

new frontiers

A York City Fanzine

28 – March 2018 (issue 1)

Free To All City Fans

**SAVE
OUR
CLUB**

Save our club...save our club...save our club...save our club...save our
club...save our club...save our club...save our club...save our
club...save our club...save our club...

1.1 *new frontiers* – Established 1992

March 23, 2018, a crunch date for our club.

Some say it is a vote of confidence in either The Trust or Jason McGill.

It is much, much more than that; it is a vote for the very future of our very existence.

This issue is entirely devoted to some of the issues around the SGM, so apologies in advance if are looking for some of the usual content.

A few health (and similar) warnings.

- Given the date of the announcement and the date of the SGM, this issue has been put together in a much shorter timescale than usual, so apologies for any typos, inaccuracies etc.
- Throughout , we've generally used surnames, without first names, no disrespect is intended
- Whilst all figures and statements are believed to be accurate, given York City's company status, full accounts are not available, many figures stated here are based on club statements and other, believed to be, reliable sources. Although financially fluent, the figures and statements are not presented from the point of view of a qualified accountant.
- FINALLY: Supporting York City can seriously damage your health, brain and wallet.

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All views expressed are those solely of the editor or article's author and in no way should be taken to represent the views of York City South or York City Football Club (or anybody or organisation or person slagged off herein). Correspondence (and articles (hint, hint) for the next issue) can be emailed to c.m.forth@hotmail.com

This download is free. Please consider making a donation to YCFC in lieu of payment. At the next home game, an extra pint in the social club or lottery ticket in the car park should suffice. Remember, this is free, do you want City to recruit free transfer players or splash the cash on decent players?

During our original new frontiers run in the 1990s, we raised over £2,000 and every penny was donated to City's Youth Development Fund.

Back Issues: All digital and most paper based issues are on <http://www.yorkcitysouth.co.uk/> For further reading see the [York City South website](#)

Thanks: To all those who contributed or paid for this issue.

Next Issue: Depends on interest, commitment, articles and on the pitch performance. Articles / ideas / input / criticism always welcome.

1.2 The McGill Years

No one can deny that City have been well run throughout the post Craig days, but many long hours and days have gone into running the club.

At the time, Chris Brass was a popular choice as player manager, history seems to have earmarked his appointment as the McGill's first failure.

Since 2013, there have been regular calls of sack the manager. The McGills stuck with Mills for longer than many wanted in 2013. Since then, every manager has come under criticism on social media, Worthington's 18 month's tenure being 6 months longer than any of his successors.

The other consistent is the McGill backing of every manager, even in Division 2, our playing budget was competitive. In the last 2 seasons, it has been very competitive. Witness, the open doors policy, we had a club record 42 different players in 2015/6 and then another new record of 48 players last season.

Those seasons saw us relegated from The Football League under McNamara in 2016 and relegated again under Mills a season later.

Earlier issues of *new frontiers* had its say on these seasons, so it is not worth repeating here other than to say, sometimes, too much is as bad as too little. It can't have been easy to develop a team spirit and understanding with so many players coming in, indeed, every defeat was greeted with cries of sign a new striker or defender or whatever. The managers and supporters usually got the new signing that was craved. Imagine what the players were thinking, we lose, or if I make a mistake that's it, I might be dropped for the next game with a new signing in my place. It would hardly have inspired confidence in the players.

Criticism of McNamara is easy. As an ex captain of Scotland and Celtic and with 2 years playing in English football, he has probably got a bulging contacts book. Alex Ferguson didn't have any experience of English football, but he didn't do too bad. At a similar level to City, Derek Adams arrived at Plymouth about 4 months before McNamara came to York, he hasn't done too bad a job, neither has Alex Neill, both proving that you can transfer managerial skills from Scotland into England.

The appointment of McNamara as CEO is probably noted by many as McGill's greatest mistake. It is hard to disagree and I won't, other than to note, for the first time since Barry Swallow, we had a footballing man inside the club who could give the board independent advice. The need for a CEO type figure was first pointed out in *new frontiers* when Worthington resigned. Someone who could act as a buffer between the board and the manager whilst providing strategic mid to long term direction for the club.

The club has fallen out with certain individuals over the years. With hindsight, I'm sure it would do some things differently if it could.

Conversely, The Vice Presidents are still going strong supporting the club, after well over 30 years. When I go to home games, I still see many of the same faces, families and friends at the ground, some still working on behalf of the club, other still supporting the club.

Being away from York, many of the details have been lost to me and I'm not one for tittle tattle. What big business doesn't move on, which person hasn't evolved their friendship groups over 15years?

