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13th June 2018

Dear Member,

Your SD – Your Choice

As you may be aware, the Supporters' Direct AGM on 28th July in London will have a very important choice to make about the future of the organisation. For approximately 18 months, there have been discussions – prompted partly by our principal funder (The Premier League Fans' Fund) - about SD joining with FSF to form a new, single organisation to represent the broad range of issues of concern to football supporters.

Your elected Board has worked hard, particularly over the last twelve months, to develop proposals for both a new, single organisation and also how Supporters' Direct could continue as a distinct body while facing a likely further reduction in the funding we receive from the Fans' Fund for work in football.

From the outset, the Board has taken this task forward with two objectives in mind – firstly, to seek to protect and enhance the SD mission for supporter ownership of clubs, better governance of sport and structured dialogue between fans and clubs, all contributing to putting supporters at the heart of sport. Secondly, to provide as clear and comprehensive as possible a choice for you, the Trusts who own SD and will decide what happens next, to inform your vote at the AGM.

This pack contains the background explaining why we have to put this choice to member Trusts now, a comparative description of the main features of each option (with appendices containing supplementary and more detailed information), the Board's opinion and recommendation and details about both the AGM meeting and what you need to do to ensure you are able to vote (preferably in person, or by appointment of a proxy).

While the Board can, and has, closely interrogated ideas, discuss options, formulate proposals and make a recommendation – it is ultimately for our member Trusts to make the decision about our future.

During the course of this process, we have sought the input of Trusts through surveys, arranged sessions at the Members' Day in Birmingham to discuss it, and (provided there is sufficient interest) will hold sessions in July to answer further questions from you. This is all geared to ensure you and your members are as informed as possible, and can make your judgement accordingly.



PROMOTING SUSTAINABLE SPECTATOR SPORTS CLUBS
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I would encourage you to take the time to read this pack thoroughly, to circulate it and discuss with the members of your Trust, to take part in the events in July and to please come back with areas needing clarification, so you are able to make an informed choice on 28 July.

It is also important to ensure that your Trust is in full membership of Supporters' Direct so that you are able to take part – only Trusts who are full members will be able to vote.

Supporters Direct is your organisation, and this is your choice to make, on the basis of the information here and your view of how the important role your Trust plays can best be supported, enhanced and developed.

Thank you very much for your continued support for Supporters' Direct.

Yours sincerely

Tom Greatrex
Chair, Supporters' Direct

Background

Why a decision must be taken now

A possible merger of Supporters Direct (SD) and the Football Supporters Federation (FSF) has been a discussion point for a number of years, so why is it now necessary for SD members to make a decision?

In short, a decision has become necessary because of important changes to how SD's work can and cannot be funded once its current funding arrangements come to an end in July 2019.

Both SD and the FSF receive the majority of their funding from the Premier League Fans Fund (PL Fans Fund), a fund which is wholly funded by the Premier League. For the 2016-19 funding cycle, the PL Fans Fund committed £983,000 to support SD's work.

Towards the end of 2016, the PL Fans Fund panel asked SD to look at potential savings from operating a shared back office function with the FSF, Level Playing Field (LPF) and Kick It Out (KIO). The study found that each organisation was already run in a fairly lean fashion, and showed that sharing services but remaining independent offered few productivity benefits.

This outcome encouraged the Fans Fund panel to suggest that a move to a single national supporters' organisation might benefit all. This is based on its stated belief that a single organisation could lead to:

- Less duplication and better value for money
- Greater efficiency, creating sustainability and longevity
- A stronger collective voice
- The continuation of both organisations' missions, with skills, expertise and knowledge retained

The PL Fans Fund has also stated that funding for any new organisation will be commission-led, in that it will need to deliver outcomes that have been formally agreed with the PL Fans Fund Panel. The Panel must also be satisfied that funded work is operating with maximum efficiency, with a focus on avoiding duplication. Attaining value for money will continue to be critical to the PL Fans Fund, regardless of what SD and FSF members decide at our respective AGMs. This will be reflected in its consideration for core funding beyond the current agreements.

SD's response to the PL Fans Fund

In light of the PL Fans Fund's request, the SD Board and CEO have sought to develop two proposals for the future of SD – one as part of a new single supporters organisation, and one as a continued distinct organisation - with a view to presenting a clear and informed choice for supporters trusts to make at the 2018 AGM.

On 27th September 2017, the SD Board issued a statement informing members that it had agreed to actively engage with the FSF to investigate and evaluate the desirability of the creation of a new single supporters' organisation, combining, protecting and enhancing the talent, expertise and mission of both SD and the FSF.

This investigation was undertaken with the proviso that any consideration of a single supporters' organisation can only be on the basis of a democratic structure, underpinned by strong governance and robust financial control, operating with a modern streamlined board and council structure, and enabling the continued support for supporter ownership in a range of sports.

In parallel, and with equivalent resource and time allocated to it, SD committed to thoroughly investigating and formulating proposals to remain as a continued distinct organisation, with potential scope to develop an even broader range of activity.

We now find ourselves over 18 months into a process, with a huge amount of work undertaken behind the scenes to get us to this point. SD's Board, having considered both of the options in detail, have made a recommendation to the membership on this decision. However, the judgement is for member Trusts to reach by reviewing the information, assessing the potential benefits and risks, and casting a vote for their preferred option. The FSF, in parallel, will also be putting proposals to a single new organisation to their members at the FSF AGM, which will follow immediately after the SD AGM.

What SD has done for supporters

SD has secured a formal role for supporters and enhanced club governance across sport in a number of ways:

- We've helped supporters of football and rugby league clubs set up over 200 supporters' trusts.
- We've led the promotion and implementation of structured dialogue for clubs in the Premier League, English Football League and non-league.
- We've promoted and supported the role of "Supporter Directors", who now represent their trusts on the boards of 75 clubs.
- We've played a critical role in the creation of the UK's 52 community-owned clubs
- We created the opportunity for Supporter Liaison Officer (SLOs) in the UK - SLOs are now mandatory at PL and EFL level.
- Our research, policy papers and lobbying have led to other improvements working with leagues and the F.A. to improve rules on insolvency, financial monitoring and reformed clubs.
- We've created the opportunity through SD's "Hub" for football supporters to share experiences and good practice
- We have helped save clubs, intervening in more than 100 insolvency events since our formation.
- We are leading the way in protecting sports stadia through Asset of Community Value (ACV) status.
- Our members have collectively raised over £50m, invested back into sport and community.
- Our groundbreaking work has spread throughout the world. As well as incubating and developing SD Europe and SD Scotland, we have been approached for help from organisations in South Africa, Australia and the US, who look up to us as global leaders in our field.
- Our survey of members revealed that they strongly value our specialist advice, our work furthering the structured involvement of supporters in sports club, our network-building activity and our political lobbying.

What SD has done for communities

SD's impact has extended beyond sport. We have:

- Empowered and inspired hundreds of thousands of people to take an interest in the ownership of local sports clubs and in their ability to bring influence to them
- Helped bring the issue of good governance, including stakeholder rights, to local sports clubs
- Helped inspire local partnerships between sports clubs and the community, including charitable activities to enhance local facilities
- Brought project management skills and templates to local groups
- Inspired a culture of volunteering at many trust-owned and influenced sports clubs
- Introduced Community Interest Companies, Community Benefit Societies and other mechanisms to widen club ownership and help raise funds
- Encouraged a culture of co-operation amongst supporters to achieve community ends
- Helped incorporate an ethical dimension into the management of sports clubs
- Promoted democratic rights deeper into communities
- Created civic pride through volunteering and community action in sport

All associated with Supporters Direct are proud of our record, and want to build on those achievements in the interests of supporters and communities. How the mission of SD is best protected, enhanced and developed is a key consideration for Trusts ahead of the AGM in July.

Motion

The voting form at the Annual General Meeting on Saturday 28th July at 11 a.m. will contain the following wording:

Considering the proposals and information provided to member Trusts, Supporters Direct should:-

(please tick the box that applies)

-Form a single, new football supporters' organisation with the Football Supporters' Federation [☐]

- Continue as a distinct organisation focused on governance in sport [☐]

Comparison table

Area	Continuing Distinct Supporters Direct	Single New Organisation
<p>Funding – It should be noted that FF have stated future funding will be packaged up and commission led.</p>	<ul style="list-style-type: none"> SD is likely to receive less funding from the Fans Fund than it currently does, this means that we will need funding from elsewhere which is likely to be work outside football. Unless we can find other organisations to fund football work then we must accept that the level of resource we can dedicate to our football activities will reduce 	<ul style="list-style-type: none"> The Fans Fund have committed to providing minimum funding for the next three years equal to that received by both organisations in the current funding cycle
<p>Mission - It should be noted that mission is partially determined by the funding provided for either option</p>	<ul style="list-style-type: none"> An Independent SD would allow a clearer focus on our mission <i>“To promote good governance in sport and enable the development of sustainable clubs based on supporters’ involvement and community ownership”</i>. Albeit we have some clear boundaries of work that SD and the FSF currently focus on, there are also significant grey areas which are likely to become competitive when bidding for funding. The FSF have indicated that they will broaden their remit to include governance and related issues were there not to be a decision to form a single new organisation. 	<ul style="list-style-type: none"> The FSF and SD have agreed that all existing missions pursued by both organisations will continue to be supported in a new organisation. The SD mission will be incorporated into the objectives of the new organisation, and activity to support that mission will be protected within the new organisation, and reflected in KPIs for the new organisation and its Chief Executive to deliver. On occasion it may be necessary to determine priorities and it will be up to the leadership, with guidance from board, council and membership, to determine these.
<p>Leadership</p>	<ul style="list-style-type: none"> On day one, leadership will remain as is and will of course be focused on the new round of funding, which will eventually determine the future path for SD. 	<ul style="list-style-type: none"> Both existing CEOs would be invited to apply for the position of CEO of the new organisation. Interim board would produce a job specification oversee the selection process to a third party. Regardless of the appointment the hope is that there will be a role for both.

		<ul style="list-style-type: none"> The new board would be made up of some existing members from interim board and those elected by the new combined council.
Staff	<ul style="list-style-type: none"> Initially the intention will be for staff to continue in their existing roles, however once the results of the next funding cycle is known it is likely that changes will be required to satisfy the resource requirements to deliver the funded work. 	<ul style="list-style-type: none"> The aim is that all existing staff of both SD and the FSF will continue. Clearly, there will need to be some change in roles and this will be determined by the new leadership.
Representation	<ul style="list-style-type: none"> SD would continue in its current form, albeit it may pursue a modernisation of the council to ensure fair representation across the pyramid and to ensure diversity. 	<ul style="list-style-type: none"> The proposal is documented in detail elsewhere, but has been designed to give fair representation for all. Both Trusts and constituted supporters groups will benefit from a weighted vote over individuals and associate members. Representation will begin with networks, representing an element of the football pyramid as well as diversity and community owned clubs Each network will appoint reps to a single council The council will select the board
Type of entity for organisation	<ul style="list-style-type: none"> SD will continue as a Community Benefit Society but would continue to modernise and diversify to ensure fairer representation SD would look to make some changes to its structure including a new diversity policy and the addition of INEDs to the board. 	<ul style="list-style-type: none"> An initial report commissioned by the FSF has recommended the new organisation be a company limited by guarantee. A single new organisation would take further advice on this, recognising issues which were not considered by the initial advice, including on financial and taxation implications, the operation of mutual and potential sources of additional funding. The interim Board of a new organisation would utilise that advice in making a decision on how that organisation would be incorporated.
Other Sports	<ul style="list-style-type: none"> Rugby League and other sports trusts would continue to be part of the representative 	<ul style="list-style-type: none"> Other sports would not be part of the representative structure of the new organisation

	<p>model as they are today</p> <ul style="list-style-type: none"> • SD would look to strengthen the rules of how sports other than Rugby League could be properly represented and serviced if a quorum of trusts in that sport existed • All work in other sports would be dependent on funding existing for the work to continue 	<ul style="list-style-type: none"> • However it would continue to deliver services to other sports and in fact look to grow this area • It would only be possible to deliver these services when appropriate funding is available so, for example, the current work with Rugby League would continue • To allow other sport trusts to align to the new body a “friends of” scheme would be set up and, providing funding existed, network meetings would still be facilitated
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The Case for a Single New Organisation

Mission & delivery

Mission

The new organisation will exist to represent, promote and advocate issues of concern and interest to its membership, specifically incorporating the mission of both the FSF and Supporters' Direct (SD) into the representative structure, constitution and operating arrangements for the new organisation. The new organisation will be committed to delivering the current activity, policy and priorities of both SD and FSF as an integral part of a single, national football supporters' organisation.

The current work of FSF and SD, where distinct, is in many ways nevertheless linked. Many of the day-to-day supporter issues which FSF deals with arise partly as a result of poor governance in the game and insufficient engagement with supporters from clubs and could have been avoided with a greater proportion of clubs having board level supporter representation or being community owned. Forming a new single organisation recognises that link and is designed to enable supporters to have a strong and cohesive voice to advocate for the broad range of supporter issues.

Delivery

The delivery model will be network-focussed, with national democratic representation structures organised according to levels of the football pyramid and specialist protected networks for community-owned clubs and diversity issues. However, where there is a desire, there will continue to be opportunity to meet and collaborate with colleagues on a regional basis. The network structure will give supporters' groups a single point of contact to provide support from individuals with experience and knowledge at the relevant level of football. The network model will enable a single representative body to assist and encourage supporters to work together to achieve common aims.

The existing SD and FSF staff possess a broad range of capability and experience which if brought together will provide a strong, balanced and highly skilled workforce in the interests of football supporters across a wide range of issues. This will also ensure that from the start, the missions of both the FSF and SD can be protected, enhanced and developed in a new organisation with the relevant specialist knowledge and experience embedded in the professional staff team.

The existing locations of staff and offices would also mean that the new organisation would begin with a spread of staff, with both a London and Sunderland location. There would be no immediate intention to close either office.

It is essential that areas of current SD work such as governance, reform and supporter ownership retain priority and focus in a new single organisation. The leadership of both organisations have stated their determination that the mission of SD will be protected, not least because of its influence on the cause of other issues and concerns to supporters. The new organisation will maintain a policy position that supports and promotes community ownership of clubs and supporter shareholdings where possible. This, and other related governance and supporter engagement work will be ringfenced within the new organisation, with a specialist department dedicated to the pursuit of those objectives. This will further

be enhanced with organisational KPIs designed to incorporate this as a priority area of activity against which the organisation's professional leadership will be measured, to be developed by the proposed interim board. The FSF National Council and SD Board members have been working closely on proposals for further reform to governance of the game, illustrating the existing recognition of the significance of these issues to supporters.

Representation of community-owned clubs will be ensured through a specific network and council, with consequent guaranteed membership of the board for supporter organisations of community owned clubs.

Leadership

Should both existing organisations resolve to merge to create a new organisation, an interim board made up of three members appointed from each of the current FSF and SD boards, with co-chairs from each organisation, will be formed to oversee the process of establishment and inauguration. At the point of inauguration of the new organisation, a new board will be formed with three members from the interim board for the purposes of continuity, with the remainder subject to election after the first Annual General Meeting; we trust the new membership to put in place a balanced and progressive board.

The interim board will also be required to appoint a Chief Executive Officer for the new organisation. We envisage that the interim board would wish to ring-fence applications to the two existing CEOs. In the event of both applying for the post, it would use an objective and transparent appointment process which may well include independent input on the appointing panel. The aim is that whoever is appointed, the other would be offered a senior post so as not to lose their experience and skillset.

A previous study has shown that the benefits of operating shared service back office across SD and the FSF would be minimal. However, it was also expected that a new organisation could provide some productivity savings. The additional time created will allow those staff to focus more on real delivery as opposed to administration tasks.

An organisation that supports all football fans is a powerful voice and as such ought to benefit from some commercial sponsorships. Secondly, with the cross-section of skills in place there would be an aim to push for more of the consultancy type work that SD already undertakes in other sports. Although the new organisation would be a representative body only for football, the potential to provide services in certain other sports is significant and will help strengthen the organisation in the long term.

Non-football sports

Both organisations – SD to a much greater extent than FSF – have previously been involved in providing advice and support to groups from other sports. We are keen to continue to develop that role as a consultancy, sharing relevant expertise with groups outside of football.

However, we must consider that we are establishing a single representative football fans' organisation, and therefore other sports will not have representation within its structures, or any voting rights on football policy. We would be happy to consider the establishment of and service for networks for other sports and ensure that their wishes and needs as customers of our consultancy services are articulated and met, but that can be done via the networks and representative staff rather than via the football supporter structures. We believe supporting other sports in this fashion will be beneficial in the long

term, although support to organisations from other sports would be limited to that which they can afford to “purchase”, and no ‘football money’ would be used to support work in any other sport.

It is recognised that Trusts and possibly supporter groups of other sports where work is being funded will need to be affiliated to an umbrella organisation. To support this a “Friends of” scheme could be set up to allow these organisations to align to an umbrella and ensure their networks are effectively supported.

Possible advantages of a Single New Organisation

There could be a number of clear advantages arising from the creation of a single national supporters’ organisation.

Single Voice

A united organisation might have great potential strength and influence, with the power of a single voice. It could eradicate the elements of confusion generated by the existence of two bodies sometimes perceived as being in competition with each other. It could allow for consistent and common messaging to fans, to football and governmental authorities, and to the broader media, and also enable much greater lobbying power.

Efficiency

A single organisation could also enable the pulling together of both financial and personnel resources, without competition for funding and removing concerns from funding bodies about unnecessary duplication of activity.

With a single set of networks and representative structures, there will be savings of activist time, with supporters’ trusts in particular no longer being expected to attend two sets of meetings. The staff team could also benefit from the removal of duplication of back-office tasks, allowing more time and attention to be devoted to front-line campaigning activity, policy development and services to members.

Working with the funders will be key; although funding commitments have been made, it will be essential to ensure all core areas of both SD and the FSF remain supported. The leadership of a new organisation would work to balance resource and prioritise work, taking into account the areas of important work that both the FSF and SD currently undertake.

One-stop shop

A single organisation could also create the breadth of remit that allows us to become a “one-stop shop” for all supporter issues, and a staff team large enough both to guarantee maintaining focus on current core subject matter and to develop an even wider range of knowledge and skills. Pulling all the staff together into one team will facilitate a good geographical spread and lend an impetus of new-found dynamism to creativity and fresh thinking, building on the best of the methodologies of both current organisations.

Possible risks of a Single New Organisation

Dilution of SD's core mission

There is a commitment that the new organisation will deliver all historic SD mission. This is contained within the objectives of the new organisation, and there will be ringfencing of activity associated with that commitment. However a new organisation will still be reliant on funding to ensure that governance, reform and community ownership would continue to receive adequate support and resources, the same could not be guaranteed for core FSF work. The agreement in principle to protect SD's mission, the initial three year funding commitment, the intention to create a specific department for trust issues and the guarantee of representation at council and board level will help, but here remains a risk that issues become diluted by the multiple interests of so many fans and fans groups which are compressed into one national organisation.

SD's wider objective of improving governance in sport as a whole, which has had considerable and widespread support, is likely to be impacted by the necessary focus on football in the proposed new organisation.

Typical merger risks

The employees of both SD and the FSF are committed, conscientious and highly passionate about their work, and have a track record of successful collaboration. That said, there are invariably risks associated with the merger and integration of any two organisations in terms of culture and values, systems, leadership style and performance.

Minimal role for other sports

The new organisation would be a single representative football fans' organisation, and therefore other sports may not have representation within its structures, or any voting rights on football policy. The new organisation will continue to provide consultancy services to other sports. This would be limited to that which they can afford to "purchase" as it is today.

