



e: [dhst@btconnect.com](mailto:dhst@btconnect.com)

f: 01344 452751

t: 07984 278265

w: [www.dhfctrust.net](http://www.dhfctrust.net)

Dulwich Hamlet Supporters' Trust  
PO Box 43616  
London SE22 0XA

Steve Dye  
Dulwich Hamlet Football Club Ltd  
1 Greyhound Way  
Crayford  
Kent  
DA1 4HF

Friday, 16<sup>th</sup> April 2004

Dear Steve,

### Proposal to invest in DHFC

Following recent email correspondence with Bill Azzi, I would like to put forward a proposal on behalf of Dulwich Hamlet Supporters' Trust (DHST) to invest in Dulwich Hamlet Football Club.

DHST feels that there are untapped resources among the fan base and in the wider community that the club could access if new partnerships were formed and new ideas developed. In particular, DHST would like to put forward an investment proposal that has benefits for everyone interested in the football club.

Dulwich Hamlet Supporters' Trust is looking to invest regular and significant sums of money into Dulwich Hamlet FC in order that the club can maximise its potential on the playing field. It is anticipated that this investment will be enough in the first year to allow the manager to employ a new player of his own choosing, on contract, and without interference from the supporters. It is anticipated that as the fundraising efforts gather momentum DHST will increase its investment in the club in future years.

In return for its investment and commitment DHST would like new issues of shares for each tranche of monies it invests into the club; ideally, to minimise paperwork, this could be done by annual blocks of new shares.

DHST feels that structuring its investment this way i.e. receiving shares for investment, is beneficial for all the stakeholders in Dulwich Hamlet FC. To explain:

- the club receives a new, regular and sustainable income stream into the football club, above and beyond the one-off donations that loyal fans continue to contribute; this will in turn allow the club's management structure to budget more effectively and put the club on a more stable financial footing. Loyal fans can and no doubt will continue to volunteer one off donations, but given the regularity and reliability of this new income stream, DHST is put on a very different level than that of isolated donors, and hence the interest in shares
- the Trust gets a 'return' on its investment, in terms of stock, and even though on paper at least the monetary value of stock in DHFC is probably only nominal, it has a symbolic value to the organisation and members that gives meaning and purpose to its work.
- the supporters and members of the trust have an ongoing incentive to continue putting money into the club in that through the trust they are collectively building their stake in the club while seeing their money helping the team on the pitch. By using a lottery system as the chief mechanism for raising the money, the supporters are also incentivised



e: [dhst@btconnect.com](mailto:dhst@btconnect.com)

f: 01344 452751

t: 07984 278265

w: [www.dhfctrust.net](http://www.dhfctrust.net)

Dulwich Hamlet Supporters' Trust  
PO Box 43616  
London SE22 0XA

by the possibility they might get a personal return on their investment into the club - an outline of this scheme is provided below.

At a number of clubs across the country supporters' trusts already occupy provide a sustainable source of funds to the clubs they support and receive shares for their efforts. According to recent Annual Reports from the Football Governance Research Centre supporters' trusts contributed some £3million to clubs both large and small and 70% of Football League clubs now have a shareholding supporters' trust<sup>1</sup>. At some clubs such as Manchester United the supporters' trust pools some £10,000 per month to solely purchase shares and has had regular investments of up to £5,000 per month from some of its more wealthier members. Naturally, at smaller non-league club such as Dulwich Hamlet will not be able to generate such sums, but it would still be able to raise significant sums of money. At Newport County FC for instance, the Supporters' Trust have raise some £10,000 per year from their established fundraising activities.

#### **Raising the money - The 100 club**

The primary mechanism for raising the investment will be a 100 club, organised and run by DHST. The 100 club works by pooling regular contributions from dozens of Hamlet fans on a Standing Order/Direct Debit basis and then splitting the proceeds equally between prize money and investment into the club. Therefore 60% of what it raises will go into funding the new contracted player and the other 40% would be returned to the winners and runners up according to a set formula set out in the full rules. This balanced arrangement has worked well at other non-league clubs, for instance Enfield Town and Newport County, and has proved effective in ensuring participants continue to make their payments, beyond just providing one off donations.

The 100 Club will be open to anyone to join, providing they sign up to the rules and are willing to put in the minimum monthly fee of £1. Many supporters may wish to invest more than the minimum payment, and this is perfectly acceptable, but the minimum payment is deliberately set as low so as to not exclude any supporters, regardless of their means. As there is an incentive for fans to keep on participating in the scheme i.e., the chance benefit personally by winning the prize money, the scheme will provide a regular and sustainable income to the club.

#### **Raising the money - merchandising**

As a secondary fundraising mechanism, DHST may also choose to use funds from its merchandising activities in order to invest in the club in return for shares. The club shop is now established and is returning a profit on items it is selling. As the merchandise grows and diversifies, this income stream will increase investment potential to DHST.

#### **Projections**

DHST anticipate that in the first year the 100 club will attract 40 members contributing on average £10 each per month, providing an extra income of £240 to the club a calendar month or £2,880 a year. It is anticipated that in the following year this input will grow.

I would like to discuss this proposal further with you and would therefore be grateful if you would contact me after you have had a chance to consider it of course. Ideally, this would be a face-to-face meeting within the next four weeks, i.e. before the end of the season, but I

---

<sup>1</sup> FGRC (2003), The State of the Game: The Corporate Governance of Football Clubs 2003, Birkbeck, University of London. See [www.football-research.bbk.ac.uk/research](http://www.football-research.bbk.ac.uk/research) for details



e: [dhst@btconnect.com](mailto:dhst@btconnect.com)

f: 01344 452751

t: 07984 278265

w: [www.dhfctrust.net](http://www.dhfctrust.net)

Dulwich Hamlet Supporters' Trust

PO Box 43616

London SE22 0XA

welcome any opportunity to discuss matters further. Feel free to contact me on any of the above co-ordinates.

Yours sincerely

Michael O'Shaughnessy  
Chair