Perhaps I'm being kind, as a cloak of secrecy appears to be thrown over many events. When was a transfer fee last announced? Nowadays, and for many years, it is always an "undisclosed fee", whilst several well known employees have left the club with no announcement or recognition of the service.

1.3 McGill – Choices, Choices, Choices

Supporters will always have their views on managers, players, direction and many more things. Everyone has their own opinion and is entitled to it.

That's why directors exist. To make all those difficult decisions.

Many mention Worthington's resignation as the start of the decline. By the time he went, his summer signings were being rubbished and there were calls for his head.

Since, the merits of Wilcox, McNamara, Mills and Gray have all been discussed and all have been dissed.

Get real, there are only so many options for a new manager for a club like York. Take a chance on someone who has been sacked and we're buying failure, take a punt on a lower league manager and we're getting someone who doesn't know the division. It was claimed by many that McNamara didn't know the lower English leagues, others are quite happy to admit Gray's signings haven't come up to scratch.

Think about Gary Mills. Opinions were mixed as to whether he should be sacked in 2013, again on his re-appointment in 2016, some thought he should have walked away (or been sacked) in May 2017 and even in September 2017 opinions were mixed as to whether he should go.

You can't please everyone all the time.

Take a punt on someone new to management. You never know if you're getting Denis Smith or Chris Brass.

Every managerial appointment is a gamble.

1.4 The Money - The Accounts

	2016/7	2018/9
	FA Trophy Victory	Conference North or
	National Conference	National Conference
FA Trophy Income	£150k	£0
Parachute Payments	£470k	£0
EPPP (Youth funding)	£260k	£0
JMP Donation	£330k	£?
Loss	£300k	£?
Break Even Requirement	£1,510,000 (approx.)	£?

In 2016/7, City made a stated loss of £300k, this excluded the JMP donation of £330k. City losses would have been £630K if JMP had not made their donation.

Given the above, for 2018/9, we can expect our income to be about less £880k less than 2016/7. Considering our total income was about £2.2m in 2015/6, that is a massive drop off. Given the losses and JMP donation, we're taking about one and a half million pounds.

The last published accounts 2015/6 (Division 2 relegation) showed a turnover of almost £3m, of that, about £2.2m was wages.

For anyone interested in more of City's financial details, please refer to www.yorkcitysouth.co.uk/db.htm and the "Accounts" pages on "City History"

1.5 The Money – Gate Receipts

Nowadays, City's accounts don't state gate receipts as a separate figure.

In 2017/8, I'd put forward £500,000 as being a reasonable estimate. That equates to 20 matches with 2,500 fans each paying £12 with VAT deducted from the total. An average £12 takes into season tickets and concessions.

So, given the 2015/6 accounts (above), admission covers only a fraction of total expenditure.

1.6 The Money – A Break Even Budget

Nothing is wrong with a break even budget, it just means cutting the wage bill by about 75% and bridging the £1.5m gap above.

It probably means offering 10 month contracts and hoping that any player who shows a modicum of talent is happy to sign for another season despite tempting offers from moneybags Harrogate and co.

Given the wage bill is by far the biggest item of expenditure, that's about the only place where significant savings can be made.

1.7 The Money – Tax Losses

Beyond the headline figures of City's accounts, the details reveal significant donations by JMP / McGill. Reading the detail, it seems they were originally made to increase club income to ensure the wage bill fell within Financial Fair Play (FFP) regulations. By making a donation, it increased turnover, so reduced the wage bill percentage to within FFP limits.

City's accounts, covering 5 seasons 2012-7 have shown a total JMP donation of £1.09m. For donation, you can read gift.

It was a spend out of their JMP / McGill's own pockets, they don't get it back.

I'm no tax expert, but believe the other loans of over £5m could be offset against JMP profits in other parts of the business. At the usual 20% tax relief rate, that's about £1m.

As I say, I'm no tax expert, but I'm sure the tax man would have jumped on JMP if there had been any impropriety.

1.8 The Players – 2018/9

We already have the basis of a squad for 2018/9.

It has previously been announced that 7 senior players have contracts to at least June 2019 (in one case it is 2020). They are Adam Bartlett, David Ferguson, Simon Heslop, Adriano Moke, Sean Newton, Jon Parkin and Danny Rowe

To that list, add Ryan Whitley and presumably Vinny Steels. This list excludes other youth players, but at least 3 of whom have previously been announced as having signed 2 year scholarship contracts to summer 2019.

