



Supporters' Collective Meeting

Minutes of the Supporters' Collective meeting held on Thursday 3rd March 2022

Meeting held in James Herriot Suite, Stadium of Light.

Attendees

Sunderland AFC	Kyril Louis-Dreyfus (KLD), Kristjaan Speakman (KS), Steve Davison (SD), Oscar Chamberlain (OC), Chris Waters (CW)
Branch Liaison Council	Jim Gilling (JG), Cath Reid (CR), Phil Pollard (PP), Joanne Youngson (JY)
Red & White Army	David Rose (DR), Paul Nelson (PN), Jamie Bogle (JB), Michael McAllister (MM)
Senior Supporters Association	Malcolm Bramley (MB), Michelle Barraclough (MBa), John Heppell (JH)
Supporters Liaison Group	Steve Dean (SDe), Paul Andrew (PA), Kevin Charlton (KC), Richard Porthouse (RP)

1 Introduction

CW thanked all for attending the meeting.

At times we are reminded that life is more important than football, MB (Senior Supporters) asked everyone to observe a period of silence in remembrance of Michael Waggott.

2 Ownership, Finance & Governance

Fans groups submitted some questions and topics in advance of the meeting, but the meeting became an open dialogue, working through the topics raised and concerns of the supporters.

Why did KLD not purchase 51% of the shares in Sunderland AFC?

KLD - A variety of different shareholdings were discussed but an acceptable commercial deal was found at 41% for all parties. KLD wanted the club and was prepared to compromise on the shareholding size but not on control of SAFC. There have been discussions with Stewart Donald about increasing KLD's shareholding, but to date it hasn't been possible to agree a deal. If a credible buyer with sizeable funds capable of passing the EFL's Owners' & Directors Test and who agrees with the vision of the club, wishes to buy shares in the club, KLD would be happy for another party to invest, but will not relinquish control.

DR (RAWA) said that many fans had responded to recent statements from Stewart Donald and Charlie Methven about their valuation of the Club with cynicism, as there was no mention of repayment of the parachute payments and whether the valuation was realistic.

KLD said he is very focused on the running of the club and not conducting his business in public; there are more important things to deal with. KLD confirmed he makes all decisions at the club regarding on or off the field appointments and investment. Stewart Donald and Charlie Methven



Supporters' Collective Meeting

have funded the club when required but KLD has control on governance. Ownership should be discussed at the end of the season.

In response to a question from JY (BLC) on how the actions of Charlie Methven both past and present are affecting the club and the mood amongst the fan base. KLD is aware of this and discussions with supporter groups have only re-iterated this but he is totally focused on running Sunderland AFC.

DR (RAWA) said while it is good that KLD is focused on the running of the club, many fans are intently focused on Donald and Methven and "Madrox" holding 59%. Many fans are telling RAWA they do not intend to renew their season tickets. Lots of supporters have emailed RAWA to tell of their heartbreaking decision to possibly not renew their season ticket. Supporters of 50 years and more not renewing for the first time and unable to justify handing over money while Donald and Methven remain involved with the club. DR (RAWA) asked KLD what assurances could be given to these fans.

KLD knows it is a difficult time in the club's history but is focused on getting the club back into the Championship and then into the Premier League. He is saddened to hear that loyal fans don't feel they can come back and supports anything that can be done to bring the club and the fans closer. The club has had a lot of disappointing results in the last few years and the focus is to bring the club back to where it should be.

All fans' groups are hoping there will be something positive to say about season ticket prices for next season. JG (BLC), and all fan groups, warned the club about the possible impact of 10,000-15,000 season tickets not renewed in 2022/23.

DR (RAWA) stated that RAWA plan to have an open meeting on 17 March, Many fans are waiting for these minutes to see what happens, there are already calls for protest. DR (RAWA) urged the club to listen to what fan groups were saying on season ticket prices and the direction of ownership.

SD identified two separate factors relating to season cards: financial concerns and protests against the current ownership. Freezing the price and any offer of a variable pricing model can help financial pressures but will not alleviate a protest. The club will not make an announcement before 14 March on 2022/23 season tickets, but the club are looking to offer additional benefits with season tickets.

