



ARSENAL SUPPORTERS' TRUST

THE ARSENAL SUPPORTERS' SOCIETY LIMITED

TRADING AS

THE ARSENAL SUPPORTERS' TRUST

Registered in England and Wales as an
Industrial and Provident Society
number 29545R

Revenue Account for the year ended 31 October 2012
and Balance Sheet as at 31 October 2012

THE ARSENAL SUPPORTERS' SOCIETY LIMITED
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Society Information

Society Board Members:	Glyn Taylor Tim Payton Nigel Phillips Mark Brindle Stephen Cooper Simon Hill (appointed 15 November 2011) Jeffrey Freeman Emma Shepherd Phil Wall
Secretary:	Stephen Cooper
Company Number:	29545R
Registered Office:	19 Copper Ridge Chalfont St Peter Gerrards Cross Buckinghamshire SL9 0NF
Postal Address:	Arsenal Supporters' Trust PO Box 3188 Gerrards Cross Buckinghamshire SL9 0WY
Auditor:	Colin Eastaugh Esq BSc
Bankers:	The Co-operative Bank plc

THE ARSENAL SUPPORTERS' SOCIETY LIMITED

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SOCIETY BOARD MEMBERS' REPORT

The Society Board members present their report and financial statements for the period from 1 November 2011 to 31 October 2012.

Principal activity and review of the business

2011-12 was another busy year for the Arsenal Supporters' Trust (AST), focused around lively monthly members' meetings and campaigning activity related to delivering on our main objectives to:

- Facilitate wider supporter involvement in Arsenal
- Facilitate and promote mutual supporter ownership of the club

The AST has also continued to support and develop Arsenal Fanshare, a scheme designed to allow more supporters a chance to own part shares in Arsenal. Almost 2,000 supporters are now members of Arsenal Fanshare.

Stan Kroenke's takeover of Arsenal and the subsequent reduction in share liquidity has made running the Fanshare scheme a challenge, but we are delighted that at present Arsenal Fanshare is fully up to date with subscription purchases and now owns more than 80 shares, making this group of Arsenal supporters the fourth largest shareholder in the club.

AST representatives regularly meet with Arsenal executives to discuss the Fanshare scheme and are grateful for the ongoing support of Ivan Gazidis in the operation of the scheme. The AST has made repeated requests to meet with Stan Kroenke to discuss the ways that he can support the Arsenal Fanshare scheme in continuing to prosper. It is important that such discussion takes place with the only equity owner on the club's Board.

The AST would like to thank members who continue to invest time in the running the Arsenal Fanshare scheme: Glyn Taylor, Steve Cooper, Tim Payton, Martha Silcott, Juraj Pekar, Jim Knight and Peter Drew.

On our website, www.arsenaltrust.org, members will see the range of activities we are involved in, including meeting with the major shareholders in Arsenal, scrutinising Arsenal's financial progress, attending club events, widening understanding of how Arsenal and the wider football sector operate as businesses and gaining positive press coverage of all these activities.

Some particular AST highlights during this year included successful campaigning with other supporter groups for improvements to ticketing arrangements at Arsenal, including pricing. We called for and welcomed the proposed improvements to the ticket exchange and were pleased that ticket prices were frozen, and cheaper ticket options introduced. We look for further progress in this area. AST Board member Simon Hill is liaising with the club on an initiative to make more affordable tickets available to younger fans.

The AST gave evidence to the Parliamentary Culture, Media & Sport Select Committee, during its follow-up inquiry into Football Governance. The AST provided evidence to its first inquiry, primarily about the Arsenal Fanshare scheme, and many of our suggestions were covered in its final report and recommendations. Our ongoing concern about Stan Kroenke's unfulfilled promise to meet with supporters (part of his takeover proposal documentation) and the need for support for Fanshare with the liquidity problems it faces were two main points raised with the Select Committee.

In addition the AST revisited some of the recommendations from the Committee's first inquiry. We urged the Select Committee to put pressure on the Government to expedite the creation of an expert working group, including representatives from the Treasury and the Department for Business Innovation & Skills, to address legislative barriers to supporter ownership, including amending the

Financial Services & Markets Act 2000. We also urged the football authorities to build on the welcome proposals they have made to create structured relationships between supporters' trusts, clubs and the Leagues themselves.

