



Heart of Midlothian plc

110th AGM

20th December 2016

Agenda



1. Chairman's Welcome and Opening Remarks

2. Formal Business

Adopting 2015-16 Accounts

Re-appointing Directors to the Board

Re-appointing Auditors

Authorising Auditor remuneration

Questions relating to the formal business

3. Performance Update

4. General Questions and Answer Session



Chairman's Statement



2015/16 Season Highlights

On the footballing side:

- Return to Premier League with a 3rd place finish
- Return to European football - first time since 2012
- Sale of players generating more than £1m
- Continued investment in the Academy

2015/16 Season Highlights



On the business front:

- Opening of Memorial Garden
- Completion of the 'This Is Our Story' Museum
- Bringing our Retail Operation in-house
- Announcement of plans to redevelop Tynecastle



2015/16 Season Highlights

**Underpinning all of this:
Fans / Benefactors support**

- Continuation of our unique Save the Children relationship
- Amazing advances in the work done by our charity – Big Hearts
- Allows us to continue to invest in the future

Financial Highlights



	Budget 2015/16 £'000	Actual 2015/16 £'000
Revenue	7,900	9,900
Staff Costs	4,500	5,500
Overheads	3,500	4,200
Gain on player sales	-	1,000
Profit / (Loss) (EBITDA)	(100)	1,200
FOH Income	1,400	1,600



2016/17 The Story So Far

- Farewell to Robbie & Stevie and welcome to Ian & Austin
- Fighting hard for a top 3 finish this season
- Considerable work done on Tynecastle Stadium Redevelopment:
 - Planning permission achieved
 - Relocation of Admin offices and shop
 - Demolition almost complete
 - Programme of work established for 2017/18



Tynecastle Redevelopment Project

		£
Main Project	Main Stand	10 million
	Wheatfield Undercroft / Community Pitch	1.4 million
Ancillary Projects	Museum & Memorial Garden	350k
	Other Stand Improvements	250k
	TOTAL	12 million



Tynecastle Redevelopment Project - Funding

	Funding Plan £million	Available Now £million	Unrealised Commitment £million	Current Funding Gap £million
Club Resources	3	3		
Benefactors	3	3		
FOH	3	1	2	
Debentures	1	-		1
Additional new stand capacity	1	-		1
Supporter Contribution Schemes / Fundraising	1	0.3		0.7
TOTAL	12	7.3	2	2.7



Tynecastle Redevelopment Project – Key Milestones

Phase 1a	Date
Demolition Complete	4 th January 2017
Main Girder Truss Installed	End January 2017
Main Steel Works Commences	End February 2017
Curtain Walling Commences	April 2017



Tynecastle Redevelopment Project – Key Milestones

Phase 1b	Date
Main Stand Demolition	Summer 2017
New Pitch	Summer 2017
New Seating Installed	Autumn 2017

OPEN FOR SUPPORTERS: SEPTEMBER 2017



Tynecastle Redevelopment Project – Key Milestones

Phase 2	Date
Fit Out Hospitality	Christmas 2017
Fit Out Nursery and Community Space	Spring 2018

PROJECT COMPLETE: SUMMER 2018



2016/17 The Challenges

In addition to the routine operational challenges involved in running a football club:

- Aggressive timetable for new stand development
- Securing the funding on a timely basis for stand fit-out
- Continuing to work with FOH to secure the 'pledge for life' to enable the £3m funding to be fulfilled



