season ahead - yes - but would it make Lee Power want to up and leave - probably not. There is no evidence to suggest he would succumb to such tactics, and we want to avoid the situation that we are seeing at Leyton Orient, where the ‘owner’ goes missing and (even more) chaos reigns.

### ***Let's Work Together!***

We are focused on ensuring the long-term survival of Swindon Town FC.

We are building a Trust that is capable of stepping in when the time is right. That may be when Lee Power decides to leave, or it may be when his successor decides to leave. Many things can happen between now and then, but in the meantime it’s important as supporters that we stick together and get stronger.

Our message is clear: “Control the controllables” - let’s purchase the stadium and use that as a building block to do something new and exciting in English football. Over time, we can develop the wider external area and generate new revenue streams that make us self-sufficient as a community.

Our main objective is ensuring the long-term survival and prosperity of Swindon Town, regardless of division, and regardless of who 'owns' the club - Lee Power, or anyone else in the future.

The reason we keep talking about financial transparency is because we as fans have suffered in the past - having seen our club placed into administration twice, and also twice fight off winding-up orders from Her Majesty's Customs and Excise over unpaid tax.

It's our duty as a Supporters' Trust to have a detailed interest in how the club is being run. We've seen other clubs like Portsmouth and Newport almost go out of business, and others like Bolton Wanderers and Leyton Orient suffer and struggle off the pitch.

With the lack of financial transparency at the moment, we need to build up the capabilities of the Trust so that we are ready for any eventuality, and on that we are establishing a Trust board and associated network that can step in temporarily should an emergency situation arise at any point in the future.

It's meant bringing on the skills that every successful football club needs, skills that can cover the day to day executive management of the club, plus any legal, financial, media, community or design work. We are also building up contacts within the football world to ensure continuity on the pitch should things go badly wrong.

We are keen to lock in high net worth Town fans and build contacts so that should the need arise, we can move quickly to stabilise the club - in whatever situation it finds itself. We are all about building a Swindon Town community, so that this club is protected from the risks associated with individual ownership.

This is not aimed specifically at Lee Power, the risk of financial failure is high, and many things can happen to derail the football club 'projects' that are currently bankrolled by individuals.

We recognise the financial challenges associated with running a football club and we are well aware that it needs a great deal more funding than we currently have access to. That's why our current work is all the more important -- there is no point in reacting once Swindon Town is in peril, **we have to be ready now**.

In the case of Portsmouth, they were in an absolute crisis, and had to learn how to move on from there with some urgency. We are not in that position, and although we don't have a clear view on the debt situation, we have to take Lee Power at his word and believe we are not in immediate trouble.

Portsmouth used Community Shares to rescue their club, and we will be using the same model to raise funds towards the County Ground purchase (more on that later). In doing so, we will also establish a clear mechanism for capital funding that can be used again in the future, should an emergency arise.

In addition, if Lee Power decides to move on and would be willing to sell the club to the supporters, we could also use this model. It would be established and ready to go.

# Supporter Ownership

Extracted from an article by Nick Ames in *The Guardian*, 16 April 2017

Supporters Direct recently celebrated ‘Supporter Ownership Week’, an initiative aimed at raising awareness of the organisation’s work in helping supporters to take control of their teams. Around 40 clubs in the UK – including some rugby league teams – are supporter-owned and it is an increasingly attractive option in a climate that offers few guarantees of financial stability to those without recent top-flight exposure.

“We’re very happy with how things have gone,” Robin Osterley, the chief executive of Supporters Direct, says. “When we first started, 15 years ago, ownership was really a by-product of setting up supporters’ trusts. As we’ve matured as an organisation we’ve started to realise it isn’t necessary for everyone; the circumstances have to be right and in order to be sustainable it has to be set up properly. It’s not exactly a slow burn but definitely a careful one, because there is no point in a supporter-owned club failing or being so strapped for cash that they end up looking for a rich buyer to bail them out. But we are signing up new clubs all the time – three or four a quarter perhaps – and it’s an ongoing process.”

Success stories are many and the most high-profile instance has been that of Portsmouth, whose supporters’ trust became their principal shareholder in April 2013. That drew a line under half a decade of near-catastrophic relationships with foreign backers and the club is now stable in League Two. Osterley gives two further examples of the way in which an intensive level of fan involvement has made a difference in markedly different ways.

