

CHAIRMAN'S REPORT

APRIL 2022



DEAR FELLOW SUPPORTERS, SPONSORS AND STAKEHOLDERS

I trust you are all well as we attempt to slowly climb out of an incredibly difficult, disruptive and challenging two-year plus period of turmoil and anxiety, one that stretched most of us to the limits and beyond in our personal and business lives. One that threw up issues we could never have expected, nor were prepared for, and one that caused much pain to many as we attempted to find answers to our own situations, and indeed tried to find positives out of a somewhat negative period in our history.

We are clearly far from 'normality' in this still troubled World, whatever normality was, and indeed events in Ukraine of recent are clearly extremely worrying and disturbing to us all, the impact of such has, and will have far reaching consequences in our daily lives, however we must believe and hope the World can come together in unity and peace and defeat the evil that we see on our screens on a daily basis, so that we can live in harmony in the days and years ahead, and indeed move into a period of stability in our daily lives, hopefully discovering the new normality.



On the basis that 'life must go on' and our common interest is our football club, I have finally managed to find the time to put pen-to-paper and speak on the many issues and matters in relation to our Club that supporters have asked that I address, or that I feel need addressing based on circumstances over the past months, in fact so much has happened since March 26th 2021, when I last wrote a fairly long and specific report right in the middle of COVID, it is important to everyone, not least myself, to fully outline what's been happening

behind the scenes at your Club, both good and, in some cases, not so good.

I have re-read that last report and much of what I said 12 months ago is still relevant now, albeit on some matters the issues have become more serious and I will address those further on in this document. I will write openly and honestly, I will be factual, however, as you would all expect, I will not discuss matters that are confidential or would represent a breach of trust to staff, stakeholders or sponsors.

Before I talk on where we are as a business, I'd like to start on the footballing front and write about the departure of our previous manager, and more importantly the appointment of Neil Harris, events leading up to that appointment, and the situation Neil inherited when he arrived at GFC on Monday 31st January of this year.

I take full responsibility for the appointment of Steve Evans on 21st May 2019, I accept there was much opposition to that appointment, however I believed he was the best man for the job at the time, I believed he was a person I could trust to take the team on a journey, that he was a friend, I thought he was a person

who would bring excitement back to the Club and on that basis I was happy to work with him on that journey. I knew of his past reputation however I was satisfied at his explanations of past events and felt he deserved the chance to manage our Club.

The first year was good, and although we only played 35 games before COVID struck and ended our competition, we were 10th at the time with 51 points, and with an average points per game of 1.47, were on target for

around 67 points in that season. The following season commencing September 12th 2020 was played behind closed doors, we completed all games, ironically finishing in 10th position again on 67 points with an average points per game of 1.46.

This season, and at the point of the managerial change on Sunday 9th January, we had played 24 games, had just 18 points with an average points per game of 0.75, were on target for around 34.5 points for the season, almost certain relegation.

Steve had increased budgets for these seasons, finishing up by about £300k per season on the season before he joined the Club, in fact he had the biggest budget at that stage for League One that this Club has ever been able to give to a Manager in its history.

It was his budget to manage, he was also completely and solely responsible for recruitment, which players came to the Club, how much they were paid, how long their contracts were for, whether they were picked to play and, of course, for the style of play on the pitch.

“Crowds were welcomed back into the stadium in September which was a big positive, and one which we were all delighted about”



It is perhaps key to many of the issues that have challenged the Club this season, in addition to players being injured and unfortunately suffering from COVID in pre-season and beyond, that a number of those players signed by Steve over the period were subsequently deemed by him to be not good enough for the team, despite them being employed on term agreements and in many cases higher than normal salaries, all of which had to be met irrespective of whether they were playing or not, and of course salaries that ate into his budget.

In no case can criticism be levelled at the players for this situation, to a man they all wanted to be playing football for the Club and they came to the Club solely for that reason, in fact certain players were mystified as to why they were not being considered for selection when often given little chance to show their talents, an issue that understandably caused friction within.

Almost from day one of this current season, the atmosphere around/within the Club changed, the Manager changed in my view, I don't know why because nothing negative had occurred during the break, however his attitude and indeed conduct definitely changed, sadly not for the better. I wondered if there were outside influences affecting him, the travelling he was doing daily perhaps affected him, but I never received a credible explanation from him as to the issue. He alluded to budget restrictions, however his budget was up, he alluded to COVID and injuries, acceptable frustrations however many Clubs suffered similar, and he alluded to squad size, however that was his strategy and choice, less players, higher salaries.

Crowds were welcomed back into the stadium in September which was a big positive, and one which we were all delighted about, however the rhetoric from Steve to the fans via the media in those first four months was often negative, derogatory against me personally and in many cases comments he made were simply untrue and/or misleading, especially in regards to budgets, players, squad size etc. It was as if he didn't want to be at the Club, albeit when I asked him he replied in the alternative.

