

ANNUAL REPORT 2020/21

INTRODUCTION

This is the fifth annual report of CF10 Arms Park Rugby Trust for the year to 30 September 2021.

It is written during the coronavirus pandemic which not only disrupted rugby but affected life throughout the World. The 2019/20 and 2020/21 rugby seasons were significantly disrupted. All rugby matches, including internationals, were postponed in March 2020 and did not resume until the beginning of October 2020. With significant travel restrictions imposed on clubs and unions, the Pro14 was particularly affected. Moreover, spectators were not allowed into grounds to view live matches until September 2021 when teams started to play pre-season warm-up matches.

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). A loan was arranged by the latter for the four pro clubs but this has proved to be both an initial godsend but also a mill-stone.

However, it was also one of CF10's most successful years with a number of our aims being achieved. CBL board announced that from September 2021 the team would be known as 'Cardiff Rugby' and revert to the 'Blue and Black' colours. A closer developmental role would also be formed with Cardiff RFC with the latter reverting to the 'Rags' and used as a second team to support the first.

On 8 September 2021 at the CBL General Meeting, Chairman Alun Jones announced that the board wanted to appoint a Supporter Advisor, who would attend board meetings. The person would be elected by supporters. This has been a major goal of CF10 and was one of the rationales for our establishment. We are delighted that supporters will now have some input to the running of the club. It is a major step forward and a huge achievement.

During the year we were also invited to join the Joint Supporters Group (JSG) with other pro team supporters. With them we attended virtual meetings with Welsh Rugby Union (WRU) Chief Executive Steve Phillips and Mark Killingley, Head of Digital and Communications where we were able to question them about policies towards the pro clubs.

Face-to-face meetings were unable to be held during the pandemic and CF10 had to hold its Annual General Meeting in March 2021 using Zoom. Discussions and presentations were made virtually and the annual report and annual accounts were made available on line for members' scrutiny. We were also able to elect a new Chair and two new board members using digital voting.

Monthly meetings of the Board resumed in May 2020 on a virtual basis.

Meetings with CBL also continued on a virtual basis. The CF10 board was able to keep its members appraised 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 Rugby Ltd. 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. The organisation's name was formally changed to CF10 Rugby Trust following a vote at the 2021 AGM and this came into being in September 2021

CF10's 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 organisation is 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 initially 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 in the 'Documents' section on the website (<https://cf10rugbytrust.org/>) along with approved minutes of each Board meeting.

BOARD OF DIRECTORS

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

- Chair: Lynn Glaister (for 3 years until March 2024)
- 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 (for 3 years until March 2024)
 - Simon Jones (for 3 years until March 2024)

The directors are supplemented by a number of invited observers who also attend Board meetings and contribute to the organisation's various working groups. We 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. In 2021/22, we are committed to increasing representation by young people.

It would be remiss of us at this point not to thank and praise the outgoing Chair, David Allen. He was the driving force behind the establishment of CF10 in its early days when he led the working group. He was then elected as the first chair. Without David, many of the achievements listed in this annual report would not have been accomplished. His commitment, drive and communication skills made others take note of CF10's work. His legacy can clearly be seen especially in the changes made by the CBL board.

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 initially approved at the AGM 2017 and a revised version was approved at the AGM 2021:

- Ensure that the voice of all supporters is central and foremost when major decisions are being made at Cardiff Arms Park and to achieve the greatest possible supporter influence in the running of the club.
- To continue to build the Trust's holding of directly owned and proxy shares thereby creating a significant influence on decision making at AGMs and EGMs of the company.
- 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.
- To ensure that the continuous history of Cardiff rugby is preserved and promoted via:
 - Cardiff Rugby Museum
 - Future developments at and of Cardiff Arms Park
 - The branding and strategy of the professional rugby team, including retaining 'Cardiff' in the team name.
- To work in partnership with other regional and local supporter groups in order to maximise our influence at the national and local level.

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 2021 we had 800 members, an increase of 19. 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, 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 to prevent any financial barrier to membership

SHARES

The Trust (and therefore each member) owns 200 shares in Cardiff Blues Ltd (CBL). 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. We're now the 8th largest shareholder in the company, which has made people take note.