PN (RAWA) cautioned that a 10% rise may be offset against 8000 lost season ticket holders. SD said the club do take fans concerns seriously. PP also urged caution in the face of increased financial pressures upon households such as rising utility bills, fuel costs and inflation. JG suggested that the club consider a price freeze for early bird renewals and all junior season tickets.

JB (RAWA) said once fans are lost, it is hard to get them back.

Season ticket holders are the core funding of the club, PA (SLG) suggested introducing flexible ticketing options and pricing models to increase revenue. The cash back scheme with schools proved popular for the Burton game (SD). SD explained it is the revenue generated by the season



Supporters' Collective Meeting

cards that is important financially for the club and this is a combination of the price and the number of tickets sold. KLD thanked everyone for their input on season card pricing.

DR (RAWA) believes fans do want to support KLD but the link to Stewart Donald and Charlie Methven is damaging and asked about freezing season ticket prices to recognise the continued loyalty and support of fans. MB agreed, freezing season prices would send a positive message to fans.

KLD must find a balance; the financial stability of the club is more important than personal popularity, but he will take this feedback away and come back to the groups on season ticket pricing.

MBa (Senior Supporters) asked what about repayment of the parachute payments. KLD has seen no legal agreement to repay the money although is aware that Stewart Donald told fan groups that he will repay the money. PN (RAWA) asked if it is written into the ownership agreement. The parachute payments were written off before KLD took over although there is a verbal commitment to the fans to repay it. There is no debt attached to the club concerning the parachute payments, a new investor would not take on such a liability.

DR (RAWA) raised the point that the parachute payments would certainly be a factor when it comes to the club's valuation. You don't buy a house for £300K a few years after someone paid £100K for it.

Fans frustration with Methven and Donald - It is not just about parachute payments, MM (RAWA) explained, but also about comments that were made by Charlie Methven about fans, the city and women. DR (RAWA) asked if KLD realised that every time KLD sits at a match with Charlie Methven it reflects poorly the Club and leads fans to believe he has influence. KLD, respects a shareholder's right to attend matches and the funding that has been provided.

PP (BLC) asked about the role and future intentions of Juan Sartori. It was advised that Juan intends to work with KLD to bring the club back to the premier League and while he is busy with politics, remains committed to the club.

Stewart Donald and Charlie Methven have publicly stated they are happy to sell their shares, KLD is open to acquiring more shares, but reiterated that even with a willing buyer and seller a commercial deal has to be right for everyone. It can also take some time to negotiate the sale of shares.

PN (RAWA) asked what would happen if Stewart Donald and Charlie Methven stopped funding the club. They have not reached their funding level commitment, agreed with the EFL. KLD expects this commitment to continue.

SD clarified an ambiguity in the recent statements from Stewart Donald and Charlie Methven; the £8 million investment into the club is the total amount put in by all shareholders, not just Donald and Methven.



Supporters' Collective Meeting

PN (RAWA) asked why 41% a key number, and why was the impression given that it was a takeover. Many variations were discussed, and the process was complicated, but ultimately 41% was the final number that worked for all parties. KLD apologised to fans who felt misled and thinks he may have misjudged the sensitivity of the issue. It was never the intention to mislead.

The last year KLD has been about focusing on the task in hand and will communicate more with fans in the future.

PP (BLC) asked following the initial share purchase by KLD, was there an agreed price to purchase additional shares at some stage in the future. KLD confirmed there is no agreement in place.

KLD has no plans to add more directors to the board.

3 Strategy & Investment

KLD believes that there are always things that can be done better, decisions are constantly reviewed. A club cannot be turned around overnight. A year ago The football side had a lot of vacancies, it was a priority to fill all the roles within the football department. The first phase was completed in January 2022. KLD would like to be top of the league right now but knows the club is on the correct path to success in the longer term. If you keep doing the right things, results will follow. A lot has gone well, but not everything. Time and persistence are needed to turn the club around. KLD knows there is still a lot to be done but won't stop until the end goal is achieved.

It is not a lack of investment that has constrained improvements throughout the club but rather the capacity for change, only a few things can be changed at a time (SD). Inevitably this means it will take time to complete the transformation.

In the regular executive meetings, KLD can review the progress made. The club deserves to be in the Premier League, but it is not easy to do. The focus is on winning the next game, the club needs to be promoted as soon as possible. KLD's focus is on promotion from League One.