“Swansea show how it can become a platform for development,” he says. “Supporter activism saved them [in 2002] but they never felt that supporter ownership would be 100% appropriate in the long-term for a club of their size and history. Impressively, things developed so they’re now 20% owned by supporters”

“An example of how club and community can empower one another is Merthyr Town [who play in the Southern League and are the phoenix club of Merthyr Tydfil]. They are in the middle of one of the most deprived areas of the country but this club has raised the most enormous amount of money and it’s a really impressive setup there. They’ve achieved this by going out and getting grants from the local authority, regeneration funds and community cohesion sources. They would have been given none of those grants had they not been community-owned – nobody is going to give you money if they feel they’re just lining the pockets of the players or yourself. But this is going back into the community and the club is a key focus for community activities in a town like Merthyr.”

“I think we will see another supporter-owned club in League One before long, to follow the example of Exeter before they were relegated, and I can foresee it happening in the Championship as well,” he says.

“But whoever you support, this is a critically important subject. The entire ecology of football benefits from this kind of activity and that’s the message we’re trying to give.”

## What is Supporter Ownership?

'Supporter owned', 'community club' are phrases that have become popular when talking about clubs.

Lots of clubs do lots of great things in their community, and many supporters feel like they 'morally own' their Club, but when Supporters Direct talks about 'supporter ownership' (or similar phrases like 'community ownership') they mean;

- A minimum of 50% +1 of the voting rights of the Club to be controlled collectively by a democratic entity which has an open and inclusive membership.
- **'Democratic'** to mean the membership of the entity to work on a one member one vote principle
- **'Inclusive'** to mean that there are no substantial barriers to participate as a voting member, with membership open to all that are sympathetic to the aims of the Club.
- Any profits are reinvested back into the Club as opposed to being distributed to shareholders.
- The Club is committed to running as a sustainable business.

It's not to say that other forms of ownership don't work and should be ignored, but our research suggests that Community Ownership opens up a number of benefits to a Club that are much harder to achieve or not possible to achieve in a privately owned Club.

There are many different forms of member ownership around the world.

# The Wider View – Supporters’ Trusts in the EFL

## Case Study: Portsmouth FC

The financial problems of Portsmouth FC are well known to every football supporter worldwide, but the supporters through the vehicle of the **Portsmouth Supporters Trust (PST)** are continuing their fight to rewrite the next chapter in their Clubs history, so that it becomes well known for all the right reasons.

The story so far reflects a quite simply monumental effort from a monumental number of people, offering their skills, time and money to not just save but rebuild the Club for its supporters and community.

One large piece of the jigsaw that came together was the capital finance that the supporters were able to raise to show that they are not just well intentioned but serious in their vision. At the centre of it is an increasingly popular finance raising method called **Community Shares**.

Community Shares are ideally suited to sports clubs as with a community of people interested in its success – it’s a way to raise serious finance in a way that primarily focuses on collective benefit for that community rather than an individual’s private gain.

Supporters Direct developed a pre-share offer which saw more than 2,000 people deposit £100 to show their appetite for supporting a full offer when they had a clear run at ownership.

With the support of their legal partners, working with PST and their partners they were also able to produce an offer document that saw close to £2 million transferred into a holding account ready to go.

In the opening game of Pompey’s 2013 SkyBet League 2 campaign, a proud message ‘OURS’ was spelt out by fans in the Fratton End holding up coloured cards before the match against Oxford United, symbolising that that club was indeed now owned by its fans.

Four years later and they have been promoted from League Two as champions, and they have attracted the interest of a huge investor, which may change the way the club is run in years to come.



## Case Study: AFC Wimbledon

In May 2011, AFC Wimbledon returned to the Football League, defeating Luton Town on penalties in the final of the Conference National play-offs. It was their fifth promotion in nine seasons, completing a journey that began in June 2002, when the Dons Trust decided not to let the relocation of Wimbledon FC to Milton Keynes, at the behest of their profit-driven owners, spell the end for football in the community.

The episode remains one of the most controversial moments in the history of the game in England.

Rather than accept this, supporters pressed ahead with plans to form a new club, and on July 10th 2002, AFC Wimbledon's first match took place in front of 4657 supporters (they lost 4-0 to Sutton United).

At the time, Chairman Kris Stewart said: 'People tend to think, "football fans, what do they know?", but we have a microcosm of society here with accountants, lawyers, journalists, delivery drivers, teachers. They all have their skills and they are all very useful.'

Those co-operative sentiments have been a driving force throughout the subsequent years, something which can clearly be seen in the club's charter: "AFC Wimbledon is a club collectively created, owned and run by its fans. In everything we do, we strive to provide the very best football club we can, recognising that were it not for our fans we would not be here – and without them, there would be no point being here anyway."



