

# FAN ADVISORY BOARD: CLUB Q&A

The Everton Fan Advisory Board solicited questions from Evertonians from around the world that could be put to the Club's Board and Leadership Team.

Thank you to all the supporters who sent through their questions. We have broken down the questions into themes covering: strategic vision and objectives, stadium relocation and Goodison legacy project, finance and revenue generation and Board of Directors and Club employees...

Below are the responses from the club.

## Strategic Vision and Objectives

- **Who sets the Club's strategic vision?**

The Club's strategic vision is set by the CEO and the Board.

- **Who led, and who was involved in the strategic review?**

The CEO, supported by the Club's Board of Directors, led the strategic football review, assisted by the Director of Strategy and the strategy department. In addition, a number of specialist teams within the Club fed into the review, providing analysis, benchmarking and insight to inform an established and structured strategic planning process. The recommendations are guiding the iterative implementation of the review.

- **The CEO mentioned better alignment with the footballing strategy; how is this defined?**

It has been defined by a process following the recommendations of the review. As we are sure you can appreciate, the finer details of the footballing strategy can't be shared publicly due to competitive sensitivities. However, you will have seen from the actions taken by the Club during the past nine-months – including the appointments of Frank Lampard as manager, Kevin Thelwell as Director of Football and Brian Sorensen as our women's manager, the promotion to U21s coach of Paul Tait and U18s coach of Leighton Baines and wider recruitment as part of changes to our footballing structure – there is tangible evidence of implementation of an aligned plan across our footballing operations.

- **What were the aims of the review?**

To improve and enhance football operations at all levels, with the focus on delivering better results on the pitch for both the senior men and women's teams and ensuring a more aligned and defined way of working across recruitment, coaching, performance analysis and Academy development. The aim of this more aligned football operation was to create the very best pathway for development of players at every level, driven by collaborative structures, the highest level of professional expertise and decisions guided by data-driven insight. The intention was to ensure the review also aligned with the strategic vision for the Club, set out to staff across all departments by the CEO.

- **What were the outputs of the strategic review?**

The outputs are clearly defined within the strategic football review but will not be shared in detail, due to competitive sensitivities. What is evident is the tangible and visible output of the findings of the review being implemented in the Club's football operations at all levels over the last nine months – including recruitment for key senior coaching staff, Academy staff and players.

Supplemented to this is a clarity of focus in player recruitment, in line with financial considerations, to ensure there is long-term stability in the areas of football operation. There is also a greater utilisation of data analytics to shape and support what is an ongoing and iterative implementation of the recommendations of the review.

- **Can an organisational chart be shared to show the new structure?**

There is a clearly defined structure for the Club's leadership team and footballing departments available on the [official club website](#).

- **Has the strategic review been completed?**

The strategic football review was completed earlier in the year, but its implementation is ongoing – and will continue to positively impact our football operations for the short, medium and long-term as part of an ongoing and iterative process.

- **What is the Club's short and long-term strategy?**

The overarching vision is to re-establish the Club among football's elite.

However, in order to achieve this the Club aims to co-ordinate efforts across a number of short- and medium-term goals covering key strategic areas which include:

1. Our footballing identity - to compete, improve and win
2. Supporters - Placing supporters at the heart of our planning. As a Club humbly at the service of our fans, we are dedicated to delivering what supporters crave most.
3. Organisation - Developing our organisation by pursuing financial growth and delivering services for our football teams with the highest levels of professionalism.
4. Facilities - Creating world-class places [Everton Stadium, Finch Farm, Royal Liver Building and Goodison Legacy] where Club staff, our supporters and the community can grow and thrive.

Everton's strategy is underpinned by the culture at the Club, which has remained unchanged from previous years and is characterised by the core values, behaviours and belief of: Ambition, Authenticity, Determination and Family.

- **Does the Club have any plans to replace General Meetings?**

Everton is fully committed to enhancing its engagement and collaboration with fans.

The Club has closely monitored the findings of the Government's Fan-Led Review which identified 10 strategic and 47 detailed recommendations for football. The Club is confident that it will be able to implement all of the club-facing recommendations, with many of them already in place at Everton.

As part of that commitment the Club's Fan Engagement team is continuing with plans to give all supporters a stronger voice in the Club through structured dialogue with a diverse range of supporter groups including the Fan Advisory Board (FAB).

Through the FAB, the Club will receive input and feedback from supporters as well as take in suggestions, ideas and be made aware of opportunities from the global fanbase. The FAB will be able to challenge the Club's most senior representatives in a timely and appropriate manner should there be a requirement to do so.

Alongside the FAB, ongoing liaison with fan and stakeholder groups will continue. Each group has structured dialogue with the Club at the most appropriate level, be that with the CEO's office, the Fan Engagement Team or at a more operational level.

The groups with structured dialogue represent more than 100,000 supporters around the world and includes the Everton Fans' Forum, the Everton Heritage Society, the Supporters' Club Committees in the UK, The Americas, Europe and Asia-Pacific, the Junior Fans' Forum, the Everton Disabled Supporters' Association, The Everton Heritage Society, Everton Women's Supporters Club as well as the Everton Shareholders' Association.

