

**STOCKPORT COUNTY SUPPORTERS' CO-OPERATIVE
AND STOCKPORT COUNTY FOOTBALL CLUB**

Meeting Notes

Meeting held on Monday 3 September 2018 at The Fingerpost
commencing at 6:30pm

ATTENDANCE

Present (SCSC): Pete Towey (Chair), Ian Brown, Andy Burt, Caroline Burt (Independent Secretary), John Giles, Ed Keane, Steve Murray, Matthew White

Present (SCFC): Steve Bellis, Jon Keighren, Richard Park

A message from the SCSC Board:

Prior to this meeting, questions were invited from both members and non-members alike. Over 50+ questions were submitted. As you may expect, there was some duplication of subject matter so in this case, the questions were combined. All topics that were raised by concerned fans were brought to the meeting.

Takeover Talks

- 1. Are there still two offers on the table and where are they up to? Also what if anything is causing the delay? Are the current negotiations about selling SCFC to completely new owners or about bringing in additional shareholders with additional funds?**

The owners are actively seeking additional investment (which could take many forms including full ownership).

There are currently 3 interested parties, but there are no "offers on the table" as there have not been any hard detailed plans submitted to the club. There are no delays as the timescales are being driven by the potential investors.

It is important to note, though, that they are all viable offers. The Club regards them all as serious propositions who might benefit County going forward.

The Club aren't actively approaching agents / advertising the club is for sale as this smacks of desperation, plus the club is attracting offers without going down that path.

The Co-op Board expressed a concern about the rumours circulating that the deal could be done by Christmas and that this might raise expectations unrealistically. It was reiterated by the club that there was not a firm timetable to any potential deal going through and that the "by Christmas" rumour had not come from anyone on the Club Board.

The current SCFC board regard themselves as being custodians of the Club and its future, and will happily handover the reins in due course to the right new investor providing they are deemed good for County.

Full Time / Part Time Status

- 2. Should the owners express a desire to remain and not sell, can they provide the commitment to being a truly full-time professional football club for the season 2019/20 funded with a full-time professional playing budget where outline plans can be seen from them that they really mean business to begin structuring our pathway out of League 6 football.**

The playing budget for the 2018/19 has been increased and the board believe this to be within the top 3 in the division. The shareholders and directors have committed to underwriting any losses, which are caused by the increased budget.

If new investment isn't secured, the intention is for the Club to transition to full time status next season, with the full agreement of the team manager. Additional funding will be made available to support a full time playing structure.

- 3. Can they confirm how many of our players this season are solely employed by County and are therefore genuine full time players?**

We are currently operating as a hybrid structure. There are four players this season with full time jobs. Some players do have other roles though - it used to be the case that players had full time jobs and playing for County was their part time job. It tends to be the other way around now and playing for County is their main priority and they fit in other work around that.

All players who signed for us over the summer can go full time next season and the aim is to be as close to full time as possible next season. This is very much driven by the manager though as Jim wants us to transfer back into full time organically. He has no desire for us to get promoted only to get relegated again the next season. Plus, we would hate to lose Ben Hinchliffe, for example, as he is arguably the best keeper in non-league.

The 2018/19 Season

- 4. What measures are being taken to ensure county can transition to a full time setup successfully under the current management team? Would there be scope for a Director of Football?**

We have full confidence in the Manager and it follows that we do not feel that appointing a Director of Football would achieve anything of value for the Club. In fact, Directors of Football often seem to end up acting as a scout and we already have one of those. It would be an additional expense for no real return.

- 5. Bearing in mind the talk of a boycott, what immediate steps/actions are the Board planning on taking to avoid an escalation of fans dissatisfaction and to ensure this team becomes a real promotion contender this season?**

Talk of boycotts are not helpful when we are trying to make progress gaining promotion from division 6. The Club Board are just as disappointed as the fans with the start of this season - the manager has been given a very competitive budget.

The Club board do acknowledge the need for improved communications between supporters and Club, and undertake to firm up the relationship with the Supporters' Co-operative and ensure that suitably regular meetings take place going forward.

6. **Who holds the football management team to account for a) transfers and, b) performance?**

Following on from above, what are the targets in terms of league position and other performance indicators that have been set for Jim Gannon and his team?

Ultimately the Board hold the football management team to account. Both the manager and players have targets, the latter set by the manager.

Finances

7. **When will the accounts to 30th June 2018 be published?**

The accounts will be available at the end of this current year.

8. **Can the Co-op board be allowed to see the full set of accounts?**

Richard Park agreed to provide Steve Murray (the Co-op's financial advisor) with access to the full accounts at a separate time in the near future.

9. **What is the profit / loss to 30th June 2018?**

The anticipated loss is circa £50k – this is despite reaching the play offs and a decent cup run as the money raised from that was ploughed back into the playing budget.

This will be underwritten by the current board who will cover the shortfall as in previous years.

