

Heart of Midlothian plc

112th AGM

18th December 2018



AGENDA



- 1) CHAIRMAN'S WELCOME & OPENING REMARKS
- 2) BOARD MEMBERS, STRUCTURE & RESPONSIBILITIES
- 3) PERFORMANCE REVIEW & UPDATE
 - FOOTBALL OPERATION
 - BUSINESS OPERATION
 - FINANCIAL REPORT
- 4) FORMAL BUSINESS
- 5) Q & A SESSION

Main Board



Main Board Directors set and agree the strategy and monitor operational performance.

Independent Non Exec Directors

Eric Hogg
Kevin Windram

Executive Directors

Ann Budge (Chairman)
Craig Levein (Dir of F'Ball)
Jacqui Duncan (Finance Director)

FOH Non Executive Directors

Stuart Wallace
Donald Cumming



Executive Board



CRAIG LEVEIN
DIRECTOR OF FOOTBALL



JONATHAN TINK
OPERATIONS DIRECTOR



JACQUI DUNCAN
FINANCE DIRECTOR



LESLEY BLAIR
CENTRAL SERVICES DIRECTOR



ANN BUDGE
CHIEF EXECUTIVE



ANN PARK
COMMUNITIES & PARTNERSHIPS
DIRECTOR



CAT MCCALLUM
MARKETING & COMMUNICATIONS
DIRECTOR

Executive Board



Ann Budge (Chairman)

Executive Board Directors develop operational plans in line with strategy and deliver against them.

| | | | | | |
|---|---|---|---|--|--|
| <p>Craig Levein</p> <p>Director Of Football</p> <ul style="list-style-type: none"> • 1st Team Management • Academy | <p>Jacqui Duncan</p> <p>Finance Director</p> <ul style="list-style-type: none"> • Finance • Retail • Ticketing | <p>Jonathan Tink</p> <p>Operations Director</p> <ul style="list-style-type: none"> • Stadium Facilities • Safety & Security • Match Day Operations • Hospitality Services | <p>Ann Park</p> <p>Communities & Partnerships Director</p> <ul style="list-style-type: none"> • CSR <ul style="list-style-type: none"> - Heritage - Community/Grassroots Football • Key Partnership Management • Big Hearts Liaison | <p>Lesley Blair</p> <p>Central Services Director</p> <ul style="list-style-type: none"> • Legal Services • HR Services • Admin Services | <p>Cat McCallum</p> <p>Marketing & Communications Director</p> <ul style="list-style-type: none"> • Marketing Services • PR & Comms Services |
|---|---|---|---|--|--|

Footballing Operations



- **Key Challenges / Highlights 2017/18**
 - Craig Levein as First Team Manager
 - Top 6 finish in Premier League
 - Continued development of First Team squad
 - Return on investment from Academy

- **Plans 2018/19**
 - Top 4 finish
 - Continued First Team investment
 - Academy Expansion
 - Hearts Women
 - Hearts Invitational Tournament
 - North American Partnerships

Hearts Invitational



Hearts FC
Invitational 2019
Pro Academy Series
2005 Boys

Monday 8th April -
Wednesday 10th April 2019

Only 1 Space left



Pro Academy Teams confirmed



| | | | |
|----------|-----------|------------|-----------|
| | | | |
| | | | |
| | | | |
| Region I | Region II | Region III | Region IV |

Coming soon:

July 2019 – 2007 Boys Tournament
Nov 2019 – Girls Tournament

OFF-FIELD ACHIEVEMENTS – 2017/18



- New main stand opened November, 2017
 - Stand capacity 7,000
 - First-class concourse facilities
 - New hospitality lounges
 - Superb Foundation Plaza

 - 1874 Supporters Bar
 - New Club Store
 - 3rd Floor TV Studio
 - Reconstructed Control Room
 - Tynecastle Nursery
- New state-of-the-art hybrid pitch

SOURCES OF INCOME



| | 2016/17 Actual | 2017/18 Budget | 2017/18 Actual |
|-----------------------|----------------------|---------------------|----------------------|
| Operational Income | 11.25m | 11.8m | 12.13m |
| Gain on Player Sales | 0.2m | - | 0.44m |
| Net Loan Fee Income | <u>0.26m</u> | <u>-</u> | <u>0.18m</u> |
| | <u>11.71m</u> | <u>11.8m</u> | <u>12.75m</u> |
| (Exceptional Donation | - | - | 1.00m) |

Operational Income Source

| | | |
|----------------------------|---------------------|---------------------|
| • Gate Receipts | 4.30 | 5.30 |
| • Hospitality | 1.67 | 1.75 |
| • Retail | 1.00 | 1.13 |
| • Football Monies | 2.82 | 2.50 |
| • Sponsorship | 0.83 | 0.75 |
| • Other income / donations | <u>0.64</u> | <u>0.66</u> |
| | <u>11.26</u> | <u>12.10</u> |

EXPENDITURE



| | 2016/17 Actual | 2017/18 Actual |
|-------------|----------------------|----------------------|
| Staff Costs | 5.88m | 6.02m* |
| Overheads | <u>5.36m</u> | <u>6.1m</u> |
| | <u>11.24m</u> | <u>12.12m</u> |