I was staggered time and time again at what I was being told was being said, issues I took up with him often, I was frequently being 'thrown under a bus' by him, there is no question his comments directly and indirectly fueled hateful campaigns and actions, anger, frustration and serious abuse towards me from a section of our supporter base whom, understandably to an extent, believed his comments to be true and accurate, and some who knew his comments were untrue decided to use the opportunity to create great disharmony and divide within the Club.

His comments also affected the players and staff, some of whom also took the brunt of his rhetoric, the players were obviously affected by the vibe within the crowd on matchdays, they are all human beings and it would be impossible for them not to be affected, it affected some of our sponsors and stakeholders, it affected some of our loyal fans and season ticket holders, it was a vicious downward spiral of negativity, anger, frustration and in certain instances pure hate. It was hugely ugly, nasty, unnecessary and damaging to our Club.

I guess looking back, the big mistake I made was not based on appointing Steve Evans as our Manager, but more so for not removing him three months before I did. I have beaten myself up many times over this, it haunts me at the damage and distress that decision caused to everyone working within the Club, and to the very fabric of the Club, the damage that decision has caused to me personally, to my health, to my family and friends. It was a monumental mistake.

His conduct during that period took me personally to perhaps some of the darkest places I have ever experienced in my football life, if not entire life, they were difficult, distressing and painful times, I battled to keep attending games, to do the things I've done for 26 years, to keep believing we could keep the Club going with reduced incomes and higher player costs due to situations outside of our control and it took every ounce of inner character, strength and help from those close to me to keep going. I can only now look forward and work towards a better tomorrow for myself and all connected

to this great Club, it's a recovery process and the appointment of Neil Harris, the response of the players, fans, sponsors and staff, is certainly helping that process.

Given I want this report to be generally positive, and there are many positives to talk on, I will say no more on the Steve Evans subject, he is history, I'm sorry I had to address the situation, not least because what happened was so wrong, was so unfair and was so damaging, but because I am moving on now and have regained my positivity, my self-belief, my passion and drive, and for that reason I must focus on all the good within the Club, as to not do so will ultimately affect all those that, like me, care deeply for the Club, want the Club to go on another journey and for all who love the place and see it as their footballing home.



After the departure of our previous manager on Sunday 9th January, I asked Steve Lovell if he'd come in and help us get the team ready for training/games, whilst I began the difficult task of finding a long-term replacement. Lovs is a legend at our Club, the players liked him from day one, positivity in the team returned immediately and training/fitness appeared to improve during his short spell, and although he didn't get the points and results we all hoped for, his contribution and focus was massive.

I began the process of interviewing candidates who applied for the job, not an easy task when so many CV's were received, but interviewed almost daily, mostly well into the night and

saw some credible candidates. Neil was one of those on the forefront of my mind but, given interest in him from Championship Clubs, I wasn't confident we would get him, although of course I knew Neil well from his Millwall days, had met him on many occasions around football and indeed he'd had a short spell playing for us when he was at Nottingham Forest.

Neil agreed to meet me on Friday 14th January, the day Steve Lovell managed to persuade QPR to allow Charlie Kelman to come back to the Club, him having left after an unfortunate incident with the previous management, and the day after we lost Jamie Cumming, who was recalled to Chelsea without us even knowing or discussing same with his parent Club, not helpful given we had a game on the 15th against Burton, and only then had one keeper.

Neil and myself spoke frequently over the following two weeks, we spoke about culture, players, recruitment, style, discipline, fans, budgets, the football pyramid, plans going forward, investment, and most importantly the need for a long-term plan for a sustainable Club, not necessarily just a short-term fix.

At that stage we were in serious trouble, and at the time 10 points behind 20th place AFC Wimbledon, who also had a game in hand, but actually with our inferior goal difference we were 11 points behind, so obviously during our conversations we were discussing the immediate situation and I was hugely impressed with Neil's view that positivity, organization, hard work, preparation and planning were essential, and that would be relevant whatever the eventual outcome of the season was, in that if the worst case scenario happened and we lost our battle to retain

League One status, we would continue with the strategy we were putting in place in re-building the team/Club, to put down new foundations going forward in every aspect of the footballing side, especially insofar as recruitment and training was concerned.

Neil knew the task in hand would be difficult, however, at all times we spoke, he was so positive and focused, he was very calm, very organized in his thinking, very practical in his approach and felt there was a chance we could stay in League One if everyone pulled together, fans included. He actually, by his manner, helped me get my head, soul, spirit and passion back in gear, he actually re-energized me and continues to do so.



On 25th January, Neil mentioned he would love to have Ben Thompson at the Club if he came on board as Manager. Ben is a Championship player and obviously at the time was on Championship money. I've known the Millwall Chairman, John Berylson, for a long time, and have visited him in Boston (US) in the past, we also speak fairly regularly, he's a great guy and has done wonders for Millwall.

