



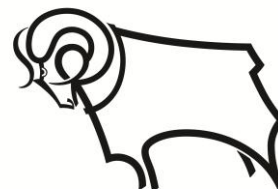
## **Derby County Supporters' Board Meeting – 1st June 2026**

The Derby County Supporters' Board met with Stephen Pearce (Chief Executive Officer) and Simon Carnall (Chief Operating Officer) via video conference on 1st June. Stella Gutteridge from the Supporters Board was unable to attend and sent her apologies.

The meeting was booked in April and was planned to review the finance budget and projections against the new Squad Cost Ratio rules in the EFL for the 2026/27 season. Due to the timings of the new rules coming in and EFL reporting deadlines not being until the 12th June, the final budget was not ready for this meeting, so we have agreed to meet on 15th June to have that discussion.

Due to the recent press speculation on potential investment into the club, and several emails from supporters to us regarding this, we requested that the club kept this meeting in place. We agreed to have a virtual meeting with a shorter agenda covering the following:

- Squad Cost Ratio Update
- Investment Discussion
- Other Business



## Squad Cost Ratio Update

Ahead of 15th June meeting Stephen Pearce gave us an update on the new Squad Cost Ratio (SCR) regulations in The Championship and the club's current position against them for next season. The SCR regulations are a new financial control system that replaces the old Profit and Sustainability rules from the start of the 2026/27 season. The new regulations bring the system for financial control in The Championship closer to the system used in the Premier League and are intended to create a simpler and more responsive system of cost control in the Championship. Some of the key changes to the rules that we discussed were:

- SCR focuses on linking overall squad costs to the club's revenue, rather than setting overall allowable losses in the old regulations.
- Clubs are allowed to spend 85% of their "relevant turnover" on total squad costs. Not all revenue is treated equally for this calculation.
- Player trading income from sales is counted towards the relevant turnover but based on the actual cash received in the year from any sales (rather than the total profit of a sale)
- The squad costs comprise of player and coaching wages, agent fees and transfer fees (amortised values in the club's profit and loss account)
- Owners can increase spending beyond the 85% limit, up to £33m over three years with no more than £15m for any one season. This must be through equity (investing money directly into the club for more shares) rather than injecting money into the club through loans.

The club have been modelling its position against the regulations based on its current squad costs. This is as they stand today without any additional signings budgeted in. This demonstrated that the club is currently operating within the limits set and has further headroom. Currently the club is financed through loans provided by its owner, from the 2026/27 season owner funding from loans will not count towards the £33m top up allowed. We questioned if this was an issue moving forwards and the club confirmed that it wasn't and that the owners would alter the method that it provided cash into the club to meet the requirements in the regulations. The club also modelled its costs based on last season and showed us the modelling that demonstrated it was operating within the limits (on the basis that cash invested into the club was through equity rather than loans)

We asked if the club supported the new regulations. Stephen confirmed that they were in support and that he had been a part of the working group to develop the new rules. In the club's opinion it was better for Derby to have a cost control system linked to revenue due to the club's size, current revenue and potential for growth. At the next meeting the club will share with us its actual forecasted position for the 2026/27 season based on the agreed cash funding with the owners and planned spend on the squad in the summer transfer window. In addition to reviewing the position against the SCR regulations we will review the overall business budget in line with its projected revenue and cash funding from the owners to ensure that the football club is operating within its financial plans and is financially sustainable.



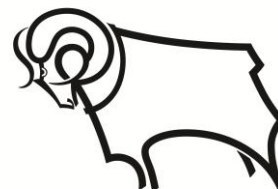
## Investment Discussion

We highlighted the recent speculation reported in several reputable media outlets regarding potential investment into the football club and asked for the club's position on this and for an update. Stephen informed us that there are multiple interested parties in conversation with the club but that no public announcements would be made until the Independent Football Regulator (IFR), the EFL and legal processes permit. The club's position has been consistent over the last few years that they will not comment on speculation in the media to confirm or deny any links otherwise that would mean that the club would need to comment on every potential report. The club did not give us any additional confidential information on the status of investment or on specific parties involved beyond this.

We discussed the process of investment into the club, and highlighted David Clowes previous comments that any new owner would have to have the financial ability to accelerate the clubs progress towards the premier league whilst also meeting his values of "integrity, progress and stability" We enquired as to how any potential owner was assessed against these statements and the process the owners would undertake.

Stephen explained that the IFR is now live with increased powers to approve new investors into football clubs. This included the ability to assess the suitability, financial position and links of investors to other organisations and that the EFL financial checks remained too. A prospective investor would be taken to the IFR/EFL once there is an in-principal agreement. The IFR have a broad remit to access information across government departments and if a party is deemed unsuitable discussions can end, so publicly commenting on speculation before that can be unhelpful. He expressed that the position was that they should trust in the IFR/EFL requirements to assess and judge the suitability of any potential investor. The club committed to brief us on developments as soon as meaningful information is available.

The current owners (Clowes Developments (UK) Ltd) will make the final decision on when, who and how much of the club is sold, so we accepted that the questions we asked are not solely a club matter. We have received multiple emails from fans expressing opinions and asking questions on this and shared them with the club ahead of the meeting, requesting that they also be shared with the owners. We expressed that for any potential investor the EFL/IFR approval was the minimum regulatory standard for owners coming into football, and that we felt it was important that, at the right time, the ownership clearly communicate to supporters the process they have gone through to assess any new investor. As part of this, we think it is important to clearly explain to fans how any potential investor meets the requirements that David Clowes previously stated and why any new investor would be positive for Derby County, its supporters and the wider community.



## **Other Business**

We received a question regarding the ethics and culture at the club, enquiring about the steps the club takes as an organisation to ensure that all employees act in an ethical way and what controls exist to ensure this happens. The club explained that they had in place clear codes of conduct, management reporting lines, staff contracts and behavioural expectations that mean any situations arising that were clear ethical breaches is highly unlikely, but should any rogue activity be identified the club would take the strongest position to address the situation through its contractual code of conduct policies..

As the recruitment for new Supporters' Board Members concludes, we also discussed onboarding plans for new Board members. We agreed steps to ensure that we develop strong relationships with new members and that the club spent time with them introducing them to heads of department to explain how the club operated so that they are supported to fulfil the role effectively.

## **Summary**

As a Supporters' Board we appreciate that the recent speculation on potential investment, regardless of specific names, brings with it a range of emotions and views across the fan base. We will continue to share these views to the club, ensuring that we represent all views in a balanced way, to ensure that fans are represented at the highest levels of the football club. We expressed to the club that it was important that fans are effectively and meaningfully communicated to at the earliest opportunity regarding any significant changes or investment into the football club.

Reviewing the new SCR regulations with the club was appreciated as it will enable us to better understand the financial plans that we are to review in our next meeting with the club is on 15th June.