The Case for a Continued Distinct SD

Mission and Delivery

Mission

A distinct SD would continue to devote all of its skills, expertise, energy and available resources to its core purpose: to promote good governance in sport and enable the development of sustainable clubs based on supporter's involvement and community ownership.

This mission and focus of SD is:-

- Focused on the power of formal supporter involvement in club governance: giving supporters not just a voice, but also a right to be heard.
- That modern governance in sport is best achieved by giving supporters a seat at the table: whether through structured dialogue, share ownership, supporter directors or full supporter/community ownership.
- To help supporters use the cooperative/supporters' trust model to mobilise and organise formally and self-govern with credibility.
- A tight focus on governance and formal supporter involvement makes it easy to extend our reach from our core sport, football, to others.

Delivery

When it comes to SD's future delivery model, it must be recognised from the outset that "business as usual" is not an option. SD has become reliant on one funder, the Fans Fund. Changes to the way the Fans Fund funds projects will reduce the likelihood of SD securing its core funding from the Fans Fund. This is particularly true of SD's role as a representative members organisation.

Continuing as a distinct organisation, therefore, carries significant risks. A vote to remain distinct must be followed by a) a vigorous and concerted effort to seek new funding avenues and b) a radical revisiting of SD's operational structure and delivery model.

It is reasonable to believe that a continued distinct SD would remain competitive for funding, including Fans Fund funding, in a number of our key delivery areas, including helping crisis clubs, promoting supporter ownership, support in setting up and running a trust, supporter directors, independent directors, and protection of facilities (e.g. assets of community value).

It would also have a decent claim to securing funding to support work in structured dialogue, volunteering development, lobbying for sports reform, promoting good governance, supporting mediation at both club and national level, and network building, although the route to sustainable funding is less clear for these areas.

SD has the potential to increase its work with funders who support work around community assets, community business and the citizenship agenda, as well as seeking opportunities for project sponsorship with companies who share its values.

Furthermore, SD would not stand still in terms of its own democratic structure. If members vote to continue as a distinct organisation, the Board would move quickly to consult and introduce measures on the following fronts:

- Recruit independent non-executive directors to the SD Board
- New representation in SD governance structure from network areas
- Representation from other sports
- New diversity policy for Board and Council representation

SD would face a period of uncertainty and upheaval, delivering the work where funding might be available, both within football but starting to focus more resources on other sports. SD would need to re-emphasise and demonstrate the value of its sports and community impact and concentrate on what it can achieve through constructive change in sports governance, mirroring the wider focus on improving governance in all institutions that have public responsibilities.

Non-football sports

If SD continues as a distinct organisation, trusts from non-football sports will continue to enjoy full and equal membership of SD. As above, the SD Board would explore ways of enhancing non-football sports' representation within SD's governance structures. SD's support for non-football trusts and clubs would continue to depend on securing funding from outside of the PL Fans Fund.

Possible advantages of a continued distinct organisation

Preserving SD's mission

SD and the supporters trust movement has delivered a radical change in how supporters' voices are heard and advanced new ownership models that are suitable for many clubs, securing government and UEFA backing in the process. Slowly but surely, the supporters' trust movement is winning the argument.

Creating this change requires a distinct and focused effort. Vital governance issues are always at risk of being crowded out by more pressing day-to-day supporter issues. By continuing as a distinct organisation, SD minimises this risk.

Provided the funding exists an independent SD can guarantee that it would prioritise resources and energy to push forward trust issues in the same way that it does today, ensuring that supporters' trusts continue to get the support they need.

More focus, better results

A distinct identity and a focused mission have allowed SD to achieve significant results in the complex areas of club governance and stakeholder rights. It's hard enough to press for supporter and stakeholder rights, many of which are still evolving, but in a large organisation with a multi-faceted agenda and many campaigns it could well prove impossible.

A continued distinct SD acting as a campaigning organisation can credibly and persuasively advocate and still be respected within sports authorities and clubs. That is why it is common for distinct organisations to operate within one field (e.g. there are multiple cancer charities and multiple mental health organisations).

Extending SD's impact across other sports

We are campaigning for and supporting something more than just change in football. Our work already extends to rugby league, rugby union, ice hockey and others. Our ambition is to use the knowledge we have gained in our core sport of football to change the relationship between fans and sports across the board.

We are recognised as world experts in supporter-led sports governance. We developed and incubated SD Europe, now an independent network of European supporters' associations, and have been approached by sports and supporters' organisations from around the world for advice and guidance.

Possible risks of a continued distinct organisation

Mission failure because of lack of funding

There is a risk that, in keeping SD's mission uncompromised by continuing as a distinct organisation, the supporters' trust movement will end up cutting itself from vital Fans Fund funding with no clear replacement. This will compromise SD's ability to deliver its mission, and in the extreme case, limit SD to operating as fully volunteer-run democratic membership organisation with little or no ability to provide services to members.

Short-term loss of key staff

Even if SD is able to find new, stable sources of funding over the medium and long-term, there is a risk that the short-term disruption of SD's restructuring will lead to the loss of expert, talented and enthusiastic employees, taking with them deep institutional knowledge.

Move of focus away from football and into other sports

Remaining independent will require SD to seek more work in other sports, with the likelihood that existing resources will be moved away from football and allocated elsewhere. Just as some may see this as a positive step as SD broadens its reach some within the football community may consider it a negative move as SD's level of support of its football trusts reduces.

Financial Information

Supporters Direct has prepared and considered forecasts evaluating the financial implications of two alternative scenarios following expiry of the current Fans Fund grant cycle in July 2019.

1. A new single supporters' organisation
2. A continued distinct Supporters Direct

A Single New Organisation

Discussions have been held with the FSF regarding accounting, budgeting and the scope for economies of scale following a combination of the two organisations.

A pro-forma consolidated budget was prepared for the combined entity for the first year of operation, based on key assumptions regarding income and expenditure.

Income

The Fans Fund has undertaken that grant income for a combined entity in a new grant cycle would be not less than the total paid to the two entities over the three years from August 2016 to July 2019. This has been assumed to mean an equal annual amount over the following three years: in the current cycle, SD's grant has reduced each year.

Income from all other existing sources is, in material terms, expected to be unchanged.

Expenditure

In the discussions with the FSF limited economies of scale could be identified, not least as a consequence of the two entities being based at separate locations approximately 250 miles apart, albeit there are opportunities related to combining the London offices. Consequently only minor cost savings were recognised in the pro-forma budget.

In the event of the single organisation being approved a more detailed exercise would be undertaken to include a comprehensive review of all costs.

Conclusion

Based on this budget there is reasonable assurance that the combined entity would be financially sustainable.

A Continued Distinct Supporters Direct

The forecast for an independent SD is merely a continuation of SD's normal budgeting process, projecting forward to 2019 and 2020 and based on the following key assumptions.

Income

By contrast with the scenario for the combined entities, the Fans Fund has given no commitment regarding grant funding beyond July 2019 should the two entities remain independent. Moreover, it was indicated that grant awards would be "commission based" and so SD would have to bid competitively for future grant funding.

Consequently, SD must accept that there can be no guarantee that funding would even remain at the level of the existing three year cycle, a period in which SD has either reported or is budgeting for annual deficits, as explained in SD's Financial Statements for 2017.

This budget therefore considered alternative scenarios for Fans Fund grant income, ranging from it continuing at the level of year 3 of the existing cycle (2018/19) to a 30% reduction on that figure.

Income from all other existing sources is, in material terms, expected to be unchanged.

Expenditure

A detailed review of current expenditure has failed to identify scope for material cost savings, conceivably up to £100,000 per annum, without compromise to the effective delivery of SD's mission. SD already runs a very lean operation and, since significant cost savings have already been achieved in recent years, further savings would likely be resource based.

Conclusion

Based on this budget, it is clear that, if SD is to remain financially sustainable while maintaining the existing level of support to members, it will be essential to generate income from new sources either by establishing relationships with new funders or by diversifying its operations. It is likely that, if successful, this funding would be to support work in sports other than football and therefore our activity supporting football member trusts would decrease.

If these initiatives were unsuccessful, it would be necessary to scale back the Society's operations in order to ensure that essential cost savings could be achieved.

Nick Igoe
Chief Financial Officer
June 2018

Board Recommendation

As you will note from the contents of this pack the Board of SD, its CEO and staff have gone to great lengths to understand and explain as candidly as possible the issues, risks and opportunities of the two options being put forward at the AGM. This has involved a great deal of soul searching and discussion to help the board decide its own view and make a recommendation to members.

It is clear that there is a threat of reduced funding from our principle funder if SD decides to remain as a distinct organisation. SD would therefore need to attract funding from other sources or reduce its activities. Just as forming a new, single organisation will result in significant change, so will continuing as a distinct entity.

Therefore in the short to medium term there are financial benefits for SD's operations by joining with the FSF into a new organisation and some degree of predictability of future funding for the next three year period, but there are risks that the focus and mission of SD's work would be lost or reduced in a larger organisation with a much wider range of issues and campaigns to undertake compared with the tight focus on better governance and supporters' rights that is the essence of SD's mission.

The Board is acutely aware of the successes and impact SD has had since its formation and many of these are laid out in the pack. The successes came from the power of its arguments in convincing sports authorities, clubs, government, and ordinary fans that there are new and better ways to operate football, and other sports, for the benefit of all, and to formally embed the supporters' voice in the ownership and governance of sport.

While appreciating the effort that has been made both by, and with, our colleagues in the FSF to develop proposals to bring the two organisations together, and having considered and discussed thoroughly all of the information that is provided in this pack, on balance and by a significant majority, the Board's judgement is that the benefits associated with being part of a new, single organisation are outweighed by the risks associated with the potential loss of focus on what is, and has been, SD's core purpose over many years.

The Board is therefore recommending to member Trusts that SD continues as a distinct organisation, and requests that you take this recommendation into account when making your judgement on how your Trust will vote on the resolution which will be tabled at the AGM.

It was agreed that individual Board members would be free to express their personal views ahead of the AGM, regardless of the recommendation from the Board.

Supporters' Direct Board
13th June 2018

CEO Statement

We are presented with a big decision to make, and I encourage everyone to take a holistic view of the situation and study the information provided to them. It's imperative to think about the circumstances that are presented to us and to make an informed decision based on realities and not idealism.

Both SD and the FSF have achieved a lot as separate organisations, sometimes working together to produce results that benefit football fans both nationally and locally. Could they achieve more together, or would certain areas of work be marginalized? Might a single organisation present a stronger position when representing fans with government, national bodies and the leagues, or would we start from a weaker position? There are many more questions, the answers of some might be subjective and opinion based, but amongst all of this there are also some facts that we must consider.

For me one of the biggest things to consider is funding. Without it SD will diminish and eventually fail. The excellent support that we are currently able to deliver is predominantly due to the money that we receive from the Fans Fund. There is no more government funding, no Co-op funding, and SD has always found it hard to pick up significant commercial sponsorship. Successful funding streams that SD has utilised recently are predominantly focused on our work outside of football. My belief is that an independent SD would have to extend its work outside football, and as such the level of support we can provide and the amount of football related work that we do will both fall. It has been made clear that we should expect to see less funding from the Fans Fund if we remain as an independent organisation, and less money means we deliver less football related work.

We know that the next funding round from the Fans Fund which will provide support from July 2019-21 will move towards a more work package type approach and an independent SD would be expected to bid for work. It is unclear at this stage what those packages are, but the expectation is that we would have to bid competitively against the FSF for at least some of those.

As we see in Appendix C the Fans Fund has made clear its belief that there should be a single national football supporters' membership organisation. I see good logic in their reasoning but that is opinion and not fact, others may hold opposing views. However, what we must consider is how important the core funding that allows us to act as a members' organisation. Without it we lose the backbone of SD, our ability to support our Trusts as members.

There has been a commitment from the Fans Fund to provide a single united organisation with at least the equivalent aggregate funding received by both the FSF and SD in the current three year cycle. That is a firm commitment that allows for planning and budgeting to have already commenced. The ability to plan for an independent SD is far less clear, and we would be unlikely to know what funding we would receive until March 2019 at the earliest. It is only after that we would be able to make an informed decision on what football related work we will continue to deliver.

The creation of Supporters' Trusts, the ethos of community ownership, good governance and sustainability are hugely important areas and whatever happens in July we must fight hard to ensure these areas of work are protected and continue. It is fair to say that whilst all football fans benefit from the work of SD, it is perhaps some of the more populist areas, such as ticketing & safe standing, topics tackled by the FSF, that excite a larger number of football fans. Can these multiple streams of work co-

exist alongside each other and maintain the levels of focus required on each? Perhaps they already do, if the better governance and engagement that SD strives for were in place everywhere, other operational type issues would be less apparent. In the end change usually occurs through detailed strategic and focused effort, the output of which is then supported by the masses. It will be the strength and power of the wider supporter movement that will ensure change continues for the better in football and I believe that can be achieved through a single national supporter organisation.

Ashley Brown
CEO

Appendix A: Detailed description of a Single New Organisation

Objectives and Mission statement

The objectives of the organisation are:

- (a) To encourage, promote and develop support of association football and goodwill between football supporters at local, national and international levels.
- (b) To support and protect the interests of member supporters' trusts, clubs, individuals and, wherever necessary, their dependents.
- (c) To promote good governance in sport and encourage clubs to be run in a sustainable manner
- (d) To promote the benefits of and encourage the creation of community-owned clubs, and supporter representation on club boards.
- (e) To work with supporters, governing bodies, the leagues and clubs to encourage, promote and embed meaningful supporter engagement at all levels.
- (f) To gain representation for football supporters on the executive and governing bodies of association football.
- (g) To provide an independent and democratic structure through which the views of supporters may be channelled and articulated.
- (h) To initiate and support campaigns on issues of concern to football supporters.
- (i) To carry out research into and disseminate information on football related issues.
- (j) To promote diversity and oppose all forms of discrimination in relation to football.
- (k) To work against the abuse of football by those who bring violent intent and actions to our football grounds.
- (l) To liaise with all interested parties to achieve these objectives.

Purpose

The single new organisation will be non-partisan, non-profit making and non-party political. As a consequence, any person, group (including fanzines and websites) or democratically-run supporters' organisation supporting football and the objectives of the organisation shall be eligible for membership at the appropriate tier.

The single new organisation must agree a single set of objectives, constitution and mission, incorporating those of both SD and the FSF. that both presently stand for. The constitution will also require a threshold of a 70% vote of members to amend it.

Membership

Historically, SD's membership has been its member trusts, each of whom also have their own membership. The FSF has a mix of individual and organisation members. A single new organisation will be structured democratically, encompassing the full range of current memberships.

The membership structure will allow for the participation of individuals, of democratically organised and formally structured supporters' trusts and groups, and of entities in between – groupings that are more than just individuals but who do not have a democratic structure or accountability, or who do not meet some of the other requirements of affiliate status.

We are therefore proposing three categories of membership:

- Individual members – as is currently the case within the FSF, anyone can become a member by accepting the conditions of membership and providing a name, email address and the name of the football club that they support. It is proposed that in order to exercise a vote at a meeting, individual members would also need to provide additional personal details, including their postal address.
- Affiliate members – these will be a supporters' group or Trust who fulfil a number of key criteria of basic sound governance and democratic principles. These requirements would be:
 - The single new organisation must have a written constitution
 - Their membership must be open to all supporters of the relevant football club at an affordable fee, if any
 - The operation of the organisation must be independent of the football club (unless that organisation is a Trust that is the direct owner of its football club)
 - The organisation must have a democratic structure and decision-making process, based on one member, one vote
 - The majority of the organisation's governing committee must be elected by the membership, either at a general meeting or by postal or online ballot
 - The organisation must publish either audited or certified annual accounts or at least ones approved by its membership at an AGM
 - The organisation must keep track of its membership, holding basic details of each current member
 - The organisation must adopt a diversity policy (a template can be supplied)

All football trusts in full, current membership of Supporters' Direct will already meet these criteria. There would not be a limit imposed as to the number of affiliates at each club provided all the above criteria are met.

- Associate members – this is the tier of membership for all those entities in between individual membership and affiliate membership; in other words, any supporters’ group or collective based on more than one individual, but which does not fulfil all the criteria listed above for an affiliate. This could therefore be democratically-structured groups which are restrictive in the membership they appeal to, like regional or geographically based supporters’ clubs; organisations that are not independent of the football club, like some clubs’ fans’ forums; traditional fanzines, or newer collective entities like fan websites, Facebook groups, podcasts, Twitter feeds etc.

Membership fees

It is proposed that membership for individuals and for associates remains, as it currently is within the FSF, free of charge. Our proposal is that membership for affiliated organisations could be subject to an annual fee, to be set and regularly reviewed by the organisation’s National Council (see below for details of this body).

Decision-making and structures

Ultimate decision-making and determination of policy within the organisation will of course reside with the General Meeting, at which all members of every tier of membership will be able to exercise their votes. It is proposed that the **General Meeting** be held every year, in other words an Annual General Meeting.

Between sessions of the general meeting, there is a need for another body to deal with policy issues and the general direction of the organisation. It is proposed to establish a **National Council** of the organisation to meet between AGMs, with representation from all tiers of the membership and throughout the football pyramid. It is envisaged that this body would meet at least three times between AGMs. The primary vehicle for activity and the involvement of affiliates between AGMs will be through ‘networks’ based mainly around the various tiers of the football pyramid. The networks would be expected to meet three or four times a year, as well as being in contact virtually. Meetings can also be attended by individual and associate members (particularly welcome from clubs where we have no fully-fledged affiliate) but only affiliate organisations would be able to vote. This could act as an incentive towards the establishment of a democratic supporters’ organisation or trust where none yet exists. We would propose the following networks of affiliates:

- Premier League
- Championship
- Leagues One and Two (combined)
- National Game

In addition, to ensure that no focus is lost on the current SD core issue of supporter/community ownership, we would propose an additional network of **football Supporter/Community-owned clubs**, based on those clubs where Supporters Trusts own at least 50% of a club’s shares, albeit the network would be able to invite other Trusts’ involvement for special cases, e.g. a Trust who owns 49% of shares in its club.

The sixth and final network that we would propose would be the **Fans for Diversity** network, consisting of individuals and groups who have been active and received funding as part of the Fans for Diversity programme run in partnership with Kick It Out. This we consider necessary not only to assist and encourage the development of this network, but also as a step towards diversifying the membership and representative bodies of the organisation.

There could be either a demand or a need for further networks to be established in future. We would propose that the National Council be authorised to establish a new network, subject to subsequent ratification by the General Meeting.

Each of these networks would then have the right to elect an equal number of representatives from among their membership to represent that network on the organisation's National Council. Those representatives would be elected by the network meeting at or just before the AGM, for a two-year term. If during that two-year term the club of an elected member is relegated or promoted out of the league or leagues represented, that elected member would have to forfeit their place on the National Council, with a replacement being elected by the network.

As well as the networks of affiliates appointing National Council members, it will also be necessary for individual members and associate members to seek and achieve representation on the National Council. It is therefore proposed that at the General Meeting the individual members and associate members, from among their own numbers respectively, also elect members to the National Council.

The composition of the National Council would therefore consist of:

- • EPL network reps 3
- • EFL Championship network reps 3
- • EFL Leagues One and Two network reps 3
- • National game network reps 3
- • Community-owned clubs network reps 3
- • Fans for Diversity network reps 3
- • Associate reps (elected at AGM) 3
- • Individual members' reps (elected at AGM) 6

The National Council will also need a Chair and Vice-Chair: these will be additional posts directly elected by the entire membership at the AGM.

