

## State of Play: GOTP 10-year review

# Charlton Athletic: A valley of stress



NO LONDON football club has lost as much support as Charlton Athletic over the past decade. Discontent fans and decline on the field of play have been accompanied by a 52% drop in match attendances at The Valley. Not even a progressive approach to ticketing has been able to prevent crowds falling to their lowest level since 1997. And the stress shows little sign of easing-up on the people who follow a club that has been part of the London football scene since 1905.

### Ownership issues

Charlton Athletic is owned by Staprix NV, which is 95%-owned by Belgian businessman Roland Duchâtelet. He bought the club from joint-owners Tony Jimenez and Michael Slater, who had paid a “nominal” £ 1 for Charlton in 2011.

But much of the angst around Charlton Athletic concerns Duchâtelet. He is the main shareholder in five football clubs: Charlton, Carl Zeiss Jena (Germany), Sint-Truidense V.V (Belgium), Ujpest (Hungary) and AD Alcorcón (Spain).

Before Duchâtelet’s arrival, Charlton were on the brink of administration, struggling to pay wages and produce a playable pitch.

Since 2014, the club has been relegated and has lacked continuity. From Duchâtelet’s perspective, he is trying to make Charlton more financially secure, but the concept of multi-club ownership is controversial and the club’s fans have been unhappy at the way it is being managed. There have been protests, including a visit to Belgium and Duchâtelet’s home town. This is not the first time that the Belgian has experienced the anger of supporters – similar events happened at Standard Liege and resulted in Duchâtelet leaving the club.

Charlton’s fans are also very opposed to the club’s CEO, Katrien Meire, who was appointed by Duchâtelet. She is a Belgian lawyer and was involved with Standard Liege and provided legal advice to Duchâtelet in his takeover of Sint-Truidense, the

club she supports. Meire has upset Charlton fans for referring to them as “customers”, along with her comments about “brand loyalty”.

The relationship between Charlton’s fans and the owner is best described as “strained”. The Charlton Athletic Supporters Trust was launched in 2012 as a vehicle for debate between supporters and the club. However, since 2014, collaboration between the trust and club has broken down. In February 2015, a public meeting was held after a period of great instability around the team management, with three managers in less than a year being appointed. The view was that the situation between the fans and owner was irretrievable.

## Financials

One positive from the club’s 2016 financials was that bank debt had been cleared, for the first time since 1998. But relegation and falling gates have had a negative impact on Charlton, with a loss of £ 13.5m for 2015-16 versus £ 4m in the previous year. Matchday income fell by 9%, a consequence of lower crowds.

Total income amounted to £ 12.1m, up from 11.8m in 2015. The past four seasons have seen income range from £11.8m to £ 12.7m, but the losses have risen from £6m in 2012 to £13.5m in 2016. A major contribution to this has been increased costs and expenses. In 2016, expenses totalled £ 21.2m, a reflection of higher wages as the club tried to stay in the Championship. In 2015, the total was £ 16.8m and in 2014, £ 10.4m.

In the transfer market, Charlton made little money in 2016 as they resisted player sales to stave off relegation, but in 2016-17, they sold Ademola Lookman to Everton for £ 11m.

## On the field: No stability

Charlton Athletic was founded in 1905. The club has never won the Football League championship (top tier) but finished runners-up in 1937. The FA Cup was won in 1947, a year after the club lost in the final. After losing their status in the top division in the late 1950s, it was 30 years before they reclaimed their position in the first division, spending four years at that level. Since the FA Premier was established, Charlton have spent seven years in the first tier, the last ending in 2006-07. The past decade has been far less successful.

	Division	Position	FA Cup	FL Cup
2007-08	CH	11	R3	R3
2008-09	CH	24	R4	R1
2009-10	L1	4	R1	R1
2010-11	L1	13	R3	R1
2011-12	L1	1	R3	R2
2012-13	CH	9	R3	R1
<b>2013-14</b>	<b>CH</b>	<b>18</b>	<b>QF</b>	<b>R2</b>
<b>2014-15</b>	<b>CH</b>	<b>12</b>	<b>R3</b>	<b>R2</b>
<b>2015-16</b>	<b>CH</b>	<b>22</b>	<b>R3</b>	<b>R3</b>
<b>2016-17</b>	<b>L1</b>	<b>13</b>	<b>R2</b>	<b>R1</b>

Charlton's decline has not been aided by a lack of stability around the management of the first team. In 2016-17, the club had three managers, Russell Slade, Kevin Nugent and Karl Robinson. The previous season, there were five. In total, Charlton have had 10 managers in three years.