As part of our regular programme of activity, the Trust continued to offer its members the opportunity to meet with Arsenal's senior management. This included our annual Christmas drinks in the Diamond Club in December 2012. Again this was well attended by Arsenal directors, including CEO Ivan Gazidis. We increased the number of invitations to Fanshare members and also invited friends from other supporters' groups to be part of our event. Members also had the chance to put their views to Ivan Gazidis at the annual Arsenal CEO Q&A in June.

Nigel Phillips and Simon Hill continue to undertake detailed analysis of Arsenal's Financial Report and Accounts and publish updates every six months that are made available to all members.

There was an increased presence of Fanshare and AST members at the club's AGM in October 2012. This was another opportunity for members to directly pose their questions and concerns to the club's owner and board. The AST asked questions relating to ticket prices, commercial income, Fanshare, committing not to take dividends out of the club and the lack of investment into the playing squad.

It is important that the AST has a good understanding of our members' views so that these can be conveyed to the club and used to shape our policy and decision making. Throughout the year the AST used supporters' meetings and events to discuss views on the big issues facing Arsenal. Our annual end of season survey was again a focal point, capturing views about the club both on and off the pitch.

The AST continues to make sure members' views and messages are widely represented. We are pleased that an increasing number of members have also made media appearances on, among others, Sky Sports News, BBC Radio Five Live, TalkSport and BBC Radio London.

The Trust continues to invite journalists, commentators and experts on the business of football to speak and join discussions at monthly meetings. We are very grateful to all guests who take the time to meet with the Trust.

Financial Reporting

Membership during the year grew from 969 members to 1,030 members, with 25 new life members. As at 31 October 2012 there were 173 life members and 123 members based outside the UK.

The Society Board members feel that the Trust is a going concern based on the continuing support of its members. The level of cash reserves are regularly reviewed by the Society Board and are deemed prudent given unforeseen costs that may need to be incurred in the future.

The principal assets held by the AST, other than cash, are three shares in Arsenal Holdings plc and a copy of the limited edition Arsenal Opus Classic (which was generously donated to the AST). The three shares represent almost 50 per cent of the net assets and members should remember that share prices can go down as well as up.

Principal expenditures relate to communication activities with members and hosting events. We see the revamped website, eNewsletters and the annual survey as important means of understanding views of members, which is essential given the increasingly divergent views of the supporter base.

The Trust also benefits from low running costs due to the generosity of Society Board members and other members, who give their professional time free and provide the free use of meeting rooms and catering facilities for many AST meetings. The Trust would like to place on record its gratitude for such valuable contributions. In addition, the Society Board, on behalf of all members, would like to thank our membership secretary, Carmen Taylor, for her fantastic efforts on our behalf in keeping our back office running so smoothly. Thanks are also due to Colin Eastaugh who undertakes our end of year audit.

The Society Board members who served during the year are set out on the Society Information page. No Society Board member has received any fee from the Trust during the financial year.

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I report on the accounts of the Society for the 12 month period ended 31 October 2012.

Respective responsibilities of the Society Board Members and the Auditor

The Society Board is responsible for the preparation of the accounts in accordance with Section 1 (1) of the Friendly and Industrial and Provident Societies Act 1968 (the 1968 Act).

It is my responsibility to:

- examine the accounts (under section 9 (2) of the 1968 Act)
- follow procedures laid down in section 9 (4) of the 1968 Act
- state whether particular matters have come to my attention.

1. BASIS OF THE AUDITOR'S REPORT

My audit was carried out in accordance with the guidance provided under section 9 (2) of the 1968 Act. The audit includes a review of the accounting records kept by the Society and a comparison of the accounts with those records. It also includes considering any unusual items or disclosures in the accounts and seeking explanations from the Society Board members concerning any such matters.

2. AUDIT OPINION

In my opinion, in accordance with Section 9 (2) of the 1968 Act:

- the Revenue Account gives a true and fair view of the income and expenditure of the Society for the period ended 31 October 2012;
- the Balance Sheet gives a true and fair view of the assets and current liabilities of the Society and the resulting balances of its funds as at 31 October 2012; and
- the Revenue Account and Balance Sheet comply with the requirements of the Industrial and Provident Societies Act 1965 and the 1968 Act.

No matters have come to my attention in relation to compliance with Section 1 (1)(a) or (b) of the 1968 Act.