The National Council would also have the authority to co-opt additional members and/or representatives from other organisations to take part in its proceedings.

The strategic direction of the organisation, its financial and employment affairs – and in cases of urgency between National Council meetings, decisions on policy – will be the province of an **Executive Committee** or **Board**, which will need to be a smaller, tighter body able to meet more frequently.

We propose that the Executive Committee / Board be elected primarily by the National Council from among its own membership.

The EC/Board would comprise nine members elected by and from the National Council (on staggered three-year terms, with three elected each year).

In the first year of the new organisation's existence, three board members would be elected for a three-year term, three for a two-year term and the three from the interim board for a one-year term, to begin the process of the board being elected three a year for three-year terms.

In addition, there would be ex-officio places on the EC/Board for the organisation's Chair and Vice-Chair.

The EC/Board would also have the power to co-opt further members, should they consider it necessary for reasons of diversity or required skills.

Voting

There are various forums in which votes can take place.

For network meetings, including the election of National Council members, each affiliate would have one vote. Associate and individual members would not have a vote at these meetings.

At the General Meeting, when electing individual members' representatives to National Council, each individual member would have one vote. Similarly, when electing associate members' representatives to National Council, each associate member would have one vote.

At National Council meetings, each Council member would have one vote, with the chair having an additional casting vote if required.

At EC/Board meetings, each board member would have one vote, with the chair having an additional casting vote if required.

At General Meetings, voting will be weighted as follows:

- Individual members – one vote
- Associate members – one vote
- Affiliate members – five votes

For the constitution of the new organisation to be changed a 70% majority of votes cast will be required.

Interim Board

Should the memberships of both current organisations vote to form a new single organisation, the intention will be for the new organisation to be operative by January 1st 2019, with an aim of having an inaugural general meeting in November of 2018. Following the votes at respective AGMs and until the first AGM of the new organisation, an interim board will be created to assist and guide the two CEOs in working towards that goal. The boards of SD and the FSF will each select three of its Directors to sit on this interim board and it is expected that both Chairmen will be one of the three. The interim board will operate with Co-chairs, those being the current Chairs of both the FSF and SD.

To ensure an element of continuity, the interim board will appoint three of its members to take up the three one-year board posts of the new organisation once it moves from a shell to actually being operational. The rest of the interim board will be entitled to stand through the normal representative elections.

Incorporation

The decision regarding the type of entity that is incorporated will be decided by the interim board. The board will utilise the initial report already commissioned by the FSF, recognising that this advice was not jointly sought; and nor did it advise on some significant relevant aspects relating to incorporation of a new organisation. These are areas where the consultant was not qualified to provide advice so further supplementary specific expert advice will be sought prior to a final decision being made by the interim board. The interim board will therefore commission financial, tax and legal advice, experience from current mutual organisations and examine whether there are potential relevant future funding streams where particular forms of incorporation are prescribed and, alongside the existing initial advice, make a decision on the type of entity which is the most appropriate form for the new organisation to take in the long term.

Appendix B: Detailed description of a continued distinct SD

Objectives and Mission statement

The objectives of the organisation will initially be to continue as they are today.

Purpose

The core purpose of the organisation will continue as it is today albeit we will continue to look to broaden the number of sports SD works in and the consultancy work that we currently undertake.

Membership

As an independent SD would be looking to broaden its work into other sports, it would also be looking to encourage the creation of more trusts from other sports and welcome them into our membership structure.

Membership fees

There would be no immediate plan to alter the current fee structure.

Decision-making and structures

The current SD board have discussed some changes that would be considered should SD remain independent. The main reasons to do so are as follows:

- To bring us up to the expected governance standards in modern sporting environment
- To create a fairer more representative body
- To help the Board and Councils have more diverse and informed debates leading to better decision making
- To appeal to new funders and partners

The proposed changes are:

Recruit Independent non-executive Directors (INEDs) to the SD Board

INEDs have long been part of the good governance recommendations in business, but now are increasingly prevalent in sport with last year's Code for Sports Governance stating that any sports body wishing to receive £1million+ of public funding needs to have at least 25% of the Board as INEDs. The value INEDs can bring was also recognised in the Government Expert Working Group on football supporter ownership and engagement. INEDs can bring skills, specialisms and expertise to the Board, enhancing the skill set of the Directors, although their primary aim is to bring independence and impartiality alongside any personal skills or expertise they may have. This outside perspective helps to balance the views of other directors, and the interests of other key stakeholders. In addition, SD launched a scheme last month to match INEDs and football clubs <https://supporters-direct.org/the-sd-ined-programme>

Proposal: Recruit INED(s), with an aim to recruit at least one female candidate if suitable candidates apply. The successful candidates would be co-opted using existing constitutional powers.

New representation in SD governance structure from network areas

In 2016 SD conducted a network review working with representatives across different member areas in English football. A recommendation was agreed by the Board in November 2016 that meant all EWF Council meetings have a standing agenda item of the main networks areas split into EPL, EFL, Non-league and supporter owned clubs. In addition, the Board committed to reviewing whether they believe it would be sensible for a position representing these 4 network areas to be elected with votes cast from the relevant SD members. Should the members vote 'yes' to remaining independent, future EWF Council elections will be structured in a way that alongside general seats as they are now there is an election for a representative from members in the Premier League, English Football League, Non-league and from supporter owned clubs (should candidates step forward). A similar change will be made with the RL Council which will see a place reserved for Super League Trust, RL Supporters Trusts at other levels as well as a supporter owned rugby league club starting from the next RL Council election.

Proposal: The SD Board would look to adopt changes to Council Terms of Reference offering a place for main representative areas for both EWF and RL Councils.

Representation from other sports

The SD Board will continue the policy set in 2011 to support other sport sectors, updating it to reflect the new technology available to support and build networks. The main points of relevance are:

- If a sport has between 1 & 5 SD member Trusts/Clubs it will be supported with an online sport specific network area. Within that area will be a nominated member of staff and an appointed SD Board member. Although these sport specific network groups have no formal delegated authority they can input through this area acting as an advisory group to the Board.
- If a sport has in excess of 5 SD member Trusts/Clubs those trusts can set-up a democratic subsidiary body with a majority elected by the members of that network sector. The SD Board can decide based on the number of members operating in this network sector/likelihood of funded work whether this can evolve to become a Council with a place allocated on the main SD Board.

Proposal: Although the underlying principles will remain the same, the 2011 policy set by the SD Board will be refreshed to update the above

New diversity policy for board and council representation

Work is already underway to increase diversity on the SD Board and Councils. Should SD continue as an independent organisation the board will continue that work to lead the creation of a longlist of diverse applicants who are encouraged to apply for both Board and Council positions.

Appendix B

Document 1

A brief history of the core funding for football for Supporters Direct

The following is a summary of the funding that we have historically received that has enabled us to deliver core football activity in England and Wales only, as it is this that is most under scrutiny.

Public commitments

The Football Supporter Ownership and Engagement report¹ in 2015 that was agreed by all the Core Group members appointed by Government (The FA, EPL, EFL, National League, SD, FSF, DCMS) contained the following funding commitment:

“In addition to the ‘emergency’ bid expertise funding, the Premier League has also committed to ensuring adequate funding for recognised football supporter organisations that provide a voice for supporters on ownership issues, and a further £1 million will be available to the Fans Fund in addition to the existing level of funding for those groups”

In the inquiry into football governance that concluded in 2011 the Government stated² the following in relation to the funding of Supporters Direct:

“The financial and governance problems that have affected Supporters Direct over the last few months have not reflected well on our national game, the organisation itself or its funders. The Government believes that a solution to provide funding for the long-term future of Supporters Direct and other high-profile supporters group representative bodies should not be beyond the skill of the football authorities, working closely with the bodies concerned. The Government commits to support those discussions wherever appropriate.”

History of Premier League Funding

The Fans Fund is administered by the Football Foundation and received funding only from the EPL. The awards that SD has received are listed in the table below.

Year	FF Award
1/8/18 – 31/7/19	£283,870
1/8/17 – 31/7/18	£319,313
1/8/16 – 31/7/17	£379,917
1/8/15 – 31/7/16	£390,000
1/8/14 – 31/7/15	£390,000
1/8/13 – 31/7/14	£390,000
1/8/12 – 31/7/13	£280,058

¹ <https://www.gov.uk/government/publications/government-expert-working-group-on-football-supporter-ownership-and-engagement>

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/78395/Football_governance_15427_Cm_8207_2.pdf

1/8/11 – 31/7/12	£316,613
1/8/10 – 31/7/11	£610,000

Prior to 2010

When SD started out in 2000 we received money from what was in effect a betting levy – a tax on all betting of the football pools.

When the football pools fell away with the emergence of the National Lottery, SD's primary funding came from a tripartite agreement between the FA, Government and the EPL via the Football Trust and then the Football Foundation. SD received between £300k and £600k per annum during this time.

Football Association (FA) Funding

When the FA was under financial constraint from the rebuilding of Wembley and the breakdown of the Setanta deal they pulled their funding from this funding agreement. In the past few years, the FA have given us free use of either Wembley or St George's Park for our annual conference held in partnership with the FSF. This year with both venues unavailable they have agreed to fund the members day in Birmingham and our AGM at a cost of circa £8k.

Government Funding

The Government stopped funding at the same time as the FA, leaving the EPL as the sole funder. It is what is now known as the Premier League Fans Fund.

English Football League Funding

Recently, the EFL have provided SD with tables for play off finals in lieu of any funding.

Contributions from members

Membership fees for Supporters Direct were £50 a year until 2012. Since 2012 Membership fees have been £100 a year, with an option to donate more. Whilst we consistently have membership income year on year above £10,000 and would consider asking the members to increase the fee to increase this contribution, we have to be realistic about what we can achieve. It is vital that we strike a balance between obtaining a meaningful and fair contribution whilst not creating a financial barrier that prevents us from achieving greater supporter involvement.

Contributions from sponsorship income

It has been a challenge to attract major sponsorship deals, so far the only major deals have been secured which have been attributable to core funding in football in England and Wales have been:

Virgin Media
£100k a year for 2 years – 2008 & 2009, and £25k in 2007

Co-op Group

£75k a year for 4 years from 2010 – 2013. This funding stopped when the Co-op Group got into financial difficulty.

Appendix C: Key communications received from the PL Fans Fund

To help member trusts make an informed decision, we are including a number of letters received from the Premier League Fans Fund (FF) over the last year and a half, so that members may better understand the FF panel's approach and priorities.

Letter 1 – Dated 24th April 2017. Following a joint presentation on the shared service report, Letter 1 was communicated to both SD and the FSF.

Letter 2 – Dated 27th September 2017. Following a further update to the Fans Fund panel. Letter 2 is the response from the Fans Fund to both SD and the FSF

Letter 3 – Dated 30th April 2018. Following further updates provided in person to the PL Fans Fund in November 2017 and April 2018. Letter 3 is the response from the PL Fans Fund received following the April 2018 update.

Mr. Ashley Brown
Chief Executive
Supporters Direct
1st Floor, CAN Mezzanine
49-51 East Road
London
N1 6AH

24 April 2017

Dear Ashley,

JOINT SHARED SERVICES REPORT AND PRESENTATIONS – PANEL RESPONSE

Thank you very much for the '*Joint Shared Services Report*', which Supporters Direct (SD) and the Football Supporters' Federation (FSF) submitted to the Premier League Fans' Fund (PL FansF) and for the individual presentation you made to the PL FansF Panel on 6 March. Please accept my apologies for the delay in responding to you following this meeting.

To put this work into context, The PL FansF has an annual budget of only £4.6m for the three years 2017 to 2019. Of this, only £1.5m is currently available to fund projects that support the aims of the Fund: i.e. to improve the relationship between fans and their clubs; to improve the way football supporters engage with each other; and to improve fans' experience of the game. The remaining £3.1m (67%) currently goes to supporting the operational core costs of four organisations: The FSF; SD; Kick it Out; and Level Playing Fields. This is not to suggest that these organisations do not serve the aims of the Fund, just to indicate that we need to do everything possible to avoid duplication, so that delivery is achieved as effectively and as efficiently as possible.

For this reason, conditions were placed on SD and FSF's recent grant awards requiring both organisations to work together to see if efficiencies could be achieved, particularly in respect of back-office operations.

It is clear from the Joint Report and the individual presentations that the two organisations have been in dialogue, and that a greater understanding of respective challenges, structures and opportunities has been gained from this.

The Panel was particularly interested to note from the Report that the FSF Board has given Kevin Miles the mandate to investigate *“how supporters could be represented nationally, with a specific remit to consider what a single, united national supporters’ organisation could look like”*.

The Panel believes that this would be the most productive avenue for driving efficiency and was pleased to hear that you were supportive of exploring this further. Given the potential benefits that could be achieved, the Panel is unanimously in favour of exploring opportunities to develop a single supporters’ organisation.

As a first step, I would be grateful if SD and FSF could work together to develop a Joint Action Plan to investigate this proposal, with timescales and milestones. Thereafter, I would ask that you keep the Panel up to date with regular progress reports. I would be grateful if you could provide Kuljit Randhawa with an update on progress, no later than Friday 12 May 2017.

Finally, please be advised that the Panel has agreed that it would not be appropriate to consider further requests for funding whilst this work is in progress.

A similar letter has been forwarded to Kevin.

Yours sincerely,

Arun Daniel-Selvaratnam
Chair, Premier League Fans’ Fund Panel



**Premier League
Fans Fund**



**The Football Stadium
Improvement Fund**

Mr. Kevin Miles
Chief Executive
The Football Supporters' Federation
1 Ashmore Terrace
Stockton Road
Sunderland
SR2 7DE

Mr. Ashley Brown
Chief Executive
Supporters Direct
1st Floor, CAN Mezzanine
49-51 East Road
London
N1 6AH

27 September 2017

Dear Ashley and Kevin,

UPDATE ON DEVELOPING A SINGLE SUPPORTER'S ORGANISATION – PANEL RESPONSE

Thanks to both of you and representatives of your Boards for attending the Premier League Fans' Fund (PL FansF) meeting on the 22 August 2017, and for your respective updates on work undertaken to consider the potential for forming a single, united supporters organisation. We found the discussion constructive, informative and clarified the concerns and positions of both organisations.

Having heard your updates, we would like to confirm our position regarding the ongoing discussions and respond to the questions posed at the meeting.

Whilst being receptive to the challenges that you face, we continue to believe that a single organisation - however it is ultimately formed - would be the most productive avenue for achieving the greatest efficiency.



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Our rationale for this is summarised in the following bullet-points, which we hope is useful for your on-going discussions with your members:

- We believe that it is for the fan groups and their members to decide their own structures and systems and will not seek to impose any organisational solution. However, we are aware that, despite overlapping membership, the FSF and SD do not currently agree on whether or how to proceed. Our responsibility is to allocate funds to organisations to achieve the objectives of the PL FansF, in a way that avoids duplication and provides good value for money. Accordingly, there are persuasive arguments in favour of a single fan organisation (as envisaged by the 1999 Football Task Force report), should there be support for it amongst your respective members.
- A single organisation has the potential to be more efficient and critically achieve greater sustainability and longevity. Two similar organisations bidding for finite funding resources ultimately dilutes the ability of both organisations to deliver their objectives and meet the needs of their shared membership.
- As indicated at the meeting, we confirm that the formation of a single organisation would not be viewed as a cost cutting exercise; all funding would remain available within the PL FansF to deliver services and activities that could achieve its objectives. Any efficiency savings on your part would become available to the PL FansF for future 'front-line' work programmes.
- A single supporter organisation could have a stronger and more effective collective voice to engage with key stakeholders and lobby on members' behalf.
- We recognise that each organisation has a specific mission, with FSF concerned with all issues relating to fans/supporters, while SD is focused on the specifics of financial regulation and ownership by Supporters' Trusts – both respective missions that the PL FansF supports. Should the respective SD and FSF memberships pursue a single organisation structure, we would expect both missions to continue within such a single structure.
- We understand and acknowledge that a single organisation would need to retain and enhance the skills, knowledge and expertise to discharge both missions, and specifically to be capable of reacting to crisis situations.
- We would view the creation of a single organisation as a merger of equals and not a takeover by one organisation over the other.

The PL FansF takes a commissioning approach to grant distribution to ensure that finite resources are awarded to achieve key objectives as effectively and as efficiently as possible. Accordingly, should the FSF and SD members decide not to develop a single supporter's organisation, each would need to seek funding from other sources to undertake works that are not commissioned by the PL FansF. The onus on each organisation to achieve optimal operating efficiencies would remain.

We noted the suggestion that a longer-term commitment to a new organisation may make the proposal more palatable to your memberships. However, funding could only be assured as long as funds are available. The PL FansF is funded on a three-year cycle, via the Football Stadia Improvement Fund (FSIF), and all applicants are required to work within this parameter.

Further, we believe that the track-record of the Premier League in continuing to support both the Football Foundation and the FSIF provides a great deal of reassurance of the long-term intention.

However, we do recognise that the formation of a single organisation is an exceptional change. Therefore, the PL Fans F would commit to assisting SD and FSF with reasonable costs related to transitioning to a single organisation (for example, redundancy payments, legal, accounting and IT costs). Moreover, once the next funding cycle has been confirmed (likely to be known by Q2 FY18, to start in June 2019), a commitment will be ring-fenced to support a new, single organisation of no less than that committed to SD and FSF (in aggregate) in the current funding cycle (on the basis that the overall funds in the next funding cycle made available by the Premier League (via the FSIF) to the PL FansF is no less than in the current funding cycle). This commitment would be subject to the new organisation achieving agreed objectives and performance measures (on the same basis that SD and FSF are measured at present).

I trust that this letter provides you with a clear indication of our position, and allows the discussions between and within your respective organisations to continue. We would be more than happy to answer and further queries that you might have.

I would be grateful if you can keep us up to date with regular progress reports via Kuljit Randhawa, the Premier League Fans' Fund Grant Manager. In particular, we would be grateful if you would provide a full update report ahead of the next scheduled PL FansF Panel meeting in November.

Yours sincerely,

Arun Daniel-Selvaratnam
Chair, Premier League Fans' Fund Panel

Mr. Ashley Brown
Chief Executive
Supporters Direct
1st Floor, CAN Mezzanine
49-51 East Road
London
N1 6AH

Mr. Kevin Miles
Chief Executive
The Football Supporters' Federation
1 Ashmore Terrace
Stockton Road
Sunderland
SR2 7DE

30 April 2018

Dear Ashley and Kevin,

PRESENTATION ON DEVELOPING A SINGLE SUPPORTERS' ORGANISATION

Thank you both, and Tom Greatrex, for attending the Premier League Fans' Fund meeting on 10 April, and all of you for presenting the joint SD and FSF update on the work that is being undertaken to form a single national supporters' organisation.

It is clear that you have both made significant progress since your last update in November 2017, and it was positive to hear (and see in your joint update), that there is indeed a large amount of common ground between SD and FSF. The on-going discussions with your respective memberships and the development of the constitutional proposals to be presented at the Supporters' Summit and respective AGMs in July 2018 are also encouraging.

It is of course for the members themselves to decide how they wish their interests to be represented and not a matter for the Fans' Fund Panel. The Panel was created to help supporter engagement with their clubs and will consider supporting any organisation which is committed to that objective. However, it remains the PL Fans' Fund Panel view that should a new, single supporters' organisation emerge from this

work that is able to service effectively the issues that are concerning fans across the country at all levels of the game, and represent these concerns as well as possible with the relevant authorities, then there may well be efficiency savings as well as improved focus. Any such savings would then be used by the Panel to promote supporter engagement.