I therefore spent many hours over the following days badgering John to help us take Ben on a permanent, given we had our quota of loans allowed in the squad so couldn't take him on loan. It meant John had to assist the deal financially to make it work, which I'm pleased and very grateful to say he finally agreed to do just before the transfer window closed. Neil has a great relationship with Ben so he handled the player side, and Ben wanted to come and play under Neil again, so with the help of John, Neil, Ben and the player's agent, Lara, the deal was done and the rest is history.

Saturday 29th January was a very dark and painful day for our football club, for the first time in my life I had to leave early at half-time as there were issues of which I am unable to speak of here and now. By the time I reached my home, the situation had got painfully worse in the stadium, and understandably there was much anger and concern from everywhere.

My biggest concern that night was whether Neil would still come given the events on the pitch, I didn't speak to anyone that afternoon or evening, it was an awful, lonely, worrying and long night, the silence broken only by the abusive, threatening, vile and disgusting calls and messages I received throughout the night from individuals who had my contact details via social media. I didn't sleep at all that night.

If I was writing a book on my life, I would describe Sunday 30th January 2022 as Black Sunday, definitely a shocker in my football life, and up there with the worst of all days in my life. It was a long day, in many respects I didn't want to call Neil because I didn't know what his position would be, and who could blame him if he'd changed his mind. I was thinking of my plan B and C, whether I could even return to

the stadium, whether I even wanted to return, where we went from that point and many other-like thoughts, unable to answer my mobile to unidentified numbers, given I knew what was coming etc.

In any event, at about 4pm as I recall, I made the call and fortunately Neil was fine, he understands how football can be cruel, knows strange results sometimes come along, but more importantly he was on board, in fact he was unbelievably enthusiastic and already making plans on players in and out, agreed Kyle Dempsey should go thus helping to finance Ben Thompson coming in, could only let a couple of other players we had offers for go if we could get players in and so on. It was an amazing next 24-hours and a day that one man lifted the dark cloud from above our football club that had been left by the previous management, a day I shall never forget for the rest of my life.

Neil and Dave Livermore arrived at the stadium at the same time as me, around 7.30am on Monday January 31st, transfer deadline day, and hardly ideal for any new manager to try and find players in less than 16-hours, however in my entire working life I have never seen two



individuals have such a monumental impact on a group of people, not just the players but each and every one of the staff in the Club that day.

To say they lifted everyone from extreme negativity to extreme positivity in a matter of minutes would be a gross understatement, immediately going around the business and shaking hands with everyone, smiles on their faces, having a huge impact, and that was before the players arrived in at around 9am.

The early morning football drums must have been beating because the players knew on arrival of the appointment, I don't think they were expecting it but they were really pleased and after a meet and brief session with Neil and David in our new lecture theatre we built in lockdown, the players emerged for training and the fightback begun.

True to form, our supporters reacted brilliantly as well, you have all to a man/woman been instrumental, alongside the players and staff in playing your part in our recovery and whilst we have much to still do, the 21 points from 16 games under our new leadership is nothing short of remarkable, in fact at time or writing, and with 2 games to go, albeit tough games, we are in with a shout of avoiding what we were all thinking on 31st January would be almost impossible, especially given an injury depleted squad, but with a team of warriors that are fighting every minute of every game, and are proud to wear the shirt.

None of us can guarantee what division we will be playing in next season, however what I can guarantee are two things, firstly, we will all fight positively every second of the last 2 games remaining to get the necessary points in an effort to maintain our status, and secondly, if we don't manage what seemed like the impossible just a few weeks ago, we will rebuild, regroup and reorganize the business and come back stronger next time. We have great management, men with passion, honour, integrity, knowledge, respect and enthusiasm, so in the short-term, let's all continue to pull together as you have since Neil arrived, every second of every step of every kick and see what we can still achieve together.

Turning now to other matters, in no particular order:

RECRUITMENT



I am delighted to report that, based on Neil's recommendation, we have recruited a full-time football Head of Recruitment. Nicky Shorey joined the team on 28th March and immediately set about the task of identifying potential players for recruitment in the summer and beyond. Reporting directly into Neil, Nicky has a history within the Premier League and EFL and will be a major asset in our development going forward. Nicky can be reached at: nshorey@priestfield.com

In addition, Neil has appointed a new Goalkeeping Coach and I'm delighted to welcome Deren Ibrahim to the Club.

On April 2nd the Club appointed Aadil Rasheed as Director of Events. Aadil is well known in Medway and beyond for his work in the music and entertainment fields, and with over 40-years' experience he will be a major force in driving that side of the business. Amongst the many plans Aadil is currently drawing up will be a live music festival at Priestfield in or about May 2023, probably a 3-day event with a host of top entertainment.

Aadil will be responsible for selecting bands/acts and other entertainment in The Factory and Great Hall, he will also be responsible for matchday entertainment, penalty shootout competitions, reintroducing the GFC Gems Cheerleaders, Family Enclosure, and many other things. Aadil can be reached at: aadil.rasheed@priestfield.com.

