FOOTBALL FINANCE AND FULHAM

THE FINANCES OF FULHAM FOOTBALL CLUB OVER TIME AND COMPARED WITH OTHERS

JUNE 2005

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1. THE PURPOSE OF THIS PAPER

This paper aims to separate myth from reality concerning the financial situation of Fulham Football Club in 2005 – not just the latest accounts (as reported in the latest issue of the Club magazine, 'Fultime'), but more importantly, the underlying picture.

A key role of Fulham Supporters' Trust is to organise collectively what individual fans cannot achieve on their own. In this case we have paid handsomely for source documents from business information providers and then plenty of (unpaid) hours making sense of them and writing them up in this paper.

What emerges confirmed above all is the huge debt we owe to Mohamed Al Fayed. Every Fulham supporter ought to recognise and understand this and we spell out why (Section 2).

Some of that indebtedness is literal, so that is one topic discussed (Section 4). Our situation is then compared with others where club Chairmen have been ultra-generous in their interest-free loans. How have such situations, at Wolves for example, been resolved?

Also discussed is our trading position, both in its own right and in comparison with other clubs. Do we have a chance to emulate the likes of Bolton, Charlton and Everton without Mr Al Fayed needing to dip even further into his pocket?

Finally, we re-visit our ground situation in the light of all that has happened since our 2004 paper, '*Craven Cottage, White City or Where*', concentrating this time on financial and legal aspects.

We hope supporters find this information valuable and welcome your thoughts arising.
Contact details are given at the end.

2. ONE MAN TO THANK: MOHAMED AL FAYED

Mr Al Fayed took over at Fulham in 1997 after our first successful season for years had seen promotion from the bottom division. But we were ill-equipped to rise further and it seemed the only way we could afford to remain at Craven Cottage was to surround it with a housing development, leaving room for only 15,000 spectators. Planning permission for this had even been obtained -- but was binned on arrival by Mr Al Fayed, who acquired the freehold from the Royal Bank of Scotland and announced a five-year plan to reach the Premiership. It didn't even take that long.

Under Mohamed Al Fayed we have:-

- won two divisional championships with record points tallies;
- survived four seasons in the Premiership, reaching our highest ever position;
- reached an FA Cup semi-final and played for the first time in the UEFA Cup.

We have also acquired superb training facilities and a youth academy, and our historic ground is now all-seater and fit for occupation 'for good' at the highest level.

