

Shareholders Association Forum – Monday 9th February 2004 – Part 3

“A WAY FORWARD?”

The final part of our trilogy on Investment in Everton is about what we can do to share the burden of our Club's predicament, and help to make our future brighter. We have to explore ways to help this Club of ours now — not when it's too late, but right now!

Enter Steve Allinson and his views on a way forward. Now I've known Steve, like many Evertonians, for many, many years. You get to know the faces, not always the names, and especially among the magnificent away support. A gesture, a nod, in the away end or pub, in respect for being there yet again. You also get to know fans who hold their head up over the parapet on issues concerning us. I first really noticed Steve when he tried with others to build a fans trust to buy into the club when Johnson vacated it. 'Blackwatch' it was called, relating to our early history.

People in high places at Everton now want to know why he is buying shares up in blocks and selling them individually. I answered that in my opinion he's the closest to an Everton communist you'll get. Steve believes the way forward is to share the club with the fans so that they don't just spiritually own it – it's legally theirs. By buying the odd fifty or a hundred shares in blocks, he's made it possible for fans to buy into these at a discounted price. Every so often he is chipping away at that dream. In fact this lad has re-mortgaged his home to do this (he must have some wife!), taken all the risk, and taken on something that eats at all his spare time, but what a difference that has made to the Shareholders Association.

When I bought a share from Steve it was for £400 less than I could get it in the City. I was made up to have my piece of the club, no matter how little it was. I never dreamed a few years ago I would become a shareholder in Everton. I always thought that was a privilege of the few. I now have a small voice at Shareholders meetings to put forward ideas to help the Club. Yes it might still fall on deaf ears but at least I'm trying to make a difference as an owner.

Steve Allinson is now Vice-Chairman of the Shareholders Association and has advocated a Rights Issue for Everton FC that has recently been covered within the local and national press. Steve will explain further detail concerning the Rights Issue — how it might work and how it could affect supporters and shareholders of Everton. Unlike the previous sections there's none of my comments in this – here it is:

Part 3 – A Presentation by Steve Allinson

I've been asked to put in writing my offering to the Shareholders Association Forum. For those of you that were there, you'll know that I was forced to cut it back to fifteen minutes or so of basics rather than the scheduled forty. As I was also chairing the Forum, that's entirely my own fault but I make no apologies — extending the guest speakers' slots was well worth it; they were magnificent and their time and effort is hugely appreciated. I'll take the opportunity now to give the full substance of my intended presentation – and thank Ian MacDonald for all his work in getting the events of that night out where they belong: with the fans.

A Background.

Every Blue will testify to the difference advances in communication have made to their Everton lives. Mobile phones are a necessity for many on match days home and away; the

Internet has brought instant news and contact to the exiled Blues. As one myself, the ability to contact huge and ever-growing numbers of Evertonians all over the globe at the touch of a button has become a reality. There's no doubt in my mind that over the next ten or twenty years that will extend to virtually every Everton fan around the world: **Communication advances in the 21st Century should be the foundation of any development strategy for Everton Football Club.**

It was the Internet that led to my involvement in the Everton Fans Trust or 'Black Watch' in 1999. It revolved around the principle that a commitment to pay £20 a month could be turned into £1,000 in hard cash pretty much immediately. Of course, the Bill Kenwright-led True Blue Holdings purchase of Peter Johnson's shares took place a matter of weeks after the launch of the Trust and led to its dissolution, but the principle had been firmly established. Ten times as many fans contributed on a monthly basis than paid the full thousand pounds up front. Consequently: **Any call for direct fan investment should be structured in such a way that allows easy payment terms at the lowest possible cost.**

One of the effects of following the latest Everton news on the Internet is that you gradually get sucked into one or other of the Everton Communities – bulletin boards, mailing lists, discussion forums and the like. A few years ago the one that I was involved in developed into a Regional Supporters Club – and imagine explaining that to the Club at the time... "Where are you all from again? Cyber where?"