As we have previously stated, funding for any new organisation from the PL Fans' Fund will be commission-led, in that it needs to deliver outcomes that have been formally agreed with the PL Fans' Fund Panel. The Panel must also be satisfied that funded work is operating with maximum efficiency, with a focus on avoiding duplication.

We understand that the outcome will be decided by your respective organisations when they vote in July. However, attaining value for money will continue to be critical to the PL Fans' Fund, regardless of the decisions made. This will be reflected in our consideration for core funding beyond the current agreements (this will be the same consideration afforded to all the PL Fans' Fund core-funded organisations).

Development of applications for core-funding for the next funding period will need to commence in the autumn, when we intend to provide clear direction regarding the services that we believe football fans require from a representative organisation. It will be for applicant organisations – whether that be a single organisation, or more - to justify how these requirements can be delivered in a manner that provides greatest value-for-money.

The PL Fans' Fund Panel would like to take this opportunity to reiterate our support to both of you. We know that this has not been an easy undertaking and you should both be congratulated for getting us this far. You referred to a requirement for an additional grant towards transition costs, which we will consider upon receipt of further details. Kuljit Randhawa will liaise with you regarding this.

I trust that this letter provides you with a reiteration of our position. The PL Fans' Fund Panel is happy to discuss any queries that you may have and Kuljit remains available to assist you as required. We would be grateful if you could keep him abreast of any developments.

Yours sincerely,



Arun Daniel-Selvaratnam

Chair

Premier League Fans' Fund Panel

cc:

Kuljit Randhawa, PL Fans' Fund Grant Manager

Appendix D: What happens next? The timetable, member consultation, full membership and what happens under both scenarios.

The AGM vote

1. The AGM will take place on Saturday 28th July at 11 a.m. It will be held at the Royal National Hotel, 38-51 Bedford Row, London WC1H 0DG.
2. The voting process at the AGM will be in two stages. Cards will be used for voting on the accounts, appointment of the new auditors etc. and a further voting slip will be provided for the vote on the future of the organisation.
3. The cut-off date/time for trusts to be in full membership of SD, and therefore eligible to vote on the future of the organisation, will be Thursday 26th July at midday. Registration for attendance at the AGM will also close at midday on Thursday 26th July.
4. Members not in full membership are welcome to attend the AGM but will only be given the chance to speak should time permit.
5. Each full member trust (via the Chair, Secretary and primary contact) will be contacted in advance of the AGM to ascertain who will be voting in person on behalf of their trust or who their proxy will be.
6. There will be a register of voters at the AGM and the voting slip will be named in order for us to be able to publish the results of the vote in full with details of each trust's vote. A ballot box will be provided and counting will occur during a short interval.
7. No quorum is required for this meeting and a majority vote will carry the resolution.
8. The AGM pack will be available to **all** members via a link on the Hub which they will be required to register on to access. Hard copies can be requested, but by full members only. The posting on the Hub will also be accompanied by a featured article to highlight the importance of the vote.

What happens post-AGM following a vote for a Single New Organisation

For a single new organisation to move forward a positive vote at the SD AGM will need to be followed by one at the FSF AGM. If this happens then shortly after the AGMs both the SD and FSF boards will meet separately to agree the next steps. Key to this will be the nomination of two current board members to join each of the current Chairs to form the interim board of the single new organisation.

Subsequently, this new board will meet with both of the current CEOs and begin planning the transition stage over the next few months with the aim of being operational at the start of 2019. SD will require two subsequent member votes prior to the start of the single new organisation and these will take place, most likely by written resolution, shortly before the commencement date. These votes are required for legislative reasons and will firstly confirm the transfer of assets and, secondly, the closing of the old SD society.

Post AGM - The next 2 votes

Should the decision be made to create a single new organisation, a further two votes will be required as follows:

GM1 under the Co –Operative and Community Benefit Societies Act 2014. Sections 112 and 113 of the Act are the relevant sections of the Act that apply here. In order to effect the transfer, SD will need to first hold a general meeting and pass a special resolution of the members. That is one that is passed by 75% or more of the members who vote in person or by proxy. In order for the special resolution to be passed, at least 50% of the members eligible to vote must vote in person or by proxy on the special resolution.

GM2 under the Act. At least 14 days but no more than 1 month after the first GM, a second GM must be held at which the original special resolution is again voted on. The resolution will be passed if it is approved by more than 50% of the members who vote in person or by proxy. There is no “quorum requirement” in order for the resolution to be passed (unlike GM1).

What happens post-AGM following a vote for a continued distinct SD

SD will remain independent if either or both organisations vote not to create a single new organisation. If this happens, SD will effectively continue as normal, however, due to the acknowledged impacts of the decision, the board and executive team would continue planning how best to diversify the work SD delivers and how it is funded. At this stage there would be no plan for the vote to be revisited.

Roadshows

A series of regional meetings will be held (subject to numbers registering) where members will be invited to attend and air their views and ask questions about the future of the organisation. Should numbers not be sufficient, a webinar hosted in London will be held.

How to consult with Trust Members

For such an important vote we urge all Trusts to find time to discuss this at board level as soon as possible. Each board member should be provided with a copy of this pack to read. The pack is not confidential and will be freely available to those who register on the SD website. Clearly, it will be up to the Chairman of each of our Trusts to lead the discussions at board level but something you must consider is how you will canvass the views of your own membership.

Many Trusts might find holding their own members’ vote unwieldy and, in fact, unnecessary but consulting with members and giving them an opportunity to input their view is strongly advised.

Once your Trust board has discussed this it might be worth producing your own summary of the position for your members, inviting written comment or holding open meetings where the topic can be discussed in an open forum.

It is entirely up to you how you reach your decision but we strongly suggest that you reach it in a way that has allowed for member comment, that has allowed for healthy discussion and debate at board level and that you feel comfortable with how the outcome was achieved.

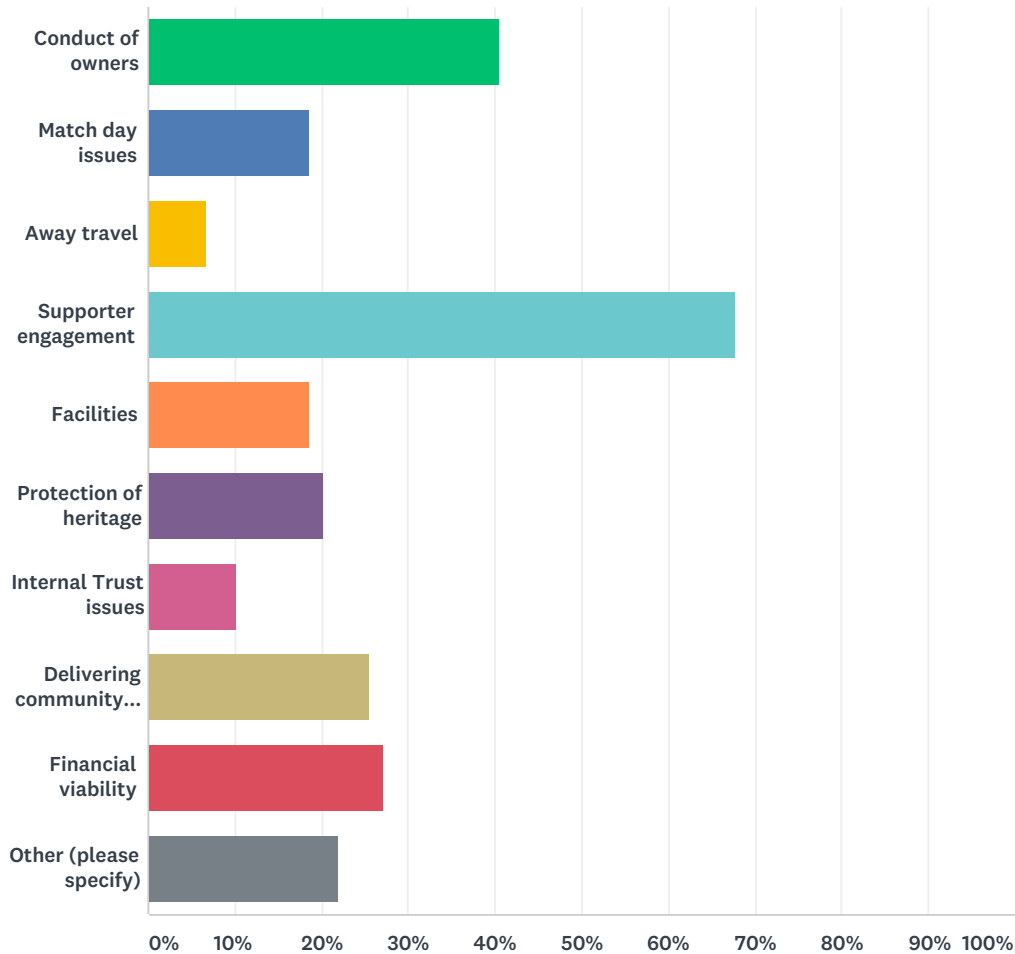
In the coming weeks you will be asked to nominate either an individual from your Trust board or a proxy to cast your vote in person at the AGM. Only this person will be able to vote on the day, and to ensure transparency across the whole Trust movement we intend to publish how each Trust voted at a later date.

Appendix E(i): Survey Questionnaire 1

See attached

Q1 What are the main issues facing your supporters / trust / club right now? (Select up to three)

Answered: 59 Skipped: 0

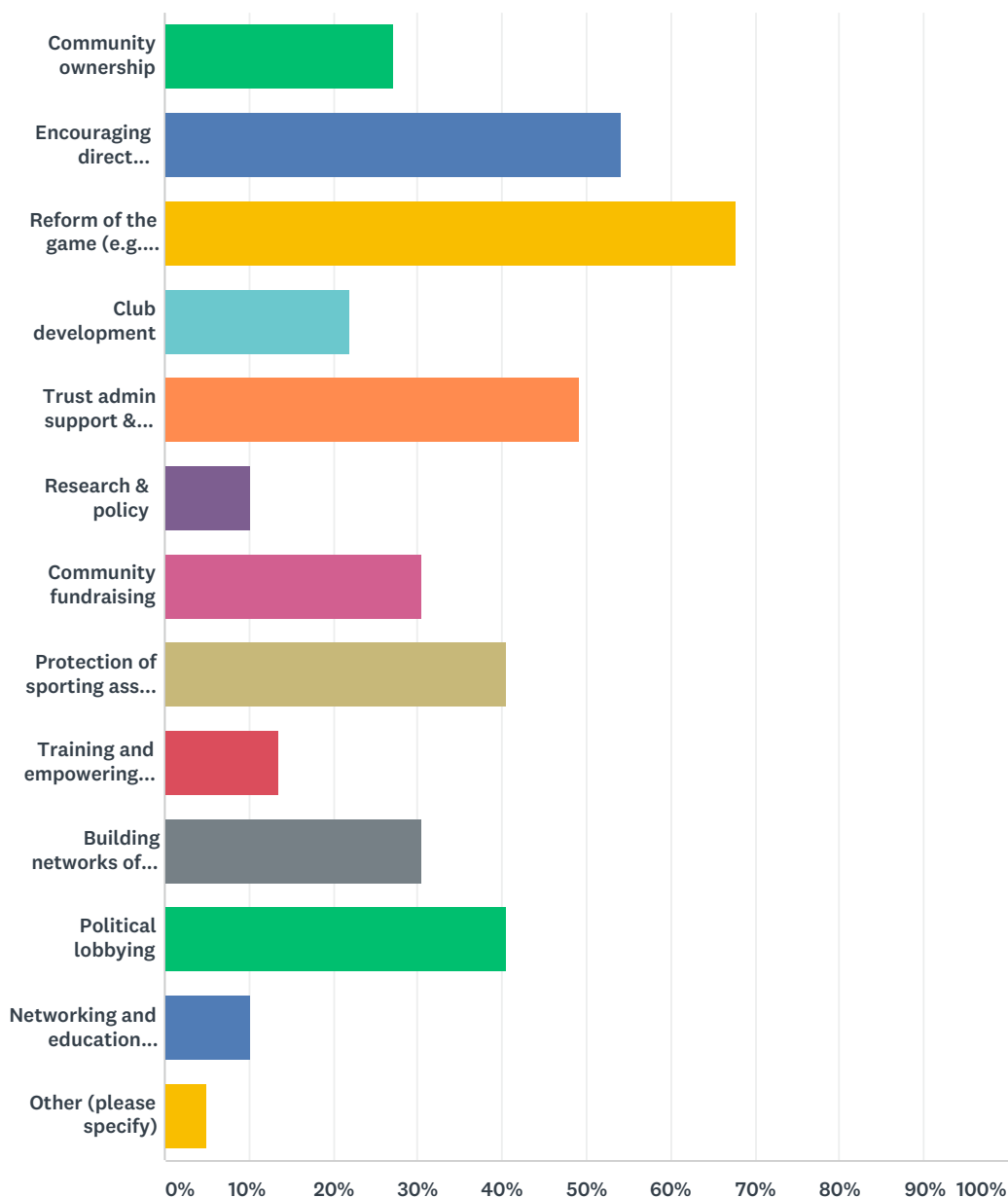


ANSWER CHOICES	RESPONSES	
Conduct of owners	40.68%	24
Match day issues	18.64%	11
Away travel	6.78%	4
Supporter engagement	67.80%	40
Facilities	18.64%	11
Protection of heritage	20.34%	12
Internal Trust issues	10.17%	6
Delivering community projects/benefits	25.42%	15
Financial viability	27.12%	16
Other (please specify)	22.03%	13

Total Respondents: 59

Q2 Which parts of SD's mission are most relevant to your trust? (Select up to five)

Answered: 59 Skipped: 0



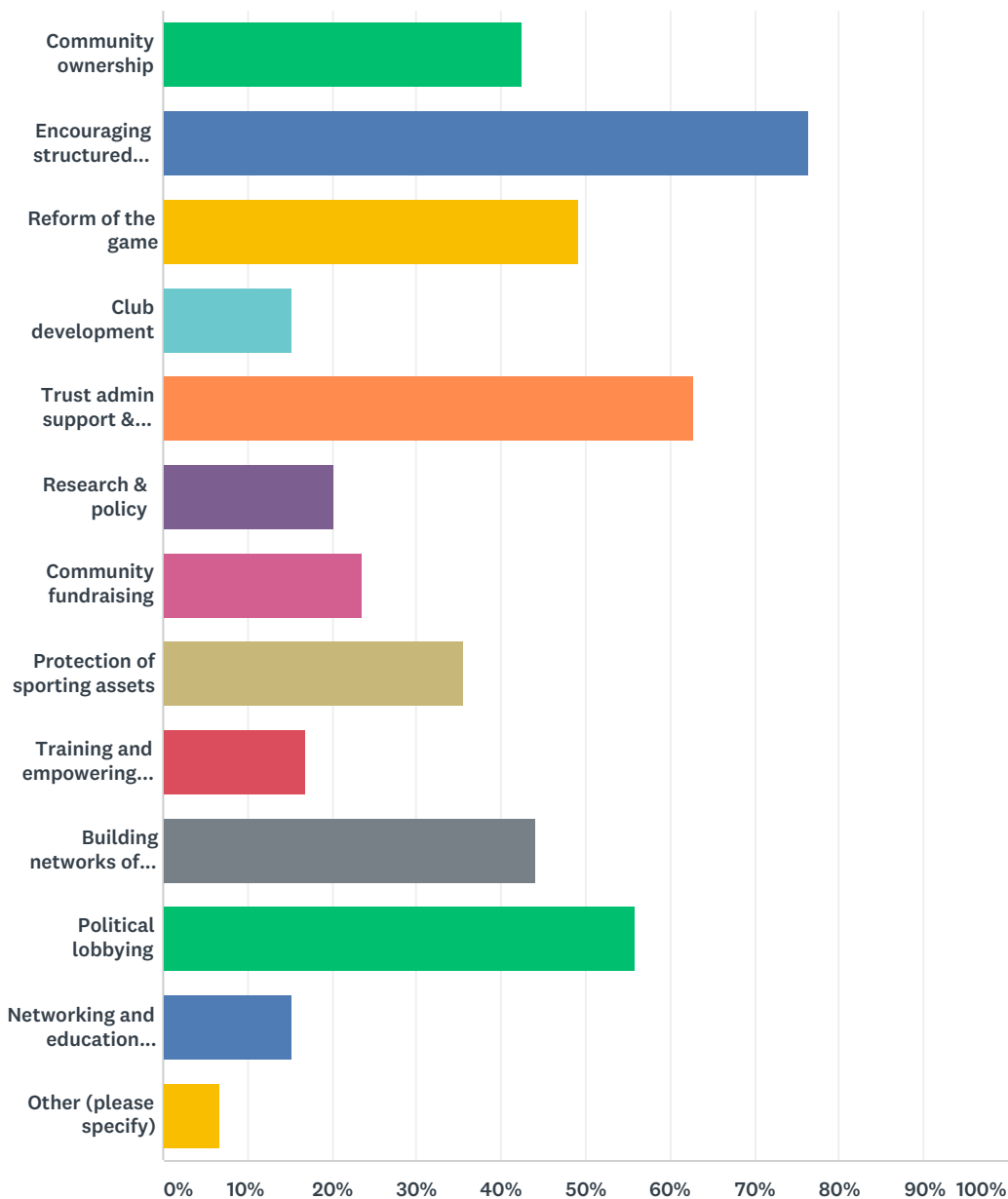
ANSWER CHOICES	RESPONSES	
Community ownership	27.12%	16
Encouraging direct involvement of supporters in sports clubs	54.24%	32
Reform of the game (e.g. improved governance)	67.80%	40
Club development	22.03%	13
Trust admin support & advice	49.15%	29

SD Member Consultation

Research & policy	10.17%	6
Community fundraising	30.51%	18
Protection of sporting assets (e.g. ACV)	40.68%	24
Training and empowering volunteers	13.56%	8
Building networks of like minded organisations and individuals	30.51%	18
Political lobbying	40.68%	24
Networking and education events	10.17%	6
Other (please specify)	5.08%	3
Total Respondents: 59		

Q3 What are SD's key deliverables which need to be protected in a new organization? (Select up to five)