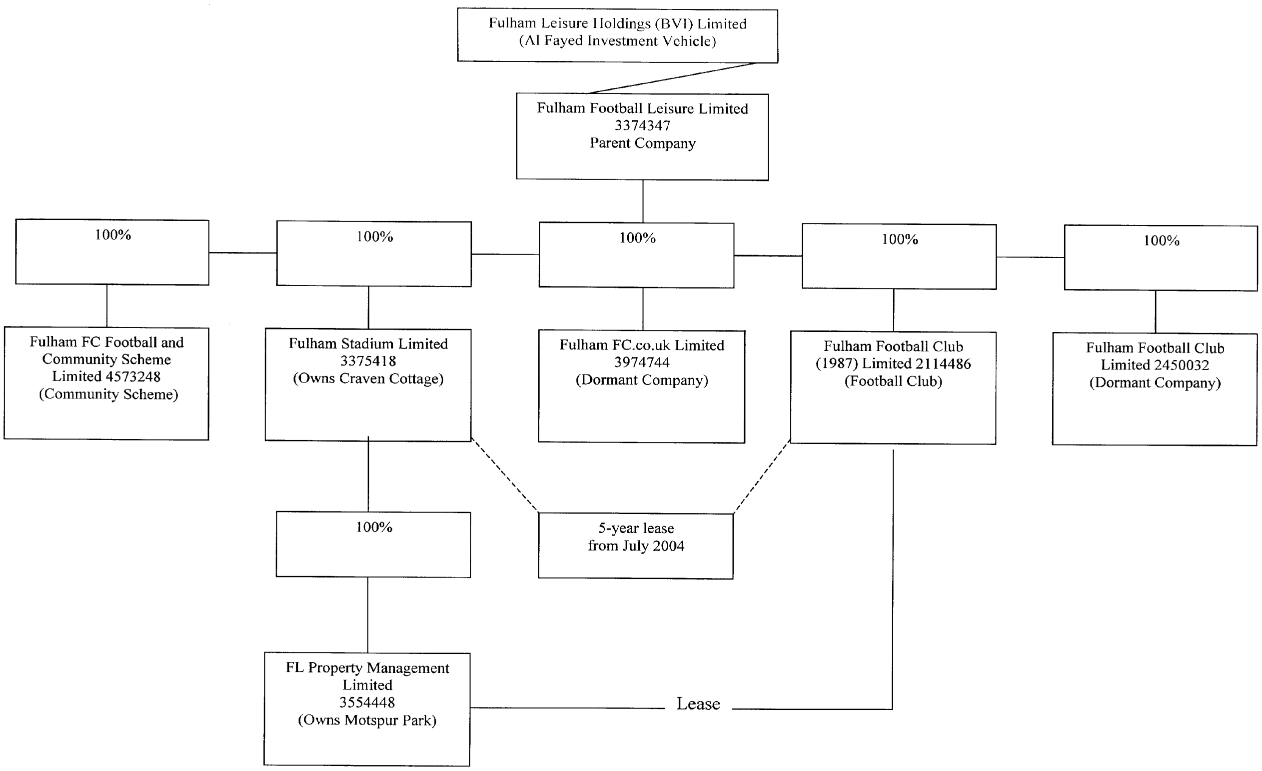
A couple of facts about Craven Cottage cast a partial shadow (see section 8). But the overall picture is of massive investment having made a massive difference.

That investment is down to one person: Mr Al Fayed, now completing his eighth season as our Chairman. The size and technicalities of the monies involved are discussed in this paper, but before getting down to that level of detail a simple, heartfelt `Thank you!' must be voiced.

Mohamed Al Fayed has transformed Fulham FC and positioned it for a future such as fans did not dream of. He possessed the imagination, the resources and will to carry his vision through. It is a remarkable story.

3. OUR OWNERSHIP STRUCTURE

The chart below depicts the relationship between what is collectively known as the Fulham Group of companies.



Top of the tree is Fulham Leisure Holdings Limited, which is a company incorporated in the British Virgin Islands (BVI) and "*under the control and held for the benefit of Mohamed Al Fayed and his family, the ultimate controlling party*."

BVI-based companies are accountable only to their owners and, unlike those in the UK, do not need to disclose their affairs in any detail to the public eye. This makes them popular --- over 600,000 of them exist – for such purposes as collecting together the proceeds of individuals' investments around the world. It is this BVI company which has funded most of Fulham's rise up the football ladder and which, in return, is ultimate owner of everything related to the Club through its control of Fulham Football Leisure Limited.

Fulham Football Leisure Limited is registered in the UK and subject to the accounting and disclosure laws of this country. It is the accounts and annual report of this company, available from Companies House, to which we refer in the rest of this discussion paper.

As well as two dormant UK companies, Fulham Football Leisure in turn owns three active ones covering the Community Scheme, Stadium and Club respectively. We understand that the first of these is in the process of being replaced by a registered charity and anyway it's the other two with which we are presently concerned. Whenever we use the words '*Stadium*' or 'Club' with initial capital letters, you can take it that we are referring specifically to Fulham Stadium Ltd and Fulham Football Club (1987) Ltd.

As the chart shows, Stadium also has a subsidiary which owns the Motspur Park training ground. And it leases Craven Cottage to Club – a topic we shall be revisiting.

Given that Mr Al Fayed controls all of these legal entities, he can alter them at any time, just as a homeowner can always knock down or erect a partition wall. These formal arrangements would, however, assume more significance if ever Stadium and Club acquired different ownerships.

4. OUR DEBTS

4.1. Debts to the Chairman

The published accounts to June 2004 show that Fulham Football Leisure had net debt of £118 million, of which £107 million was interest-free from the Chairman via Fulham Leisure Holdings in the British Virgin Isles.