The Club is currently recruiting in several other areas, and we would particularly like to speak to individuals interested in working within our catering department, in particular chefs, trainee chefs, kitchen help, porters, cleaners etc, or individuals with accounting experience in sales/purchase ledger or similar.

We are also preparing to open our Factory Theme Bar and Restaurant, alongside The Priestfield Great Hall, as such we are keen to meet individuals who have experience in bar work, cellar management, waiters/waitress staff and any individuals who have worked in pizza preparation kitchens. Training will be provided and applicants should be generally over 18 years of age. Full and/or part time work is available.

On the football side, we are looking to recruit a new First-Team Physio, and a Senior Academy Physio, if you'd like to be considered please email Gary Hemens at, ghemens@priestfield.com

On all other roles, if you would like to meet for a chat please send CV's to, jobs@priestfield.com and we will be in touch.

FACTORY BAR AND RESTAURANT



Over the past year, we have carried out, and continue to carry out refurbishment works to our new style bar and restaurant. The works have taken longer than

expected due to structural issues, however feedback from fans and visitors thus far has been positive and our match day only openings have been improving. The Factory will be opening on non-matchdays shortly, hopefully in late May.

As part of the new style offering, we are building a 70-seater restaurant and two new kitchens which will be offering a varied menu of table dining and bar food, including oven baked Pizzas, Pasta plus food from the grill and charcoal/wood fired oven.

Our intention is to initially have live music on Fridays and DJ on Saturdays, open until 2am on both nights, and will then introduce other nights as the year develops. There will be



themed nights, bottomless brunches, football related events, karaoke, quiz nights, World Cup events and much more, a great local venue for live entertainment.

We recently held a VIP invitation only night to test our systems and procedures, which generally went well, video and images of the night are/or will shortly be on the new website, www.thefactoryatpriestfield.com.

At present, we are also running a 'Soul on Sunday' event on the first Sunday of each month from 2pm to 8pm. These events have been well supported, so if Soul music is your thing book your tickets for the next event on Sunday 1st May.

The new website (under construction), www.thefactoryatpriestfield.com, is where you will be able to check what events we will be running, and of course book tables in the restaurant once it opens.

We are currently looking at the feasibility of a new "Priestfield Eats' /'Factory Pizza", concept for home delivery offerings given there are over 75,000 chimney pots within a short distance of the ground, and indeed given we have great kitchen facilities which we could utilize more going forward.

THE GREAT HALL AT PRIESTFIELD



As most of our supporters will know, The Great Hall has been open since around 2002 and has held numerous events during that time, assisting the sustainability of the football club.

Along with all other similar venues Nationally, COVID closed our income stream in March 2020, along with the Factory Bar, and The Great Hall has not reopened since due to a number of reasons, uncertainty, and staffing being amongst the many.

We are delighted however that we are now taking bookings again for weddings,

conferences, banquets, award dinners and all the other main stream activities we had previously held, we are refurbishing parts of The Great Hall and gearing up with new operational staff, all of which has taken time and has not been easy, given the awful shortage of catering staff and skilled labour available in the UK market.

In line with other areas of the business which we have reset during our long lockdown period, we are now also planning to use The Great Hall as a venue for concerts, bands, gigs and other musical events with our first event, The BEAT, being held on Saturday June 11th, their launch date for their UK tour.



We are estimating around 100 events over the first year, a new website for the venue is also under construction www.thegreathallatpriestfield.com so check out the site to see who's already lined up to play at your Club. Four gigs are presently being advertised, with tickets on sale, and more will follow.

It is very important to our future sustainability to create as much non-football income as we are able, we have great facilities, often under-utilized, here at Priestfield, so in addition to our traditional and football business we will be turning both The Factory, and The Great Hall into Kent's best venue for touring bands and events.

We will also be running our popular Xmas Christmas parties in 2022, the last events we ran were in December 2019 when around 6000 people enjoyed their parties in The Great Hall, so look out for details of available nights and join us in your Company or private celebrations.

MARKETING GOING FORWARD

I am delighted to report that we have now agreed a trading relationship with our local media and radio broadcasting provider KMFM, who will be providing airtime and media space on their frequencies and newspapers respectively.

In conjunction with that agreement, we have instructed media marketing company Airforce Music to produce a series of advertisements which will be regularly played on air and which will cover all aspects of our business from football and games, to functions, events, recruitment, The GFC School, and other areas of the Club.

This aspect of our marketing plan will be live to air within the next few weeks and will run initially for the next 12-months.

We will also be placing advertisements in KM media newspapers and magazines on a regular basis, advertising all aspects of the business.

I'm delighted to be partnering with KMFM again, it's taken a while to get the agreement right, but it will allow us to start the process of fan engagement, our new Clubs, our School Partnership Agreements, Fans of the Future, and other initiatives our Customer Engagement Team are working on.