CARDIFF BLUES LTD OFF THE PITCH

Before the pandemic hit, the Professional Rugby Board (PRB) involving the Welsh Rugby Union and four pro clubs agreed a planning figure of £26m for distribution to the professional sides. However under the Professional Rugby Agreement (PRA) a risk/reward clause exists. This basically means that surplus from the international game goes to the pro clubs (having taken a ring-fenced amount out for the community game). But during times of hardship the four pro teams carry the risk and any losses.

This was the nightmare facing CBL. The payment from the WRU to the pro clubs for the provision of services (supplying players for the national team, running academies etc.) fell to £3m or £0.75m per pro club. At the end of the WRU's financial year in March 2021 a further £2m was added to the pot for distribution.

With the collapse in income to the pro game from attendances, sponsorship and commercial activities, the WRU started discussions with the Welsh Government in May/June 2020 on a loan, eventually agreeing in October 2020 an £18m Coronavirus Large Business Interruption Loan Scheme ("CLBILS") loan from NatWest (BoE base rate plus 2.25%, loan repayment in instalments by 2023) and a £2m loan from World Rugby (BoE base rate plus 1%, loan repayment in instalments by 2024). CBL received £5m but under the PRA, the pro teams are responsible for the repayment of the loan. This was initially seen as a lifeline but its terms are crippling due to the short repayment period and interest rate. In two years' time the clubs will each have to pay nearly £3m pounds back to NatWest. A first payment of £1.25m was made by the WRU in July 2021 and a further payment is due in November. The WRU had to make the payment due to the fact that the pro teams did not have the cash. But any payment made by the WRU will reduce the funding of £23m made available by PRB for 2021/22. The clubs are carrying all the risk.

At the time of writing the WRU is still seeking a more favourable loan from the Welsh Government to replace the NatWest loan. In England the Department of Digital, Culture, Media and Sport has made loans to the RFU and pro clubs on preferential terms: CLBILS £8.5m per club repaid over 20 years with a capital holiday first four years and an interest rate of 2%.

Fortunately on 25 January 2021, the Welsh Government announced a series of grants to be given to sport in Wales from its Sport Survival Fund. Rugby received £13.5m; £2.7m for each of the four pro clubs plus the WRU itself. This has been a godsend for the club.

At the CBL General Meeting on 9 September 2021, a presentation was made on the club's expected financial position for 2020/21 as set out in its 2020 accounts:

Key performance indicators

KPIs for Year ended June	20/21	19/20	18/19
	(Forecast)	(Actual)	(Actual)
	£000	£000	£000
WRU Income	750	5,017	4,790
Competition Income	2,800	2,977	3,223
Commercial Income	750	3,575	4,505
Total Turnover	4,300	11,569	13,020
Gross (Loss)/Profit	(4,300)	1,712	2,444
Government Support	3,800	836	
(Loss)/Profit for the year	(2,200)	(380)	3
Net (Liabilities)	(6,743)	(4,543)	(4,163)

CF10 ARMS PARK RUGBY TRUST

- Up to March 2020, CBL was close to break-even
- Turnover is likely to be down £7m mainly due to a significant reduction in WRU income, match-day income and commercial partnerships.
- Losses for the year to June 2021 will be around £4.3m but the Welsh Government grant, including furlough payments, will reduce this to £2.2m which will increase liabilities to £6.743m

Each of the four pro teams is in a very difficult financial situation. Ironically the WRU has posted accounts which show it making a small profit.

On a more positive note, the CBL board announced that from September 2021:

- The club would be known as Cardiff Rugby.
- The club would revert to its traditional blue and black colours.
- It would embrace the history of Cardiff rugby dating back to 1876
- A closer developmental role would be formed with Cardiff RFC with the latter reverting to the 'Rags' and used as a second team to support the first.