The Chairman's generosity is evidenced by the fact that, even in an ultra-safe investment like a bank deposit account, he could instead be earning at least five million pounds per year in interest on that amount of money. Year after year!

In that way alone he is sacrificing a lot, but even more so if these monies are only technically loans and he never really expects them to be repaid. The theoretical position is as follows:-

A remarkable £55.5m of the £107m loans are 'unsecured', which means there is nothing to guarantee their repayment and no 'comeback' if they aren't repaid – that event not being due anyway until May 2017. All told, it is hard to imagine that the Chairman or his heirs expect to see that £55.5m again.

The remaining £51.5m of interest-free loans *are* secured, meaning there could in theory be insistence that they be repaid or else Club assets forfeited. For the most part that cannot be insisted upon until 28 March 2008, but after that date (at any time) it can be.

Just as was the case with Jack Hayward at Wolves (see section 5), there is absolutely no reason to suppose that the Chairman is itching to exercise his theoretical rights and many reasons to suppose the contrary. Those reasons would include the vast generosity to which we have just referred – hardly the actions of someone looking to bring Fulham to its knees – plus his palpable emotional involvement with the Club over 8 years now. Not even his worst critics could accuse our Chairman of lacking passion.

But if that isn't enough, one can turn to the 2004 audited accounts. Modern rules compel auditors not just to report on a company's current position, but also to judge its ability to continue as a 'going concern'. Expressing no doubts (or what are technically called 'qualified opinions') in this respect, the auditors draw attention to: *"the written indications received from the ultimate parent company, Fulham Leisure Holdings Limited, and the verbal indications received from the ultimate controlling party, Mr M Al Fayed, that continued funding will be made available to finance the group's working capital requirements for the foreseeable future. Although there is no legal obligation for either Fulham Leisure Holdings Limited or Mr M Al Fayed to provide this continued support, the Directors are confident that such funding will be forthcoming."*

We see the secured interest-free loans as sums which the Chairman might seek back from any future purchaser of Fulham or fresh investor. Free of its debt to him, the Club has significant assets and income streams, after all.

Should Mr Al Fayed seek little or nothing for himself, however, he could instead require anyone taking over the Club to invest substantially in it in exchange for the debts being waived. That would be the best possible legacy.

4.2. External debt

So much, above, for the £107m owed to the Chairman.

Most of the £11m debt to outside creditors relates to the Fulham Stadium Ltd subsidiary having borrowed just under £8m from Irish Nationwide Building Society, due for repayment by 2006.

This loan, plus the Chairman's funds, was used to repay the deposit received from the property developer Fulham River Projects in 2002. (The full repayment, with interest, came to £18.2m.)

Irish Nationwide has a mortgage on Craven Cottage as security just in case the money isn't repaid, and is charging 2.5% above LIBOR (the interest rate that banks charge each other for loans), which is much less exorbitant than the rate FFC had been paying to Fulham River Projects.

While it would be psychologically comforting to supporters to see the money repaid next year and the mortgage cancelled, an £8m bank loan is not untoward in the context of the Premiership in general. See next.

5. DEBT AT OTHER CLUBS

5.1. Loans from banks etc.

The latest figures relating to the Premiership as a whole are for June 2003, which of course is twelve months before our Irish Nationwide loan. At that time, the other Premiership clubs averaged £10 million each of net debt to bankers, whereas Fulham's was only £2m (and a year later there was even a slight surplus). Moreover seven other clubs had also taken out an average of some £40 million in additional loans, secured mainly against future ticket and corporate hospitality income – a policy dangerously reliant on staying in the Premiership, as Leeds United were soon to find out.

Thanks to our Chairman, Fulham have largely avoided commercial debts like these, of the kind that you get into trouble with if you cannot repay. The £8m Irish Nationwide agreement needs to be seen in that context.