Formal Business



Finance Update

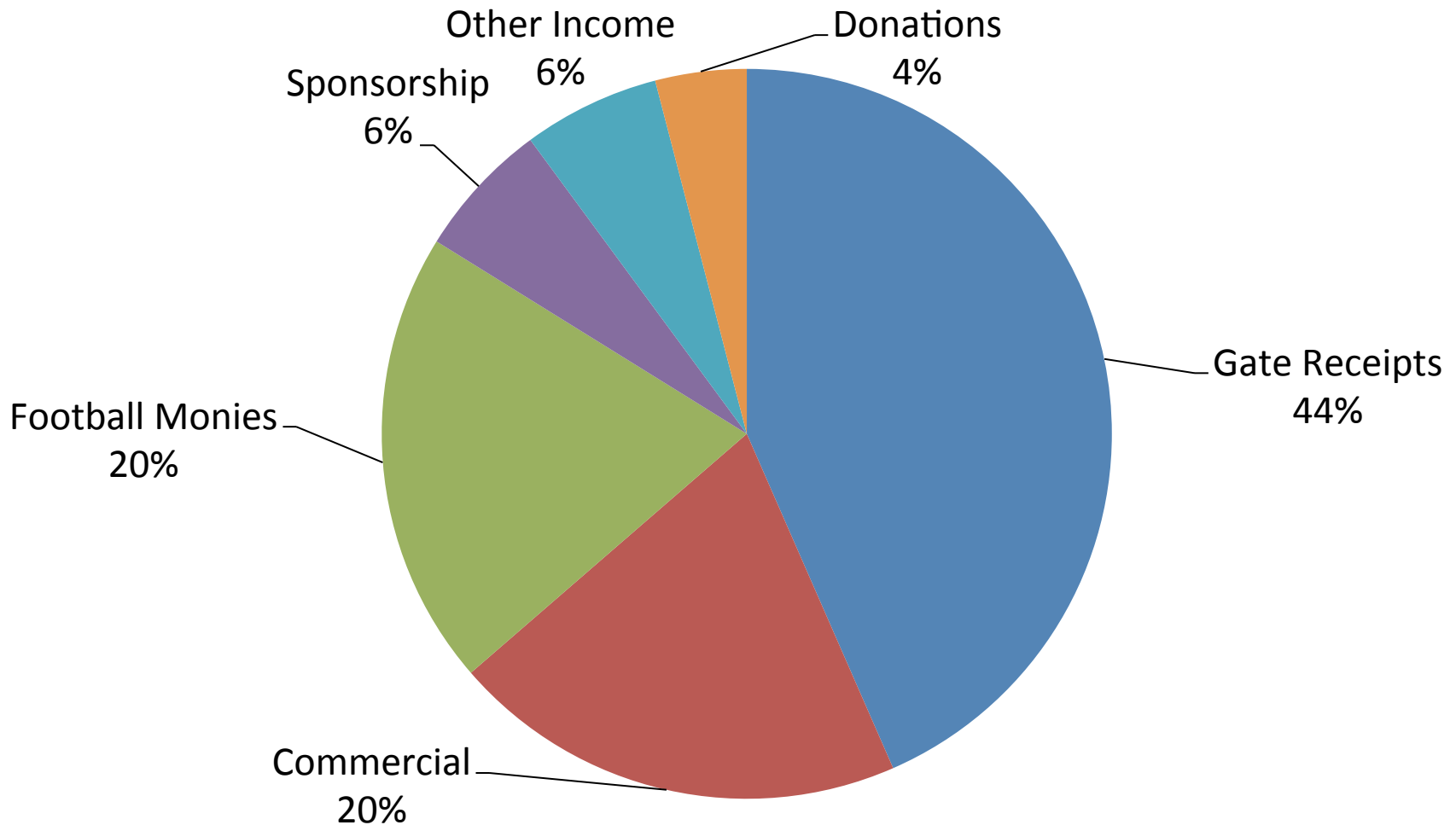


Financials 2015/16

	Budget 2015/16 £'000	AGM Reforecast 2015/16 £'000	Actual 2015/16 £'000
Revenue	7,900	8,500	9,900
Staff Costs	4,500	4,700	5,500
Overheads	3,500	3,700	4,200
Gain on player sale	-	-	1,000
Profit / (Loss) (EBITDA)	(100)	(100)	1,200
FOH Monies	1,400	1,500	1,600