The thing about having EFC stuff arriving at your desk through the day is that it makes you want to be further involved. We thought that as a club of shareholders we'd get just that, and that's how I first started helping fans to buy shares. I think they were around £1,800 each through the Brokers at the time, and by buying a block it would work out at around £1,475. A bit of help to those who could only find that money over a few months, and suddenly the majority of us were shareholders: **Individual fans communicating together achieve far, far more than they would ever contemplate on their own.**

The natural step for shareholders is to make their views known through the Shareholders Association. What we found were only a few members, shareholders benefits whittled away over the years, and the established role as a 'watchdog of the Club' simply not practical. Our calls for modernisation, a full independent representation of Owners addressing the issues of the entire Everton family, were simply not heeded. With other shareholders we formed an Association Reform Group; developed a manifesto addressing some of the more basic points; helped more fans buy shares and join; and presented a new group of Officers to take it forward. The support of the 'new blood' ensured that these Officers were elected, and resulted in what the papers luridly coined 'The night of the long knives'.

That change in direction was necessary, and I hope that all members of the Association old and new recognise the leaps and bounds we've made in regaining that independent image and that 'watchdog' status. Without doubt: **Influencing change in any organisation is most effectively done from a position of strength through coordination.**

Underpinning this is an unswerving belief that the most appropriate owners of a football club are the fans and that the most appropriate administration is a full-time professional executive board. This key division of responsibilities promotes accountability – fundamental to improving performance.

Fan Ownership

We've had Joe Beardwood's frightening analysis of just how far our Club has fallen over the last 20 years since 1984. I can't argue with his logic. It does show just how far behind the

other big names we really are. This magnificent Club, founder member of the Football League and for so many years the byword in financial strength and footballing excellence, has been reduced to mediocrity.

Joe's shown that we're no longer able to stand comparison with the big boys, and that we're even looking pretty weak in comparison with our mid-table fellows. Southampton, on most measures – both financially and aspirationally – a bigger club last year? So why can't I agree with him?

There are an estimated half a million Everton fans in the UK alone – never forget that it is the breadth and depth of our support that marks Everton as a truly great Club.

There have been plenty of reviews, most of you know the Deloitte's Football Review as the obvious one, but some estimates are considerably higher. Andy Hosie at the last Forum gave us a more demonstrable fact – Everton have on their databases approaching two hundred thousand supporters. Who are the rest, then? People who simply don't get involved. The occasional game, perhaps. Away games near where they live maybe. And the thousands and thousands who have just stopped coming. It might have been the sale of Alan Ball or even Bob Latchford; it might be total disillusionment with the way Football has developed in this country. We ALL know someone like that – and I think of it as our 'latent' support.

What have all those people got in common? The first thing they look for in the papers or on the net is the Everton result. It MEANS something to them.

Andy Hosie gave us another quite staggering figure. The Everton website recorded over 245,000 UNIQUE hits during January alone. In simple terms that's a quarter of a million different Internet identities checking in to have a look at what's on the Official site during that month.

We are a huge family, and the sooner we give all fans worldwide the opportunity to demonstrate their support through ownership, the less the burden will rest on our magnificently faithful attendance.

Joe Beardwood has demonstrated, far better than anything I say, just how much our infrastructure holds us back. Goodison has a limited capacity, loads of obstructed views, and a shortage of corporate facilities that fail to address even current demand levels without looking for more. That's millions and millions of pounds in lost revenue each year that we wouldn't even have to advertise for. The other side of the coin is the pressure from expenditure – player wages being by far the largest.

How have the Club addressed this over the years? Well, it's all been about increasing revenue. That's probably the main reason that Shareholders have had their benefits stripped year on year. Why deliver anything to the owners when you've had their money? They don't make much noise, and you can always squeeze a little more, selling priority on tickets etc as little packages. The Club has tried to minimise ticket price increases, but in the end, most of the revenue comes from our faithful fans. Tonight we are painfully aware that it's not enough. Not by a long chalk.

There is a strong case for reviewing the cost structure of season tickets – those discounts on the individual ticket prices make no sense when we've more fans queuing up for them and we're so short of money. Where I wince is on those individual ticket prices. Joe's shown us we have more less-wealthy fans than most other clubs, and every hike is hitting them hardest. As a Club, as a family, we should foster all of our support, and most especially those who are

there through thick and thin. Ask me who you want roaring us on in a critical game and there's only one answer – the die-hards.

The Club that most impressed me on that score was always Arsenal. I know things have moved on with their need to finance their new stadium, but I remember the season before last at Arsenal. No, this isn't about Franny; this is about the ticket price on that day. They won the League, paraded the trophy, and all at a ground in London where prices are sky-high, and at a time when transfer and player wages were peaking. Ticket cost? £24.50. Attendance? 38,245.