We all recognize the need to attract new supporters to Priestfield, they are our future, and it will be fantastic to see many more seats filled as we progress on the field, so in-line with the air of positivity and progression, let's welcome our new fans to our stadium and ensure their experience is nothing but positive.

I know I have spoken before in regards our launch of supporter Clubs, what seemed

like a simple task over the past year or more has actually turned out to be far from that. The issue lies with the administration and management systems for these Clubs, linked to platforms within our new Ticketing System, we are actually now making headway and I will report on this ASAP.

Once we have mastered the systems the rest will follow and we can then have a better platform to engage with, and communicate with our current supporters, and indeed our new fans of the future.

EMBARGO

Much has been spoken in regards to the EFL 'Embargo' which is in place on our Club, and others in the same position as our own.

This 'embargo' is in place due to the fact we took advantage of the Premier League 'loan', an interest free loan which we took to aid our cash flow over the past and current period, such loan is being paid back monthly over a 24-month period.

Sadly, in my view, the word 'embargo' is an unfortunate term to use given it is perceived to be a penal term used in football to 'punish' Clubs who default on HMRC payments or payments to other Clubs or Football

Creditors. I have argued this point with the EFL and PL, however they seemed disinterested in changing the wording.

In simple terms, we are holding a loan which was part of a bail-out package offered to all L1 and L2 Clubs, we are repaying it under the terms of the agreement, it allows us to sign up to 22 players over 21 years of age and there is a wage cap which, in general, is of no relevance to ourselves given we operate below that level in any event. This 'embargo' is removed at the end of this season.



ONLINE RETAIL SHOP

I do understand some fans would prefer to see our old shop re-opened, however as part of our re-setting the business, it was clear the old model was not cost effective and sales were mainly on match days. In an ideal world, we would have kept the space of the previous shop and brought in the online store, which has developed really well and is very popular, however the large space it used is needed to add additional classrooms for The GFC School.

I am talking to the team in regards this matter and will try and find some space whereby we might be able to have a shop display elsewhere within the stadium as I do understand how some supporters like to visit the stadium during the week and browse our many products.

THE GFC SCHOOL



The GFC School has now been running for about five -years and offers specialist education for children aged between 11 and 16, mostly from the Medway area. Our students follow

the same curriculum as a main stream school and we are delighted at how our students are learning, with a view of reaching such standards

as will enable them to achieve employment or further education at 16 and beyond.

We work closely with Medway Council Educational Department, who generally refer our students to the school and monitor their progress, and we are proud of the role we play as a football club in allowing our students an opportunity to develop themselves and move on to better things in the future.

We are keen to expand the school, and appreciate the hard work and effort by our dedicated Head Teacher, Sue Wade, Head of School, Lisa Darran, and all the staff that work tirelessly in providing such a good opportunity for our students.

MEMS



I am delighted to report that the tremendous support we have received from Main Sponsor Colin Jarvis and his Company, MEMS Power Generation, is continuing, with Colin agreeing to sign up for a further year. It goes without saying how grateful we are and I now I speak for all fans in offering our appreciation, Colin has been a lifelong supporter and, like us all, wants to see the Club progress and prosper.



FINANCIALS

We have spoken before about how COVID has affected many Companies and individuals throughout the UK and beyond, however as many of our supporters and sponsors will be aware, the disruption has had a huge impact, along with Brexit, on not just staffing, especially in the hospitality business, but also on supply of goods and services.

It has also had an impact on Government bodies with many staff working still from home, albeit I am hearing many are slowly returning to their main place of work.

We have had a number of issues which appear to have been principally caused by communication between our Accountants, Auditors and Companies House, resulting in the unfortunate removal of two of our charities, Take Heart Mercy Mission and The GFC Community Trust from the Register of Companies, both of which were not generally trading during COVID, but were not supposed to be removed from the register.

I'm delighted to say, that after much intervention between our Company Accountants, and Companies House, both these Charities have now been reinstated to the Company register, with The Charities Commission also agreeing to reinstate their status imminently.

Insofar as Take Heart is concerned, we are looking into whether the heart team can resume their life saving trips to Sri Lanka this year, supported by funds raised by our supporters, it will really rest on logistics of this and I will advise ASAP. Supporters may be aware Sri Lanka itself is suffering the effects of COVID and economic stress right now, with scenes of recent disorder being on our screens recently, which is somewhat disturbing and extremely sad, but again it does illustrate the difficulties the World is experiencing all over.

On Gillingham Football Club trading, our accounts to May 2021 were filed at the end of February and reflect the hard work, cost cutting and restructuring work put in during that financial year by a very reduced, but committed workforce.

Obviously, our turnover was significantly reduced with the loss of football and hospitality income, but we managed to show a profit of £339k on a turnover of £4,300,000. (Pre-COVID May 2019 turnover £7,000,000)

Whilst we acknowledge the Government also assisted us, in-line with most Football Clubs and businesses within the UK, it was still a satisfying outcome under the circumstances, and gives us a base to build on with our new income streams.