Owned by the Dons Trust, an Industrial and Provident Society run under the one member one vote principle of the co-operative movement, the club still relies on a network of committed volunteers.

As well as providing entertainment on the pitch every other Saturday, AFC Wimbledon is an active participant in both Merton (where the original Wimbledon FC were housed) and Kingston, where teams have been established for both sexes from the age of eight, whilst the AFC Wimbledon Community Football Scheme has become one of the main providers of coaching in the community.

On the pitch, the club continues to go from strength to strength. Having established itself as a stable presence in the Conference National, a return to the Football League was secured in May 2011.

The 2016/17 season saw AFC Wimbledon compete in League One for the first time in their history, and the club is hoping to move into a new ground by 2019 near their spiritual home Plough Lane, which was Wimbledon F.C.'s ground until 1991.

They look well placed to continue their success, backed up by a solid co-operative foundation.

## Case Study: Swansea City

On July 8th 2001, a group of Swansea City FC supporters met to discuss and debate the idea of forming a Supporters' Trust. Their concerns were numerous: on the pitch, City's fortunes had slumped, and the club were relegated back to Division Three.

Off the pitch, the outlook was even more troubling. In February, owners Ninth Floor PLC had put up the club for sale, after the company's half-year financial report showed pre-tax losses of £797,000. Initial reports suggested they would set a price of £3,000,000, but instead, they agreed a sale to former Commercial Manager Mike Lewis for a nominal sum of £1 – but on the condition that the club would shoulder a debt of £801,000, to be paid to Ninth Floor.

Despite having agreed to purchase the club, Lewis – who in 2007 pleaded guilty to accusations of fraud relating to his activities at Exeter City – made no secret of his desire to offload it at the earliest possible opportunity. Unwilling to wait for a change in ownership, the supporters decided to take matters into their own hands, and with the help and advice of Supporters Direct, formed the Swansea City Supporters' Trust.

The Trust received backing from across the local community, with supporters offering help in a plethora of areas: from fundraising to financial planning. As a co-operative, democratic organisation, the Trust had a clear mandate from the club's support to act in the best interests of Swansea City.

Off the field, events were moving apace. Lewis sold the club, again for £1, to Australia-based businessman Tony Petty. At this point, the Trust stepped up their efforts to secure a stake in the club for the community, particularly when Petty's reign soon became a turbulent one, with a number of players sacked and costs slashed. With the backing of their members, the Trust Board supported former Swansea player and head of a consortium of investors Mel Nurse in his attempt to wrest the club from Petty's control. However, Nurse's legal bid collapsed after a court judgement ruled against him.

Negotiations continued behind the scenes, whilst supporters took collective action to make their desire for greater involvement in the club clear. Eventually, the Trust were able to broker a deal whereby a group of vetted investors – sourced by the Trust – agreed to purchase Swansea City.

Trust members raised £50,000 during this time, and thanks to this tireless fundraising drive, they secured a 21% stockholding in the club along with a seat on the Board of Directors. The club barely escaped relegation to the Conference National in 2003, and eight years later, won promotion to the top level of English football, operating under a system of financial sustainability and community engagement.

It would not be an exaggeration to say that without the Supporters' Trust and their co-operative principles; the current success being enjoyed by Swansea would not have been possible.

More recently however, the story has turned sour. The Supporters' Trust angrily criticised the chairman, Huw Jenkins, and other former shareholders for making millions of pounds by selling to US investors, and complain that they were "bypassed" when the sale happened in June 2016.

The Trust have been left with a 21% shareholding that carries no substantial influence on votes and no security for continued involvement in the club. The club's new US owners want to grow Swansea commercially, particularly in the US, and plan to dilute the Trust shareholding from 21% in the future, effectively removing them from the picture.

# Benchmarking – League One Club Accounts

This information is extracted from a report produced by Supporters Direct for our AGM pack.

It is interesting to talk about as it emphasises how difficult it is to run a football club sustainably under the traditional UK Football Club model.

- 14 of the 24 clubs in League One in 2014/15 filed full accounts
- Only 4 of the 14 clubs made trading profits ( and profit on player sales contributed to 2 of these);
- The 10 clubs reporting losses all incurred losses in excess of £1m;
- Average losses were £2m, albeit distorted by Bristol City (champions) reporting an £8.2m loss;
- The average total wage:turnover ratio was 95% with 7 clubs reporting ratios in excess of 100%;
- Including clubs filing abbreviated accounts only 8 appeared to be attempting to break even;
- Including clubs filing abbreviated accounts 17 reported borrowings in excess of £1m;
- Debt was reported up to £36m (Coventry City) and £20m (Colchester);
- Of the 6 clubs with modest levels of debt, 3 have since been relegated.