Just for the purposes of this presentation, start to think less about squeezing extra revenue from our existing structure – and more about the responsibilities of ownership to invest in new revenue-generating facilities.

A Vision for the Future?

Make no mistake; the first big football club to genuinely harness all its latent support will be able to call upon riches that put Chelsea in the shade.

I've already mentioned latent support in terms of UK estimates; I haven't in terms of non-UK residents. Here it gets more sketchy. You could argue that all those ex-pat Everton fans probably aren't on the Everton databases, you could probably argue that they are at least as relatively wealthy as us residents, and then you can factor in China. For the sake of this argument I'll ignore all of this. Just be aware that it's out there, and if you need anecdotal evidence then out of those first 50 shares I acquired, almost a fifth of them went abroad. The Internet, remember. Just for reference, that was Ireland, Belgium, Holland, Switzerland, Thailand, Canada, two to the USA, and one to Hawaii. Aloha, Gary!

I'm not going to labour this point; I'll leave it to you:

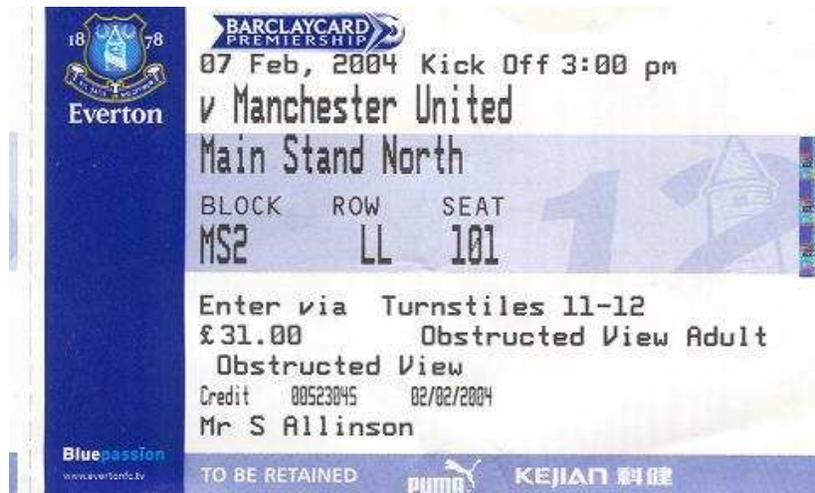
- **Estimated wealth of Chelsea's owner – circa £5 billion**
- Estimated number of EFC supporters in the UK: 480,000
- Estimated average net worth of UK individual (that's house equity, cars, investments, pensions everything less debts) – according to a recent Observer analysis: £85,000 [Take into account Joe's socio-economic profile analysis ('we're poorer than the southerners') and let's halve that. Just to be safe, so no ones in any doubt, lets halve it again.]
- **Estimated wealth of all Everton Supporters: 480,000 x £21,250 = Over 10 Billion.**

Absolute minimum, and that's in the UK alone. The numbers are simply huge, and the evidence is overwhelming. I'll say it once more, because if I don't repeat anything else tonight this alone bears it: **The first big football club to genuinely harness all its latent support will be able to call upon riches that put Chelsea in the shade.**

Now, none of the above addresses the issue of how on earth any big football club actually COULD harness ALL of its latent support. For a start, be assured it's not possible. The real question is, just how much of our support COULD be persuaded to accept the responsibilities and rewards of ownership, and how far that could take us away from the sole reliance on revenue?

Before I move away from this foray into the land of total fan ownership, I've one more thing to put to you, and it just adds more weight to the principle. Have a quick look at this ticket,

just the usual main stand, adult obstructed view. There are plenty of them. Granted its one of the 'premium games', hence the price, but nevertheless its £31.00 for a poor view:



Now, how many Everton Fans were we talking about? Not just the database ones, but also all those people whose weekend is made when the boys take all three points? Almost half a million in the UK, and who knows how many around the world? Now, if each and every one of them had the opportunity to really boost the season ahead, help David Moyes, and agree precisely how the money would be spent, how many would be prepared to spend just a few quid to help out? How many more would there be if they were already actually shareholders and had acknowledged the responsibilities and rewards of ownership, complete with the share certificate and communication to prove it?

