

ANNUAL REPORT 2019/20

INTRODUCTION

This is the fourth annual report of CF10 Arms Park Rugby Trust for the period up to 30 September 2020.

It is written during the coronavirus pandemic which not only disrupted rugby but affected life throughout the World. The 2019/20 rugby season was significantly disrupted. All rugby matches, including internationals, were postponed in March 2020 and did not resume until the beginning of October 2020.

This has resulted in significant financial pressures on Cardiff Blues Limited (CBL) with no spectator income being received and only limited funding being made available from the Welsh Rugby Union (WRU).

Moreover, face-to-face meetings were unable to be held during the pandemic and CF10 had to cancel its planned Annual General Meeting in March 2020. However, the annual report and annual accounts were made available on line for members' scrutiny. We were also able to elect a board as the individuals who put their names forward did not exceed the limit for Board membership and therefore all were elected.

Monthly meetings of the Board were also cancelled. However, in May 2020 board meetings were resumed on a virtual basis.

Meetings with CBL also continued on a virtual basis. The CF10 board was able to keep its members apprised of developments and issues during the pandemic through emails, social media and blogs.

These issues will be expanded upon in the various sections which follow.

THE ORGANISATION

The organisation was formally established on 19 May 2016 as 'Cardiff Blues Rugby Supporters Society Limited' but trades under the name CF10. It is a legal entity established under the Co-operative and Community Benefit Societies Act 2014 as a Community Benefit Society (number 7342), sponsored initially by Supporters Direct.

Its purpose is to be the vehicle through which a healthy, balanced and constructive relationship between the Club and its associate sides, its supporters and the communities it serves is encouraged and developed. The business of the Society is to be conducted for the benefit of the community served by the Club and not for the profit of its members.

Each member of CF10 holds one share for their period of membership. The Model Rules approved by Supporters Direct act as the organisation's constitution along with the Board's Standing Orders.

PREVIOUS AGMs

Copies of previous AGM minutes are available on the website (<https://cf10rugbytrust.org/>) along with approved minutes of each Board meeting.

BOARD OF DIRECTORS

The following individuals have been elected as Directors by the members of CF10:

- Chair: David Allen (for 3 years until March 2021)
- Secretary: Huw Jones (for 3 years until March 2022)
- Treasurer: Derek Redwood (for 3 years until March 2023)
- Board Members:
 - Simon Baker (for 3 years until March 2023)
 - Andrew Bold (for 3 years until March 2023)
 - Sally Carter (for 3 years until March 2023)
 - Andrew Collins (for 3 years until March 2023)
 - Steve Coombs (co-opted 20 July 2020)
 - Lynn Glaister (for 3 years until March 2023)

The directors are supplemented by a number of invited observers who also attend Board meetings and contribute to the organisation's various working groups. The Directors believe that this model strengthens the Trust by involving and utilising a wide range of skills in its work. In addition, the board is very aware that its skillset needs to be kept under continuous review and is very open to supplementing it on a regular basis.

MISSION STATEMENT

CF10 is a democratic and representative forum open to all supporters of Cardiff rugby. The Board has established a mission statement for its work. This was developed in consultation with members and approved at the AGM in 2017:

- Ensure that the voice of all supporters is clearly heard whenever major decisions are being made at Cardiff Arms Park.
- Encourage the involvement of supporters, including younger supporters, in the activities of the trust.
- Achieve the greatest possible supporter influence in the running and ownership of the club.
- Provide a means of organising small shareholder involvement in order to maximise its impact.
- Act as a critical friend to Cardiff Blues Ltd. and its associate sides, supporting innovation when appropriate and challenging views and opinions when these conflict with the views of members.
- Ensure that the heritage of Cardiff rugby is accurately and carefully preserved and that the collection of heritage materials is a continuous and valued process from here on.
- Ensure that the future developments at the Arms Park fully reflect the heritage of the club including the retention of 'Cardiff' in the professional team name and to resist any attempts to dilute its prominence.
- Ensure that the future Arms Park remains first and foremost a rugby stadium and that the experience of attending rugby at Cardiff is something that all supporters value. (While appreciating the necessary commercial drivers).
- Work with other supporter organisations for the betterment of Cardiff rugby.

GOVERNANCE

Complementing our Standing Orders the Board has established a Director's Handbook, both of which

are available online (<https://cf10rugbytrust.org/documents>). We believe strongly in the principles of openness and transparency. We also update our Governance Action Plan at every meeting.

MEMBERSHIP

Up to 30 September 2020 we had 781 members, an increase of 67. We have an ambition to recruit 1000 members - the more members we have, the more influence we will have.