Karl Robinson is the current manager and alongside the first team, the club has a youth academy that has prompted some enthusiasm. Only recently, the academy head, Steve Avory revealed that there were a number of young players who could be on the fringe of the first team squad in 2017-18.

### **Market share in London**

Charlton Athletic is in the middle of the highly concentrated football area of south London, which also comprises Crystal Palace (11 miles from Charlton) and Millwall (six miles). The club is also just six miles from West Ham United's London Stadium. There's plenty of competition, notwithstanding the loyalty people have to their own clubs.

Invariably, in the metropolis, if clubs are unsuccessful, they run the risk of losing floating support that can easily transfer allegiance to another club. Charlton, as a "village" or neighbourhood, is quite small, with just 15,000 people. The club's traditional fanbase has come from a broad area surrounding Charlton, notably Kent and other parts of the capital south of the Thames. Should any one club gain Premier League promotion among this segment of London football, such as Crystal Palace, that could be a drain on that catchment area.

The club's home, The Valley, was once one of the biggest grounds in English football, with a capacity of 75,000 characterised by a vast bank of terracing along one side. Today, the ground has a limit of around 27,000. With crowds at little more than 11,000 that capacity is unlikely to be tested unless Charlton's fortunes change. Charlton's crowds when they were a Premier League club averaged 26,000 – their best gates since 1954.

### **Attendances 2007-17 – comparisons with local rivals**

	<b>Charlton</b>	<b>Crystal P</b>	<b>Millwall</b>
<b>2016-17</b>	11,162	25,161	9,340
<b>2015-16</b>	15,632	24,825	9,108
<b>2014-15</b>	16,708	24,421	10,902
<b>2013-14</b>	16,134	24,375	11,063
<b>2012-13</b>	18,499	16,933	10,559
<b>2011-12</b>	17,402	15,219	11,484
<b>2010-11</b>	15,582	15,351	12,439
<b>2009-10</b>	17,606	14,771	10,835
<b>2008-09</b>	20,894	15,220	8,940
<b>2007-08</b>	23,159	16,031	8,669

Charlton's share of support in south London has certainly declined. Consider that in 2008, Charlton's average gates were three times that of Millwall and almost 50% higher than Crystal Palace's attendances. In 2017, Palace's are more than double

Charlton's and Millwall's average is just 1,800 lower than crowds at the Valley. Charlton have lost 12,000 people per game since 2007-08, and coincidentally, Palace have gained 9,000 during that timeframe.

The club announced season ticket prices for 2017-18 at special low prices. Media reports suggested that 40% of season ticket holders have so far opted not to renew their tickets, which amounts to around 4,000 people. At £175, the tickets are the second lowest in the entire English Football League.

### **Social Media**

Charlton has 112,000 followers on twitter and 204,000 on facebook.

### **Outlook: Continued stress**

London clubs have to live alongside the likes of Chelsea, Arsenal, Tottenham and West Ham United, so competition is intense. For Charlton, having Crystal Palace and Millwall on their doorstep adds to competitive pressure.

In the past 10 years, the club has gone from the Premier to mid-League One. It is questionable if Charlton can realistically return to the lofty heights of the Premier in the medium-term, but more of a concern has to be whether they can climb out of League One.

The future is uncertain for Charlton – a fractious relationship between owner and fans, falling gates, underperformance on the pitch and strained finances all contribute to a worrying outlook for the club.

But Charlton have been here before. This is a club that recovered from losing its ancestral home, The Valley, in the 1980s, but returned home 25 years ago. That was a heart-warming story for all football fans.

Charlton needs to repair links between the ownership and the supporters – this is a prerequisite for future progress given the alarming decline in attendances. The question is, do **all** stakeholders appreciate the seriousness of the situation?

There were rumours that Duchâtelet might sell to an Australian consortium, but a fresh row erupted at the beginning of June 2017 when a leaked document revealed that The Valley was valued and assessed for property development.

More trouble appears to be on the horizon for this fine old club and the near-term looks set to be characterised by more battles between a dwindling audience and a Belgium-based owner. We can only hope that the end game produces a result that is satisfactory for the people who follow Charlton Athletic.