In addition to the tangible and regular direct dialogue with fan groups, the delivery of a multi-tiered series of engagement events aimed at delivering experiences tailored for supporters of all ages – and locations - is part of the Club's ongoing engagement planning.

- **Why does the Club feel unable to communicate with fans on matters of strategy and future plans?**

The Club is committed to engaging and communicating with fans, both through fan groups and broader communication via official Club channels and directly by email.

The Club will always try to engage and seek the feedback and thoughts of supporters on key fan-related matters at the appropriate time. As we are sure you can appreciate, not all matters of strategy can be discussed publicly.

CEO Denise Barrett-Baxendale has continued to provide updates on-strategy and future plans through the matchday programme, the official Club website and direct email communication to fans on the Club's database.

The Club has also committed to communicate with the Fan Advisory Board on strategic aspects, giving an insight into the decision-making and clear governance structures, as well as the future direction of Everton. This will be communicated to supporters appropriately by both the Club and FAB.

- **Having been given an excellent opportunity to break into East Africa in 2018/19, why was this abandoned (in contrast to Liverpool)?**

The Club hasn't abandoned activity and engagement in Africa but does have a clear International Strategy and is implementing that strategy in order to maximise the Club's global audience growth opportunities, as well as commercial revenue pathways. While there are opportunities in East Africa – this territory is not our priority area. Following a period of in-depth research, we have been focused on our efforts on the US – and have started to see benefits from this approach already.

- **Have your commercial teams properly analysed the growth potential in Africa?**

Yes, as part of the development of the Club's International Strategy, the audience growth and revenue generation potential of all territories globally were analysed and assessed – while East Africa has potential, it not currently our priority.

#### **Stadium Relocation/Goodison Legacy Project**

- **The cost of credit in the financial markets has increased significantly, following the rate rises witnessed globally. How will this affect the overall cost of constructing BMD? How will the club fund this increase?**

As outlined previously, the Club has a plan to finance the stadium from several sources, including investment from the Majority Shareholder. Whilst financial markets are currently turbulent and the cost of credit is increasing, the Club has plan in place and is monitoring the market place to ensure that it remains in a position to successfully deliver the project.

- **Who has the Club appointed as advisors to help raise financing for BMD?**

The Club has been working alongside JP Morgan and MUFG.

- **With the extremely challenging credit environment, has the Club approached DFIs for funding?**

Development Finance Institutions (DFIs), which are usually majority owned by national governments, is not a funding route that the Club is considering.

- **Did the Club secure any funding from Liverpool City Council for BMD?**

The Club has not and will not obtain any funding directly from Liverpool City Council for the stadium project.

- **How many seats will there be in total (excluding hospitality)?**

It is proposed that Everton Stadium will have an overall capacity of 52,888. Removing the estimated 5,200 seats allocated to 'All' bars, restaurants and experiences, this leaves circa 47,688 seats.

- **Will this cover all current Season Ticket holders and those on the waiting list?**

All current Season Ticket Members are guaranteed the opportunity to secure their place at the new stadium if they renew into the final season at Goodison Park. It is important to note that not all supporters on the waiting list may choose to purchase a Season Ticket if and when they are offered one. Some supporters may decide that they no longer want or cannot – for whatever reason – take up the offer a Season Ticket, meaning it will go to the next place on the waiting list.

- **Will the club continue its great work with ticket pricing for the young fans who have chosen Everton above other local teams?**

While prices will increase in most areas of the new stadium, our commitment to encouraging young fans to support Everton – including competitively priced tickets – will continue.

- **Are any plans being made for some special events (e.g. legends' match, testimonials for those who didn't get the opportunity, music concert, fan tournament, etc.) to take place in the last season at Goodison?**

The Club is working hard on plans to ensure the experiences, moments and memories created for all fans and match attendees in the final season are exceptional. Further engagement with Supporter groups and an update on any activity will be provided in due course.

## **Finance and Revenue Generation**

- **What is the state of the rumoured investment/buy-out?**

Mr Moshiri outlined his position and updated supporters on this matter earlier this year. Please read his [message here](#).

- **How much debt do we have?**

As highlighted within the Club's latest published accounts, Everton's net debt position is £58.2m. This is a result of investment in the playing squad, measures taken to protect the Club's cashflow position and also the continued ongoing impact of the global pandemic.

- **Why has the Board allowed the club to lose large amounts of money each year?**

In recent years the Club has undergone a period of transition and significant investment, both on and off the pitch. In line with other clubs who have benefitted from such investment, the early stage of that investment lifecycle does not usually generate an immediate financial return.

The complexity of the Club's new stadium project, that required Everton to recognise all of its project expenditure prior to the achievement of planning permission through the profit and loss account, as well as the disruption caused by the global pandemic, has also contributed to the losses in recent years.