Contrary to some beliefs, members don't have to live within the City walls to join. Our members come from across the region and other parts of Wales and the UK. Internationally we have members as far afield as Austria and Australia, Spain and New Zealand.

The AGM in 2019 agreed that the membership fee should be reduced to £1. There's no excuse for even those fans with the deepest of pockets not to sign up.

SHARES

The Trust (and therefore each member) owns 200 shares in Cardiff Blues Ltd. More importantly, members who are shareholders have signed proxy forms to CF10 for over 41,250 shares, meaning that we can vote en bloc if we need to and have greater influence on the club. This means that we're the 8th largest shareholder in the company, which has made people take note.

NEW FUNDING MODEL FOR REGIONAL RUGBY

In January, the Professional Rugby Board (PRB) appointed a new Chair, Amanda Blanc. A new funding model for the Regions also began to emerge.

The Model criteria gives priority to the 'National 38' followed by players on a watch-list and Academy players. Other criteria include governance (business leadership and business management); commercial; coaching; community and success on the field.

Having a player in the National 38, a list which doesn't include England-based players, results in an 80% contribution to salary with the Region only picking up 20%. If someone is removed from the list due to injury or form then the Region will only receive 50% funding the following year and zero the year after that.

The Model is geared towards producing players for Team Wales and it will be difficult for the Regions to back-fill and recruit non-Welsh players. The initial attraction of 80% funding is more than balanced by the risk of having to pick up all the salary costs for an injured or out of form player. The model structure also makes it difficult to see how a more stable funding arrangement could be achieved where regions receive three-year budgets rather than annual ones as at present. Such a situation would help with improved financial control and management and maybe even allow the regions to start building a reserve fund in due course to help smooth financial volatility.

PRB was proposing to hold a series of roadshows to communicate the above to stakeholders. A meeting with CBL staff/players was scheduled for the end of March and it was expected that PRB would meet supporters soon after that meeting. All of this was postponed due to the pandemic.

CARDIFF BLUES

CBL had not held an AGM for over two years but issued a notification that one would be held on 31 December 2019. The purpose was to consider 8 resolutions, including 4 special resolutions, the latter requiring at least 75% of shares being voted. The main ones related to a revised constitution and the power to create A-shares in order to turn debt to equity, as part of Project Reset commitments. CF10 voted in favour of all 8 resolutions having received satisfactory answers to a number of questions.

Due to time restrictions on New Year's Eve a further open meeting was held on 16 January for both shareholders and supporters in order to answer questions more fully.

Chief Executive, Richard Holland said that the aim of the evening was to talk about the direction of travel of the company. The focus was the recently published 'Cardiff Blues Way'. He also spoke about the agreed high level objectives for CBL, namely achieving Pro14 Play-offs and EPCR Quarter Finals by 2020. He said that the former was still possible while the latter was unlikely.

PRB had also set a number of sub-objectives which CBL had agreed. These were consistent with many issues which we have been raising over the past 4 years. They included: modernising the Board; achieving a step-change in commercial revenue; achieving a long term future at CAP; consistently selling out CAP. There were also PRB objectives in relation to: developing a high quality coaching team; strengthening the Academy; transitioning players to international level; strengthening the squad; engaging with the North of the region.

Financially, before the pandemic hit, CBL was heading towards a healthier financial position and was forecasting budget being achieved +/- £200K. These plans have been thrown up in the air.

There was significant continuing concern from supporters about the lack of communication both from CBL about its activities and also the WRU and Professional Rugby Board (PRB) about Project Reset and how funding was distributed.

In March, matches began to be postponed and later Guinness Pro14 announced that the season was to be indefinitely suspended, with a number of criteria to be met if it was going to restart again. The final two rounds against the Scarlets and Ospreys were eventually played at the end of August.

For Cardiff Blues it meant the season will be forever remembered, even though up to the point of suspension, it was a largely forgettable few months at the Arms Park. There was much hope going into the season that John Mulvihill's men could 'do a Connacht' as it's known. Taking advantage of the Rugby World Cup disrupting the early part of the season and put together a run of form that puts the team in a good position having not lost too many players to international duty.

A bonus point win away at Southern Kings to start the season was cause for optimism, but unfortunately four straight defeats on the back of that put Cardiff Blues well on to the back foot, while a home loss against Leicester in the European Challenge Cup was a blow as well. Over November and December there was an element of resurgence as internationals returned to the squad and injected some confidence, with a superb win away at Benetton being followed by a thumping of Pau at the Arms Park.

