



## Ron & Tom Q&A Questions & Answers

**In response to criticism about communications, Tom Lawrence explained that everyone at the Club has been working tirelessly to navigate tricky waters and that in this period, comms had slipped down the agenda. This is something the Club acknowledges and will endeavour to do better at, and the supporters' groups will hold them to account on this. Tom said that now that the petition debt has been paid to HMRC, and a few other issues had been resolved, the (off-field) team can start focusing on delivering the business plan and doing their day jobs.**

**Tom also explained how important Season Card income was for Club and stressed that he hoped that following the meeting the Supporter Groups would modify their position.**

**Firstly, the supporters' groups needed to establish grounds for reviewing our collective position, which has been that we recommend supporters delay the purchase of a season ticket, until there is clarity and some evidence that we have the funding in place for the next months:**

**Q:** Very specifically when are the outstanding December salaries going to be paid?

**A:** When the season ticket money, expected to total c.£650k-£700k, starts coming in. The club budgets for 60% of season ticket revenue to have come in by 9<sup>th</sup> April. So far it is nowhere near that. They would normally expect around £300k to have come in by this point (24<sup>th</sup> March), and this money is used to get the club through the summer, pay bills, etc.

Ron Martin will continue to fund the club until he leaves. He mentioned he had put several tens of thousands of pounds in this week. He says he won't let the club die, but costs have increased as well, i.e. electricity bills have doubled in price.

**Q:** When is the HMRC debt AND anything else causing embargo going to be cleared?

**A:** An informal agreement has been reached with HMRC regarding sums due to them and there are currently no other football creditors in arrears. It is expected that the embargo will be lifted once the debt due to HMRC is cleared, in c.4 weeks' time, once the club's cashflow has been boosted by season card sales.

**Q:** If the embargo can't be cleared before the summer, how are you going to retain Football Dept (coaching team + John Still) when they can't do their jobs?

**A:** Tom Lawrence has sat down with Kevin Maher and had an initial meeting about next season's requirements and a discussion about targets has already started. Tom was due to meet John Still after our meeting for the same reason. Ron Martin and Tom Lawrence value the structure and personnel of the Football Department, and confirmed that it will be retained and given the tools that it needs over the summer.

**Q:** When precisely is the Trust loan going to be repaid and why that date?

**A:** Ron Martin agreed to a specific date (31<sup>st</sup> August) with interest (not requested) and agreed to personally underwrite it. He did struggle to see that rather than demanding or needing

imminent repayment, the Trust see an idea of when it'll be repaid as a means to give them more confidence regarding the wider short-term financial picture.

**Q:** When are other creditors going to be paid?

**A:** We owe money to other clubs under usual agreements but we are not in breach of anything or in arrears. We are paying off money to the coach company which provides coach travel for the squad. There is an ongoing dispute with St. John Ambulance which the club hopes will be resolved.

**Q:** Will you spend some more money at Roots Hall? Urgent remedial works are needed as it is rapidly decaying and becoming a H&S hazard, and it looks like we'll be spending another 2-3 years there.

**A:** Ron Martin has offered to do a walk around with the Shrimpers Trust and others to see issues for himself, and encouraged volunteers to come along in pre-season to help spruce the place up. He said that he would pay for a project manager to schedule and oversee works. The suggestion is to involve fans. Tom is going to forward the summer maintenance plan to the Trust and supporters' groups, on which additional items can be suggested or added.

## **Secondly, everything else:**

**Q:** What does Martin Dawn PLC no longer being a PSC in SEL mean for the club?

**A:** Ron Martin said that the action was a restructure to help get the £2m bridging finance into SUFC. All activity above Southend United in the chain is apparently of no relevance to the club or to the evolution of his decision to sell.

- **Follow-up Q:** Who are Mezcal Investments and why were Martin Dawn's shares in SEL transferred to them?

**A:** As above. Mezcal Investments is a company that he set up 20 years ago to hold all of his family's interests.

**Q:** What was the mortgage charge put on SUFC by RH Ltd. on 21 March for?

**A:** To facilitate the bridging finance coming into the club, as it was paid to group companies.

**Q:** In last Friday's press conference, you intimated that you don't expect to recoup all of the money that you've put into the club over the years. Will you be fully writing off the club's debt to you, as you have promised openly many times including at shareholder meetings, as part of a sale?