Colin Eastaugh BSc
27 March 2013

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STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 October 2012

	NOTE	2012	2011
INCOMING RESOURCES		£	£
Membership subscriptions	2	27,337	26,553
Donations/Sundry income		358	374
Interest		185	78
<i>TOTAL INCOMING RESOURCES</i>		27,880	27,005
 RESOURCES EXPENDED			
Management and Administration	4	(13,383)	(17,460)
<i>TOTAL RESOURCES EXPENDED</i>		(13,383)	(17,460)
 Revaluation adjustment	5	9,000	9,600
NET INCOMING RESOURCES		23,497	19,145
OPENING BALANCES		84,512	65,367
BALANCES CARRIED FORWARD AT 31 OCTOBER 2012		108,009	84,512

THE ARSENAL SUPPORTERS' SOCIETY LIMITED
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NOTES TO THE ACCOUNTS

Period ended 31 October 2012

1 ACCOUNTING POLICIES

Basis of accounting

The Society was registered under the Industrial and Provident Societies Act 1965 on 4 March 2003.

The accounts have been prepared under the historic cost convention and are for the 12 months to 31 October 2012, the comparatives are for the 12 month period to 31 October 2011.

The accounts have been prepared in accordance with CRED14 Supervision, Annex 1 of the FSA Handbook, Release 026, December 2003.

Investments are stated at market value at the balance sheet date.

2 MEMBERSHIP SUBSCRIPTIONS

	31.10.12	31.10.11
	No.	No.
Members (net) joining during the year	61	116
	£	£
Opening debtors/creditors	3,125	4,750
Subscriptions paid	27,337	24,928
Less monies paid in advance	(3,125)	(3,125)
	27,337	26,553

3 INCOMING RESOURCES

Donations/Sundry income

Individual donations	0	220
Sundry income	358	154
	358	374

4 RESOURCES EXPENDED

Management and Administration

Marketing and display materials	2,027	2,756
Printing, postage and mailings	6,759	7,322
Licences (SD and FSA)	492	249
Web – design and maintenance	1,271	5,378
Professional Indemnity Insurance	685	800
Online membership joining costs	335	616
Others including annual survey costs	1,814	339
	13,383	17,460

5 INVESTMENTS

Opening balance	42,250	32,650
Cost	0	0
Revaluation adjustment	9,000	9,600
Market value	51,250	42,250

Market value at 31 October 2012 £17,000 per share (£14,000)

A. Purchase of one ordinary £1 share in Arsenal Holdings plc on 27 October 2003 at £1,638 inclusive of £38 dealing costs

B. Purchase of one ordinary £1 share in Arsenal Holdings plc on 4 October 2006 at £1,865 inclusive of £10 stamp duty

C. Purchase of one ordinary £1 share in Arsenal Holdings plc on 28 November 2006 at £1 (“the orphan share”) – subject to a “lock-up” agreement with Arsenal Holdings plc dated 16 November 2006

D. One limited edition Opus Classic (one of 1500) donated to the Trust in 2008 and valued for balance sheet purposes at £250

6 CASH AT BANK

The Co-operative Bank Community Account	30,914	46,356
Co-op three month fixed term deposit	30,000	0
	60,914	46,356

7 SHARE CAPITAL

Opening balance	969	853
Share capital issued (net) in the year	61	116
Closing balance	1,030	969

8 NET INCOME

Opening balance	84,512	65,367
Net income generated in the year	23,497	19,145
Closing balance	108,009	84,512

Post Balance Sheet Events

The AST entered into a Loan Agreement with Arsenal Fanshare Society Limited (AFS) in November 2012 for an amount not to exceed £35,000. This request was made by the AFS to assist it with purchasing shares in Arsenal Holdings plc when they became available to the extent that AFS did not at that particular time have funds to purchase all shares available. The AST Board considered the request and deemed it a positive use of AST funds.

The first drawing under the loan was made on 12 February 2013 for £31,000. The terms of the loan are that it is interest free, and whilst it is repayable on demand by the AST there is no fixed maturity or repayment schedule. AFS is to use "its reasonable endeavours to repay the Loan as its cashflow situation will allow."

As at the date these accounts were signed off no repayments have been made but the AFS has indicated that it intends to repay one half of the loan prior to 5 April 2013.

The AFS is an industrial and provident society established by the AST to allow supporters to buy their own share in the ownership of Arsenal. Please see www.arsenalfanshare.com for more details.

FIVE YEAR SUMMARY

	2012	2011	2010	2009	2008
	£	£	£	£	£
FIXED ASSETS					
Investments	51,250	42,250	32,650	20,950	25,950
CURRENT ASSETS					
Cash at Bank	60,914	46,356	38,320	29,167	19,523
NET ASSETS	109,039	85,481	66,220	49,992	40,473
Members	1,030	969	853	707	648