I am also grateful to the support of fans, both Season Ticket holders and others, who donated their ticket costs and made other donations over the past year, you probably don't fully realize the huge benefit you gave to the Club in its time of real need and despair, and you are constantly on my mind as to how we can ever repay your generosity, but please be assured you are very much appreciated and we will be returning to your kind actions at some stage in the not too distant future. Your actions will not be forgotten.



FAN LED REVIEW

Given the issues surrounding COVID, and in particular the threat to Community football clubs specifically in Leagues One and Two, and indeed the whole pyramid of football, the Government tasked local MP Tracey Crouch to produce what is referred to as 'The Fan Led Review' to look into every aspect of governance and finances from the Premier League down to, and including, The National League and beyond.

This led to many stakeholders and interested groups within the game being interviewed, I met with Tracey on a couple of occasions, reiterated the position of the EFL, and discussed my views based on a Club that had to rely on genuine business income to be sustainable, given I am not an owner with huge resources, and how we could even attempt to compete in a world which has seen football get completely out of control, especially in the Championship, over the past 10-years or so.

Gillingham Football Club is a model that can only work with the support of its fan base, sponsors, non-football related incomes from facilities such as The Factory, The Great Hall, The GFC School and corporate sales derived from usage of the stadium via facilities we have built, or are currently building, hence why areas

such as the new kitchens and restaurant in The Factory, and the new events we will be running in The Great Hall, and Factory, are so important.

Whilst these additional income streams are critical to develop and make successful, and have been thus so in the past, it is becoming harder year-on-year to keep up with the huge spending happening in the Championship, which has had a knock on effect in Leagues One and Two, and in fact has pushed many Championship Clubs into serious financial difficulties given their owners/funders have in many cases lost significant sums of money trying to reach the promised land, and/or have had their own personal funds depleted via their own businesses or income streams.

Derby County are a great example of a significant Club that gambled and lost, an owner who pumped in reportedly over £150m of his personal wealth, paid players and management huge salaries hoping to reach the Premier League, only to find themselves in administration with huge debts, and relegated into League One for next season.

Sadly, whilst everyone within the inner circle of football recognizes the issues, the EFL, even working with Clubs, is powerless to stop the increasing debt and precarious state of many

Clubs. That is why we all tried to bring in a form of wage capping last year, only to see it thrown out by the PFA who had a right to veto passed to them many years ago. It's like a stalemate which if not addressed soon will implode on itself and come crashing down.

The only solution to save football from itself, and return to sustainable football clubs is to make all Clubs solvent, and not reliant on owner funding, which has totally distorted the playing field over the past 10-years. To do this, we need a greater share of the huge funds generated by the Premier League, who sit on top of the pyramid, to be passed down to the EFL, linked to regulation and controls, and that is what we all need to lobby for via our local MP's and politicians.



So please play your part, write to your local MP, and/or Nadine Dorres, Secretary of State at the DCMS, urging them to support The Fan Led Review, and hopefully as a football body we can force change and indeed safeguard the future of the football pyramid as we know it today and in so doing ensure our children, and their children, continue to enjoy local

community football in their towns and cities forever and a day.

When our Club reached the Championship in May 2000, we were able to compete reasonably comfortably with bigger Clubs and bigger budgets, the gap was nowhere near as huge as it is today, but we could compete, and indeed did so for five-years, our downfall being the collapse of ITV Digital and the loss of significant income at that time.

Nowadays, and despite our own incomes projected to reach over £22m in The Championship, and unless there is change as described we would find it a challenge, in the same way as Clubs like Peterborough and Rotherham have done in recent times, gaining promotion but then being relegated, with many other Clubs in similar positions.

Today, we are hearing horror stories of Championship Clubs actually spending more than their income just on player wages, an absurd distortion of reality and one that is causing such huge concern within football, and one that each and every one of us should be really concerned about. We are hearing of player wage bills at Clubs of £17m per annum, on turnover (not profits) of £20m, completely unrealistic and not sustainable. If the owners of those Clubs lose their incomes, lose interest or go bust, that will be the death most likely of those Clubs.

The Fan Led Review is calling on the Government to pass legislation to regulate football, via an appointed regulator, with far reaching powers to force distribution from the top of football down through the pyramid, to bring in a form of wage control, to ensure owners of football clubs are fully scrutinized and transparent, especially in regard to their source of funds and ability to underwrite the future business plans of their Clubs. We have seen many times over recent years of questionable owners, suspect source of funds, lack of transparency and Clubs being perilously close to collapse. The EFL is also lobbying the PL on an almost daily basis, I am sure there will be a good result, hopefully within the next few months, we will have to wait and see.

SOCIAL MEDIA

The subject of Social Media in society today has been debated by many for a number of years, however there is no question that in recent years debate has intensified as to the merits, both good and bad of this platform.