## Conclusion

We must run football clubs in a better way!

The clear conclusion from the report is that many clubs are not run sustainably and are dependent on owner support. The report also concludes that a well supported club such as Swindon Town could undoubtedly survive in League One if operating sustainably.

It might struggle to achieve promotion in competition with clubs enjoying benefactor support, but we believe there are other ways to bridge the gap - by taking a fresh new approach and engaging the community like never before.

# Challenge 5. The County Ground

## Why do we think buying the County Ground is a good idea?

At the AGM in March, and in the associated media coverage, supporters were asked whether a move to purchase the County Ground was a good idea. The overwhelming response was “Yes”.

86 per cent of supporters also gave favourable responses in the Swindon Advertiser poll, with 55 per cent ‘fully behind’ the idea and 31 per cent suggesting the idea was ‘good – but needs some work’.

### Your vote

What do you make of the idea from the Supporters' Trust to buy the County Ground?



On other ground development projects, like the Stratton Bank roof campaign, we had clear feedback from local business contacts that they were unwilling to assist financially whilst the asset remained council owned. This is a big problem, as it leaves the stadium untouched for years to come. Securing the County Ground would allow us to influence developments both externally and internally.

As a Trust board we believe that by purchasing the County Ground we can give supporters a significant financial asset, one that can be used to secure development funding and improve future commercial fundraising possibilities around the stadium footprint.

We can also attract national interest in our Trust, and it's longer term ambitions.

We want to lead the way in a UK football revolution, and see the stadium as the first step on a very long road that may one day see us acquire a 51% controlling stake in the club, backed by another 49% of corporate support and sponsorship to make us competitive. We want to do all the right things within the community and be front runners in what will eventually become the norm in the English football league.

It's a longer term view, but the County Ground is an important first step for long term security of our club.

Board representatives Steve Mytton, Rob Angus and James Phipps met with Swindon Borough Council on Thursday 27<sup>th</sup> April to discuss our previously submitted formal bid of £1.1m. The meeting was very positive and a number of actions were taken away. Subsequent conversations have also been constructive.

As part of our due diligence we submitted a number of questions that the council are now working on - the detail on those responses is expected by end of June, at which point we will seek to agree a final fee that gives value to the local taxpayer and allows us to proceed with our ambitious plans.

It's clear from the meeting that our work could be a major part of the wider development for Swindon centre, helping to breathe much needed life into the area, and providing wider benefits to the community.

## How much is the County Ground going to cost?

Our Initial £1.1m was not accepted by Swindon Borough Council, but they have shown a willingness to discuss the matter further and accept that as a community group we have the best interests of the area at heart, and can get access to funding that other potential partners cannot.

The actual figure is still being negotiated and requires us to complete due diligence. Once all of the required information is to hand we will settle on a figure which will then need cabinet and full council approval.

We would also like to raise an additional amount to kickstart any urgent repairs and maintenance that are required within the County Ground footprint and to allow the improvements to begin immediately.

## How will we raise the funds to pay for it?

We are confident that we have contacts within the business world who can get the ball rolling and help the fundraising to get off to a significant start.

The remainder will need to come from YOU – the fans, and the vehicle for this is **Community Shares**.

You can watch a simple explanatory video by typing this into your web browser: [bit.ly/community-shares](https://bit.ly/community-shares)



Community Shares offer an opportunity to further the connection between individual and club, and are a means to raise finance by offering shares in a Community Benefit Society (CBS).

Shares in a CBS are different to ‘normal’ shares in companies. CBS shares don’t go up in value and are unlikely to go down, and don’t give extra voting rights to bigger investors.

Community shares can, under certain circumstances be withdrawn, with the CBS buying back the shares for the original price that they were bought for, thereby offering the individual investor an exit route.

A CBS can pay a small amount of interest to shareholders, but it is up to the Board to decide whether it can afford to pay interest, based on its business performance. There is a limit to the number of community shares an individual can hold in any one CBS, currently set at £20,000.

Organisations and enterprises can also invest and buy shares but they too only get one vote, regardless of how much they invest.

A CBS is a type of co-operative which is registered with the Financial Conduct Authority. People are invited to join as members paying an annual membership fee, and each person receives the same vote.

Any profit a CBS makes must be reinvested, and there are protections written into the rules to stop the wealth of the CBS being distributed to individuals.

# Where do community shares fit?

Community shares are a perfect match for our Supporters' Trust and they are a welcome addition to the traditional methods of raising capital finance.