480,000 in the UK alone paying the cost of one, obstructed view, main stand ticket to help fund the season ahead would raise £15 million at a stroke.

Many of you will have read this and thought 'Great idea, lovely idea, but it'll never happen in a million years'. But the process of getting to a stage where there are a million Everton shares at an individual cost of less than a hundred pounds each widely spread amongst our entire fan-base is not difficult to conceive, and the benefits too great to ignore. I believe this principle represents the only realistic opportunity to regain what Joe has so clearly shown us we've lost.

The phrase in vogue is "Road Map" and, while we know the ultimate 'ideal' destination can't be reached, there can be no doubt that it's the direction in which we should be heading. This, then, is a call to get on the Motorway – and accept that it's a Toll Road.

The Current Position

Back to the problems of today, so ably highlighted by Joe Beardwood. We're short of funds; we've a low level of infrastructure, so generating further revenue is difficult; and we're beginning to realise that without significant investment and a clear direction we'll continue to be haunted by the possibility of losing Wayne Rooney, David Moyes, and yes, even Premiership status. Too steep for you? Not from where I'm standing.

Some will argue that this is all speculation; we'll be okay in the long run; the Board will find money from somewhere. We can all complain if and when the worst is actually about to happen.

The reality is that there's no need to take those risks. Celtic have shown that fans WILL buy into the prospect of developing existing strengths – and planning for the future. We need Capital Investment, to generate new revenue for years to come and to provide that degree of leeway for David Moyes in funding his squad. We've seen that the Club administration have worked long and hard to find external investors – and we've seen no takers.

But perhaps even more important than addressing the current financial woes is the signal that serious capital investment from fans sends to everyone concerned with our Club – the clarity of direction and the guarantee of growth. The message from every one of us as owners must be that nothing less is acceptable. Back, then, to basics: **Resourcing any organisation is ultimately the responsibility of its owners.**

At Everton that's each and every one of us shareholders. Never mind that we've had all our benefits stripped away, never mind that we get little involvement in the administration of the club – we have a problem that needs addressing now.

The appropriate way to raise money through additional share capital is a rights issue. Anything else precludes the opportunity for existing shareholders to come to the aid of the party and maintain their proportionate stake in the company. **The most appropriate owners of a football club are its supporters.**

Should be clear by now – the only investors who'll weigh in with no thought for a financial return are the fans. This gives them the opportunity to take a stake in their own community and have a say in its development.

The larger the ownership 'net' the greater the resources available, and the less heavy the burden on individuals.

We've already had a look at just how wide that 'net' could be, and the potential level of resources it could generate. Let's have a quick look at a rough picture of the current ownership structure:

Estimate of Shareholdings in Everton FC Co Ltd

		<u>Shares</u> [*]
More than 100 shares:	True Blue (Holdings) Ltd	24986
	Lord Grantchester	2773
	Sir Philip Carter	714
	Bill Kenwright	301
	Bill Kenwright Ltd	254
	John Woods	210
	49 Moores Ltd	200
	Keith Tamlin	119
	Nigel Holland	116
	Arthur Abercromby	<u>105</u>
		29778
20 – 99 shares:	40 shareholders (Estimate)	1280 (Estimate)
Less than 20 shares:	1,120 shareholders (Estimate)	3500 (Estimate)
Currently available:		<u>442</u> (Estimate)
		35000

* Note: This is not based on the current share register (by its nature it's fluid), but I believe it gives a reasonable picture of the general position.

Some key points:

1. The current Board together holds at least 26,689 shares, or just over 76% of the company. This is in excess of the 75% required for any Special Resolution, which broadly means they have unlimited powers with no reference to the minority.
2. True Blue Holdings own 24,986, or just over 71% of the company. The value of TBH is based more on its controlling majority rather than the number of shares.
3. The non-Board holding, in the region of just under 24%, is typically fragmented but could be viewed as follows:
 - Lord Grantchester and other Moore's family holdings are in the region of 3000 shares, or just less than 9%.
 - The Shareholders Association represents around 300 shareholders with a total holding of less than 4%.
 - The remaining 11% or so of non-Association members cover the remaining diverse spectrum of Everton shareholders. Some have an active interest, attend Club AGM's, but as yet are not persuaded of the value of the Association. Some have no participation but are content in the status; and some, frequently due to the nature of holdings being passed down through generations, either have no affiliation with the club or their contact details have long since been out of date.