Encouraging local talent and the development of young players is also important; for example getting Dan Neil and Elliott Embleton involved in the first team and tying them to long term deals at the club. KLD asked for thoughts on the football side of the club. KLD asked fans for feedback on progress in this area.

DR (RAWA) stated some fans are encouraged to see more thoughtful and focused recruitment of individual players than previous years, but many feel the balance of the squad still isn't right. SDe (SLG) does not see a leader on the pitch.

When results are not going well on the pitch the focus moves to off the pitch issues, such as the ticket office, the club shop, the PA system. MB (Senior Supporters) urged KLD to talk more to the fans about progress and his plans for the club.

SD agreed the club could have communicated more about progress / changes that are being made and where investment has been made. The focus has always been on getting the football side right and generating off field revenue to fund this. Investment is required on infrastructure after many years of under investment.



Supporters' Collective Meeting

Fans would agree that the football side is a priority, but DR (RAWA) believes the focus switches when the team under performs. Fans get the impression that the club is under-staffed, under-funded. It is easier to buy a Newcastle shirt than a Sunderland shirt in the city. DR acknowledged that KLD had only been here a year, but the fans have witnessed a steady decline in our club over several years and are reaching the end of their tether. The standards around these things does not match the status and history of Sunderland.

(SD) The emergency lighting and fire panel have been repaired / replaced. A lot of money has been spent at Eppleton and at the Academy. There are many priorities for repair, the PA system is high on the list. JY (BLC) suggested the club communicate more effectively and more regularly with fans more about improvements.

JG (BLC) confirmed PA system is at times inaudible in the southeast corner, and that it is a safety concern. Both JG & MB raised safety concerns regarding the PA system, and MB believing that if there was to be a major incident and a subsequent investigation, the club would be in a difficult position. JG reiterated that any Health & Safety issues that put supporters at risk had to be addressed at a matter of priority.

KLD made a commitment to the EFL that SAFC would be run properly, the right balance must be found to address the long list of repairs and other investments that are needed and maintain the financial stability of the club. The PA system does need to be changed and is becoming an increasing priority. SD repairs were made to items that were needed to meet the requirements of the safety certificate and followed external advice on priorities.

An initial audit for repairs and improvements identified a huge list of items. KS knows this will take time to be rectified. PA believes there are some easy fixes that could improve the matchday experience

OC believes the club can communicate more effectively on the level of investment that aims to improve the match day experience.

4 Supporter Engagement

Sunderland is a regional club with a range of support, PA (SLG) believes more engagement with the wider region will pay dividends. KC (SLG) asked about plans for pre-season roadshow training sessions. The challenge is to find venues which would be ready for a pre-season event (KS), however open training sessions are planned and greater engagement with fans will hopefully become part for the culture of the club.

PP (BLC) asked if it was possible for future pre-season reserve and U23 games to be played against some of the bigger local non-league clubs which helps the club visit local communities.

It will be a tight pre-season schedule this summer due to the early start of next season and pitches would also need to be ready for planned games (KS).



Supporters' Collective Meeting

MBa asked about match screening at Quinn's bar. The club would like to. SD outlined some of the challenges; the agreement of both clubs is required, the away end must be sold out and a portion of the revenue must be shared with the home club.

DR (RAWA) acknowledged that the current process for structured dialogues is very good, with the club committing to 4 meetings a year and not just the required minimum of 2. This is better than at many clubs. DR (RAWA) suggested KLD attends one or two of these meetings each year.

RAWA have had local business who are really concerned about the ownership, make-up and direction of the club get in touch, but DR believes the business community are still keen to engage.

SD confirmed the club are looking to work more closely with the business community in the future.

Sunderland fans are interested in the outcome of these meetings, MB (Seniors) agrees, 18,000 views of minutes in 24 hours is not common across other clubs/supporter bases. SD is pleased that fans are interested and it is obvious they care about the club.

5 Football

JG on behalf of a branch member asked why the club had recently signed players that were either injured or not at the required fitness levels to start games. KS advised it is important to assess players over the whole of their contract. KS, we consider availability, the economics and market conditions when signing a player. Several examples were provided, It was a good time to sign Alex Pritchard when the club did. If anyone tried to sign a fully fit and highly performing Alex Pritchard now, he would most certainly be playing in the Championship. KS stated it takes time to get a club turned around. Player recruitment and player development within our strategy will be ultimately successful. Communicating what the club are doing and how they are doing it is important. Every day the executive team are working hard to improve the team and the club.