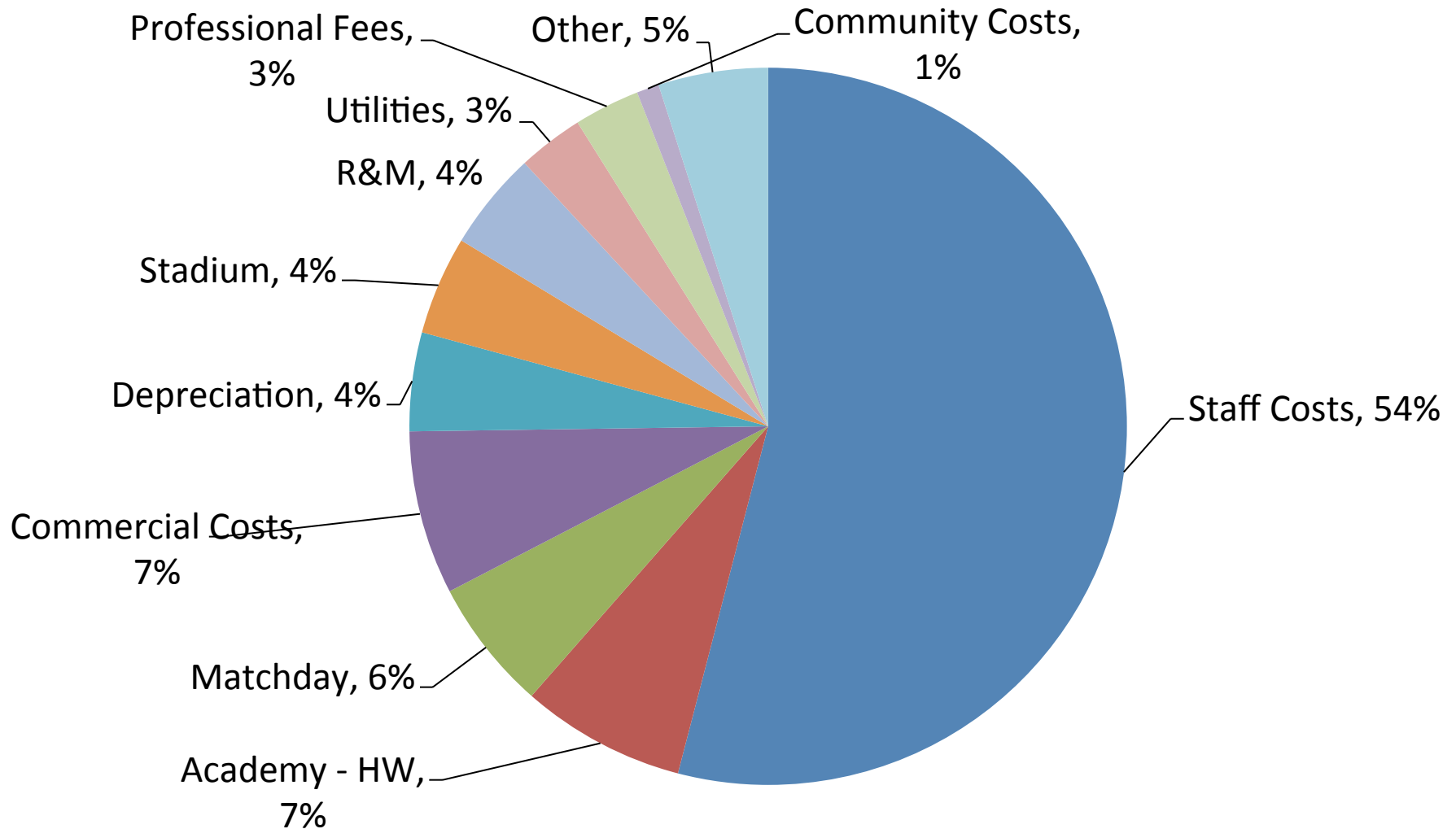


2015/16: Sales Mix





2015/16: Cost Mix





Key Overheads: 2015/16

	2014/15 Actual £'000	2015/16 Actual £'000
<u>Academy - Riccarton</u> Rent/Utilities Canteen/ Football Kit	548	600
<u>Matchday</u> Stewards/ Police/ Ambulance/TTRO	399	475
<u>Stadium</u> Rent/ Rates/ Security/ Cleaning/ Waste	358	380
<u>Repairs & maintenance</u> (incl museum & memorial garden)	370	400



Balance Sheet: 2015/16

Balance Sheet	Year Ended 30 June 2015 £'000	Year Ended 30 June 2016 £'000
Fixed Assets	7,200	7,800
Current Assets	5,700	7,800
Creditors < 1 Year	(5,200)	(5,800)
Net Current Assets	500	2,000
Creditors > 1 Year	(5,100)	(2,400)
Total Net Assets	2,600	7,400



Financials: 2016/17

	Actual 2015/16 £'000	Budget 2016/17 £'000	Latest Forecast 2016/17 £'000
Revenue	9,900	10,400	10,400
Staff Costs	5,500	5,600	5,800
Overheads	4,200	4,700	4,900
Gain on player sale	1,000	-	
Profit / (Loss) (EBITDA)	1,200	100	(300)
FOH Monies	1,600	1,500	1,500



2016/17 Looking Forward

- We do have a cautious approach to budgeting & reforecasting
- Upside can come from:
 - Decent cup participation
 - A better than budgeted finishing position in the league (> 4th)
 - Better utilisation and re-sale of 'unused' season tickets
 - Continued fan support for our hospitality & retail offerings
- Many challengesbringing lots of opportunities



Football Update



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Questions?