The investment in Everton has been made possible by the significant financial support provided by the Majority Shareholder, Mr Moshiri. While large accounting losses have been the focus it is important to note they don't translate into large cash losses and Mr Moshiri's support has not levied any debt on to the Club.

These financial results are incorporated within our long-term business planning. Moving forward the Club remains committed to operating in a financially sustainable manner, with the commercial opportunities Everton Stadium presents being a key strategic driver in achieving this.

- **What are the clubs plans to overcome the Profit & Sustainability constraints?**

Every Premier League Club is facing the same constraints as we emerge from the deep impacts created by the global pandemic. The Club diligently monitors all of its financial positions and has a strong working relationship with all of the footballing authorities. The Club is continuously looking at ways of driving significant commercial revenue growth, managing costs effectively and recruiting and retaining talented people to provide the best-in-class professional services across the Club.

The Club is committed to capitalising on the benefits offered by a new stadium which provides a significant platform for further commercial growth.

- **What is club situation regarding Stake as the shirt sponsor with threat of government intervention? Are there contingency plans in place if the government legislation changes?**

There currently isn't any planned legislation that would affect our Club-record main partner agreement with [Stake.com](#). The Club has appropriate contingencies in place for a range of possible scenarios across the entire business.

- **Will we revive our relationship with USM if Mr Usmanov is successful in his court case to have assets unfrozen? If not, what plans are in place to replace the sponsorship / naming rights deals? Are we awaiting outcome of the court case?**

The Club is not awaiting the outcome of any court case and has suspended indefinitely all ties with USM. The Club is working with globally renowned industry professionals to seek a naming rights partner for the new stadium.

- **The club recently identified commercial partnerships as an opportunity to bring in more revenue. What progress has been made?**

There has been significant progress made regarding growing our commercial partnerships. Since the end of the 2021/22 season the Club has agreed nine new or enhanced commercial partnership deals. The new deals include [Stake.com](#), which represents a club-record main partnership with significant increase in revenue and a sleeve partnership with BOXT.

Agreements have also been signed with British brands Christopher Ward and Marc Darcy who became Everton's Official Global Timing and Official Formalwear partners respectively.

The Club has also been exploring new categories. Fan Curve is Everton's first step in to the Metaverse – an area where there is much opportunity but where it is important to choose the right partner. The Club has also signed Vera Health to become Everton's first Official Hair Transplant partner – representing an industry that could be worth up to £25bn in the next two years.

Earlier this summer the Club confirmed a renewed deal with Davanti – an excellent and long-standing partner who retain their status as Everton's Official Tyre Partner.

- **Why are commercial deals delayed in relation to kit releases?**

Kit releases are, wherever possible, scheduled as soon as the end of a season as possible.

However, there are instances when this isn't possible. For instance, when there is a transition to a new technical kit partner or when there are other contributory factors, such as coordinating timings related to main sponsors or managing supply-chain issues related to global challenges, such as the pandemic.

When compared with kit release timings across the Premier League over the last decade, there is no notable variation at Everton.

## **Board of Directors/Club Employees**

- **Does Everton really have the second highest paid Board in the league?**

This isn't an accurate reflection of the situation. Boards across the Premier League are made up very differently. Some have more directors employed than others while others may have non-executives on the Board. Therefore, it is impossible and unhelpful to have or make a direct comparison. The figures, taken from Everton's 2019/20 accounts, used to arrive at this hypothesis, include the wages paid to the Club's previous Director of Football. For the majority of other clubs in the comparison cited, the role of Director of Football did not also include a position as a Board member.

It must also be known that this accounting period includes the monies owed to Directors, senior club staff and players following their deferment of wages during Covid. This remarkable show of unity enabled the Club to maintain salaries of all Everton and Everton in the Community full and part-time employees and enabled the Club to continue to pay its directly engaged matchday and non-matchday casual staff since the start of lockdown.

- **What are the current salaries of Board members?**

This information is confidential. In accordance with legal requirements, the Club discloses the salary of its highest paid Board member in its annual accounts.

- **Does the Board need more experience adding to it?**

The experience of the current Board is significant. Everton has the longest serving Chairman in the Premier League, a respected CEO that has occupied senior positions at the Club for more than a decade, a Chief Finance Officer who has occupied senior roles within other clubs domestically and internationally and a non-executive Director who has 40-years of experience at Everton as a player, engagement officer and ambassador – and who is respected across football and in the media. The Club does, however, always encourage and welcome new voices and perspectives – and is always keen to ensure there is an appropriate blend of expertise.

This is reflected by the fact there has been nine changes to make-up of the Board of Directors in the last six years.

- **What is Graeme Sharp's role on the Board?**

Details of Graeme Sharp's role on the Board can be found on the Club's website: <https://www.evertonfc.com/club/our-people/graeme-sharp>

- **Is this Grant Ingles first role as a Financial Director?**

This is not Grant Ingles' first role as 'Finance Director'. Details of Grant's previous roles can be found on the Club's website: <https://www.evertonfc.com/club/our-people/grant-ingles>.