You might also note that there are over 400 Everton Shares currently on the market – and hardly anybody knows about them.

A 3-for-7 Rights Issue

Why 3 for 7? What does it mean? Broadly the principle is that existing shareholders are given the opportunity to purchase 3 additional shares for every seven they hold. In an ideal world that would generate an extra 15,000 shares amongst the existing ownership in proportion to their existing holdings, and provide an amount of capital determined by the cost of those new shares. If for example the cost were £1,000 per share, it would raise in the order of £15 million.

This is the correct course of action – as owners we have a resource problem and we each take the responsibility of addressing it in proportion to the level of our ownership.

There is one major problem with this process. Only a proportion of shareholders would take up their option to purchase. True Blue Holdings are unlikely to be able to purchase their allocation of new shares that, on this basis of perhaps £1,000 each, would mean finding £10.7 million. Many other shareholders are also likely to decline the offer.

How many of these new shares would actually be purchased? Well, there are only 1200 or so shareholders so the Association could easily canvass them in advance to establish their views, but my guess is anywhere between 1,000 and 3,000 new shares might be taken up IF the Issue was presented in the optimum manner.

[The estimates are enhanced by the fact that many shareholders would be given the option to actually purchase more than the strict 3 for 7 ratio – for example the majority of all

shareholders (around 700) hold only one share and would be entitled to purchase one more (1 x 3/7 rounded up = 1) which for them doubles their holding].

In a quoted company, that sort of low response to a rights issue would necessitate huge underwriting costs and probably devastate the share price, but Everton is a private company with none of these problems. The remaining unsold shares, between 12,000 and 14,000, are then made available to all fans. The method by which this could be achieved whilst retaining Everton's status as a private limited company is more complex but eminently practical.

The key question is the likely take-up and again; that will depend on the offer being presented in the optimum manner. Celtic, with their 22,000 shareholders, have proved the concept works within the framework of a Public Limited Company.

Why would we choose not to be a PLC? Many reasons, but most persuasively because it is an extension of the investment-for-profit model, has statutory "red carpets" for takeovers, and draws investment from those seeking a financial return. By rejecting that, we would send a clear signal that we represent a private community united not by the aim of 'maximising shareholder profit', but in **the pursuit of footballing excellence.**

The reason that 3 for 7 is the magic figure is that, even if TBH were not to take up their option, they would still (within a spit and easily adjusted) hold more than 50% of the new total of 50,000 shares. As far as TBH are concerned, the value of their holding is based on its controlling influence rather than the number of shares and, so long as the capital was invested wisely in generating new income streams, the increased value of Everton as a going concern would more than compensate for their reduced holding as a percentage of the Club.

If True Blue Holdings agree, it WILL happen.

The Incentive to Participate

There's no doubt in my mind that, out of those estimated 480,000 fans in the UK and however many hundreds of thousands abroad, finding 12 to 14 thousand who are prepared to purchase a share at a price in the region of a thousand pounds is not going to be a difficult task — **if it's presented correctly.** Most importantly it must be made as affordable as possible – monthly payments over a year could be less than £100 a month; over two years perhaps in the region of £50 per month.

The statement

Some will buy a share anyway if the chance is presented to them. It's difficult to explain to outsiders, but having that piece of paper declaring your ownership of Everton Football Club on the wall is simply enough for some fans. It was for me. If you like, it's a statement of your allegiance to Everton.

The benefits

Some will be attracted to the benefits shareholding brings you as a supporter. It's been an ongoing problem for the Association that the current administration of the Club has constantly stripped shareholder benefits – and this has to be reversed. This represents the tangible rewards of ownership, the level and nature of ticket priority (not against regular home and away supporters but in comparison to all the other developed priorities). All the 1980s Cup Finals saw shareholders allocated two Wembley tickets; there were discounts on season tickets and various other benefits which have all slipped by the wayside. With £15M in the bank I don't think the return of a fraction of that is unrealistic.

The participation

This represents the responsibilities of shareholding: the willingness to provide resources as necessary but fundamentally to be involved in the ongoing process of the development of the Club. The Shareholders Association is absolutely the right vehicle to achieve this – a democratic body; one member, one vote; charged with the representation of the entire Everton family – everything which makes this Club a community. But the level of involvement with the Club administration to date has been negligible. This has to change.