It is important that players perform with a consistency that reflects their position / value in the squad but naturally players fluctuate in performances and availability. League one is a diverse league - It is important to have a balanced and competitive squad that can meet the demands of each game and the season overall.

Data is one of the strands of an evidence-based organisation. KS said where possible it supports the decision making process but it is not the entirety of what we are doing, it's a small percentage. The club could be better at communicating how data fits into the decision making – we accept this and have tried to provide an insight in Supporter collective meetings. When the team is winning, the system is perceived to work. When results do not go well, the perception is that the system doesn't work. The strategy is to make acquisitions that fit economically and within our profile – We won't be paying inflated prices for certain profiles of players.

SD concurred that the strategy must look at the overall progress of the team / club in every aspect.

MB (Senior Supporters) asked how the club judge the mental capacity of young players to play in front of 30,000 fans. KS said, Ultimately you never know until they experience it - this issue is with all players though, We meet players, discuss the club and have specific questions relating to this



Supporters' Collective Meeting

matter – You also want to observe players live, what are they like before and after the game – what insight can you draw on their character. The challenge is to identify traits in players that have the attributes on the pitch for league one but off and around it for Premier League level – It's a club with Premier League demands.

KS accepts that scrutiny comes with job. The club is operating to a strategy and process and KS is accountable for the football department. Within this a collaborative approach is taken with the Head Coach and Head of Player Recruitment. Further to this the Executive Team of KLD and SD.

SD and the executive team are striving to bring a high level of business professionalism to the running of the club but admitted the club can communicate better with fans.

JG on behalf of a branch member asked that given some recent results what role has the system played in the poor performances, loss of confidence, and what plans are in place to prevent such future issues.

KLD confirmed the main objective is to be promoted at the end of the season. It would have been easier and cheaper to keep the previous Head Coach and believes that the new Head Coach gives the club a better chance for promotion. Success must be earned. KS said it is easy for confidence to be affected by a poor performance, just as a good performance / result can create momentum.

There has been considerable investment at Eppleton, required for both Ladies' and U23s' team. SD is disappointed with attendances and the club would like to get more supporters attending games. Covid restriction by the FA for women's games has restricted many activities that could have been developed with local girls' teams.

JB (RAWA) has experienced the strong relationship Durham wildcats has with local clubs. CW confirmed there were plans to promote interest and build the fan base for the Ladies' team. SD wanted to remind fans that tickets for children are free for the Ladies' games for the remainder of the season.

6 AOB

PA (SLG) thanked KLD for attending, stating there is generally a lot of trust in him if not necessarily in the other owners.

KLD thanked everyone. He chose to be involved in Sunderland because of the loyal fan base and hopes there will be better times to celebrate in the future.

JB (RAWA) noted that our away kit matches the Ukrainian flag and asked if club have planned to demonstrate support for Ukraine at a forthcoming match.

SD confirmed that there were plans to do something, possibly at the Charlton game.

Next meeting 14th April 2022

Post Meeting Note:



Supporters' Collective Meeting

Increasing the number of Direct Debit Payments

(Although this was asked in the meeting by JH, SD did not get the opportunity to answer)

The club currently operates a direct debit scheme which allows season card holders to spread the payment over 4 equal payments. We operate this scheme internally and currently do not charge for this service whereas most clubs do. For the vast majority, this works well for the club and the supporter.

However, there are a substantial minority of defaulters at each of the four direct payments. There are numerous reasons for default and each needs to be pursued individually, often taking a significant amount of time to resolve.

We are not specialists in debt recovery and are operating at the limit of our capability and capacity. Our choices are either: continue with the current arrangement; or outsource to a third party. If we outsource, we could operate a monthly payment scheme, with significant interest and administration costs that would impact all users of the direct debit scheme. We do appreciate the increased benefits to our supporters of increasing the number of payments. Our view is we are better continuing with the current scheme, whilst looking at ways of improving our processes and reducing the number of defaulters. If we can substantially reduce the proportion of defaulters, we will revisit this decision next season to increase the number of payments so spreading the cost.