This is why: **It allows you to raise money without losing control**

The voting structure will be one member one vote despite the level of investment, therefore retaining that feeling of the County Ground being owned and loved by many.

**It can help attract other money**

Raising some of the capital you need through community shares will usually make it easier to attract money from other sources, such as commercial loans or grant funding, because you have spread the risk and shown that you have the support of your members and community.

**It is a less risky and more flexible way for us to raise finance**

Compared with loans that have fixed repayment terms and fixed interest rates, community shares are far more flexible and patient form of equity. The Trust has the power to decide when it can afford to pay in interest on community shares and when it can allow members to withdraw some or all of their share capital. Loans are debt, shares are equity.

**It is a cost effective method to raise money**

Selling investment opportunities to the public is a heavily regulated activity, but because community shares are about community benefit rather than private financial gain, they are exempt from these regulations, making community shares a much cheaper and more cost effective way of raising money.

**It is a growing trend**

Community shares have been used by lots of community groups to finance businesses and services that are important to communities, such as pubs, shops and renewable energy. The government has recognised this trend in 2012 by funding a Community Shares Unit, to help more communities raise finance this way.

Read more at: [www.communityshares.org.uk](http://www.communityshares.org.uk)

**It can help you become a better run Trust**

Community shares work to the principle of one-member-one-vote, which means the Trust will be equally accountable to all members, who will have a say in approving any major decisions about the future. A CBS structure has the same limited liability status as a company, and protects the assets for community benefit. It is a model of ownership that will appeal more to public funding bodies.

### **It's a fairer way to raise money for the Trust and our supporters**

By offering shares it gives individuals the chance to share in the success of the Trust, but also a realistic exit route for shareholders should they wish to leave the scheme. In addition a share offer may qualify for the Enterprise Investment Scheme (EIS), which is set up by HMRC to encourage investment in small and medium enterprises such as sports clubs. If a scheme qualifies it may be able to save individual investors up to 30% off their investment against an individual's income tax.

### **It can help stimulate an active membership willing to volunteer and promote Trust activities**

By giving supporters the chance to invest in the Trust, we are increasing the sense of community and there may be individuals and local businesses willing to help out with future County Ground improvement plans.

### **Grow the Trust**

Community shares are a means to raise capital to build and grow. It is important to allocate money raised from the share issue not just to the County Ground purchase itself, but also for other projects and activities relevant to the overall footprint that have a clear business case, so that money can be spent and then recouped over time from the additional income that the spend generates.

### **Build new facilities**

New or improved facilities will be an obvious target for us and a well thought through community share scheme can provide significant finance to help make that happen. By raising a proportion of the overall target through Community shares, our Trust can look to other grant funding schemes and traditional fundraising to make up the rest to reach other target figures.

### **Buy a controlling share in our club**

Using Community Shares is a great way for a community to purchase the club in the future, be that by providing a planned exit route for the existing owner or to take over a club in crisis. With the complexities and risks of a takeover, the offer is likely to be different with a number of stages.

# Community Shares - Case Studies

## FC United of Manchester

FC United of Manchester have raised a staggering £1.8 million from a community share offer, alongside a development fund which currently stands at £170,000. Additional money raised by the Development Fund – mostly through donations, collections and fundraising events – totals over £200,000.

This has proved vital in paying for development costs, such as professional fees for planning and architects to turn their dream home into a reality.

Critically by raising so much through their own members and supporters in football's first ever community share offer, FC United have been able to leverage large grants from The Football Foundation, Sport England and Manchester City Council for a project with a build cost of £5.5m.

The scheme has been successful in securing EIS approval from HMRC, which should provide 30% tax relief for many of those who have bought shares. The Offer Document and business plan provides for 10% of shares to be withdrawn each year and for payment of small levels of interest on shares after three year's of occupancy, however, the social, sporting and community benefits that the project promises to deliver will take primacy over this.

The process has resulted in some new members and has been a way of engaging supporters in the project through volunteering to support the scheme – as ambassadors and a volunteer sales force.

## Portsmouth FC

Portsmouth Football Club is now majority owned by the community with Community Shares being utilised to raise more than £2 million to purchase shares in the Private Company Portsmouth Community Football Club Limited, which are held collectively by Pompey Supporters Trust (PST).

PST surveyed 6,000+ supporters establishing that Pompey supporters wanted to be formally involved in any new ownership structure, and were willing to invest money in a credible and financially sustainable community buy out of the club.