The contractual status of the other players is unclear, but it is possible at least some have already had options exercised to extend their contracts to June 2019.

FA regulations state that players' contracts must be honoured. Selling a player or releasing him by mutual consent (which often means paying him a large proportion of the remaining contract value) are the only real ways a club can get a player off their books before the end of his contract.

Whatever happens with the ownership, given the big losses and much reduced income, it is expected that there will be a much reduced playing budget for 2018/9.

We might be searching around the cast offs of Guiseley and North Ferriby to sign new players.

In all probability, new signings will be on 10 month contracts, ending in April and probably for only one season.

Already, we have the crazy situation where Alex Kempster has signed a contract to the end of the 2017/8 season. No matter how well he does for City, if it is really an end of this season contract, he is free to walk away in the summer and join anyone else. I'd include Gateshead, Harrogate, FC Halifax and upwards, all could probably offer better terms than City could offer (and maybe at a higher level of football). City might get some compensation.

I like to think that although on several occasions it has been clearly stated that he has signed a contract to the end of this season (2017/8), it might, just might, come with an option that allows City to extend his contract for another season.

Whilst it is the ambition of many young players to sign a professional contract, one year contracts have their drawbacks.

Try getting a mortgage on a one year contract, in today's financial climate, no chance.

Move across the country and / or give up a job for a one year contract. Maybe, but depending on your job, then job security might be the overriding factor. Even then, the wife / girlfriend might object, give up her job / move away from her family. We've had players in the past turn down contracts to come up to York when their girlfriend objected to moving to York.

Yes, it could happen with any player, but it is more likely to happen if you get a 10 month contract / one season contract.

Maybe not the best example, but consider the case of Anthony Straker. When he joined City, he stated he joined City on a 2 year contract in Division 2 rather than sign a new one year contract on a higher weekly wage with Southend in Division 1. Presumably, he welcomed the security a 2 year contract gave him.

What about the start of the season. Players are out of contract on June 30, new contracts generally start on July 1st. However, there is nothing to say when a contract starts. Annually, we see lesser clubs announcing a raft of new signings in late July or early August, thus saving a few weeks wages. I'll let you draw your own conclusions on the quality of these players, other than to say they must be a long way down clubs' wish lists if they are still free agents in August.

1.9 What's Next – Possible Scenarios

Yes Vote

- JMP / Jason McGill continue to fund the club at least until we get into the new stadium, expected to be 2019. McGill has indicated that could mean £1.5m.
- With present relationships between YCFC and YCST, that probably means YCST continue to have no active involvement in running the club.
- Hopefully, a sense of direction into the new stadium.
- Plans beyond 2019 are unclear, whilst JMP have continued to suggest they could continue their funding, it is also possible that they may seek an exit.

No Vote

- JMP / Jason McGill have stated their intention to discontinue their funding. In the 2016/7 season, that included covering £300k loss and a £330k donation. That means very big cut backs.
- Alternatively, JMP could look for an early sale.
- Uncertainty over the club's future, possibly low morale within the club. Some players and staff might be put off by such circumstances. Player contract offers might be on reduced terms,

players already signed up for next season might look to leave (or the club might look to move them on). Non playing staff may seek pastures new.

- Uncertainty over funding to 2019. Over the years, several players have noted “you always get on paid on time at York”, a key consideration for many.
- Under the present ownership, it is unlikely that YCST will have any active involvement in running the club.

Whatever

- Note: To date, City’s quickest promotion after relegation is 4 seasons (1993 after relegation in 1989) so we might have a few more Conference North seasons.
- Equally, earlier statements that the club would be self funding once it moved to the new stadium have been replaced by quotes that losses will continue in at least in the short terms
- Not until a return to The Football League will there be any more significant central funding. A FL club can expect to receive up to £1m per season. Once parachute payments have ended, a Vanarama club will receive just few thousand from Vanarama league sponsorship.
- 2018/9 - No YCFC reserve side, no stepping stone from youth to first team football.
- Where would a phoenix York City play? Does the City of York Council agreement cover such an eventuality.

1.10 Player Development

The worst case non league scenario provides no opportunity for player development. Every player must be first team ready; there is little room to carry players who are not yet first team ready.

We already know there will be no reserve side in 2018/9.

The future of the youth set up could be in doubt. In 2017/8, within EPPP, City received £260k of funding by committing to spend £130k on the youth set up. Next season, that funding will stop. £260k lost, one option might be to scrap the youth team and save the other £130k (and probably more) by entirely scrapping the youth set up. It was mooted during the previous non league era and was thwarted partly by the players’ families raising additional funds.