With a win away at Ospreys coming at long last to start the festive derbies off with a bang, and then a Boxing Day win over Dragons following that up, it seemed like things were on an upward curve.

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However, January and February saw losses against Scarlets, Leicester, Connacht and Edinburgh, leaving the club out of the Challenge Cup and the reckoning for a play-off spot in the Pro14, a disappointing position to be in.

There would have been an opportunity to push for a fourth place play-off for the Heineken Champions Cup if the season continued, but with mounting injuries and a pack that continues to lack the necessary muscle to get us into games, the task was an uphill one to say the least.

On a positive note the emergence of young players like James Ratti, Shane Lewis-Hughes, James Botham and Ben Thomas sees the future continuing to look bright.

CARDIFF RFC

While Cardiff Blues were stuck in a rut, Cardiff RFC were enjoying a superb season before all domestic rugby in Wales was cancelled by the WRU at the start of the pandemic.

At that point the Blue and Blacks were on course for an historic league and cup double, sitting top of the Indigo Group Premiership and preparing for a WRU Specsavers Cup semi-final once again. It hadn't all been plain sailing for Steve Law's men, despite the first half of the season passing by like a dream. There were 13 straight wins, 11 in the league and two in the cup, send Cardiff on the way to retaining the cup and sitting comfortably top of the league.

However, two losses in three games across the turn of the year, away at Pontypridd and Carmarthen, had the team just keeping an eye over its shoulders as the Quins and Aberavon crept up, with the latter getting a win over the Blue and Blacks in the last game before the cancellation.

That being said there was still a seven-point cushion at the top of the Premiership with a game-in-hand, and a Cardiff squad that worked hard to produce when it mattered. Building from the success of 2018/19, the Blue and Blacks had a powerful pack that dominated at the set piece, in attack and defensively, and a set of backs capable of cutting through any defence in Wales.

Of course, the tragic events in the World today supersede any in rugby, but it remains a disappointment that Cardiff RFC will not get the silverware they so deserved at the end of the 2019/20 season. The cancellation should not take credit away from the players, coaches, staff and volunteers.

CARDIFF ARMS PARK REDEVELOPMENT

The saga of the redevelopment of the Arms Park continues. Does the financial crisis that will result from coronavirus pandemic make progress on redeveloping the Arms Park more or less likely? Common sense would probably suggest the latter, but who knows what incentives may be available to kick-start the economy once this is all over.

Cardiff Blues now have less than two years left to run on their lease, a risk to the long-term viability of the business that is increasing month on month. Cardiff Athletic Club's (CAC) Ground Redevelopment party had been meeting regularly before the pandemic struck in March, and CBL had been asked to submit a wish list of what they would like to see in any redevelopment. However, once lockdown occurred CAC Management Committee did not meet again until November.

As we have said for a number of years, the key would seem to be agreeing a rugby vision first-clarifying the relationship between the professional and semi-professional teams for the good of

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both, agreeing a long-term strategy for how the latter is to be funded, and ensuring that Cardiff rugby returns to its former position as one of the leading powers in British and European rugby. Sort the rugby plan and the stadium issue will follow; with no agreed plan and no agreed relationship, as has been repeatedly demonstrated in recent years, it becomes much harder.

It remains a huge frustration to those on the terraces and in the stands that all sides want the same thing - a reliably successful professional team, an equally successful Premiership side that feeds the former, both playing at the current site in a stadium that makes people want to come and watch live rugby rather than sitting at home doing so on their settees, and which generates income throughout the whole year.

SUPPORTER DIRECTOR

In September 2018 we wrote formally to the Cardiff Blues Board asking that they consider appointing a Supporter Director as part of their planned governance changes; we also made the case in a detailed blog. In our letter, we specifically stated that:

'It is the creation of a Supporter Director that is our objective per se, and we obviously have no right or expectation that we should fill such a position. Indeed, it is our view that to have any credibility the position would need to be advertised and filled by election through a transparent process'.

The CBL Board responded by forming a working group involving Chair Alun Jones, NED Andrew Williams and Richard Holland to explore the idea further. All three travelled to Llanelli to meet with Crys16, the Scarlets' Supporters Trust on the evening of 12th February.

Crys16 have been represented on the Scarlets' board for five years, initially as an observer but latterly as a full member, with Scarlets Chair Nigel Short commenting on how 'having the biggest emotional stakeholders in the business helps us make the right decisions'.

The feedback that we've had from both sides has been really encouraging and the next step was for a report to be given at the CBL board at its next meeting. Unfortunately, the onset of the pandemic meant that the meeting had a curtailed agenda, focusing purely on the financial challenges faced by the company.