Answered: 59 Skipped: 0



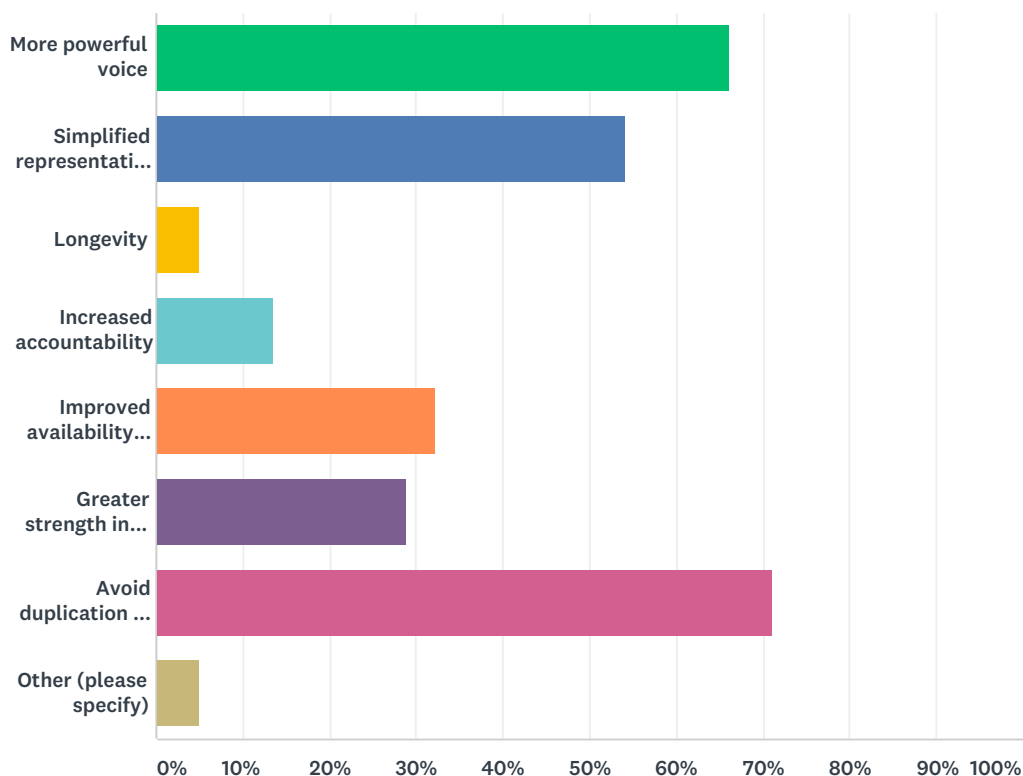
ANSWER CHOICES	RESPONSES	
Community ownership	42.37%	25
Encouraging structured involvement of supporters in sports clubs	76.27%	45
Reform of the game	49.15%	29
Club development	15.25%	9
Trust admin support & advice	62.71%	37

SD Member Consultation

Research & policy	20.34%	12
Community fundraising	23.73%	14
Protection of sporting assets	35.59%	21
Training and empowering volunteers	16.95%	10
Building networks of like minded organisations and individuals	44.07%	26
Political lobbying	55.93%	33
Networking and education events	15.25%	9
Other (please specify)	6.78%	4
Total Respondents: 59		

Q4 What strengths can you see in a single supporter organization? (Select up to three)

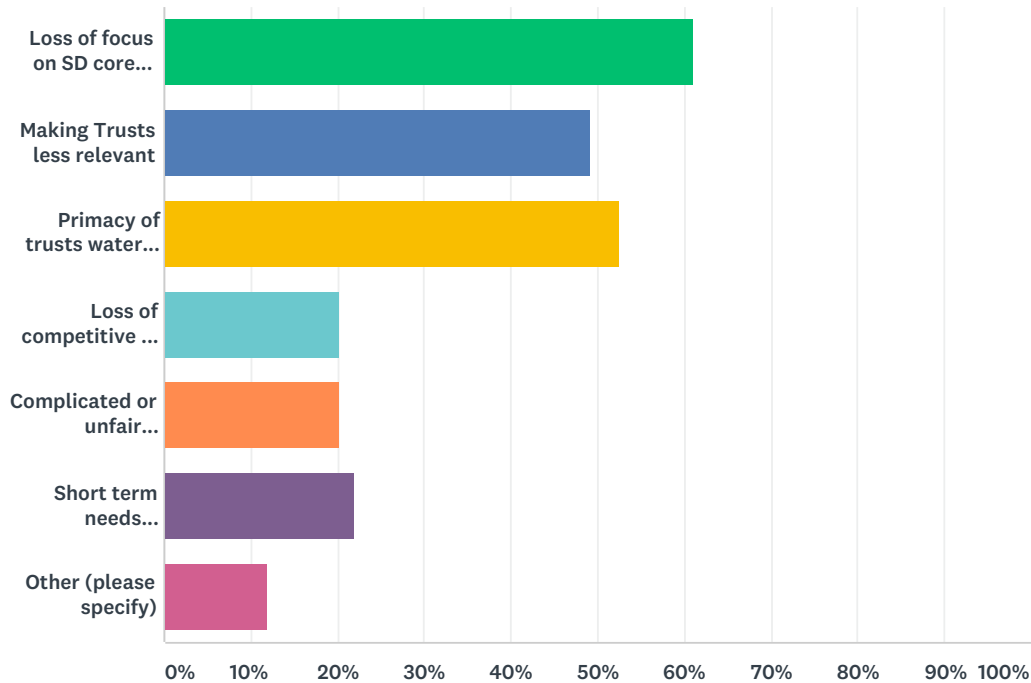
Answered: 59 Skipped: 0



ANSWER CHOICES	RESPONSES	
More powerful voice	66.10%	39
Simplified representation model, one stop shop	54.24%	32
Longevity	5.08%	3
Increased accountability	13.56%	8
Improved availability & spread of expertise	32.20%	19
Greater strength in depth improving sustainability	28.81%	17
Avoid duplication of effort	71.19%	42
Other (please specify)	5.08%	3
Total Respondents: 59		

Q5 What weaknesses can you see in a single supporter organization? (Select up to three)

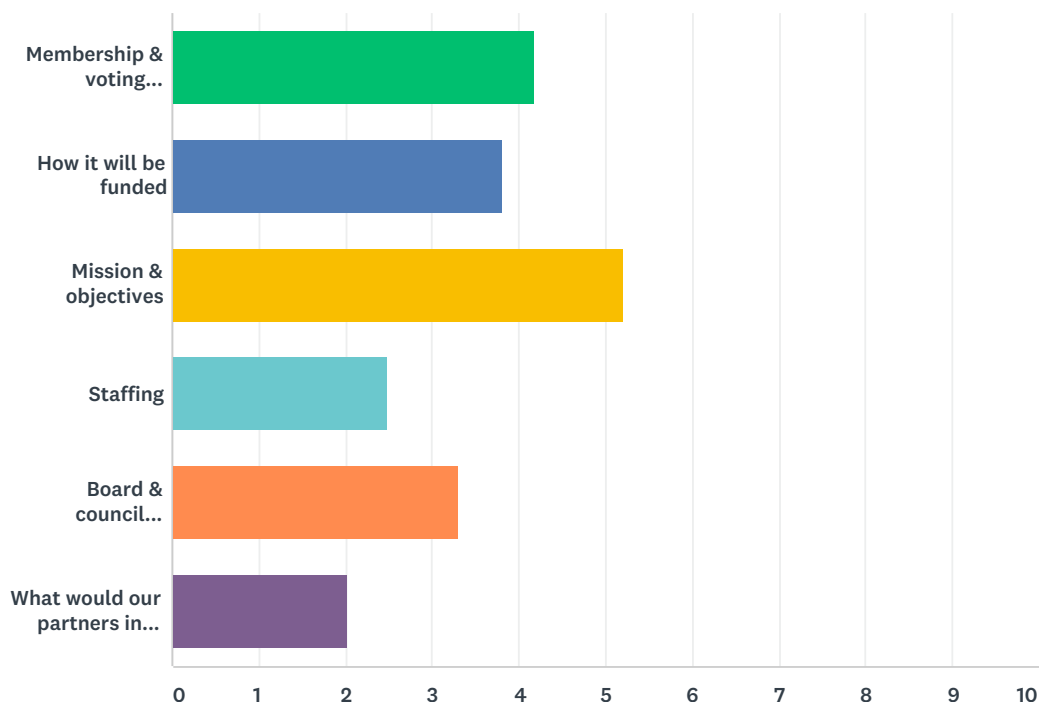
Answered: 59 Skipped: 0



ANSWER CHOICES	RESPONSES	
Loss of focus on SD core mission	61.02%	36
Making Trusts less relevant	49.15%	29
Primacy of trusts watered down	52.54%	31
Loss of competitive and alternate views	20.34%	12
Complicated or unfair membership structure	20.34%	12
Short term needs outweighing long term objectives	22.03%	13
Other (please specify)	11.86%	7
Total Respondents: 59		

Q6 If presented with a vote on a single organisation which areas will you focus on most when making your decision? (Rank in order of importance)

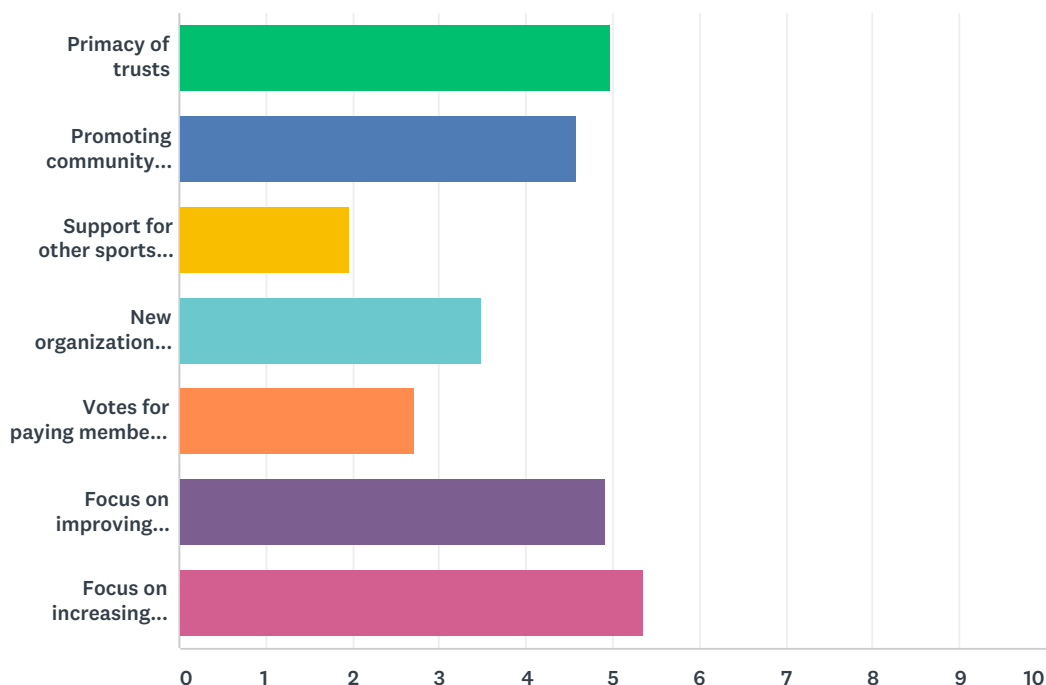
Answered: 59 Skipped: 0



	1	2	3	4	5	6	TOTAL	SCORE
Membership & voting structure	15.25% 9	27.12% 16	35.59% 21	8.47% 5	10.17% 6	3.39% 2	59	4.19
How it will be funded	10.17% 6	28.81% 17	13.56% 8	28.81% 17	15.25% 9	3.39% 2	59	3.80
Mission & objectives	55.93% 33	25.42% 15	10.17% 6	3.39% 2	1.69% 1	3.39% 2	59	5.20
Staffing	3.39% 2	5.08% 3	13.56% 8	20.34% 12	30.51% 18	27.12% 16	59	2.49
Board & council structure	10.17% 6	6.78% 4	22.03% 13	32.20% 19	22.03% 13	6.78% 4	59	3.31
What would our partners in football like	5.08% 3	6.78% 4	5.08% 3	6.78% 4	20.34% 12	55.93% 33	59	2.02

Q7 What should SD protect in a single organization? (Rank in order of importance)

Answered: 59 Skipped: 0



	1	2	3	4	5	6	7	TOTAL	SCORE
Primacy of trusts	23.73% 14	18.64% 11	16.95% 10	23.73% 14	10.17% 6	3.39% 2	3.39% 2	59	4.98
Promoting community ownership where possible	23.73% 14	11.86% 7	18.64% 11	13.56% 8	15.25% 9	10.17% 6	6.78% 4	59	4.58
Support for other sports, e.g. Rugby League	6.78% 4	0.00% 0	0.00% 0	3.39% 2	11.86% 7	22.03% 13	55.93% 33	59	1.97
New organization to be formed as a mutual	3.39% 2	10.17% 6	13.56% 8	11.86% 7	30.51% 18	27.12% 16	3.39% 2	59	3.49
Votes for paying members only	1.69% 1	3.39% 2	11.86% 7	11.86% 7	16.95% 10	27.12% 16	27.12% 16	59	2.71
Focus on improving governance in sport	11.86% 7	28.81% 17	18.64% 11	27.12% 16	6.78% 4	6.78% 4	0.00% 0	59	4.92
Focus on increasing supporter influence	28.81% 17	27.12% 16	20.34% 12	8.47% 5	8.47% 5	3.39% 2	3.39% 2	59	5.36

Q8 Which Trust are you a member of?

Answered: 59 Skipped: 0

Q9 Anything else you would like to add?

Answered: 32 Skipped: 27

Appendix E(ii): Survey Questionnaire 2

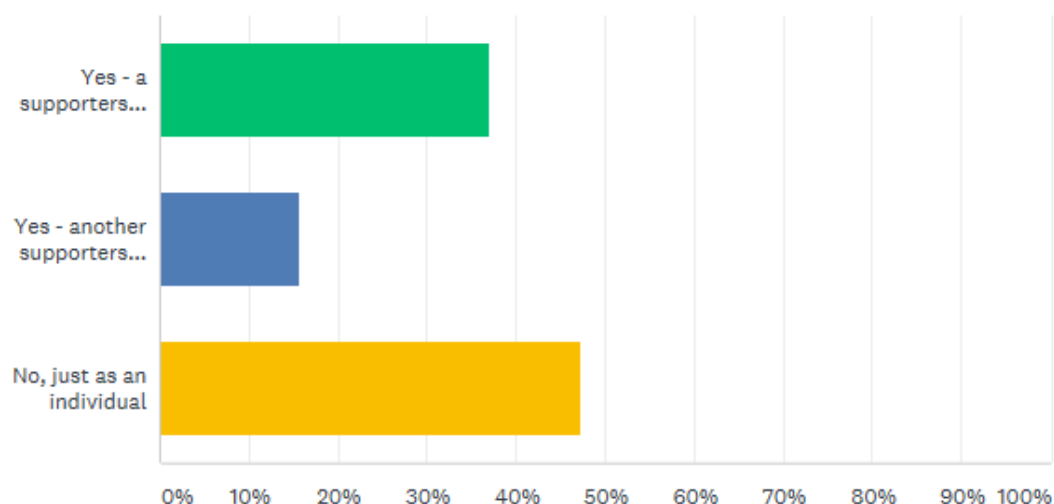
See attached

Q4



Are you responding to this consultation on behalf of a supporters group?

Answered: 165 Skipped: 0



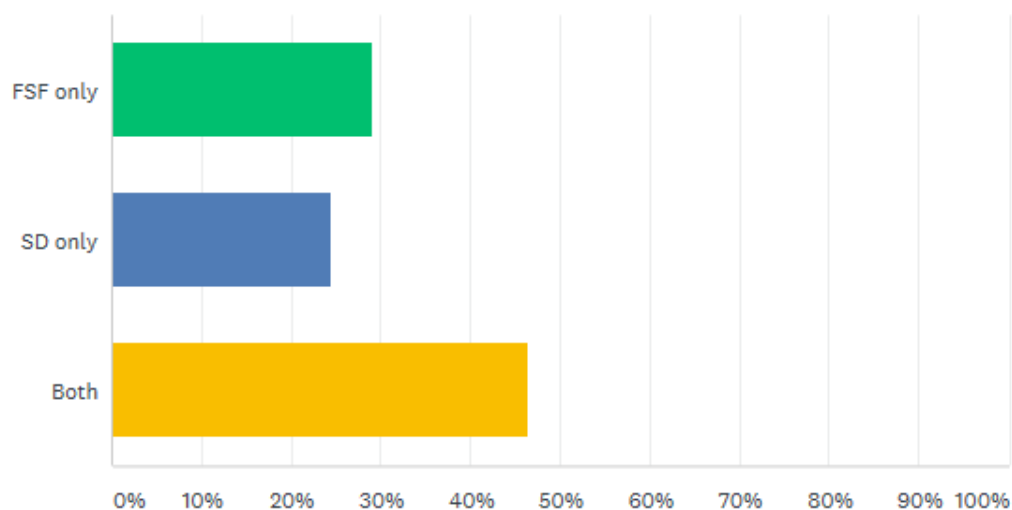
ANSWER CHOICES		RESPONSES
Yes - a supporters trust	36.97%	61
Yes - another supporters group	15.76%	26
No, just as an individual	47.27%	78
TOTAL		165

Q6



Is that group an affiliated or associate member of the Football Supporters' Federation, Supporters Direct, or both?

Answered: 86 Skipped: 79



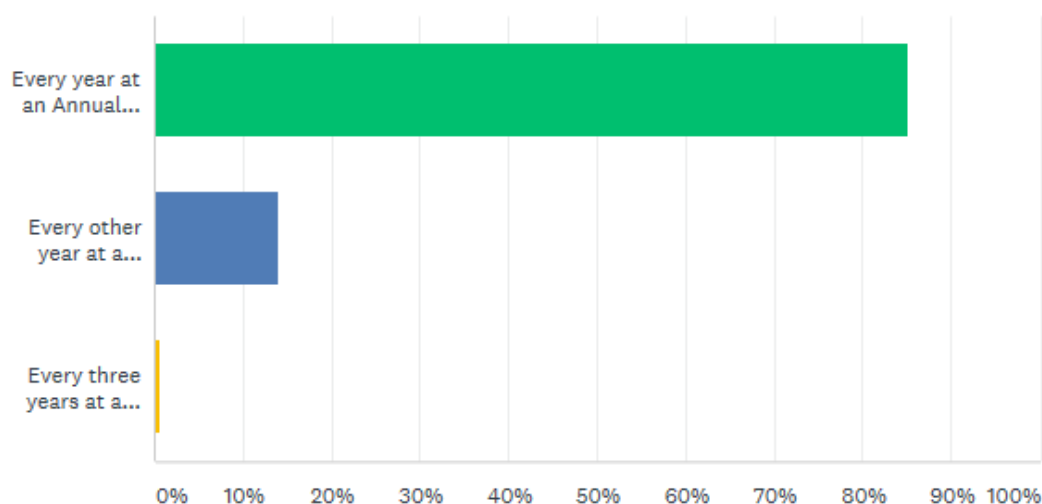
ANSWER CHOICES	RESPONSES	
FSF only	29.07%	25
SD only	24.42%	21
Both	46.51%	40
TOTAL		86

Q7



How often should a General Meeting of the new organisation, at which formal voting procedures take place, convene? (This would not preclude other annual/social events)

Answered: 149 Skipped: 16



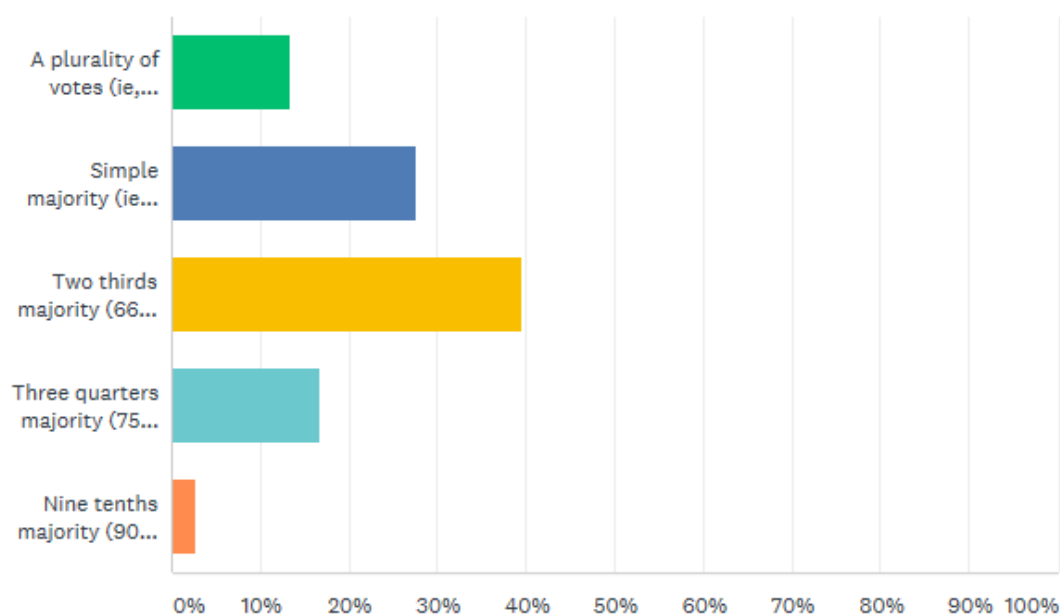
ANSWER CHOICES	RESPONSES	
Every year at an Annual General Meeting	85.23%	127
Every other year at a Bi-annual General Meeting	14.09%	21
Every three years at a Tri-annual General Meeting	0.67%	1
TOTAL		149

Q8



What should be the threshold of those eligible to vote to alter the constitution of the new organisation at its General Meeting?