5.2. Money from benefactors

Writing about football finance in general, the Sports Business group at leading accountants Deloitte suggest that the net debt of some clubs is really *"akin to 'equity' rather than debt – where it is a contribution from a benefactor that is not necessarily requiring repayment in the future."* From the current Premiership they cite Blackburn, Fulham and Middlesborough.

Similarly, from the Football Governance Research Centre at University of London: *"Contrary to the popular perception of owners donating money to their clubs, such funds often take the form of loans. Mr Jack Hayward at Wolverhampton Wanderers for instance, is owed £34.8 million by the football club limited company. Other clubs, such as Fulham, Portsmouth and Reading are in a similar position with what Deloitte & Touche call 'benefactor based loans'. When these benefactors withdraw from the club they become creditors and can call in such debts."*

That was written in 2003, since when the Wolves story can be updated. In September of that year Jack Hayward vowed to write off £38.7 million worth of loans that the club would have owed him, and on 19th December he did so, resigning as Chairman and turning control over to his son.

As reported that day by the Wolverhampton Express & Star: *"The 80 year old Bahamian-based businessman had been seeking a consortium of local investors to take over and plough around £40 million into the club, with the guarantee that £40 million of debt to Sir Jack would be wiped out. But with no one locally, nationally or internationally coming forward, Sir Jack, who has invested £70m of his personal fortune into Wolves, has handed over the reins to his elder son [who] said today: 'No one has made a serious bid so my father - who cares very deeply about the future of Wolves - felt the best decision would be to step down and allow me to begin a search for individual investors to help us build for the future.'"*

This was a case, then, of having the benefactor withdraw, but NOT call in his debts. The Blackburn case with Sir Jack Walker was structured a bit differently but with the same outcome, while the conclusions of the Reading, Middlesborough, Portsmouth and Fulham stories have yet to unfold.

6. OUR TRADING POSITION

6.1. Operating income and costs

Newspaper reports of Fulham's latest results said things like*: "The turnaround from a loss of £20.8 million in the 2002-3 season can be largely attributed to the £11.8 million transfer of Louis Saha to Manchester United."* But this is not particularly enlightening, given that we cannot expect to be doing deals like that very often.

What gives a clearer picture is how Fulham's running costs compare with its income from normal operations. This is seen by stripping out transfer fees in either direction, which is what the likes of Deloitte do when comparing clubs annually.

On that same basis primarily of adding matchday and broadcasting incomes to commercial activities (other than player trading) and deducting the costs incurred, Fulham's operating position is as follows:-

Season 2001-2	Income £32.7m	Loss: £10.3m.
Season 2002-3	Income £34.9m.	Loss: £13.8m.
Season 2003-4	Income £42.9m.	Profit: £0.9m.

Income for the season just ended may be slightly down, but not much. There will be a £2m dip in prize money for finishing four places lower in the league, plus the absence of money from a cup tie at Old Trafford, but compensated by a 21% rise in attendances and higher hospitality income.

As explained by Finance Director, Andy Ambler in the latest issue of 'Fultime', various expenses have increased with the return to our own ground, but on the other hand we have continued to trim our wage bill.

All this leads one to expect that the cost of normal operations should, as in season 2003-4, be very close to the income received from them. In short: Fulham's trading position seems now to have stabilised, added to which there aren't commercial debts to service on the same scale of many of our rivals (see Section 5).

That's the good news. The bad is that there is little scope for the £8m borrowed from the Irish Nationwide to be repaid out of operating profits. So either the Chairman will need to dip into his pockets again, or payment will need to be re-scheduled (with the mortgage prolonged at a cost of some half a million pounds per year), or a surplus in transfer fees will need to be achieved and used for the purpose. The latter won't come easy – see section 7.2.

6.2. Prospects for reducing wages

With the biggest cost factor being players' wages, everyone at Fulham is aware that the levels at which we entered the Premiership cannot be sustained. The most recent acknowledgement of this comes from manager, Chris Coleman, concerning captain, Lee Clark: *"He is one of the big earners at the club, because of the contract he signed three years ago - but we can't give contracts out like that any more."*

Our rise to the top happened to coincide with transfer fees and Premiership wages having soared to an historic high. But within the league in general, with the exception of a few megastars and super-rich clubs, they have now started to decline, as reported by Deloitte, who forecast that *"Overall, we expect the dynamics of football finance to improve with club wages bills falling as a percentage of income."* Fulham need be no exception to this improvement.