The clarity of purpose

This is really the clincher. Provide a worthwhile objective and prove that the money will not be squandered elsewhere. By far the majority viewpoint as declared at our first shareholders forum, through supporters' organisations to individual fans, has been quite clearly 'We would not trust the current Board with our money'. Regardless of reasonableness, this is a problem the current administration can't pretend doesn't exist.

There are many ways of dealing with this. It could be that a re-structuring of the Club administration would suffice, and/or augmenting it with new professional expertise at Board level. It could be that bypassing the current unchanged administration and undertaking the investment directly might be a solution.

What is clear is that it will take a Fergus McCann style clarity of purpose to really fire the imagination for success and ensure a marker is laid down for the future.

A Summary – The Benchmarks of Success.

So what would constitute a successful Rights Issue with subsequent distribution of shares?

Raising Capital for the Club

I hope, like me, you are convinced that the 'incentives to participate' outlined above could be made so attractive to Everton supporters that the 12 – 14 thousand surplus shares would not only be taken up but hugely over-subscribed, and transferred to fans in the shortest possible time. This not only ensures that more capital is raised, but establishes the principle by which all future capital can be acquired.

Using the Capital to Invest for the Future

We know there is a shortage of money for building the team and supporting the manager, but the way to address this is to generate more revenue year on year. The Board's vision of the King's Dock development was exactly that type of investment, but sadly it's gone. While it's difficult to argue with the logical and financial arguments of a ground share with Liverpool, personally I don't believe it can or should happen. Not only would our Club have to seek investors wanting the sort of return that would strip the additional revenue benefits, but also there is no real will for it amongst so many of either set of supporters.

We are all weary of the ground-move debate. Why not accept that the City of Culture represents an opportunity to develop the whole Walton/Anfield area as a world-class Centre of Football? One that focuses on two state-of-the-art stadiums? Why not let Liverpool raise their mortgage and debt for theirs while we rebuild and fund our own? What else would so clearly define us as 'The People's Club'?

Informed estimates suggest that around £7M would develop another tier for the Park Stand, which could increase revenues in the region of £3M to £5M every year. A sum in the region of £15M could rebuild the Bullens Road stand, and generate in the region of a further £5M to £10M a year. How can we continue to ignore those sorts of returns with NO cost of capital? Let us all contribute in the process of re-building our home and our pride.

Expanding Supporter Influence

The consequence of developing on these principles is an independent minority ownership expanding from the current 24% to approaching 50%. The Shareholders Association could grow from less than 4% to represent a third of the ownership of our Club. The lesson from Celtic is that, without coordination, this ownership remains fragmented and ineffective. We should recognise that establishing a block vote for a democratic representation of this shareholding is essential to involving all of us as old and new investors. This is all technically possible, and what better way to ensure the development of our Club meets the approval of the family without which it doesn't exist? The old argument that fans blow hot and cold and aren't capable of the necessary business acumen has, as Sean Hamill has shown us, been completely at odds with the experience of all the similar ventures around the country. The fans themselves are invariably far more conscious of their responsibilities than many majority owners.

A membership of perhaps 10,000 fans in the Shareholders Association with a membership fee of only £10 raises £100,000 a year – more than enough to staff an Association office in a new stand to develop and support the communication necessary for its continued growth and success.

Establishing a new Finance Model for Football

Today, the Football Finance model is in a mess. Not a week goes by without some reference to the problems facing clubs, and it's a matter of serious concern to the Government. As Sean Hamill has explained, they've funded a body to help clubs develop fan ownership, with plenty of success in the lower leagues but crucially no example at Premiership level.

I believe we should recognise that the Limited Company model (so appropriate for the development of any business) is flawed where the ownership has no interest in profit. A football club represents a community united in the pursuit of an activity where the benefits are not measured in financial terms: the development of that community and its performance in competition with its peers. So much of the legislation addresses the protection of the owners' or prospective owners' financial interests, and in doing so restricts the promotion of shares by a private company. The desire to expand ownership to all members of a club's community simply pushes them towards a Public Limited Company structure – even less suited to an ownership that demonstrates its only interest is the pursuit of footballing excellence.