They followed the survey with a pre-share offer asking for deposits of £100 to test the appetite of the community, which paved the way for a full community share offer.

More than 2,000 individuals invested the minimum £1,000 or more in the scheme, a figure which was set at an unusually high level because of the need to raise a large amount of money quickly.

To help with the speed of the deal they partnered with a local credit union who were able to offer individuals the chance to borrow money to join the scheme. This show of support helped attract other finance – approximately £1.5 million from individuals willing to part with £50k or more known as the Presidents who hold a minority shareholding, a short term loan from Portsmouth City Council of £1.5 million and a loan of £2.75 million put together by PST from a local property developer, secured against the future ownership of the stadium.

# Fundraising Steps

## 1. Understand the appetite via the Red Army Fund - March to August 2017

This is our consultation period, where we talk with supporters and seek support for community ownership of the County Ground through media articles and public fan meetings.

If you haven't done so already, please sign up to the Red Army Fund, with whatever you can easily afford – that can be anything from £1 to £25 a month.

All funds will go towards our County Ground campaign, and whatever the outcome, the remaining balance will be put to the member vote. For now, it's all about the County Ground - take a look here...

[www.redarmyfund.co.uk](http://www.redarmyfund.co.uk)

We need you to keep talking about the campaign, and encourage your friends to sign up to the Red Army Fund as well. It's whatever they can easily afford too, we don't want people to get into any financial difficulty on this. These simple steps will help us in two ways:

- 1) We always keep our costs to a minimum, but we will need funding for a professional campaign - promotional costs, legal fees, establishing community shares etc.
- 2) More importantly, it will help us influence the council discussions and will also give an indication to everyone involved on what the appetite is for the stadium purchase. If council leaders and funding bodies know that Town fans are serious and putting money behind the campaign it will make a HUGE difference.

## 2. Full Community Share offer document – September 2017

This is the time where we will lay everything out to supporters and business investors, including the terms of the investment method. By now we should have completed our due diligence and agreed a price with the council. We will know the target figure we need to raise to purchase the County Ground and will release a full offer document including financial projections for how the ongoing business will operate.

We will ask Red Army Fund supporters to put a single lump sum of money into a special holding account and invite others to deposit additional money to help us meet the target.

Note: this money will remain as a deposit and will only convert into shares in the CBS once the minimum target has been reached, and an agreement is made to purchase the County Ground. If it isn't, money will be returned or individuals will be written to seeking permission to put money into a different scheme.

## 3. Buy the County Ground – March 2018

We have allowed a six month window (September to March) for the fundraising, at which point our Community Benefit Society (CBS) will be ready to purchase the stadium. Deposited money will be converted into Community Shares in the CBS and we will use the money to purchase the County Ground and provide sufficient working capital for any initial developments.

Share certificates will be sent to investors, who will also be advised of other benefits they are entitled to.

# Grants

Money can be awarded to the Trust from a grant funder with certain conditions attached as to what the money is for. It could be a capital grant (e.g. building a sports facility) or a revenue grant (e.g. paying for professional services linked to the regeneration of the wider area). If the money is misspent or the aims not delivered the Trust could be at risk of having the money reclaimed.

We are looking into several options at the moment:

## **Big Potential [www.bigpotential.org.uk](http://www.bigpotential.org.uk)**

This Big Lottery Fund grant fund will deliver approximately £20m of grant funding over 3 years to voluntary, community and social enterprise organisations (VCSEs) with the aim of improving the sustainability, capacity and scale of VCSEs in order that they may deliver greater social impact.

Although we have little in the way of long-term track record as an organisation, we believe that our skilled board and relatively clear investment proposition may put us in a strong position for funding. We are at the beginning of the application process, with a number of steps to follow, and it will take at least three months before we will know if we are successful.

## **Bright Ideas [www.powertochange.org.uk/funding/grants/community-business-bright-ideas](http://www.powertochange.org.uk/funding/grants/community-business-bright-ideas)**

Another option we are looking at is Bright Ideas. If successful this could pay for development support from Supporters Direct specialists, and might lead to other Power to Change programmes. The next round of applications is due at the end of May and we are in discussions on this now.

## **Big Society Capital [www.bigsocietycapital.com](http://www.bigsocietycapital.com)**

This is an independent financial institution with a social mission, set up to help grow the social investment market. Their vision is for a vibrant, diverse, well capitalised and sustainable social investment market in the UK, through which charities and social enterprises can access appropriate and affordable finance and support to grow their positive impact on society.