The total bill for all staff (not just players) and including national insurance and any pension contributions, has in successive Premiership seasons at Fulham been: £30.9m, £36.4m, and £30.9m again, with the dip from an 02/03 peak due to have continued in the season just ended.

Obviously staff costs should comprise as low as possible a percentage of income, but Deloitte suggest 70% as the “comfort level” beyond which Clubs should try not to stray. In Fulham’s case a grand total of £28m would represent 70% of a turnover of £40m. So how feasible is it to reach this level and stay competitive?

Deloitte estimate that the average gross wage (including national insurance) for a Premiership Club player in 2002-3 was £700,000. According also to Deloitte, the player market in general has now *“tilted back, probably irreversibly, towards the clubs and away from most players and their agents. “*

If we therefore assume £700,000 as a historical peak for most clubs apart from Chelsea, then £17.5m buys 25 players at the prem average, leaving £10.5m (in a total bill of £28m) to pay for Fulham’s juniors, 125 administration and ground staff and 192 casual and part-time staff. It doesn’t sound an impossible nut to crack and other clubs have done so, about which more soon.

One needs to bear in mind that ‘average’ implies that some are paid above and some below. As Deloitte sees it:- *“We are seeing a continuing widening gap in contract terms between star players (who are likely to command high value, long-term contracts) and squad members (who are much more likely to receive shorter term, less lucrative deals).”* A gross average as high as £700,000 would still give scope for reserves on half of that to subsidise a handful of stars on double that. This is particularly so given that the average for the division below was only £225,000 in season 2002-3 and is likely, post-ITV Digital, to be if anything less today. In that light, even half the Premiership average wage may seem attractive to a typical squad player and lower league prospect.

Putting this in context, average wages in the French top division were 43% of English at the latest count, with higher income tax to pay as well. So there should be no ongoing problem in economising while continuing to attract players from that league plus the many others (all of them except the Spanish, German and Italian) which pay still less.

6.3. Prospects for raising income

A wage bill of £28m would equate to 70% of £40m turnover, but Andy Ambler would prefer a ratio of 65%. Without further cutting costs, this would require annual income of £43m, as when the team finished ninth. Achieving this in less successful seasons or bettering it in the good ones will depend on factors discussed by Mr Ambler in the most recent issue of `Fultime.’ Mainly these involve income generated at the ground.

There is still some scope for improving attendances, but primarily it’s a question of*: “getting the utmost out of all the commercial areas on matchdays and then doing the same with the Cottage on non-matchdays.”* Here there remains much growth potential, points out Ambler, since we currently have the lowest number of ‘corporate seats’ in the Premiership. Plans for improved corporate facilities at the Hammersmith End confirm how the Club is thinking on this.

The hospitality facilities at Craven Cottage also have the potential to be used more often, with our stadium’s location -- upscale and scenic – being a marketing advantage.

7. Trading at other clubs

Here is how Fulham fit into the greater scheme of things.

	Operating Income (£ Million)		***Staff Costs (gross)*** (£ Million)	
	2002-3	2003-4	*2002-3*	2003-4
Man United	*175.0*	169	*79.5*	76.9
Liverpool	*103.8*	91.6	*54.4*	66.0
Everton	*46.8*	n/a	*29.7*	n/a
Bolton	*37.9*	48.8	*24.4*	23.2
Charlton	*35.1*	42.6	*23.6*	27.6
Fulham	*34.9*	42.9	*36.4*	30.9

There is a clear gap between Manchester United and the next most high-earning and high-spending clubs (Arsenal, Chelsea – now narrowing that gap -- Liverpool, and Newcastle), with almost everyone else earning and spending half as much as that quartet, or even less.