Everton Football Club Company Ltd could, through amendments to its memorandum and articles, make this distinction absolutely clear. It could renounce the prospect of any dividends, and make absolutely clear that any additional benefits of ownership are not attached to the holding of a share but to the responsibilities of guiding the Club's development. This could practically be achieved, for example, by attaching all the benefits we've discussed under 'Incentives to Participate' specifically only to membership of the Shareholders Association and the democratic block vote.

None of the above overrides current legislation on private Limited Companies of course, but formally embodies all the principles above in what amounts to an ownership statement. If we

make this work, it presents a compelling argument for the review of company legislation to simplify the expansion of ownership within a limited company eschewing shareholder profits.

Doing all of this now within the current restrictions represents a bold decision that, if successful, will make a mark that will reverberate throughout the football world. The beauty of it is that it's absolutely possible and practical.

Everton Football Club around the turn of the last century developed a finance model for Football that was unheard of. That model established it as the leader in its field and probably set in place everything that contributed to its success in the 20th century. It was certainly widely copied and is the reference for most Football Clubs today – that of a limited company. I think George Mahon is credited with much of the work, but that was the principle.

Could Everton, around the turn of this new century, once again display the vision to establish a new Football Finance model? Could it once again develop the blueprint for football for this century – and in doing so, steal a march on every other Premiership club?

If any of this has touched a chord with you and, if you are able, we need your involvement within the Shareholders Association to help it happen. I will continue to assist every supporter who is determined to play a part in this process find the share that makes his or her ownership a reality.

Thank you for your time.

General Discussions and Questions

Time was, as you can imagine was running over, so it was a bit limited for this section. As always though, more questions could be asked at our favourite place... the bar!

Tom Cannon stood up and congratulated the new SA on its well-organised and informative night. He stated that the latest Celtic Share issue of 2001 was not the way forward as it took too much profit away from the club via guaranteed share returns, and warned of the dangers of separate share classes. He stated that no one has really put money into Everton in the later part of our history apart from Peter Johnson, not even the Sir John Moores, as that was always loans. We need new capital!

That it had to be the RIGHT share issue was a concern of many.

Mike Owen answered the question posed by Michael Durkin: "Whose idea was the recent press release on the Rights Issue initiative?" It was Mike Owen's (no, not the red one, this Mike had the name first!) because he strongly believed that the subject must be discussed as widely as possible and presented as constructively as possible.

Harry Trubshaw, an Evertonian of nearly 80 years, was not in favour of a Rights Issue and believed the real issue was the stadium and its condition. But Harry how do you fund improvement?

I asked Joe Beardwood myself for his opinion on the emotive subject of ground sharing – it was not the response I wanted to hear. Joe thinks it's the only way forward at present with our current finances. Mark Denny and many other's disagreed, "We don't want to become another Torino". Another fan, Steve, stated that both the Milan and Rome clubs sharing are heavily in debt. They don't even own their own grounds.

My own personal view is that, if we want to stay at Goodison, the fans will have to dig deep to upgrade our home. It needs more than a lick of paint now or some new cladding. Corporate facilities and comfort-wise it could be the worst in the Premiership just now. How times have changed from our pride in the 1960s and 1970s in the Old Lady. After the recent United game, I was with a director of a big Merseyside firm who is a mad Evertonian, but he told me that he just can't bring and impress big customers at Goodison — it just doesn't offer enough. Consequently his firm has a box at Anfield. That HAS to change!

Joe's conclusion on the night was that prudent financial management is needed above everything right now (that explains no new players in the last window then); even if we get to a £60M turnover target, it's no good if the increase just goes on player's wages.

Sean's conclusion was we need a five-year strategy for re-capitalisation, and a plan to sell to the fans. He quoted AFC Wimbledon again; just 3,000 fans bought a ground!

Steve Smith asked, "What is the next step?" The answer was the Shareholder Association could be the focus to help the fans help the club. In my opinion, a lot of bridge-building and PR will need to be done to before we are really together as fans and Board!

If we were really together, we could be a powerful force once again – a real 'People's Club'. Let's not waste this chance to show David Moyes and young Wayne that we believe in them, and want to help them with our own hard-earned money. Otherwise, I fear Mr Moyes and Wayne will be gone within the next two to three years. Our limits now may limit their time with us...