This season we saw Alex Kempster play a trial game for the reserves and having impressed, immediately sign a professional contract.

Next season, without a reserve side, we won’t have the option to trial players.

Given City’s record of growing players from youth to first team level, don’t expect a youth team to provide many first team regulars.

In recent years, the youth set up has seen players like Ben Godfrey, Sam Fielding, Gabby McGill and Ryan Edmondson developed and sold on to Championship level sides.

Selling teenagers with talent always seems slightly short term to me. Before the 4 named above, you might struggle to name previous youth players who have netted a significant transfer fee for City.

Only if the youth side can contain to unearth one or 2 potential stars every season can it be justified.

1.11 The Numbers

Well over 1,400 City supporters were ready to support the club last summer as we sold season tickets in record numbers. Grounds have held up surprisingly well for club with successive relegation seasons behind them.

There are 910 YCST members eligible to vote, that number increasing from 666 in January 2018.

1.12 YCST - Board Directors

There have been various reports of YCST attempts to put people on the board including:

- YCST candidates for YCFC board membership being rejected on the basis that the board didn't feel they could contribute in a proper way
- YCST members being expelled from the YCFC board for revealing confidential information outside the board room.

Certainly being City's Number One fan doesn't bestow automatic board membership candidature for a company with a multi million pound balance sheet. Given YCFC's recent years, someone with skills and experience in turning around ailing companies is much more relevant.

At City's level, it's unpaid and a thankless task. Consider the amount of time and effort that has gone into securing the new ground. Consider the amount of criticism (and in some cases) non truths that get spoken on social media. Richard Adams, a Vice President, recently stated that he and his wife had received abuse from fellow City supporters.

Throughout my time, Douglas Craig and Michael Sinclair would receive criticism. To this day, many remember Douglas Craig's early years with pride and pleasure (Wembley and Old Trafford wins included), before mounting criticism saw him walk away.

York City isn't unique. West Ham and Newcastle are just 2 Premier League sides where fans have strongly disagreed with their directors.

So being a board member isn't always a pleasurable experience.

From my own personal experience, there are always a lot of people who want to know what is going on, have they say, but end of the day, offer very little. Although certain privileges are granted to directors, the role comes with responsibilities. Input into the role often dwarfing rewards.

1.13 YCST - The Future

It would have been good if the Trust had worked more closely with the club in recent years.

Dormant for many years, possibly due to a strong benefactor, it was revitalised in 2016 when our relegation from the Football League was confirmed.

Meetings were held, it took longer than expected to re-invigorate and gain control from the outgoing committee.

That said, whatever happened to the Hall Of Fame that the Trust was working on. The only fund raising effort was a Curry Night in Haxby, sorry that was cancelled.

There would seem to have been some discussions between YCFC and YCFC. Recently, it has been widely reported that a golden share scheme was discussed as far back as August 2016. News of that seems to have only become widespread knowledge in early 2018.

Whatever the outcome of the SGM, the Trust should look to play a more active role in the running of the club.

Given recent history, I don't see it happening soon.

However, for the benefit of our club, it has to happen.

Become more active, engage in fundraising offer to support to the club, show itself as being working for and with the club. Given recent events, it won't be easy with McGill / JMP. Equally, if one day, a new owner comes in, then I'm sure they would be more willing to embrace an active Trust.

I'm not privy to the 2006 agreement and the £50,000 a year fund raising clause, although it does seem that it was an aspiration not a firm commitment. However, very little has been done since.

The York Minstermen run an easy giving scheme that raises money but costs nothing (a proportion of your committed online spend is donated), during the Roof Appeal there was a turnstile at Bootham

Crescent where any fan could pay an extra £2 admission money as a donation to the appeal. Looking bigger, arrange a beer festival, arrange a bucket collection in support of a specific requirement that City need. Ask Steve Torpey or Mat Hawkhead and I'm sure they could find items costing around £500 that they need but are outside budget.

Each of the above may be only small ticket item, but given a club of City's size, £50,000 is small ticket when compared to annual turnover.

Let's hope the Trust have plans to be active straight away and demonstrate to owners (existing and future) they can be a positive force. No waiting around to see what happens next.

Action, not reaction, is required.

1.14 McGill - Sale

McGill / JMP have regularly stated the club is not for sale and have offered to provide funding to at least 2019 and the move to Monks Cross.

In theory, they could sell their 75% to anyone, at any time, at any price. No consultation with YCST would be necessary. YCST would have no say on any sale.