Unquestionably this media has opened up communication between people all over the World, it has allowed access into people's daily lives and has clearly many strengths, however it also has many weaknesses and has allowed individuals from all walks of life to use the platform for a variety of negative, unpleasant, damaging, vindictive and often dangerous reasons, often with seemingly impunity from challenge or prosecution.

I personally don't do Social Media, my children do, some of my friends do, my staff do, however I don't, mainly because I grew up in an age without it, but also because I can't run my life and more importantly business based on what is put on the various platforms, especially when many of the postings I get to see in regards our football club, and/or me as your Chairman, are so often completely untrue, show complete misunderstanding of life, the basic workings of a football club and business in general, are often malicious, personal, derogatory, vile, abusive and in recent times quite alarming.

I don't really want, nor intend to get into a debate with, or about specific individuals, because I'm now very focused on going forward in a positive frame of mind, and no number of these individuals, or their often pathetic rhetoric, or their sad misguided actions will deter my determination to take this Club forward, however I do need to address a few matters that have caused me concern of late, and really demonstrates what challenged individuals we have amongst us

in society, and the lengths they will go to in regards their attempts to damage me as a human being and indeed more importantly the football club and business which we all support and care for.

There has to be a line in life which nobody should cross, where the acceptable becomes unacceptable, and whilst I have generally been able to ignore these 'idiots' as they are so often referred to by the many fans that send



me messages of support (to which I'm always grateful), let it be known that any person that crosses that line and attempts to damage my reputation, interfere in my private life, or indeed the business of the football club, by posting malicious, untrue or damaging posts on social media platforms cannot expect to escape the consequences.

I make no apology for speaking on this matter, it's important decent supporters realize how much nonsense and how many untruths are being peddled by this same group of individuals, they seem generally to be all connected directly or indirectly but should be ignored by all decent fans and individuals and given short shift by our fans.

The platform most commonly used is known to many of you, and those that visit that forum will know the instigators of the unpleasant rhetoric, which has absolutely nothing to do with freedom of speech, which I have no issues with, but what I do have an issue with is the use of personal abuse, untrue and/or unfair comment, damaging statements that are either misleading, inaccurate or blatantly untrue, and comment that affects the standing of our football club and/or those that work in or about the Club.

Those individuals that cross the line will be dealt with privately, we will not publish names, nor situations, and our involvement will be in confidence. If they decide to make their situation public then that would be a matter for themselves to determine.

As a Club we will not engage publicly on these matters, these individuals do not represent the culture, beliefs, ambitions or goals of Gillingham Football Club, nor will they ever be acknowledged as supporters unless their conduct changes, because people who support a Club, whether a football, golf, tennis or any other Club, do not behave in a manner akin to these people.

There is no question the vast majority of supporters dislike the disruption caused over the latter part of 2021 and January period, they also find the actions of the aggressors' offensive, and we have had great support for the manner in which some have been temporarily excluded from Priestfield Stadium in relation to their poor conduct.

For clarity, the Club has not excluded any individual permanently from the stadium, nor do we wish to do so, however we will not tolerate individuals that attend Priestfield and affect the enjoyment of others by their conduct, they must understand that is not the way to go with our Club.

As I have mentioned, I have no problem with freedom of speech, nor peaceful protest if that's what ticks your box, however I will not accept poor conduct, or foul and abusive behaviour within our stadium and football club, as our home is a place where normal decent people come to enjoy watching their football team perform, and whilst that can sometimes be somewhat frustrating, it does not excuse the type of behaviour we have sadly witnessed in the period before the end of January, often on occasions where we had family initiatives



running with 'fans of the future' attending, hardly a way to attract and develop new fans to Priestfield.

Fortunately, it seems the penny has dropped for most, and the support within Priestfield since Neil arrived has been overwhelming, a throwback to the days of past when we enjoyed the passion, comradery, spirit and battles week in week out, so long may that continue, we don't want to lose any supporters, I accept life was tough, frustrating and disturbing for most of us for the period up to the end of January this year, but what we all really want is everyone who wants to be part of the team, and is focused on all the right positive things is more than welcome, and indeed needed to be on the journey. Everyone needs to pull in the same direction otherwise we will not succeed.

OTHER ISSUES

I would now like to address issues that have been brought to my attention via either our media department, or directly from supporters who have emailed into the Club. I do try and answer many emails but given I have been receiving up to some days 200 emails, and trying to run a business that is going through a transitional period, and running a family which is often fairly demanding in itself, my time is very limited, hence the delay in writing this report on your Club.