**A:** Ron Martin is still promising that all debts to him will be written off upon sale of the club.

**Q:** What would a purchaser of the club only be buying at this point in time since it currently holds no assets of significant worth?

**A:** Ron Martin is selling his shares in the football club and "an opportunity". He said this is not unusual in football. Clearly, the hope is that whoever buys the club is willing and able to cover the club's losses until it becomes "self-sufficient". RM said the 3-sided stadium will cost c.£42million to build but indicated that he would sell it for less than half of that.

**Q:** Are there any discussions progressing with any interested parties?

**A:** No.

**Q:** What is your contingency plan if you haven't managed to sell the football club before the working capital from the recent bridging loan runs out?

**A:** Essentially, "soldier on and do my best". It is clear that he is hoping for/expecting either the release of funds from the commencement of the new stadium build, or a sale of the club to happen before things get as serious as they did earlier this year.

**Q:** Will the club still benefit from funding/recapitalisation when money is released by the start of the stadium build, should the build begin whilst the club is still under your ownership? What exactly triggers the release of these funds?

**A:** Work has to be started on site on the stadium for the money to come in. It will go to group companies, not SUFC. If Ron Martin still owns the club then we would be hoping that he pushes some of that money through to the club, but it seems that he would have a lot more money to draw upon if he does have to keep funding the club.

Stadium plans submitted last week are likely to go to councillors, not decided by officers. There is a 16-week consultation period from the point where they were registered on the planning portal and Ron is hoping Southend Council will arrange a special committee to decide the plans once the 16 weeks are up. So 4 months until a decision, let alone work commencing.

**Q:** If the club is held under separate ownership to Fossetts Farm for a period of time, what will the rental structure?

**A:** Rent will be appropriate to the club's division, but will be set at market rate – e.g. c.£300k-£400k if the club is in League 1/League 2. This is a ballpark figure that Ron Martin is on record as having quoted before.

**Q:** What precisely are the facilities at the new stadium that will generate extra income and how will they do so?

**A:** Plaza space, restaurant, shop, corporate boxes, flexible corporate/events space, etc.

- **Follow-up Q:** Have you done any detailed financial projections and case studies and can they be shared?

**A:** Ron Martin said that projections for extra revenue generated are considerable, but we should ask for something more detailed in writing.

**Q:** Will the new owner be free to submit new plans for the 4<sup>th</sup> stand at the stadium if they decide that they want to go in a different direction, or will they have to be passengers to the plans for the 4<sup>th</sup> stand in the application that you've submitted?

**A:** Ron Martin would be open to a prospective new club owner to go into partnership on the 4<sup>th</sup> side, but it won't go back to planners and the plans will stay as they are.

While the planning docs say the time between 3-sided stadium being complete and 4<sup>th</sup> side being complete will be 2.5 years, Ron Martin said this is an estimate and he will be sorting tender for the 4<sup>th</sup> side in parallel. Overlap is hoped to be 6-9 months.

Fitting out the 4<sup>th</sup> stand will take time but the shell will be going up relatively soon after the 3-sided stadium is complete, and he doesn't want the ground to be a 3-sided wind tunnel. The hope/expectation is that the football part of the 4<sup>th</sup> stand structure can be used before the residential aspect is completed.

Ron Martin acknowledged that supporters might not "feel like they're a part" of the stadium move at the moment, but he says that's not the intention. The tenders, etc. are for the shell of the stadium and supporters will be consulted in due course on the finer details of what will be inside the stadium, e.g. he hopes that the supporters will have a huge stake in the details of a "huge bar in the West Stand". He hopes to work with fans and local companies who benefit from matchday footfall at Roots Hall, e.g. The Fish House, The Blue Boar, The Railway, etc. Working party to be set up.

Regarding revenue while waiting for 4<sup>th</sup> side to be built – "special" restaurant situated above the shop can be used throughout the week, fan plaza can be hired out for events, and there will be some corporate/box facilities (this was vague and there doesn't seem to be anything in the plans).

Regarding future stadium expansion, Ron Martin said it could potentially be expanded on West and South sides and some of the outdoor fan plaza built over, although it appears that nothing concrete has been put into the plans for this. East Stand would be trickier because of the scheduled monument and could pose problems with English Heritage.