SUPPORTER DIRECTOR

After many years of discussion and lobbying on 8 September 2021 at the CBL General Meeting, Chairman Alun Jones announced that the board wanted to appoint a Supporter Advisor, who will attend board meetings. The Advisor will be an observer on the board but have full speaking rights which is the crucial requirement, although they will not have a vote. The person will be elected by supporters - shareholders, CF10 members, season members, Cardiff Blues Supporters Club members will all be eligible to vote. The process will involve:

- Publication of a role description and person specification.
- Pre-election candidate scrutiny by the Board.
- Invite eligible supporters to vote.
- Election will be first-past-the-post.
- Appointment 1 January 2022

This has been a major goal of CF10 as it was one of the rationales for our establishment. We are delighted that supporters will now have some input to the running of the club and that the person will be democratically elected. It is a major step forward and huge achievement.

However, having a supporter advisor on the Board will be meaningless unless the right person is appointed. We need someone who will genuinely engage with supporter groups, seek their views and feedback from the CBL board.

CARDIFF BLUES ON THE PITCH

The 2020/21 season started just four weeks after the previous season finished, it took place entirely behind closed doors; the league was called the Pro14 but was only competed for by 12 teams; it was only 16 games long; it included a hastily arranged one-off competition; saw us change head coach/director of rugby; play at three different home grounds as the Arms Park was used by the NHS as the Dragon Heart Hospital during the pandemic.

CF10 ARMS PARK RUGBY TRUST

When it comes to assessing the results of 2020/21, it's a fairly mediocre picture, not unlike previous seasons. Eight wins and eight losses from the 16 games in the Guinness Pro14 regular season. Scoring 265 points at an average of 16.5 points per game, with 30 tries for at an average of just under two tries per game, and conceding 284 points at an average of 17.75 points per game, with 32 tries against at an average of two tries per games.

A fourth place finish in Conference B, three points behind Welsh rivals Scarlets, was followed up by a fifth place finish in the one-off Rainbow Cup where three wins and two losses was enough to keep us competitive.

The European Challenge Cup saw us qualify for the knockout stage having taken the field just once, an away win at Newcastle, before Stade Francais gave us a 28-0 win after choosing not to travel. But the progress was ended in a ding-dong battle at London Irish, and that was the season that was.

The problem for Cardiff all season was the lack of availability of international stars as the national unions battled to increase their revenue streams with what seemed, at times, to be a never-ending run of test matches covering two Six Nations tournaments, autumn exhibition games and even a newly created Autumn Nations Cup.

Just eight of the 18 Pro14 and Challenge Cup games were played outside the extended international windows. Of those eight games where, injuries permitting, the whole squad was available to select from, Cardiff won six out of our eight games. Meanwhile of the 10 games played during the international windows, we won just three games. This underlined the lack of quality that we had in our wider squad compared to those sides with bigger budgets.

Fast-forward to the Rainbow Cup, with Dai Young now having replaced John Mulvihill at the helm, he took the chance to look at some players in different positions. There was also an evolution in playing style, from too controlled and formulaic, to fast-paced and freely attacking. We zipped from phase-to-phase, not overly concerned with scoring every time but ensuring the ball was retained, pressure applied to the opposition and waiting for a lapse either in defence or discipline.

A number of young players were given their first opportunity. It's in those young talents, that wider squad depth and the exciting evolution of our attacking game which are the basis for positivity moving forwards, but they do come with a word of warning that permanently building a base to kick on from will get old eventually.

With the club facing a significantly challenging financial position, future recruitment will be limited unless players are released.

CARDIFF RFC

Cardiff RFC was particularly affected by the pandemic. The community game was suspended in September 2020, and the Indigo Group Premiership and the WRU national leagues remained inactive for the remainder of the season. However, in September 2021 pre-season matches resumed as did league and cup competitions.

CARDIFF ARMS PARK REDEVELOPMENT

CBL's lease on the Arms Park expires in January 2022 creating a risk to the long-term viability of the business that is increasing month on month. Both CBL and Cardiff Athletic Club (CAC) have publicly stated that they are committed to a new lease and that it will happen. Discussions they say are simply focused on minor issues. We await white smoke.

CAC's Ground Redevelopment party had been meeting regularly before the pandemic struck and CBL had been asked to submit a wish list of what they would like to see in any redevelopment. There has been no official statement on progress but it appears that the financial challenges of putting together a suitable package of measures is proving difficult. The redevelopment is unlikely to occur in the short or possibly even the medium term.