It's too early for figures, but there is no reason to believe that Everton and Bolton entered the past season having spent very much more than they had before. As a result, those two clubs did not compete on remotely level terms with Liverpool and Newcastle…..and yet the latter finished 5th and 14th respectively and the former 4th and 6th.

Clearly, modest finances do not debar you from having a successful Premiership season: they simply make it more difficult and a harder act to sustain. Fulham will have to live with this.

Comparing us with Bolton and Charlton, there is little difference on the income front – note that Bolton's is boosted by a hotel etc. on site, but of course that also adds to their running costs and debt. The wages position is interesting, though, since it shows both those clubs within the £28m guideline figure discussed earlier as an aim for Fulham. Bolton, inclusive of some notable overseas players, are comfortably so.

Bolton's achievement is all the more remarkable since, according to the experienced journalist Gabriele Marcotti: *"It's an undeniable fact that most foreign footballers would rather shave their eyebrows than join a club outside the M25, unless it played home games at Old Trafford."* Citing Man City, he alleges that Nicolas Anelka, plus *"veteran Bosman signings like Paul Bosvelt and Michael Tarnat... end up costing a good 30% more in wages than they would a London club."*

Marcotti is having some fun here, but at the same time interviews with Fulham's foreigners invariably mention that they love life in London. So, without supposing that 30% is a precise figure, it is still believable that we share with Spurs, Charlton and West Ham a clear economic edge over other middling Premiership clubs when importing players.

On a final comparative note: of course we are uncomfortably reliant on broadcasting money, but so are almost all other clubs. At the latest available count (2002-3) percentages of income arising from domestic TV payments included:-
49.5% Birmingham, 49.1% Charlton, 47.5% West Brom, 47.3% Middlesborough,
46.9% Fulham, 46.5% Blackburn, 44.8% Everton, 41% Bolton, 40% Man City,
39.1% Southampton

It is evident that if the broadcasting deals should unravel in future, most of our rivals will share the pain.

7.2 Player trading : can we compete?

Transfer fees, with a few exceptions like Mr Saha, have greatly reduced from their 2002 peak. Even so, at the time of writing, there seems little doubt that the sales of some of our best players would easily yield the £8m needed to repay Irish Nationwide – but at the expense of weakening the team and, hence, ongoing operating income. In turn, that weakening would need to be addressed by paying some transfer monies out – reducing the net amount available to pay back our debt. So there's a vicious circle involved, as everyone is perfectly aware.

The real question is whether we nowadays need to pay out vastly more for transfers than we receive from them in order to stay competitive. We did so to a massive extent on reaching the Premiership – just as Wigan are proposing to do over this summer. But is this still necessary once a club is established in the division with a squad and reputation to match plus an averagely effective academy?

The evidence suggests that it isn't necessary. In 2002-3, Premiership clubs paid out an average of £6.5m more in transfer fees than they received, with this average including the likes of Arsenal and Man United. Most of our realistic rivals paid less, such as Bolton at £1.5m and Charlton, £1.2m, while we had a £3.4m surplus for once. Since then, transfer fees in general have continued to decline, according to Deloitte, apart from Chelsea deals. What this implies is that a million or three of net investment in the transfer market per season ought to be sufficient for us to retain middling Premiership ambitions, on the important assumption that it is deployed wisely.

With regard to deployment, it is interesting to note that Norwich's purchase of Dean Ashton from an English Club cost pretty much the same as the combined fees for McBride, John and Diop from overseas. Ashton did well and Norwich will be able to profit from him should they wish, but Fulham got more for their money overall. Future competitiveness may therefore have more to do with effective scouting of overseas leagues plus the London effect (McBride turned down Blackburn) than flinging pots of money around. Which is just as well.

8. Our ground

8.1 The Club now says we will stay

Throughout 2003 the Club was talking of abandoning Craven Cottage, while the launch campaign of our own Supporters' Trust, *`Back to the Cottage'* put the contrary case. Finally, the Chairman chose to invest in the stadium more extensively than was required simply to comply with regulations, and the Club returned for season 2004-5.