Answered: 149 Skipped: 16



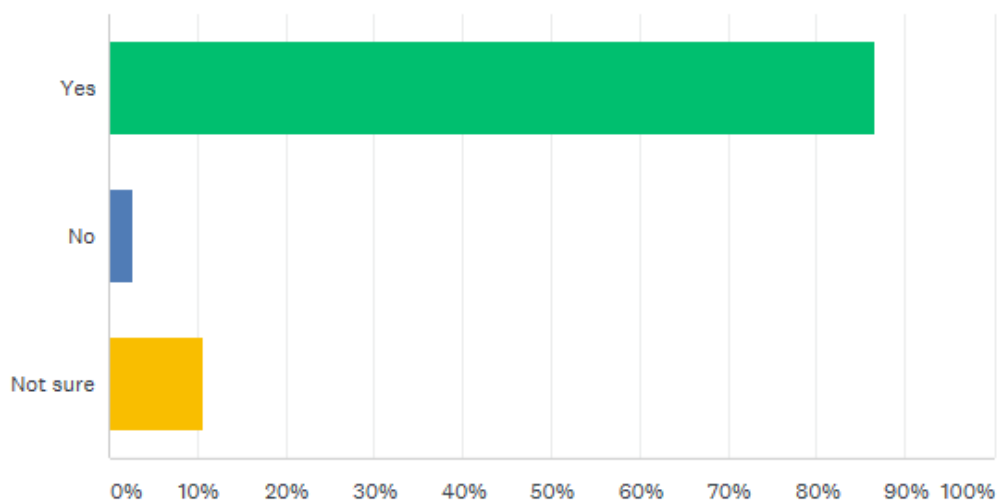
ANSWER CHOICES	RESPONSES	
A plurality of votes (ie, whichever option receives the most votes, even if there is no majority)	13.42%	20
Simple majority (ie, 1 vote more than 50% of electorate)	27.52%	41
Two thirds majority (66% of electorate)	39.60%	59
Three quarters majority (75% of electorate)	16.78%	25
Nine tenths majority (90% of electorate)	2.68%	4
TOTAL	149	

Q9



Do you agree that the networks representing the various leagues as outlined above should have equal representation on the National Council?

Answered: 149 Skipped: 16



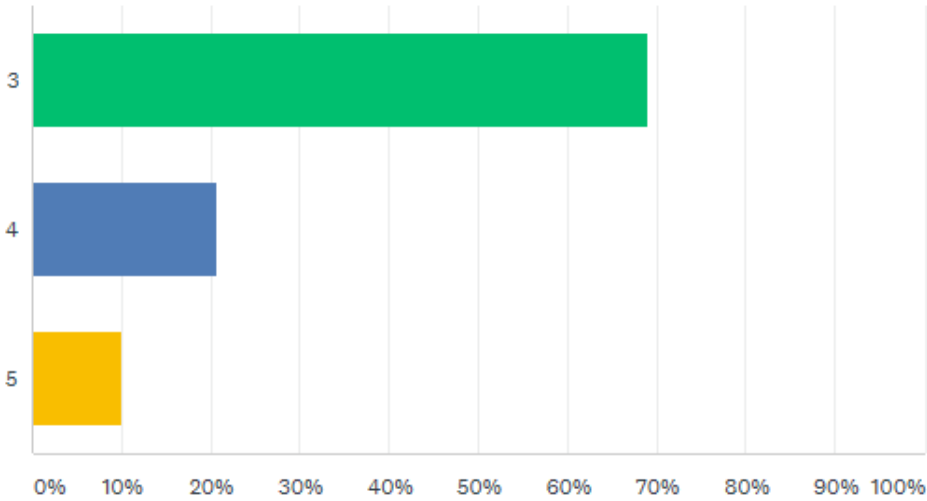
ANSWER CHOICES	RESPONSES	
Yes	86.58%	129
No	2.68%	4
Not sure	10.74%	16
TOTAL		149

Q10



Presuming all networks were equally represented, how many representatives should each network have on the new organisation's National Council?

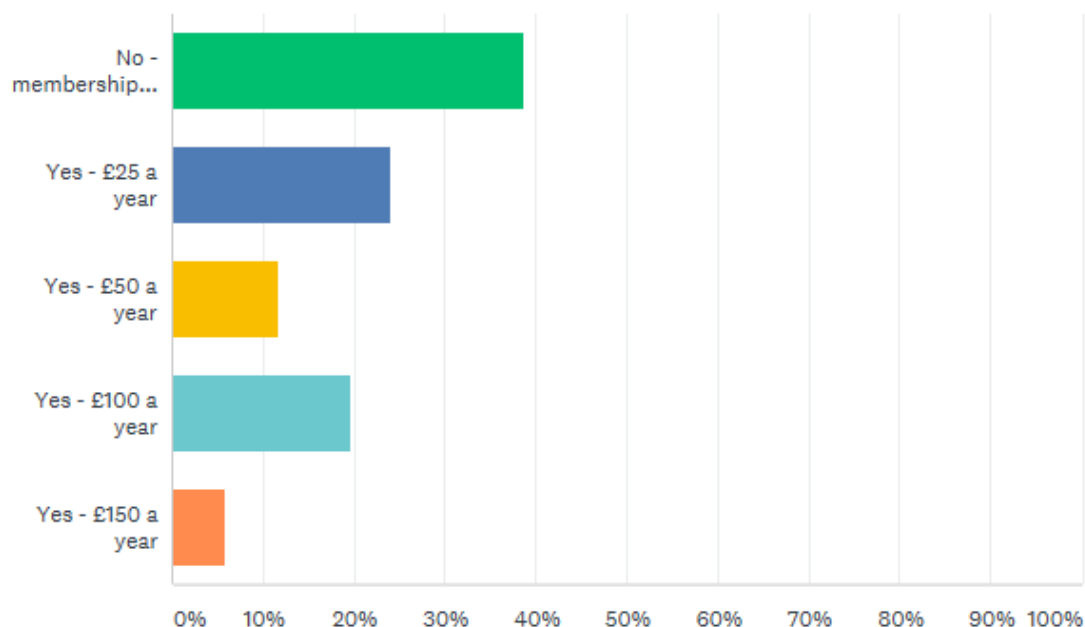
Answered: 149 Skipped: 16



ANSWER CHOICES		RESPONSES	
3		69.13%	103
4		20.81%	31
5		10.07%	15
TOTAL			149

Many other similar organisations charge a fee to support member services. It is proposed that individuals and associate members would be able to join for free. Should groups who wish to become affiliates be required to pay an annual membership fee to join the new organisation?

Answered: 137 Skipped: 28



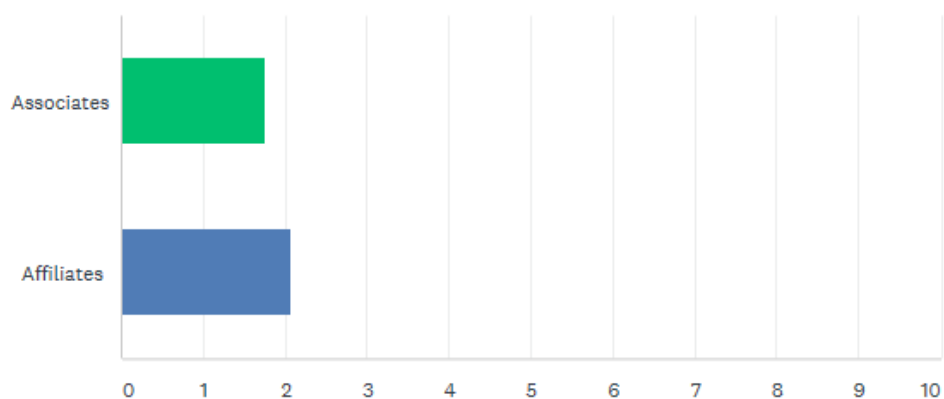
ANSWER CHOICES	RESPONSES	
No - membership should be free	38.69%	53
Yes - £25 a year	24.09%	33
Yes - £50 a year	11.68%	16
Yes - £100 a year	19.71%	27
Yes - £150 a year	5.84%	8
TOTAL		137

Q12



On the basis that each individual member has one vote at the General Meeting, how many votes should associate and affiliated organisations receive?

Answered: 137 Skipped: 28



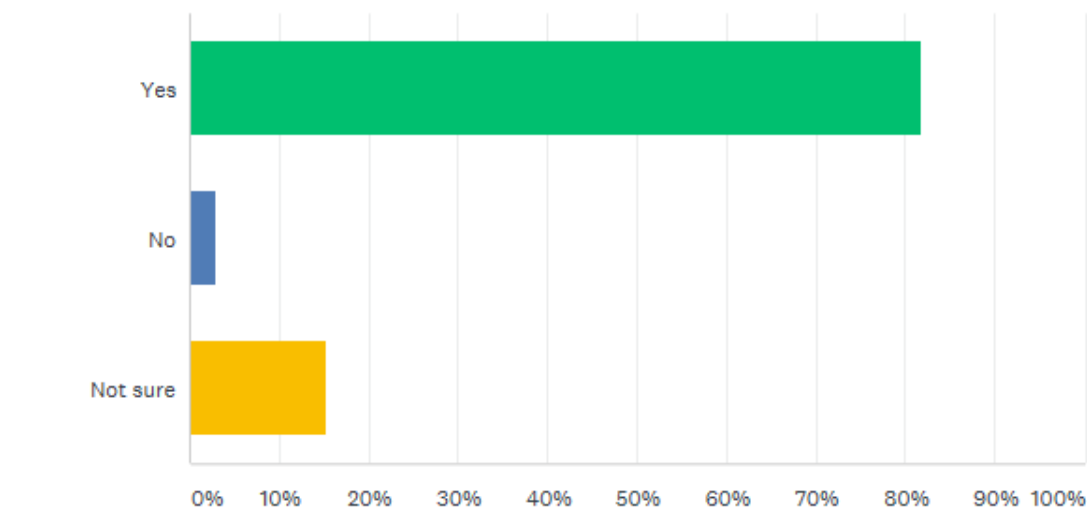
	3 VOTES	5 VOTES	10 VOTES	15 VOTES	MORE THAN 15 VOTES	TOTAL	WEIGHTED AVERAGE
Associates	52.24% 70	29.85% 40	11.94% 16	2.24% 3	3.73% 5	134	1.75
Affiliates	52.59% 71	16.30% 22	13.33% 18	7.41% 10	10.37% 14	135	2.07

Q13



Should the Executive/Board have the ability to co-opt members for reasons of diversity or required skills?

Answered: 137 Skipped: 28



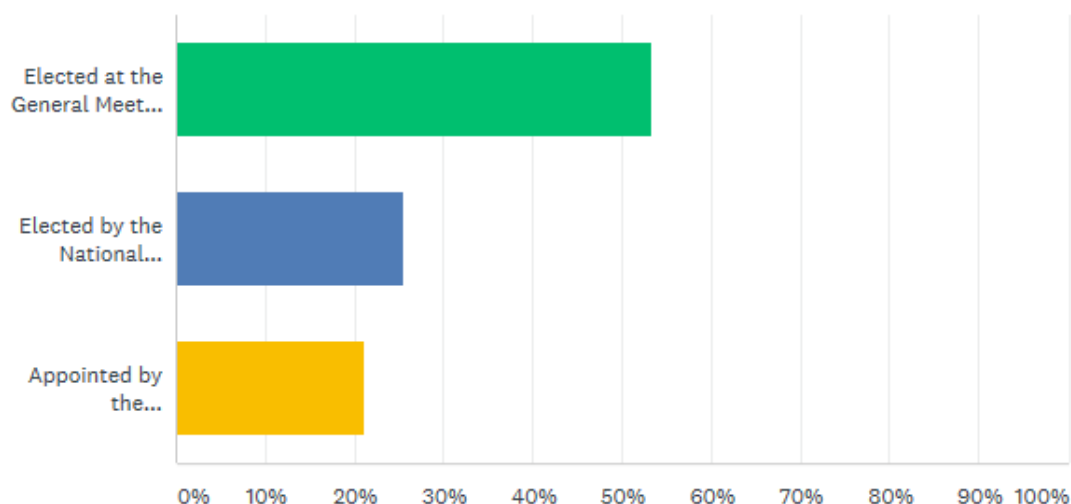
ANSWER CHOICES		RESPONSES	
Yes		81.75%	112
No		2.92%	4
Not sure		15.33%	21
TOTAL			137

Q14



The Chair and Vice-Chair of the new organisation should be

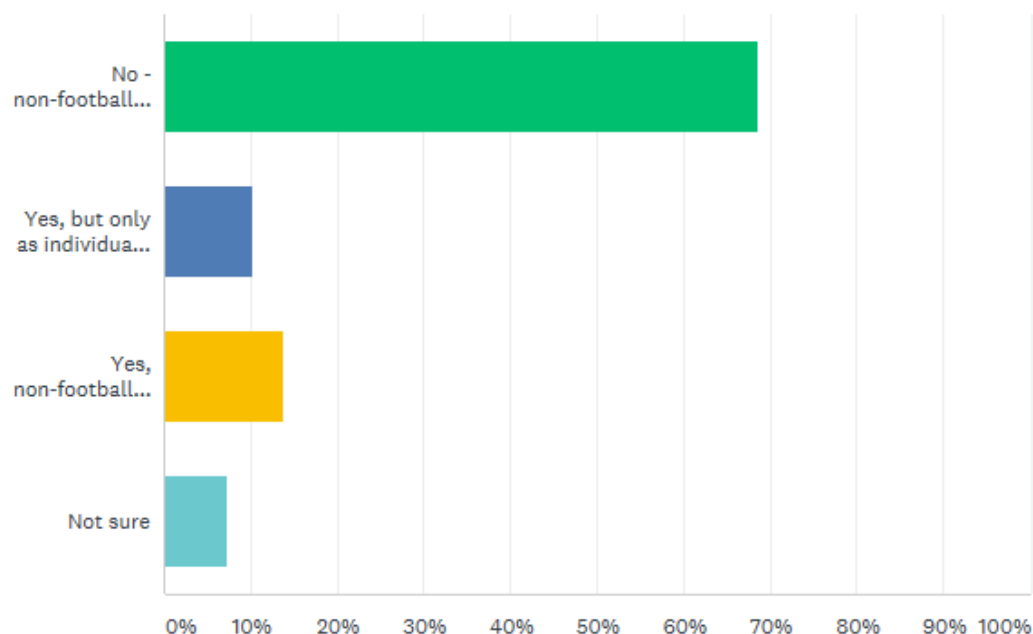
Answered: 137 Skipped: 28



ANSWER CHOICES	RESPONSES	
Elected at the General Meeting by the whole electorate	53.28%	73
Elected by the National Council	25.55%	35
Appointed by the Executive/Board from those elected by the National Council/membership	21.17%	29
TOTAL	137	

The new organisation would be the single national representative voice for all football fans on all issues. It may offer consultancy services and support to groups from sports outside football, but should those groups have voting rights within a football supporters organisation?

Answered: 137 Skipped: 28



ANSWER CHOICES	RESPONSES	
No - non-football related groups should not have a vote in a football fans organisation	68.61%	94
Yes, but only as individual members	10.22%	14
Yes, non-football groups should have a vote as associates/affiliates	13.87%	19
Not sure	7.30%	10
TOTAL		137

REGISTERED NUMBER: 08302486 (England and Wales)

Unaudited Financial Statements
for the Year Ended 31 January 2017
for
The Football Supporters' Federation
(Services) Ltd

**The Football Supporters' Federation
(Services) Ltd (Registered number: 08302486)**

**Contents of the Financial Statements
for the year ended 31 January 2017**

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	3

**The Football Supporters' Federation
(Services) Ltd**

**Company Information
for the year ended 31 January 2017**

DIRECTORS:

Dr M J Clarke
P A Daykin
W Grant
Ms F Mcgee
M O'Hara
I D Todd
D J Tomlinson

SECRETARY:

D G Rose

REGISTERED OFFICE:

1 Ashmore Terrace
Stockton Road
Sunderland
Tyne and Wear
SR2 7DE

REGISTERED NUMBER:

08302486 (England and Wales)

ACCOUNTANTS:

TTR Barnes Limited
Chartered Accountants
3-5 Grange Terrace
Stockton Road
Sunderland
Tyne & Wear
SR2 7DG

**The Football Supporters' Federation
(Services) Ltd (Registered number: 08302486)**

**Statement of Financial Position
31 January 2017**

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	4		2,368		943
CURRENT ASSETS					
Debtors	5	198,943		12,761	
Cash at bank		<u>146,655</u>		<u>98,913</u>	
		345,598		111,674	
CREDITORS					
Amounts falling due within one year	6	<u>139,582</u>		<u>116,194</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>206,016</u>		<u>(4,520)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			208,384		(3,577)
PROVISIONS FOR LIABILITIES	7		<u>546</u>		<u>-</u>
NET ASSETS/(LIABILITIES)			<u>207,838</u>		<u>(3,577)</u>
RESERVES					
Income and expenditure account	8		<u>207,838</u>		<u>(3,577)</u>
			<u>207,838</u>		<u>(3,577)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395
- (b) and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 2 July 2017 and were signed on its behalf by:

I D Todd - Director

The notes form part of these financial statements

**The Football Supporters' Federation
(Services) Ltd (Registered number: 08302486)**

**Notes to the Financial Statements
for the year ended 31 January 2017**

1. STATUTORY INFORMATION

The Football Supporters' Federation (Services) Ltd is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Reconciliation with previous generally accepted accounting practice

These financial statements for the year ended 31 January 2017 are the first financial statements that comply with FRS 102 Section 1a "Small Entities" - "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The date of transition is 1 February 2015. In preparing the financial statements, the directors have considered whether in applying the accounting policies required by FRS 102 Section 1a "Small Entities", the restatement of comparative items was required. The transition to FRS 102 Section 1a "Small Entities" has resulted in a small number of changes in accounting policies to those previously used. The nature of these changes and their impact on the opening equity and profit for the comparative period are explained in note 13.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at transaction value and subsequently measured at their settlement value.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2016 - 8).