10. **Will there be a write down in shareholder debt in the accounts to 30th June 2018 – circa £800k - that we have been led to believe they intend to do? Are there any conditions attached to waiving this debt?**

The shareholder debt has seemingly increased back towards if not above what it was prior to Sea Of Blue.

Why? When we are told we are running at break-even?

Who are the newest debts to?

Are they loans to be leveraged against any incoming investor or are they being placed into capital to re-strengthen the balance sheet?

There has been no reduction in the level of shareholder debt for the year to June 2018, in fact it has increased by £80,000 due to the requirement to support the short term working capital position following the delayed receipt of season ticket revenue.

In the period June 2015 to June 2017 the level of shareholder debt has reduced not increased.

The 'newest' debt in the year to June 2018 was advanced by the current shareholders.

Until the exact terms offered by the potential acquirer are agreed, the club are not in a position to comment on the future treatment of the shareholder loans.

11. **In your opinion, why do we consistently get the highest crowds in the division, yet fail to gain any success on the pitch? If you speak to supporters of any other Football clubs they are shocked at our performances and how long we have been at this level.**

We have a football league stadium to maintain so our overheads are far larger than those of all the clubs at our level.

Edgeley Park

- 12. What are the shareholders intentions regarding EP? Please ask why owners who on one hand are supposedly in talks to sell the football business wish to secure ground ownership from SMBC.**

The aspiration is to ultimately buy the ground back from the Council, but it is not something we'd be considering right now. We have a very good relationship with SMBC and that gives us stability.

The Academy

- 13. How is the academy performing? What is being done to give our young players the best possible chance to succeed using the most appropriate facilities and support?**

We are very proud of our Academy structure which, headed by Alan Lord and supported by James Gannon, has provided magnificent professional coaching and education for young footballers from 16 to 19. With recent incorporation of the `Colts` into this set up, this has been extended now to cover ages 6 to 16 which is tremendous news. This is entirely self-financing and any money it raises is ring fenced for football. On top of that, the lads come out of it with a BTEC. It is considered to be one of the best run academies in non-league.

Currently 7 Academy players are experiencing regular Northern Counties games with Stockport Town, and Jordan Downing is in the County first team squad.

The aim is to produce quality players whilst ensuring that they have a good education, and the board will happily support this project going forward.

Co-op relationship with the club

- 14. Where is the regular communication with supporters directly from the shareholders?**

No club provides a direct comms link up between supporters and shareholders, but the Club does use the website to pass on any relevant information to the supporters as soon as it is needed. We are also keen to maintain and improve communications with the Co-op who keep the fan base fully up-to-date.

For a part-time club, the communication channels have increased so much over the past few years, with all the social media channels covered, a much improved website as well as programme notes from the Boardroom and Fans' Forums.

- 15. I understand it's the Co-op's goal / intention to have a Supporter - Director on the Board of the Club, democratically elected by all Co-op members on a periodic basis.**

How does the current club board view this point?

Matters of confidentiality on players wages etc. were a major consideration when proposing the cessation of the Co-operative's board meeting access.

That said, the Club Board are very keen that any potential investor meets the Co-op Board.

- 16. When the club announced their 5 year plan/vision a part of it was open communication and transparency, part of this was that the Supporters' Co-operative would be attending all board meetings.**

This lasted a few months until the offer was withdrawn to be replaced with regular 6 weekly meetings between the Club and Co-op Board. As someone who served on the Co-op Board, first-hand experience shows that these meetings were not regular, that the Co-op Board were constantly having to chase the club up to arrange meetings, more than once meetings that had been arranged were cancelled at short notice, and the meetings that did happen were more than at 6 weekly intervals. The impression given is that the club is holding the Co-op at arm's length and is treating it (and therefore its members) with disrespect. This situation also does nothing to allay supporter's fears that the owners and club take the supporters for granted."

There are no plans to further update the `5 Year Plan` as to do so would send the wrong message to potential investors, indicating a possible unwillingness on the current board's part to relinquish control of the Club - an impression that would be wholly inaccurate.

It is recognised that the meetings between the Co-op and SCFC have not been as regular as they should be. Going forward, the date for the next meeting will always be the last matter of business on these occasions. Not all Club Board directors need to be present, as long as questions are submitted in advance and Directors meet prior to the meeting so that they can all have an input into the answers, as has happened this time.

The club re-confirmed that direct dialogue with supporters will be through the Co-op as the democratically elected supporters' representatives.

- 17. The Co-op holds 17,500 shares in the club, does the club regard the Co-op as "proper" shareholders?**

The only difference between shareholders is that some are considered as "Active Shareholders" who are able to offer funds to the club when it needs it. The Co-op are not expected to contribute anything financially, as with other shareholders, but they are still considered to be proper shareholders.

The meeting was declared closed at 8.40pm

Stockport County Supporters' Co-operative thanked the Directors for their time.

DATE OF NEXT MEETING

Monday 15 October.