CF10 absolutely understands this and has no wish to do anything to distract the Board from dedicating its time to navigating the next few months successfully and hopefully coming out stronger on the other side. Our worry though is that, having been promoting this agenda for over three years and finally seeming to have got somewhere, momentum will now be lost.

CARDIFF RUGBY HERITAGE

We continue to work as part of the Heritage Group with Cardiff RFC and Cardiff Blues to preserve the history of Cardiff Rugby, both through the care and documentation of the existing collection and the photographing and recording of memorabilia held in private hands. As at 30 September there were over 1500 objects on the Online Museum, which is becoming a very rich source of information about Cardiff rugby.

In early March CF10 hosted a meeting of the Rugby Memorabilia Society in the Trophy Room at the Arms Park. We gave an informal presentation about the work that has been done on preserving the

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Cardiff rugby collections and making them available to a wider audience through the online Museum.

We were very pleased to launch the Bleddyn Williams Collection on the Cardiff Rugby Museum Website, in conjunction with Glamorgan Archives and the Williams family. Comprising some 137 objects that include precious photographs, personal letters, programmes, drawings and fixture cards, the collection provides a unique record of one of Wales' most celebrated players.

As part of the oral histories collection it also includes a wonderful, previously unpublished, interview with Bleddyn. Other Cardiff legends added during the year to the oral histories included Gareth Davies and John Harding which also includes interviews with Alun Priday, John Scott and Sir Gareth Edwards.

SOCIAL MEDIA

We have continued to develop a series of blogs (<https://cf10rugbytrust.org/blog>) on the strategic and political issues that currently face the club. These sit alongside match previews and reviews for every Cardiff Blues game. We are fortunate to have such a talented set of writers at our disposal. We have continued to have a strong presence on social media but this has been an on-going challenge with limited rugby taking place during the last year.

WELSH LANGUAGE

Over the last year we have been pressing Cardiff Blues to make greater use of the Welsh language. Whilst there is no legal requirement for them to do so we believe this is important for the capital region. To their credit they have been listening and making changes despite the lack of funding available to them. They have recognised the benefits of increasing use of the language. This is evident when signs are being replaced; tannoy announcements at matches; social media communications etc. We will continue to encourage them to expand the use of Welsh.

CF10 is moving towards making its website fully bi-lingual but the constraints on volunteers has meant a delay in progressing the project. This is taking time to achieve, but hopefully everything will be in place to allow this to happen soon.

LOOKING BACK AND FORWARD

Last year the Board identified a number of key areas that we planned to focus on:

- Contributing to shaping the future vision for Cardiff Blues and Cardiff Arms Park - our biggest concern;
- Seeking to further increase our membership numbers and shareholding;
- Establishing more frequent engagement with members;
- Building resilience at board level.

Board members have continued to spend a great deal of time on behalf of the membership working behind the scenes, sometimes being very vocal publicly but at other times keeping our counsel, seeking to influence CBL.

We have continued to press for the development of an agreed rugby vision between CBL and CAC - clarifying the relationship between the professional and semi-professional teams for the good of

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both and agreeing a long-term strategy for how the latter is to be funded. As part of this approach we have emphasised the importance of CBL embracing the history and heritage of Cardiff rugby in its branding both in terms of improving relationships with CAC but also to benefit its commercial strategy.

Due to a lack of communication with both supporters and CF10 our relationship with CBL did become very strained during the year. However, following a 'clear the air' meeting matters were resolved and at the end of our financial year we were meeting frequently with CEO Richard Holland and NED Andrew Williams to both support and challenge CBL in its thinking.

In September 2018 we reported a membership of 663. This increased to 714 by September 2019 and in September 2020 it stood at 825. Consequently we are well on the road to achieving our aim of 1000 members.

Our engagement with members significantly increased during the year. Although we only produced and distributed two quarterly newsletters we significantly increased the number of letters and meeting notes emailed to members. Despite our efforts we have not been able to engage with younger supporters and encourage a younger representative to join the Board. This will be a continuing challenge.

In March 2020, we had 4 Board members plus the Treasurer post due for re-election/retirement. All 5 posts were filled and we also co-opted a further director to strengthen the Board. The wider group of observers has also been strengthened and this gives the organisation some resilience.

It is our intention to review, revise and consult on the Mission Statement at the beginning of 2019/20 and to put any new proposal to the March 2021 AGM.

CONTACT US

If you have any questions regarding this annual report or any queries regarding Cardiff rugby generally, then feel free to get in touch here: <https://cf10rugbytrust.org/contact-us> - we're always keen to hear members' views.