However, it is highly likely that the prospective buyer would want to speak to YCST to gauge their position.

Consider any prospective buyer. Would he prefer 75% or 100%. Either would give him overall control of the club.

100% would presumably cost more, but it would mean he didn't have a minority shareholder to deal with.

The 2006 agreement is reported to have clause meaning that McGill / JMP cannot arrange a liquidation event, it was something that was a possibility under Craig. A liquidation event would mean locking the gates, calling it a day, selling off all the assets, paying off the creditors and dividing what's left over between the shareholders.

It is unclear to me whether a similar clause would apply to any new buyer.

The big unknown is the value of Bootham Crescent. There is no published current valuation, the only one that exists is several years old. Given the vastly increased land prices, it can only be assumed that the current valuation is much higher.

Furthermore, it is believed that the valuation is based on land with no planning permission. Planning permission could substantially increase the value of the land. Historically, when permission is granted, building work must start within 3 years, which usually means plans to start building are fairly well advanced. In City's case, if it had been granted in 2006, it would now be invalid and would have to be applied for again. A common measure for building firms, is their "land bank"², the amount of years' worth of land they own and could build on, a 10 year land bank is not uncommon.

Persimmon have a deal in principle to buy the land at a 10% discount to its current valuation.

1.15 Phoenix Clubs

Apart from AFC Wimbledon and Newport, no modern day phoenix club has yet risen back into The Football League.

Give their prior history, London location and backing from some wealthy supporters who work in the City of London, AFC Wimbledon was always a candidate for success.

Given their catchment area, in their early days they had access to many promising players and even today, a fair number of the supports are football supporters who have moved to London and are seeking a "neutral" club to support.

Newport had a lottery winner who supported the phoenix club until his winnings ran out. It took Newport 24 years before they returned to The Football League. In a different era, Accrington took ever longer to regain league status. Today, both tend to live hand to mouth existences, although 2017/8 is being a rare good season for both.

Elsewhere, it has not been all plain sailing. Clubs like Chester and Darlington have gone out of basis and risen to a reasonable level. Once again, Chester are struggling whilst Martin Gray believed he was taking a big step in club stability and infrastructure when he moved from Darlington to York.

Around the country from Hereford to Scarborough, via Rushden, Aldershot and Halifax, phoenix clubs have been in existence for 10 or more years, mainly struggling years with slow progress up the pyramid.

Any new team would probably be placed in Tier 9 of the football pyramid, City in Conference North are Tier 6. That would allow entry into the early FA Cup qualifying rounds and FA Vase (but not The FA Trophy).

1.16 YCFC - The Future

Over the years there have been some rumours of take over interest in York City. Other lower league clubs have been taken over, but one has to think what would a prospective buyer be looking for? A heavily indebted club in tier 6 might appeal to some, but there must be bigger clubs in bigger towns available.

Bristol Rovers and Yeovil have been sold to overseas investors in recent years. There was a rumour that Peterborough would be put up for sale earlier in the season.

That's plenty of clubs with a similar historic standing to City, but currently operating in a much higher tier.

Look around The Football League and there are many debt ridden clubs. I'm sure there are some chairman who'd welcome a quick exit route.

Back with City, the role of a Chief Executive Officer should be key. A footballing man who can provide medium to long term direction whilst the manager works on more immediate short term objectives.

As a lifelong City supporter, one of my dearest wishes is that we have a strong youth policy which provides the backbone of the first team, players proud to play for City and reducing the reliance on journeyman footballers.

In that respect, the early 1990s were probably our golden era. Since then, our youth policy hasn't been as productive, although in recent years, the sale of players to Championship clubs has probably benefitted the club financially without impacting the first team.

Allied to that is maintaining (and growing) the community side, especially, junior football.

Solihull Moors run 27 junior sides, other non league clubs have more than 250 registered junior players. Probably 99% will never play professional football, but they provide a captive audience of keen players and of supporters.

The more youngsters that get the City habit, the more who will retain it throughout their life.

Look around Bootham Crescent and you'll see a lot of older supporters and a fair few youngsters, but not many elder teenagers or young adults. Get the kids hooked and keep them hooked.

1.17 Hold The Back Page

<p>www.yorkcitysouth.co.uk Check our web site for more City related content, including back issues of new frontiers</p>
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<p>Please: Send all comments, thoughts and ideas for the next issue to c_m_forth@hotmail.com</p>
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<p>Next issue: Hopefully April 2018 when SGM ramifications become clearer.</p>

We usually end with, "Happy reading. Enjoy the game". Let's hope we still have a club and a game to enjoy.