**The Football Supporters' Federation
(Services) Ltd (Registered number: 08302486)**

**Notes to the Financial Statements - continued
for the year ended 31 January 2017**

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 February 2016	2,203	5,319	7,522
Additions	-	<u>2,710</u>	<u>2,710</u>
At 31 January 2017	<u>2,203</u>	<u>8,029</u>	<u>10,232</u>
DEPRECIATION			
At 1 February 2016	1,993	4,586	6,579
Charge for year	<u>210</u>	<u>1,075</u>	<u>1,285</u>
At 31 January 2017	<u>2,203</u>	<u>5,661</u>	<u>7,864</u>
NET BOOK VALUE			
At 31 January 2017	<u>-</u>	<u>2,368</u>	<u>2,368</u>
At 31 January 2016	<u>210</u>	<u>733</u>	<u>943</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	198,104	1,250
Other debtors	-	10,050
Accrued Grant Income	-	833
Prepayments	<u>839</u>	<u>628</u>
	<u>198,943</u>	<u>12,761</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Tax	23,294	-
VAT	22,957	-
Deferred grant income	69,583	93,271
Accrued expenses	<u>23,748</u>	<u>22,923</u>
	<u>139,582</u>	<u>116,194</u>

7. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>546</u>	<u>-</u>
		Deferred tax
		£
Capital allowances		<u>546</u>
Balance at 31 January 2017		<u>546</u>

**The Football Supporters' Federation
(Services) Ltd (Registered number: 08302486)**

**Notes to the Financial Statements - continued
for the year ended 31 January 2017**

8. RESERVES

	Income and expenditure account £
At 1 February 2016	(3,577)
Surplus for the year	<u>211,415</u>
At 31 January 2017	<u>207,838</u>

9. RELATED PARTY DISCLOSURES

During the year expenses amounting to £19,700 (2016: £19,700) were paid to P & A Daykin in respect of office rental. P Daykin is a director of the company.

10. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Dr M J Clarke.

11. FIRST YEAR ADOPTION

Upon adoption of FRS 102 Section 1A, the following shows changes which have been made to previous years accounts:

Reconciliation of Equity

	As at 1 February 2015	As at 31 January 2016
£		
Equity as previously stated		
Profit and loss account	18,843	12,175
Total	<u>18,843</u>	<u>12,175</u>
Short term compensated absences	(13,075)	(15,752)
Equity as restated		
Profit and loss account	<u>5,768</u>	<u>(3,577)</u>

Reconciliation of income and expenditure for the year

	Year ended 31 January 2016 £
Profit for the year as previously stated	(6,668)
Short term compensated absences	<u>(15,752)</u>
Profit for the year as restated	<u>(22,420)</u>

In order to comply with the requirements of FRS 102, the 'short term compensated absences' adjustments relate to staff holidays accrued but not yet taken at the year end.

Transitional relief

Upon transition, the company did not take advantage of any transitional reliefs.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.



FINANCIAL STATEMENTS

31 December 2017

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REFERENCE AND ADMINISTRATIVE DETAILS

Year ended 31 December 2017

Directors

Tom Greatrex (Chair)
Peter Lloyd (Vice-Chair)
Tim Hartley (Vice-Chair)
Neil Le Milliere
Martyn Cheney
Michael Green
David Little
Oliver Holtaway
Paul Thexton
John Boyle
Stuart Fuller
John Alexander
Tim Hillyer
Alison Simcock

Society registered number

29581R

Registered office

CAN Mezzanine
49-51 East Road
London
N1 6AH

Auditor

Richard Place Dobson Services Limited
1-7 Station Road
Crawley
West Sussex
RH10 1HT

REPORT OF THE BOARD OF DIRECTORS

Year ended 31 December 2017

The Board of Directors have pleasure in presenting their report and the financial statements of the Society for the year ended 31 December 2017.

Principal Activity

The principal activity of the Society during the year was to offer support, advice and information to groups of supporters who wish to play a responsible part in the life of the clubs they support.

Board of Directors

The Board of Directors as at 31 December 2017 were

		Board Meeting Attendance
Tom Greatrex (Chair)	Elected until AGM in 2018	3/3
Peter Lloyd (Vice-Chair)	Elected until AGM in 2019	5/5
Tim Hartley (Vice-Chair)	Elected until AGM in 2020	4/5
Neil Le Milliere	Elected until AGM in 2018	5/5
Martyn Cheney	Elected until AGM in 2018	2/5
Michael Green	Elected until AGM in 2018	2/3
David Little	Elected until AGM in 2019	4/5
Oliver Holtaway	Elected until AGM in 2019	5/5
Paul Thexton	Elected until AGM in 2019	2/5
John Boyle	Elected until AGM in 2020	2/3
Stuart Fuller	Elected until AGM in 2020	2/3
John Alexander	Elected until AGM in 2020	2/3
Tim Hillyer	Co-opted until AGM in 2018	5/5
Alison Simcock	Co-opted until AGM in 2018	0/3

During 2017, Brian Burgess (Chair), Michael Frater and Andy Walker stood down from the Board.

Ashley Brown was appointed as Chief Executive in October 2016.

The Board elected Tom Greatrex as Chair in July 2017. A clear division of accountability and responsibility exists between the positions of Chair and Chief Executive, with the Chair primarily responsible for running the Board and the Chief Executive responsible for operation of the organisation and the implementation of the Board's strategy.

The Board of the Society comprises between seven and twelve members democratically elected by full members of the organisation with an additional maximum of up to six further co-opted members. Board members elected shall serve for three years, unless they are elected in a by-election in which case they shall serve the remainder of the period of office of the person they replaced. Co-opted members must always be in a minority in relation to elected members. As at 31 December 2017, there were two co-opted board members which are reviewed on an annual basis.

REPORT OF THE BOARD OF DIRECTORS (continued)

Year ended 31 December 2017

The current governance structures of the Society seek to ensure significant areas of its operations have representation on the Board. Therefore, several of the seats on the Board are reserved for English and Wales Football Council Members and Rugby League Council Members. The remainder of the seats are deemed to be general seats. During 2017 the Board consulted with members regarding the current constitution of the Board which resulted in a change in the balance of general to reserved seats. The number of general seats was increased, with the intention of attracting a larger, more diverse pool of candidates for election.

Directors do not receive any remuneration for their duties although their expenses are reimbursed. None of the Directors has a beneficial interest in the shares of the Society.

Board Responsibilities

The Board is responsible for overseeing the overall management and performance of the organisation and for approving the long-term objectives and strategy. In particular, it agrees the strategy and annual budgets and monitors performance against plans and targets. In order to improve its effectiveness, the Board has set out a formal Schedule of Matters reserved for the Board. After reviewing what matters needed to be considered and when, the Board also has an established calendar of Board Meetings for the coming year. The Board met 5 times in the year and the September Board Meeting included a strategy session which discussed the future priorities for the Society.

All Directors are provided with papers in advance of meetings and any Director unable to attend, due to conflicts in their schedule, is able to relay comments via the Chair. Each meeting of the Board is attended by the Chief Executive, the Secretary and members of the Senior Management Team and the Board may request the presence of other members of the wider team as it sees fit. The Board also utilises a Board Members' e-mail group between meetings to facilitate communication. In addition to regular meetings of the full Board, the Board is also assisted in carrying out its responsibilities by two subcommittees, the staffing committee and the governance committee. Each sub-committee is appointed by the Board and has formal terms of reference approved by the Board.

In late 2017, the Board appointed a new Secretary from the Society's staff to whom all Board Members have access. The Board regularly reviews its practices against the Co-operatives Code of Best Practice and evaluates the results to formulate Corporate Governance priorities.

The Co-operative and Community Benefit Societies Act 2014 requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Society as at the end of the period and of the surplus or deficiency for the period then ended.

In preparing those financial statements, the Board is required to select suitable accounting policies, as described on pages 15 to 17, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Board must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

REPORT OF THE BOARD OF DIRECTORS (continued)

Year ended 31 December 2017

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Board is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the maintenance and integrity of the corporate and financial information included on the Society's website.

Governance Structures

During 2017, the Society had three subsidiary democratic bodies, the England & Wales Football Council, the Scottish Council and the Rugby League Council (which was previously the Rugby League Advisory Group) These bodies assisted the Board by monitoring activity against KPIs in their particular area and contributed ideas and suggestions regarding the Society's strategy in their area for consideration by the Board. Following the separation of Supporters Direct England and Wales and Supporters Direct Scotland from 1st January 2018, the England & Wales Football Council and the Rugby League Council will be the two democratic bodies carrying out this function.

This report has been prepared having taken advantage of the small companies exemptions in the Companies Act 2006.

Signed on behalf of the Directors on 12 June 2018

.....
Tom Greatrex – Chair

.....
Peter Lloyd – Vice-Chair

.....
Richard Irving – Secretary

BUSINESS REVIEW

Year ended 31 December 2017

England and Wales

Support to our Members

A key part of the SD team's work is providing one to one advice to our members, of which we have recorded many hours throughout the year. The advice ranges greatly from helping to run democratic professional supporters organisations, to building formal supporter involvement, to helping supporter ownership bids to save clubs.

During 2017 we launched a new online hub which now gives us the ability better to share good practice and knowledge across the network and connect people from the membership. We are thankful to the 14 people we recruited as volunteer 'experts' who support the executive in answering questions in different topic areas. We continue to add more guidance and exclusive material to the hub to make it attractive to our members.

We ran 7 training events and hosted 10 network meetings, reaching approximately 200 Trust Board members and volunteers. The club network meetings also featured live streams of presentations which have been viewed more than 7,000 times.

The Supporters Summit was held jointly with the FSF at St Georges Park with over 200 attending. SD organised workshops on regulatory reform, structured dialogue, football finance and supporter takeovers.

Improving Formal Involvement of Supporters at Clubs

We continue to lead the way working with all parties to improve structured dialogue between supporters and their clubs. For the 2nd year since the Government Expert Working Group (EWG) on supporter ownership and engagement and, working alongside the FSF, we conducted an annual survey of supporters to see how the commitments of structured dialogue with club leaders is working and how it could be improved. We launched 'Engage – how clubs can win with football supporters' in October which unpicks the different forms of engagement and points to best practice and case studies in each area. This has already started to make an impact in football when in December Fulham FC pioneered a new push from SD for Memorandums of Understanding for clubs to voluntarily commit to greater formal engagement with supporters over and above the EWG commitment.

We are pleased that the National League is committed to a trial co-ordinated by SD to improve structured dialogue at levels 5 and 6 of the pyramid. A similar commitment has been given by the Rugby Football League, following support and success at Salford City Reds amongst others.

Working for Changes to Sport

We continue to research, lobby and campaign for improved regulation and better governance in sport and were pleased to partner with sportswear activists SKINS to launch the Fans not Numbers campaign. It allowed us to shine a light on the need for football reform. At the heart of the campaign sat a detailed paper drawn from 11 case study clubs across a range of English football clubs. It pinpointed the similarities of the problems at these clubs and put forward recommendations of how they could have been prevented with a better regulatory structure, something which has failed to keep pace with the development of the sport. The video had over 2 million views, the campaign page had over 30,000 visits and MPs were contacted by close to 1,000 people as a result.

BUSINESS REVIEW (continued)

Year ended 31 December 2017

Encouragingly the EFL started a review into the conduct of owners in October to look at various areas of ownership and the powers of intervention that they could have, and we look forward to contributing to that review and seeing the results in 2018.

Our consultancy business worked with 20 different clients, included 6 new community owned clubs, 3 community share offers, 4 grounds listed as assets of community value and a number of club health-checks that we conducted on behalf of Sport England.

Other News

The Brian Lomax SD Cup was won by Exeter City who beat Bath City 2-0 at Twerton Park. It was fantastic that Catharine Lomax was on hand to award the trophy.

The SD Rugby League Community Champion for supporters who have gone beyond the call of duty was named as Ray Abbey, with double the number of nominations from last year.

The Richard Lillicrap Award was won by Alan Russell from the Raith Rovers Supporters Trust for his work producing a tool to help understand who owns Scottish clubs, something he has shared amongst the network.

You can read more about the year in our annual report published online at www.supporters-direct.org/articles/supporters-direct-annual-report-2017

Scotland

2017 was another busy year for Supporters Direct Scotland.

Alongside the core work of our support to members and our object of acting as the democratic and representative voice of the supporters of Scottish football, and protecting, promoting and furthering their interests, we successfully grew and developed our various streams of activity working towards this.

This included our Annual Supporters Summit which saw us welcome a range of guests and speakers to share best practice and learn from members of the Supporters Trust and fan organisation movement. Attendees heard from The Guardian journalist David Conn, The Foundation of Hearts and Scottish FA Chief Executive Stewart Regan.

SD Scotland also ran another successful Scottish Football Supporters Survey, gathering and sharing the views of Scottish football fans to key decision makers within the game. Overall, the survey engaged 13,000 individuals throughout Scottish football and the results were presented to the Scottish FA's Professional Game Board.

SD Scotland significantly grew Club Development Scotland activity in 2017 including strengthening ties with a club in Fife for which we continue to provide support on an ongoing basis. SD Scotland also received funding from the Paul Hamlyn Foundation to develop a feasibility study into a social investment fund for sport clubs – something we hope to further explore in 2018.

BUSINESS REVIEW (continued)

Year ended 31 December 2017

Our Supporter Liaison Officer developmental work in association with the Scottish FA continued to grow and we delivered three development days for SLOs across Scotland. Our work also attracted the attention of UEFA to whom we presented our work (alongside other Football Associations) at an SLO Workshop in Vienna.

As part of our work to increase transparency and promote good governance in Scottish football we launched the SD Scotland Index showing who owns what in Scottish football and highlighting best practice throughout the game.

April saw us announce the news that our Colours of our Scarves programme had been awarded continued funding from the Scottish Government. We were one of 11 organisations funded through the Tackling Sectarianism Fund and the funds received have allowed us to use our position within football to facilitate anti-discrimination work with youth players and coaches in schools, colleges, communities and clubs through Supporter Liaison Officers. Our work has been recognised by the College Network who have nominated Ayrshire College for their 'Say Naw To Racism' campaign delivered in partnership with SD Scotland.

July was significant to SD Scotland for another reason too. Following the Supporters Direct AGM on 2 July 2017, Supporters Direct Scotland (SD Scotland) was pleased to announce that SD members voted unanimously in favour of SD Scotland incorporating locally in Scotland.

The new organisation will be run and directed from within Scotland and all football activity, including SD Scotland's work supporting Supporters Trusts and organisations, Supporter Liaison Officers and the Scottish Supporters Network, was transferred on 1 January 2018 to this new organisation which is established and registered as a Community Benefit Society and owned by its Scottish members.

As a Community Benefit Society, with an objective of promoting sport and sports clubs as vehicles through which positive societal change can occur, we have helped support some great organisations delivering value to Scottish sport and society. Through our Supporters Summit, we were able to raise money to donate to our charity partners for the event 'Football Memories' and 'Motor Neuron Disease Scotland'. We were very proud to support these events and have since been able to further support Football Memories through videos raising awareness of the charity's work. This involved a one-to-eleven session with former Celtic and Rangers players Tom Boyd and Gordon Smith respectively. We've also been able to support the Tartan Army Sunshine Appeal and a special contribution to the Margaret Ross Memorial Fund, following her sad passing last year.

Finally, we were very pleased to launch our very own 'Build A Winning Club' crowdfunding platform. Using ShareIn's white labelling technology, Supporters Direct Scotland can now enable communities to raise capital for projects around their clubs, which could include ownership. This applies to all levels of sport in Scotland from professional clubs to grassroots community clubs. The platform's first campaign has seen Supporters Direct Scotland help raise over £700 for the Scottish Amputee Football Association which will be used to meet the costs associated with hosting an international tournament.

BUSINESS REVIEW (continued)

Year ended 31 December 2017

Financial Review

After recording deficits in each of the last 3 years the Society has once more posted a small deficit in 2017. In recent years the Society has faced the challenge of maintaining the level of service it provides to members against a backdrop of reduced grant income from its major funders. The decision to maintain service levels has resulted in the reported deficits and a gradual diminution of reserves. At 31 December 2013 these stood at £419,000 but a combination of annual deficits and the transfer in early 2017 of SD Europe's historical reserves, following its establishment as an independent organisation, has led to reserves being more than halved in the intervening 4 years. The decision to separate SD Scotland as an independent entity from January 2018 will result in the transfer of its historical reserves and a further reduction in Supporters Direct's reserves.

The scaled back entity, now focussed almost entirely on England & Wales, generated a surplus of £3,000 in the period under review. Going forward it is pursuing a range of strategies to protect its funding while maintaining the quality of its support to members. However, in the context of the aforementioned reduction in grant income, it recognises that achieving financial sustainability will be challenging.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUPPORTERS DIRECT

Year ended 31 December 2017

Opinion

We have audited the financial statements of Supporters Direct (the 'society') for the year ended 31 December 2017 which comprise the Income and Expenditure Account, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board of directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board of directors has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUPPORTERS DIRECT (continued)

Year ended 31 December 2017

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the society has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the society's books of account; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board of Directors

As explained more fully in the Report of the Board of Directors' (set out on pages 4-5), the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUPPORTERS DIRECT (continued)

Year ended 31 December 2017

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but, except to the extent otherwise explicitly stated in our report, not for the purpose of expressing an opinion on the effectiveness of the society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- Conclude on the appropriateness of the board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Darren Harding ACA, FCCA, DChA (Senior Statutory Auditor)

For and on behalf of

Richard Place Dobson Services Limited (Statutory Auditor)

1-7 Station Road

Crawley

West Sussex

RH10 1HT

12 June 2018

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2017

	Notes	Year ended 31 Dec 2017			Year ended 31 Dec 2016		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		£	£	£	£	£	£
Income		433,412	135,499	568,911	655,245	218,917	874,162
Direct costs		(67,691)	(36,808)	(104,499)	(117,353)	(135,231)	(252,584)
Gross surplus		365,721	98,691	464,412	537,892	83,686	621,578
Administrative expenses		(362,539)	(116,243)	(478,782)	(530,860)	(114,635)	(645,495)
Restructuring costs:							
- SD Europe separation		-	-	-	-	(61,777)	(61,777)
- SD Scotland separation		-	(22,329)	(22,329)	-	-	-
Operating (deficit)/surplus		3,182	(39,881)	(36,699)	7,032	(92,726)	(87,687)
Interest receivable & similar income		17	-	17	181	-	181
Movement in provision for pension liability		(181)	-	(181)	1,993	-	1,993
(Deficit)/surplus before taxation		3,018	(39,881)	(36,863)	7,213	(92,726)	(85,513)
Taxation	3	(36)	-	(36)	(44)	-	(44)
(DEFICIT)/SURPLUS AFTER TAXATION	11	2,982	(39,881)	(36,899)	7,169	(92,726)	(85,557)

The Society has no recognised gains and losses for the years 2017 and 2016 other than the deficit/surplus shown above.

These financial statements were approved by the Board of Directors on 12 June 2018 and are signed on their behalf by:

.....
Tom Greatrex - Chair

.....
Peter Lloyd – Vice-Chair

.....
Richard Irving – Secretary

The notes on pages 15 to 20 form part of these financial statements

BALANCE SHEET

31 December 2017

	Notes	As at 31 Dec 2017		As at 31 Dec 2016	
		£	£	£	£
Fixed assets					
Tangible assets	4		1,977		198
Current assets					
Debtors	5	52,740		51,066	
Cash at bank and in hand		190,386		259,263	
		<u>243,126</u>		<u>310,329</u>	
Creditors: amounts due within one year	6	<u>(91,885)</u>		<u>(120,592)</u>	
Net Current Assets			151,241		189,738
			<u>153,218</u>		<u>189,936</u>
Provisions	7		(11,188)		(11,007)
			<u>142,030</u>		<u>178,929</u>
Capital and reserves					
Called up share capital	9		114		114
Trust development fund	10		-		103,000
Income and expenditure account	11		141,916		75,815
			<u>142,030</u>		<u>178,929</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

These financial statements were approved by the Board of Directors on 12 June 2018 and are signed on their behalf by:

.....
Tom Greatrex - Chair

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Peter Lloyd – Vice-Chair

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Richard Irving – Secretary

The notes on pages 15 to 20 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2017

1. General Information

Supporters Direct ("the Society") is registered in the UK under the Co-operative and Community Benefit Societies Act 2014, number 29581R. Liability of the members is limited by shares. The address of the registered office is CAN Mezzanine, 49-51 East Road, London, N1 6AH.

2. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical costs convention and in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The Society transitioned to FRS 102 on 1 January 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements are prepared in sterling and rounded to the nearest pound.

Income

The income shown in the Income and Expenditure account represents grants, membership fees and consultancy income.

Grant income is recognised as income at the point that the work has been completed and the income earned. Consultancy income is recognised once the work has been completed and the income earned. Membership fees are recognised at the point at which they are paid.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Office equipment: 25%

Pensions costs

The Society makes contributions on behalf of employees to a defined contribution scheme. Contributions are charged to the income and expenditure account over the period to which they relate.

Moreover, certain former employees are members of another multi employer defined benefit scheme. The funds in this scheme are protected by a capital guarantee whereby the funds at the end of each year would not be less than the funds at the beginning of each year. This guarantee has given rise to an actuarial deficit and the Society's share of this deficit has been provided for in the Society's balance sheet. The scheme is subject to an actuarial valuation every year and any gain or loss over the year is recognised in the Society's income and expenditure account.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Employee benefits

Employee remuneration is recognised as an expense in the period when the employee's services are received.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Foreign currency transactions

The Society's functional and presentational currency is sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Going concern

In the opinion of the Directors, the Society has sufficient cash reserves to meet its working capital requirements for the foreseeable future. There are no material uncertainties that cast significant doubt upon the Society's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

Discontinued operations

Discontinued operations in the income and expenditure account for the current financial year relate to the activities of Supporters Direct Scotland. On 1 January 2018 the business undertaken by this division was transferred by the Society to Supporters Direct Scotland Limited, a newly incorporated entity. Historical reserves of this division were also transferred to Supporters Direct Scotland Limited in early 2018 and are shown in creditors as at 31 December 2017.

Discontinued operations in the income and expenditure account for the preceding financial year relate to the activities of Supporters Direct Europe. On 1 November 2016, the business undertaken by this division was transferred by the Society to the European Supporters Alliance. Historical reserves of this division were transferred to the European Supporters Alliance in early 2017 and are shown in creditors as at 31 December 2016.

3. Taxation on Ordinary Activities

The Board does not consider that the core activities of the Society are subject to tax. By far the majority of the income is received from grants and are not considered to be taxable. The Board does however accept that corporation tax is payable on interest received and a provision in the accounts relates to the tax on that interest.

4. Tangible Fixed Assets

	Office equipment £
Cost	
As at 1 January 2017	10,252
Additions	2,538
Disposals	(10,252)
At 31 December 2017	2,538
Depreciation	
At 1 January 2017	10,054
Charge for year	759
Disposals	(10,252)
At 31 December 2017	561
Net book value	
At 31 December 2017	1,977
At 31 December 2016	198

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

5. Debtors

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
Trade debtors	24,859	30,056
Prepayments and accrued income	17,574	13,609
Other debtors	10,307	7,401
	52,740	51,066

6. Creditors: Amounts Due Within One Year

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
Trade creditors	10,421	1,372
Accruals and deferred income	35,359	56,044
Taxes and social security costs	12,071	8,995
Other creditors	34,034	54,181
	91,885	120,592

7. Provisions

Provision for pension liability:

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
At 1 January	11,007	13,000
Increase/(decrease) in provision	181	(1,993)
At 31 December	11,188	11,007

8. Employees

The average number of employees during the year was 9 (2016: 11).

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

9. Share Capital

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
Allotted, called up and fully paid:		
114 ordinary shares of £1 each (2016 – 114)	114	114

The shares of the Society have a nominal value of £1 each and may not be transferred or withdrawn.

If a member ceases to be a member, the share registered in the name of that member is to be cancelled and the amount subscribed for the share is to become the property of the Society.

Shares do not carry any right to interest, dividend or bonus.

10. Trust Development Fund

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
At 1 January	103,000	103,000
Transferred to Income and Expenditure Account	(103,000)	-
At 31 December	-	103,000

The development fund had previously been designated by the board for future investment to develop SD's sustainability and resilience as an organisation. The board has now resolved to release these funds to the Income and Expenditure Account.

11. Income And Expenditure Account

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
At 1 January	75,815	161,372
Transferred from Trust Development Fund	103,000	-
Deficit for year	(36,899)	(85,557)
At 31 December	141,916	75,815

The surpluses of the Society are not available to be distributed either directly or indirectly in any way whatsoever among the members of the Society.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

12. Operating Leases

At 31 December the Society had the following commitments in respect of operating leases.

	Year ended	
	31 Dec 17	31 Dec 16
	£	£
<u>Land and buildings</u>		
Expiring within one year	<u>6,097</u>	<u>5,985</u>

The following page does not form part of the statutory financial statements and is not, therefore, the subject of the independent auditors' report on pages 10 to 12

DETAILED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2017

	Year ended			
	31 Dec 2017		31 Dec 2016	
	£	£	£	£
Income				
Grant income		520,805		791,454
Members' fees and donations		11,475		10,913
Consultancy		33,040		24,911
Sponsorship and events		3,391		8,237
Other income		199		292
		<hr/>		<hr/>
		568,911		835,807
Direct costs				
Travel & subsistence	(23,780)		(56,593)	
Website, database & online platform	(21,372)		(32,433)	
Consultancy	(15,741)		(97,229)	
Event costs	(18,789)		(11,925)	
Research, analysis & publications	(17,319)		(20,732)	
Other costs	(7,498)		(33,673)	
	<hr/>		<hr/>	
		(104,499)		(252,585)
Administrative expenses				
Payroll costs	(385,880)		(427,451)	
Consultancy	(3,960)		(95,609)	
Other staff costs	(6,791)		(9,407)	
Premises costs	(33,618)		(37,189)	
Office costs	(17,540)		(24,083)	
Professional costs	(19,257)		(17,825)	
Board & council costs	(6,446)		(6,527)	
Finance costs	(652)		(1,974)	
Bad debts	(634)		(3,653)	
Other costs	(4,811)		(740)	
Differences on foreign exchange	807		15,326	
	<hr/>		<hr/>	
		(478,782)	33	(609,132)
Restructuring costs:				
- SD Europe separation				(61,777)
- SD Scotland separation		(22,329)		
		<hr/>		<hr/>
Operating deficit		(36,699)		(87,687)
Interest receivable		17		181
Provision for pension liability - (increase)/decrease		(181)		1,993
		<hr/>		<hr/>
Deficit before taxation		(36,863)		(85,513)

The above figures include restructuring costs which have been disclosed separately in the income and expenditure account shown on page 13, the background to which is explained in note 2 under the heading of "Discontinued operations".

Appendix G: Frequently Asked Questions

AGM and voting process

When and how will the decision be taken?

The decision will be taken over a series of three votes during 2018. The first, indicative, vote will be held at the Supporters Direct Annual General Meeting on Saturday 28th July 2018. The meeting will be held at the Royal National Hotel, 38-51 Bedford Way, London WC1H 0DG at 11 a.m prompt, with registration from 10 a.m.

Who will be eligible to vote?

Only those supporters' trusts in full membership of Supporters Direct will be eligible to vote. There will be one vote per full member trust. Only the nominated individual for each trust will be able to vote.

If the Football Supporters Federation (FSF) vote against, what happens?

The FSF will be holding a similar AGM later in the day at which their members will be asked to vote on the proposal of one single new organisation. Should SD oppose a single organisation the FSF vote will not take place, and they will instead vote to adopt a new constitution based on the one proposed for the single new organisation.

Will there be scope for amendments to the constitution of a new organisation at the AGM?

No. Since the constitution will need to be approved at a later meeting there will be no opportunity at the AGM. However going forward constitutional change will be possible with a 70% vote in favour.

Will there be a recommendation from the SD Board?

Yes. The Board's recommendation can be found at the end of the AGM pack.

Any further questions regarding the AGM should be directed to enquiries@supporters-direct.org

Continued Distinct SD

If there is a new independent SD, where will future funding come from?

Funding will, most likely, be required from alternative sources to the existing funders. Further detail is provided in the Continued Distinct SD section.

Are there any guarantees from the authorities on funding?

There are currently no guarantees for funding for an independent Supporters Direct.

Would project based funding in an independent SD detract from delivery of core work?

This is likely to be the case, albeit work will be very much driven by what an independent SD is funded to do.

Single New Organisation

Mission and Objectives

Will SD's core mission re supporter ownership be diluted or even lost?

The single new organisation's mission and objectives will include those of SD. However, it will be up to the staff, council, board and members to shape the new organisations future. Active involvement from those who are passionate will help to ensure it is not diluted.

Will the FSF's core mission be diluted?

As above, the new organisation will include the mission and objectives of the FSF.

Will any new organisation help supporters with questions on governance including legal and governance issues?

Absolutely, the aim will be to help on all issues supporters might encounter.

How will a new organisation support smaller clubs and not just Premier League and professional clubs?

Both SD and the FSF already work throughout the football pyramid, and the aim is for this to continue. Our national game is about all levels and we will have staff focussed specifically on the non-league and the issues they face which can be quite different to the EPL clubs.

What will a new organisation do to increase the number of supporter-owned clubs?

As SD's mission is included, and the current staff transferred to a new organisation, work will continue very much as it does today. Where possible, and worthwhile, supporter ownership will be pursued and supported.

How will a new organisation extend supporter influence in football?

A key objective of the new organisation is to push for supporters to be represented at the highest levels of football. Although nothing can be guaranteed the organisation would have a clear focus to achieve greater influence in the game.

What will a new organisation do to develop links and cooperation between supporter-owned clubs?

SD has an existing network to support and develop these links. This will be formalised in the new organisation as the network will continue to exist and be recognised in the representative structure, thus guaranteeing council representation. Further, a representative of supporter owned clubs is guaranteed a board position in the new organisation.

How will a new organisation deliver wider community benefit and involvement in football?

Both the FSF and SD already do good work in these areas, a single organisation should benefit from staff working in those areas acting together and ensuring positive impact in communities.

What will a new organisation do to improve club governance and sustainability?

Continuing to improve the way football and particularly our clubs operate might not be the most attractive workstream to many fans but it is hugely important and as supporters we are all likely to be impacted by it. A new organisation would have a focussed team working in this area, lobbying both Government and the football authorities.

What will a new organisation do to strengthen existing supporter-owned football clubs, supporters' trusts and supporter groups?

The new organisation aims to deliver all of SD's existing objectives, and in particular has the following objective already clearly identified. "To support and protect the interests of member supporters' trusts, clubs, individuals and, wherever necessary, their dependents."

Who will set policy and objectives in a new organisation?

The initial key objectives are outlined in Appendix A. Future strategic policy will be set by the members, council, board and on a day to day basis driven by the executive team.

Structure and representation

What will the organisation be called?

There is no name agreed, the suggestion is that we will create a new name, but retain the brands of SD and the FSF underneath it. We do not wish to lose the strength of either existing brand.

Who will lead the organisation?

The interim board will determine the process for selecting a CEO. We hope that the existing leadership of each organisation will both have a role to play going forward.

Historically there has been geographical representation, it appears this will not be the case in a new organisation?

It is true that the representational structure will not include geographical groups. We believe that representation based predominantly on the pyramid will work better moving forward. However, where there is an interest in network meetings at a geographical level which can still be supported, their output will be passed through the representative network sessions.

Will the focus of individual members be lost?

We believe the individual member will continue to be well represented throughout this structure. A key purpose of a new organisation is to be the national representative body for all football supporters regardless of any allegiances and memberships they may or may not have.

What about things the two existing organisations disagree on?

There is actually very little that SD and the FSF disagree on. The two organisations just tend to have different areas of work and sometimes priorities. A larger organisation will allow for resources to continue work across a broad range of items. The new organisation would be defined by those working within it both as volunteers and staff. Even today you will find disagreement within each organisation on certain topics. Agreement has to be reached and the path forward supported by all.

What's going to happen to existing staff?

There is a commitment in relation to funding and staff that suggests that all staff from both organisations should be able to keep their positions moving forward, albeit there may need to be role changes. Clearly there can be no long term guarantee, but if we are successful then continued funding will support their roles on an ongoing basis.

What happens to existing boards and councils?

These will cease to exist on the date a new organisation is operational. However, all England and Wales Football Council members will be entitled to stand for the new council and board. There will be an interim board put in place, made up of representatives from both SD and FSF current boards. Some of these people will be guaranteed to sit on the initial board of the new organisation.

In the future structure of a new organisation, do we lose democracy? If, for example, matchday (FSF) issues trump governance issues does governance get overlooked?

Democracy is at the heart of the new organisation, we have worked hard to build a fair and representative model that ensures all views are heard.

What will voting rights look like in the new organisation?

These can be found in Appendix A.

Other Sports

Why won't other sports continue to have a voice?

The FSF believe that a single national football supporters' body should have representation only from football fans. However, they recognise the great work SD has done for other sports and believe that we can build on that work where there is an interest to fund our resources to deliver it. Other sports could now benefit from the full skillset of a single organisation.

Why are we interested in other sports that are nothing to do with football?

Other sports can learn from football, and football can learn from other sports. Many of the issues are the same or similar. If we can strengthen the organisation by delivering work elsewhere then we will all benefit.

General

Isn't this merger driven by funders with a view to cutting costs?

It is true that the funders believe a single organisation would be better. In relation to costs all we know is that funding will not be cut for a single organisation in the next three year cycle. During that time we have the chance to prove our value and ensure our funding continues. In reality this issue remains if both SD and the FSF continue, the key difference being it is brought forward 3 years to now.

What is the make-up of the Fans Fund? Who appoints them?

The fans fund panel has representatives from the EPL, the FA, the Football Foundation along with independents recruited from outside football.

Why is the Fans Fund suggesting a merger?

Further detail on this can be found in Appendix C.

What are the current levels of funding from the Fans Fund for both SD and the FSF?

Further information can be found in the financial section and the most recent accounts of the two organisations which are to be found in the appendices.

Would a new organisation have to bid for the Fans Fund work packages?

Yes, although clearly there is far less likely to be competition.

Is there a possibility of looking into a third option? The two organisations remain independent with a strong partnership agreement?

As it stands there are two options on the table, however, should the new organisation not happen, it will of course be in the best interests of both SD and the FSF to find a way to work collaboratively moving forward.



NOTICE OF ANNUAL GENERAL MEETING 2018

Notice is hereby given that the Annual General Meeting of Supporters Direct will be held at the Royal National Hotel, London on Saturday 28th July 2018 at 11.00am for the following purposes:

- One** To confirm the Minutes of the Annual General Meeting dated 2nd July 2017 (Resolution 1).
- Two** To receive and adopt the Annual Report & Financial Statements for the year ended 31 December 2017 together with the Auditors' Report thereon – see Appendix F (Resolution 2).
- Three** To adopt the following resolution recommended by the Board (Resolution 3):
- That Richard Place Dobson be appointed auditor of the Society to hold office from the conclusion of this meeting to the conclusion of the next general meeting at which the Financial Statements are laid before the Society and the remuneration fixed by the directors.*
- Four** To confirm the results of the election of Directors to the Board of Supporters Direct (Resolution 4).
- Five** To note that no member Trusts were granted an exemption in relation to membership fees in the financial year ended 31st December 2017.
- Six** To consider and vote on the following indicative resolution recommended by the Board (Indicative Resolution 1):
- Considering the proposals and information provided to member Trusts, Supporters Direct should:-*
- Form a single, new football supporters' organisation with the Football Supporters' Federation or;*
 - Continue as a distinct organisation focused on governance in sport*
- Seven** Any Other Business

Richard Irving
Company Secretary
13th June 2018

MINUTES OF THE ANNUAL GENERAL MEETING

BALLROOM, St GEORGE'S PARK, BURTON-UPON-TRENT
SUNDAY 2ND JULY 2017 10:30AM

Present: A quorum of members and the Supporters Direct Board

Chair: Brian Burgess

Officer in Attendance: Ashley Brown - Chief Executive
 Jo Grattrick - Secretary.

With there being a quorum present the Chair declared the meeting open.

The Chair informed the meeting about the new members web platform and that the AGM was being streamed live to members who were unable to attend.

The Chair informed the meeting that apologies had been received from Board Members: Martyn Cheney, Paul Thexton, David Little and John Alexander.

The Chair introduced to the meeting all the Board members who were present and the new Chief Executive and Secretary.

The Chair thanked Michael Frater and Andy Walker who had completed their terms of office, but had decided not to re-stand; for their contributions to SD. The Chair also advised his own position having completed his term of office and deciding not to re-stand.

The Chair finally advised that it was the intention to go through the formal business as quickly as possible in order to give sufficient time to the final discussion item.

One The minutes of the Annual General Meeting held on 17th July 2016 were submitted. It was resolved unanimously that these be agreed as a correct record of the proceedings.

Two It was noted the Annual Report and Accounts had been circulated to members ahead of the meeting.

The Chair highlighted that details of the organisation's achievements and progress could be found within the Business Review section of the Annual Report and Accounts.

The Chair reported that SD Europe had separated as agreed at the last AGM and that this had some impact on the finances in regard to reduced funding

and separation of reserves, however this had not had as significant an impact as was expected. The Board set up a separate sub-committee and sought specialist advice and although one long term member of staff had been made redundant the position currently looks secure.

It was resolved unanimously that the Annual Report and Financial Statements for the year ended 31st December 2016 together with the Auditor's report therein be received and adopted.

Three It was resolved unanimously that PFK Littlejohn LLP be re-appointed auditor of the Society to hold office from the conclusion of the meeting to the conclusion of the next general meeting at which the Financial Statements are laid before the Society and the auditor's remuneration to be fixed by the Directors.

Four The meeting was asked to note the election of the following individuals as Directors of Supporters Direct.

Tim Hartley – England and Wales seat – 3 year term

John Alexander – Scotland seat – 3 year term

John Boyle – General seat – 3 year term

Stuart Fuller – General seat – 3 year term

Michael Green – General seat – 1 year term

Tom Greatrex – General seat – 1 year term

The Chair stated that he believed this was the strongest Board SD had in many years, with the exception of diversity. The Board is looking at diversity seriously and should be held to account on that as we go forward.

Five It was noted that NO member trusts had applied for, or were granted, an exemption in relation to membership fees in the financial year ended 31st December 2016.

Six It was resolved unanimously that:

The SD Board was authorised to nominate an SD representative to the FA Council as and when appropriate using a selection process determined by the Board.

To meet FA deadlines the Chair explained that the process outlined had already been completed and asked the AGM to welcome Katrina Law as the new representative for the next 12 months. The Chair suggested that Katrina should feedback on progress to the AGM next year.

Seven The Chair outlined the background and decision by the Board to make the amendment to the audit threshold for Member Trusts and this was approved.

Eight The Chair outlined the context for this resolution and Ashley and Andrew outlined the current issues for the Scotland team in securing local funding. The Chair confirmed that all Scottish Council members were in favour.

There were no questions.

It was resolved unanimously to grant the Board authority to do all things necessary to enable the formation of a locally incorporated Community Benefit Society and to determine the arrangements under which SD will be linked with this new organisation and for this to be concluded at a time to be agreed by the SDS Council and SD Board.

Nine The Chair passed over the Ashley to provide context on this item and views and questions were invited from the floor.

There being no further business the Chair declared the Meeting closed.

SIGNED.....DATED.....