At a press conference last summer, Mohamed Al Fayed introduced the catch-phrase, '*Back at Craven Cottage –Forever*' and this was echoed by a public presentation last November by the then CEO*: 'Back at Craven Cottage – for good'. Whilst* there has been no formal announcement that plans for another stadium have been shelved, every reference by Club management over the past 12 months has been to remaining in place long-term with enhanced facilities, and the planning applications lodged for works to the Hammersmith End reinforce this.

Abandoned, it seems, is the advice of what former CEO Bruce Langham approvingly called 'very expensive consultants' that if a 35,000-plus stadium were built elsewhere then it would soon be possible to fill it. In their 2004 Annual Review of Football Finance, Deloitte (also expensive consultants…) suggest that it is foolish to commit to *"stadium expansion which is not supported by a layer of excess demand."* In their opinion: *"Simply 'build it and they will come' is a strategy for disaster. "*

Disaster averted, then!

8.2 Housing on the Cottage: a dead duck?

In discussing this topic, we must refer back briefly to the agreement struck in 2002 with the property developer Fulham River Projects. When this belatedly became known, some wondered if Mr Al Fayed himself – a man with so many companies -- was connected with FRP as well, but this transpired to be definitely not so.

The full facts emerged during a 2004 high court case in which the joint owner of FRP, Nick Sutton, was sued by his employer. Weeks of detailed evidence threw up not the slightest suspicion of an Al Fayed connection with FRP, and indeed confirmed the reverse. More to the point, it showed that the profit that could be made by FRP at the end of the day would have been around £30 million at most. Fulham Supporters' Trust has made its own calculations on this and finds that the figure checks out. The turnover on the project might have approached a couple of hundred million, but not the actual profit.

Now £30m is a handsome sum, but it wouldn't pay for Fulham FC to build an alternative home at least as spacious and well equipped. That, in a nutshell, is why the proposed housing development never got beyond Square One and is similarly why any future proposal would have the toughest of times leaving the drawing-board.

The current owner of both says he doesn't want the Club and Stadium to part again. But even if ownerships and intentions changed, there would still be the need to re-house FFC appropriately in order for the site to be released for other purposes. Since it's hard to see how the latter could ever pay for the former, let alone leave a profit afterwards, the message has to be: 'Property developers: there's nothing here for you any longer.'

That having been said, two other points do need mentioning.

8.3 There's a mortgage and short lease

As noted earlier, there is once again a mortgage on Craven Cottage, but that is not necessarily a cause for major concern, being only in respect of £8m borrowed for two years at normal rates of interest. Should the arrangement become extended beyond next year or significantly enlarged, however – making Fulham more like other Premiership clubs in commercial indebtedness -- then that would obviously become more worrying.

Meanwhile, Note 25 to the latest accounts reports that *"Fulham Football Club (1987) Limited and Fulham Stadium entered into a five-year lease on 1st July 2004*."

Although a five-year term sits strangely with the 'Craven Cottage Forever' quote made by the Chairman in the same month, it may simply be that this was the easiest, quickest and cheapest (saving on Stamp Duty) solution at the time. Of greater interest is what the next lease will be, now that the Chairman has sought to back his words with even more investment in the stadium. Will it, for instance, be a lease of 7 years or more, registerable at the Land Registry, and with protection under the Landlord and Tenant Act 1954, giving the right to renew in most circumstances?

Quite honestly, the nature of the lease is academic so long as Mohamed Al Fayed owns both the Club and Stadium -- above all because of his superb track record, but additionally because any lease, agreement, covenant or restriction could always be revisited by mutual agreement with himself. The legalities would only start to matter if the Stadium ever somehow passed into the ownership of an entity with different motives to Mr Al Fayed.

Even then, as discussed in the previous section, the value of a premiership club exceeds the value of the site for housing purposes and the more money that is spent on the ground, the less likely it is that it will be abandoned by any future owner. That is in practice the best buttress against a future Ernie Clay – the 1980s Chairman who acted pretty much in the opposite way to Mr Al Fayed.