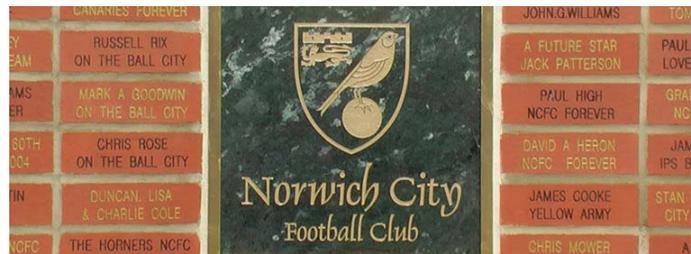
These are just the first three grants we are investigating with the help of Supporters Direct.

Our aim is to maximise any possible funding and bring value to Swindon as a whole.

# Other ways we can raise money

## Briconomics

Over the years, this company has helped Sports clubs and Charities raise over £25 million through high quality personalised engraved bricks, stones, ceramics, and metal sculptures. Supporters are bonded to the club in real, physical terms: statements of loyalty, birthdays, memorials, births, weddings, celebrations ... all recorded permanently in their own personalised engraved brick or stone.



## Fundraising and Donations

Money can be gifted to our cause, from local individuals and fellow football supporters around the country, with no right or expectation of ever receiving that money back. It's an extremely important source of money but there is a limit to how much people will just give away, and the connection between individual and Trust may be limited to a one off interaction.

## Crowdfunding

We can raise money by posting the details of our County Ground project on a crowdfunding website. The 'crowd' refers to the people or organisations that provide the money.

## Finance

This could be a commercial loan from a bank, or a loan agreement with individuals.

A bank will lend money to the Trust with money being paid off over a period of time at an agreed rate of interest in addition to the amount loaned. Often this can be secured against an asset, such as a piece of land.

More common is a Trust turning to an individual to borrow money.

It may be the easiest option, but it can put the Trust at risk if it can't meet repayments and it can change the dynamic, with the influence a loan holder can have over the Trust.

Bonds are normally offered as an unsecured form of debt for a fixed period of time, with a fixed rate of interest. There is the pressure to repay the bond holders at the end of the fixed time period.

## Other Commercial Opportunities

We are currently investigating ideas to increase the community value in the surrounding area by investigating commercial ideas that will generate a longer-term stable income.

# Red Army Fund Update

The fund is now solely focused on the purchase of the County Ground, and increased our number of contributors from 125 to over 290 in just over a month - a massive growth rate, but this has since slowed.



Thank you to each and every one of you that have recently signed up and also those of you who continue to support us financially with monthly contributions. If you're not signed up - please visit [www.redarmyfund.co.uk](http://www.redarmyfund.co.uk)

We want fans to contribute whatever they can comfortably afford, with all of us grouping together this provides a revenue stream that gives the Trust greater independence, and although we always keep our costs to a minimum, it will give us some much need funding to run a professional campaign.

More importantly, it will help us Influence council discussions and funding grant applications. If they know Town fans are serious and putting money behind the campaign it will make a HUGE difference.

Please keep talking about the Red Army Fund and encourage your friends to sign up - It's whatever they can easily afford too, we don't want people to get into any financial difficulty on this.

Contributing towards the Red Army Fund brings you several benefits (Badge, Pen, Shirt) and also makes you a full share-holding and voting member of the Trust.

- Gold Membership** equates to 82p a day (£25 a month)
- Silver Membership** equates to 33p a day (£10 a month)
- Bronze Membership** equates to 16p a day (£5 a month)
- Red Membership** from as little as 3p a day!



# Swindon Town Fans First

A structured dialogue meeting between the EFL and supporters was held last Friday 19th May.

The meeting was arranged by the Football Supporters Federation (FSF) and included a delegation of supporters from the different leagues as well as Supporters Direct and the FSF. We were represented by Supporters Direct and one of main points discussed at the meeting was:

**Clubs in Crisis** – How can we address the current situation and ensure Supporters Direct recommendations for regulatory reform are heard and implemented?

*Note: Supporters Direct are carrying out a major investigation into the regulatory failings within the Football League and have made a number of recommendations on reform. As some of you may have seen recently, the EFL released a statement to emphasise their role as a 'competition organiser' rather than a regulator, which appears to be a change of tack from their previous stance.*

As you may recall, we had James Mathie from Supporters Direct at our AGM, and we asked for a specific question to be raised on our behalf as it's relevant to all EFL clubs:

**Can we have a rule in place that all companies associated with the running of an EFL club must produce fully detailed and audited accounts? The clubs should also hold a public AGM where fans can ask questions about those accounts.**

In the report we funded via Supporters Direct on the benchmarking of League One club accounts for the 2014/15 season, only 14 of the 24 clubs filed full accounts and it seems to be a relatively simple rule to introduce. We would like to see this made compulsory.