(*Adjusted to recognise exceptional donation)

TRP – Achieved to Date Funding



| Source | PY AGM £m | As At 30 Nov 2018 £m |
|---|--------------|-------------------------|
| Club Resources | 4.75 | 6.7 |
| Benefactors | 4.5 | 6.75 |
| FOH | 3 | 3 |
| Supporter Contribution Schemes / Fundraising | 1 | 2 |
| Facility | 1.75 | 1.75 |
| Leasing Facility / Grant Income | - | 0.5 |
| TOTAL | 15 | 20.7 |

TRP – Planned Works

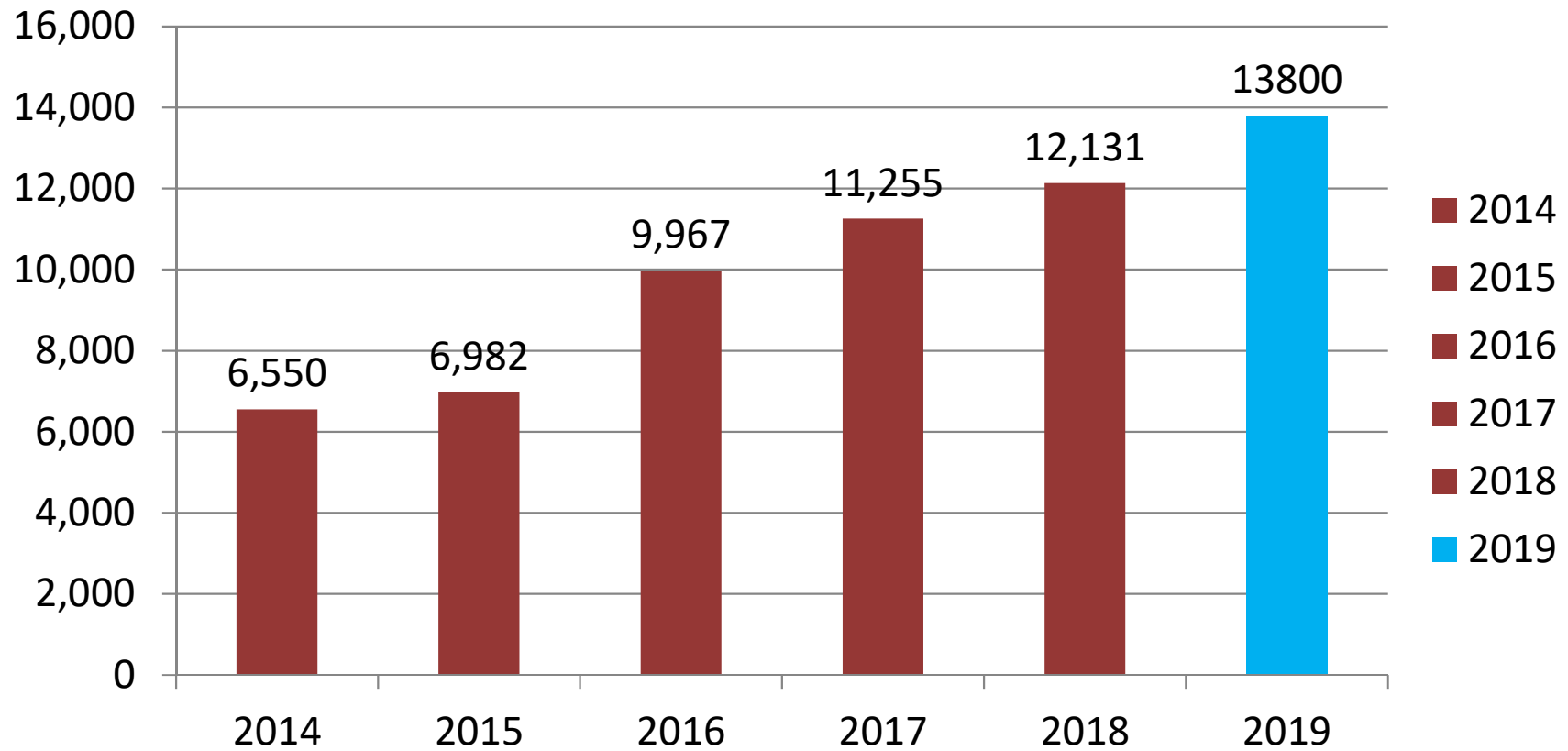


| Works Planned | Comprising | Budgeted Cost £m | Target Date |
|---|---|---------------------|-------------|
| Completion of new Changing Room suite & Police Area | Changing Rooms Physio / Medical Facilities | 0.8 | June 2019 |
| 3 rd Floor Hospitality Lounge | Restaurant / dining area Kitchen facilities | 0.6 | June 2019 |
| 2 nd Floor Facilities | | 1.6 | 2019/20 |
| On-going Refurbishment | CCTV / Roofs / Big Screens | 0.5 | On-going |

Revenue Growth



Revenue (£'000)



Formal Business



Resolution 1 - Adoption of 2017-2018 Accounts

Resolution 2 – Reappointment of Eric Hogg

Resolution 3 – Reappointment of Craig Levein

Resolution 4 – Reappointment of Auditors

Resolution 5 – Authorisation re remuneration of Auditors