To answer fans comments, and in no particular order:

- I agree we should try and pack Priestfield over last few games of season, we had great turnout last Saturday against Fleetwood, and hope Rotherham is as good.
- I was not lying in February when I said I would do an open letter, it's just that my workload has been excessive, and such a document as this takes some time and effort. No need to call me a liar though.
- Safe standing, I would love but very difficult in our current stadium, cost excessive and would really affect capacity in the Rainham End.
- Embargo and effects, we have covered.
- Campaign to get more fans into Priestfield covered, next season will be regular radio/newspaper adverts and commercials running, such as we did 10-years ago. Also starting Schools Partnership initiatives, inviting schools to join us. Other initiatives will be introduced.
- Steve Evans did not walk away because Dempsey, Tucker and Oliver were being sold against his will. I called Steve Evans to a meeting on January 9th and his time as Manager ended. It was the manager's view we should take the offers on these players, I disagreed given we had no replacements, I would never willingly stand in the way of a player moving on and bettering themselves however we simply would have been dead in the water if I'd taken the money and they had left, given their importance to the battle we faced.

It was tough on the two remaining lads, I acknowledge that, they had good opportunities, but they have shown great professionalism and their careers will prosper as a result in the future.

- I did not take a pay increase, or indeed any increase during COVID or before, in fact the opposite is true. I find it disgusting that

anyone would think I would take extra money from the Club when I spent every minute trying to keep it going with the help of over 1,600 plus Season Ticket holders and other fans. It didn't happen.

- I did not spend £80k of supporters' money on a new BMW car. I have a contract-hire car which replaced my previous car given the contract had expired. I have had a contract hire car for the past 26 years. I do a significant amount of travelling on behalf of the business. The annual cost is about £12k per annum.
- 'Steve Evans wasn't given the appropriate budget'.

I have covered this above, his budget was higher than any Manager has had in League One in the Club's history.

- Not one individual has been banned for singing 'Scally Out', any such reports are wrong.

Some individuals had temporary exclusions for foul and abusive or poor conduct in the stadium, most of them have discussed this with our safety team and are now back watching our team.

SEASON TICKET SALES

We are in the final stages of determining Season Ticket deals for 2022/23. These prices will apply to Leagues One and Two status. We hope to have these launched within the next week or so.



PLAYER OF THE YEAR AWARDS

The Player of the Year Awards evening will be held on **Sunday 1st May at 7pm in The Great Hall**. Tickets are on sale and are subject to availability.



SUMMARY

There is no question the past two-years of COVID have been the most difficult ever for us all, and indeed our football club, however added to that were the difficulties about the Club from September last year to January this year, which were probably more difficult for me to deal with given their complexities.

No human being could honestly say they enjoy or accept personal abuse as part of their life/way of working, and I am no different to that. Given how I have been tirelessly working for two years I was shocked and disturbed at what I had to deal with, only driven on by the many supporters who offered me support and kindness, for which I will always be grateful.

This football club, like many, is very difficult to run as effectively as a one-man band, especially a one-man band that has to try and balance the income and expenditure to break even.

Expectations and demands are high from supporters who see other Clubs spending huge sums of money, understandably I find that difficult and do my best to back Managers as best we can afford.

I am perfectly aware this model is difficult to continually sustain in the future, if the government doesn't force the Premier League to re-distribute their huge income streams for the benefit of the pyramid then football will face big challenges, we rely heavily on our supporter base to assist in our income streams, hence why I am so concerned at malicious or untruthful statements that are made publicly by certain individuals, given some fans may not realize their credibility. Please, I urge everyone who cares about this Club to act responsibly.

That said, I am only interested in seeing this Club go forward, I am actively speaking to various parties with a view to either strengthening our Board, and/or investing in the Club or both to allow us to increase the playing budget and improve infrastructure to develop more income streams.

At this stage, I have had no contact with any credible party who is able or willing to take over the Club and run it themselves, only some who may invest going forward based on my continuing to run the business, which of course I would be prepared to do if the circumstances were to the benefit of our Club.

I am always open to discussions with any serious and credible party who would be able to take the Club forward and I continue to meet with individuals on that

basis, credibility and having the ability to fund the Club going forward always a starting point. Unfortunately, experience has taken me down many fruitless paths of 'pretenders', i.e. people that want to own/run a football club but do not have the resources or ability to do so.

I hope this report is received in the spirit in which it is intended, I will continue to run this Club to the best of my ability, whether that is enough in the long-term only time will tell. However, walking away is not an option for me given I carry the burden of responsibility for many, and even if I did want to walk away, (which I could not be faulted for doing of recent), the effect on the Club would be devastating for everyone, and therefore this is a marriage which cannot be easily broken, however with the right parties on board my belief this Club can go forward and prosper remains, but we all need to be on the same page for this to happen.

It would be amazing for us to be playing League One football next season, more so with the exciting management staff we have on board now, but whatever our fate I promise we will continue to do the best for the business, will continue to try and grow the Club, and will continue to seek additional funds and support to improve our team and facilities for all to enjoy. Let's hope the Premier League Clubs

read this report and accept how important Community Clubs are to the people of football.

This is, and always will be a great football club to support, we must never forget that, and despite our recent difficulties we continue to trade, to play football and to enjoy welcoming fans new and old to Priestfield.

Best Wishes
and Keep The Faith.

Up The Gills!
Paul D P Scally
Chairman