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.

The rich heritage of the club has played a critical part in the rebranding to Cardiff Rugby, and we worked closely with Cardiff Blues to explore ways to improve the promotion and display of our history. Heritage themed blogs have been published to help explain things such as the history of 'The Rags' and the importance of the blue and black jersey. A series of player caricatures were published by Cardiff Rugby, accompanied by short histories written by members of CF10. We also helped to pull together a list of the greatest players in each position as part of a public poll to create player plaques for the changing room doors.

Former and current CF10 board members recently published 'Cardiff Arms Park – an Architectural and Social History', the definitive history of our iconic stadium. We are all extremely proud of the finished result which pulls together photographs and newspaper articles rarely seen before. All proceeds are going to the Cardiff Rugby Community foundation and over £5000 has already been raised.

As part of our celebration of Cardiff's iconic blue and black jersey, we made contact with Caius College Cambridge, whose original hooped rugby jersey was the inspiration for our kit. The current University rugby team were thrilled by this connection and, as soon as Covid restrictions allowed, they arranged a visit to Cardiff. We recreated the original Cardiff team photograph from 1879, which includes the Caius College jersey, gave them a tour of the Trophy room, and then invited them to join us to watch Cardiff Rugby beat Connacht. Great to celebrate such an old connection!

The online Museum continues to grow and become an ever more important record of Cardiff's rugby heritage. There are 1740 objects now recorded and we have received several notable contributions over the last year. The family of Colin Howe generously donated his collection of memorabilia. We have also had a donation of memorabilia from the family of Haydn Wilkins and have been contacted by the grandson of Bert Winfield. The latter has many fascinating stories to tell about his grandfather and Gwyn Nicholls which we hope to add to our oral history collection.

Thoughts now turn to the 150th Anniversary, and we will continue to work closely with the Cardiff Athletic Club Heritage Committee and Cardiff Rugby to ensure that we are able to celebrate this milestone in style.

SOCIAL MEDIA

We have continued to develop a series of blogs on the strategic and political issues that currently face the club. During the pandemic these primarily focused upon the financial situation facing Welsh rugby and the rebranding of the club. These sit alongside match previews and reviews for every Cardiff Rugby game.

We have continued to have a strong presence on social media. Our work has again primarily focused on financial and rebranding issues.

WELSH LANGUAGE

Last year we reported that we had 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 have undertaken some outstanding work. This is evident when signs are being replaced; tannoy announcements are made at matches and written communications is received from the club. Their work on social media is particularly noteworthy and has been of the highest quality – player interviews, videos, press releases etc. Arguably, out of the four pro clubs, Cardiff now makes the greatest use of the Welsh language in its communications.

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. The frontispiece and blogs are now available through the medium of Welsh.

LOOKING BACK AND FORWARD

This has arguably been our most successful year since CF10 was formed. In summary our achievements included convincing the club to:

- Drop the 'Blues' suffix and rebrand as 'Cardiff Rugby'.
- Revert to its traditional blue and black colours, including a third jersey with hoops.
- Integrate the development of Cardiff Rugby and Cardiff RFC with the latter acting as the 'Rags'.
- Embrace the history and culture back to 1876.
- Appoint a Supporter Advisor, elected by supporters.
- Make greater use of the Welsh language in its communications and around the ground.

We also joined the Joint Supporters Group and influenced agendas for meetings with the WRU.

In the previous annual report we stated that we needed to build resilience at Board level. Lynn Glaister was elected as the new Chair at the AGM and Simon Jones and Steve Coombs both joined the Board as directors. The board members were also joined by a number of new observers. We had hoped to strengthen representation from young people but this did not occur. However at the time of writing it appears that we may have two young people joining us as observers at board meetings.

Two major issues will continue to cause concern:

- The financial position of the club and the poor relationship which exists between the pro teams and the WRU.
- The expiry of the ground lease in January 2022 and the lack of progress on the ground's redevelopment by CAC.

Both of these will be the focus of our attention, on behalf of members, in the coming year.

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>