To sum up: while the owner of the Club needs to come to fresh terms with the owner of the ground – himself -- within the next four years, our real concern is not frankly with the near future so much as trying to set up an Ernie Clay-proof longer term.

We hope that those responsible will bear this strategic point in mind at the time of the next renewal, and will, for example, consider reinserting a covenant (i.e. a legal promise) to permit the Craven Cottage site to be used only for sporting purposes.

9. Conclusions and hopes

We'd be far worse off had Mohamed Al Fayed not arrived – quite possibly out of business; alternatively stuck with a 15,000-capacity ground with no hope of Premiership status.

Instead, today, our prospects are similar to the Boltons and Charltons, with realistic hope of an extended stay in the Premiership without the need for the Chairman to keep dipping further into his pocket – once the Irish Nationwide mortgage has been paid off, at any rate.

First hope:

- For Mohamed Al Fayed to have a long and enjoyable future as Fulham Chairman, with that position incurring much less expense now that trading equilibrium has been reached. He richly deserves it and we could have no better Chairman. Ask Manchester United.

While Sir Jack Hayward was always, rightly, seen as a benefactor to Wolves, the club remained in huge debt to him until the last day of his Chairmanship. Today Fulham is by no means the only club in a similar position. Supporters must appreciate that commercial considerations (both for themselves and the club) may make it impracticable for benefactors to speak of their precise ultimate intentions, let alone formally commit to anything. Fulham Supporters' Trust certainly appreciates this.

Benefactors will surely understand, in turn, that being happy and grateful does not preclude supporters from concern about what will eventually replace the status quo -- and from seeking to know, if not the details, at least the broad approach to be taken.

Second hope:

- Without compromising essential business interests, that a way can nevertheless be found for supporters to learn more about the guiding principles that the Chairman intends to apply to the Club's future ownership.

Looking ahead only four years, our current lease at Craven Cottage expires, so that is obviously a cloud on the horizon. On reflection, the maximum security for the Club does not lie in acquiring ownership of the ground, since a future regime could always separate the two out. Instead, the nature of the tenure is most relevant.

Third hope:

- For Fulham to stay at Craven Cottage far beyond June 2009 on terms that, in due course, provide the maximum protection against the site ever falling again into the hands of a predator, as happened in the 1980s.

Having expressed these hopes, we must finally add a fourth concerning communication channels. On the second and third topics raised above, Club publications and statements – informative on so many lesser matters -- have had nothing to say to date. We understand the need to be careful about what is put on the record, but believe there are ways around that which the Trust would like to explore with the Club further.

Similarly, the Trust is relaxed – particularly in the light of recent events – about Fulham not developing into the Manchester United of the South. We favour the Club and fans uniting around a sensible alternative vision. About this, too, it would be good to talk.

When they know the full picture, Fulham fans are by tradition appreciative and fair-minded. And it's a living tradition -- we're not top of the Premiership Fair Play League for nothing! Likewise, this current document is expressed in terms which the Club will hopefully agree are supportive and responsible. Unfortunately it was written without the co-operation of the Club, despite requests.

<u>Fourth hope:</u>

- That the Club finds a way to begin to communicate on the long-term issues, both directly via its own channels and with the co-operation of Fulham Supporters' Trust.

These are wonderful times for Fulham FC and they will be more wonderful still when we are secure at Craven Cottage for years to come, confident that resolutions to long-term issues have been mapped out. Those outcomes are in the hands of the man who has done so much for us over the past 8 years and intends to continue doing so.

As the future unfolds, Fulham Supporters' Trust will continue to observe gratefully and attentively, but our services are also on offer to the Club in helping to bridge the gap in understanding between boardroom and supporter.

Background and contacts

Fulham Supporters' Trust was founded in 2003 with the assistance of Supporters' Direct, a government-funded initiative whose aim is to help fans *"who wish to play a responsible part in the life of the football club they support."* The Trust is committed to working constructively with all who aim for the long-term viability and welfare of Fulham FC.

The Committee welcomes comments on this discussion paper. Please write to FST at:

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