More generally, we are talking with Supporters Direct about bringing some Trusts together under the working title banner of "Fans First". It's about Trusts organising themselves and bringing on sufficient skills to the Trust board that make you a viable alternative to whatever ownership is currently in place.

We have been doing this for some time, and we have a team of professionals - legal, financial, PR, social media, and business skills. Everyone involved brings something to the table, and are all lifelong Swindon Town fans. Our view is that there is a better way to run football, and would like to bring this to a national platform over time - It would be a huge step forward for us as a Trust and a great selling point to outsiders.

We want to see Swindon Town and other EFL clubs eventually become fan owned and put "Fans First" again, just as they are at many German clubs, where there is the "50 + 1" rule. It means that clubs must be majority-owned by their members (thus a minimum of 51%), which prevents a single owner taking control of the whole club. The remaining 49% can be made available to other investors, but a controlling stake in the club cannot officially be bought.

German clubs tend to form close associations with local firms for the remaining 49%, these often turn out to be big global companies, and they usually elect former football stars to help run the club as they have the connections that can open doors, and acquire sponsors.

We plan to attend this year's Supporters Summit to discuss this idea with other Trusts. The event is hosted by Supporters Direct and the Football Supporters' Federation, and held at St. George's Park in partnership with The Football Association on Saturday 1st July and Sunday 2nd July. The summit attracts fans from across Britain who will debate football's big issues and seek to influence the game for the better.

# Conclusion

## What can you do to help?

**Register for the Red Army Fund** [www.redarmyfund.co.uk](http://www.redarmyfund.co.uk)

As mentioned already, whatever you can easily afford - this will help us secure council and grant backing and will also let us know that you are interested in community shares later in the year.

**Email your local councillor** [www.bit.ly/supportbid](http://www.bit.ly/supportbid)

Seek out your councillor from the list and let them know you support the stadium purchase. This is important as once we have agreed a price, it will be put to local councillors for their support.

**If you are a business, sponsor us** [www.truststfc.tv](http://www.truststfc.tv)

We have some great space available on our fans website, and we would also be happy to help spread the word about your business via our newsletters and social media where we have thousands of followers.

LATEST POSTS: < > NEW ARTICLE Trust chairman calls on fans to share views at ...

TRUSTSTFC.TV

PLEASE SUPPORT US! CLICK HERE to find out more

www.redarmyfund.co.uk RED ARMY FUND help us to raise the roof!

HOME RED ARMY FUND TRUSTSTFC LEARN ABOUT STFC STFC NEWSROOM CONTACT US Q SUBMIT VIDEO

NEW ARTICLE

**FANS MEETING**  
Wednesday 24th May 2017  
at Swindon MECA  
Regent Circus, Swindon

Fans Meeting - Weds 24th May

NEW ARTICLE

**TrustSTFC AGM Summary**

NEW ARTICLE

**GET INVOLVED: How you can contribute to TrustSTFC.tv**

NEW ARTICLE

**FOR TOWN FANS**  
TrustSTFC.tv: What is this all about?

NEW ARTICLE

**THE RED ARMY FUND: All you need to know**

News & Views

NEW ARTICLE

**Trust chairman calls on fans to share views at May 24 meeting**  
May 17, 2017 | Sam Marshhead

TrustSTFC are calling on supporters to attend a fans' meeting next week as they continue to develop long and short-term plans of action. The Trust, who recently announced intentions to purchase the County Ground freehold from Swindon Borough Council, say all Town fans are welcome to attend the event which is due to take [...]

Fan Memories

FAN MEMORIES

**REMEMBER ME? Part Two: Alex Henshall**  
May 12, 2017 | Sam Marshhead

ALEX HENSHALL has experienced virtually every high and low available to young footballers trying to make the grade. He took some time to talk Town, Manchester City and his future with STEVEN PIYE. How was it coming through the STFC academy? "Great. As a young lad all I wanted to do was play football" [...] [...]

FOLLOW US

f 1519 Likes

t 2475 Followers

y 37 Subscribers

SPONSORS

BECOME A SPONSOR NOW

BECOME A SPONSOR NOW

**Donate time or skills** [www.truststfc.tv/contact-us](http://www.truststfc.tv/contact-us)

If you have skills that may be of use to us as we move forwards with the County Ground bid, please feel free to get in touch and let us know. We can register your details and call upon you at the appropriate time.