

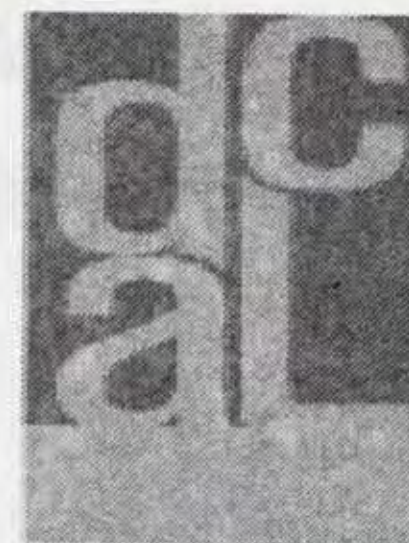
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SB105/1/03

FROM: NIGEL CARSON

Director

Culture and Recreation Division



DATE: 24 July 2003

To: Angela Smith

See Copy Distribution Below

Summary

- Issue:** **Future of Linfield Football Club and the implications for International Soccer.**
- Timescale:** **Immediate.**
- Presentational Issues:** **This issue will get to the media sooner rather than later and will raise speculation about the future of Linfield, Irish League Soccer and International Soccer. It has the potential to become a high profile issue and will bring the focus back on the National Stadium debate. (Agreed with the Press Office.)**
- Recommendation:** **That you note the position and agree the Line to Take in your absence on leave should the problems of Linfield reach the public domain.**

Detail

- Linfield Football Club, which was formed in 1886 and became a founder member of the Irish League in 1890, was one of Northern Ireland's leading and most successful clubs. It owns the largest soccer stadium in Ireland, Windsor Park, which also hosts Northern Ireland home international matches under an agreement between Linfield and the Irish Football Association (IFA). An alternative FIFA approved stadium is not available for international fixtures.
2. On 23 July 2003 it was brought to our attention by Pricewaterhouse Coopers (PWC), acting on behalf of the club, that Linfield is facing severe financial difficulties. Bank overdraft facilities have been extended on the back of securities offered by Midgley Park, Linfield's training ground and personal guarantees by directors/trustees against

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PS/NC/Min to Minister re Future of Linfield FC

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all professional advice. It is expected that debt will amount to £800k plus by the end of 2003 – the club's financial year end. Current income trends and projections do not offer comfort that this debt can be reduced.

3. The Ulster Bank is becoming increasingly concerned that the club may be reaching insolvency and are worried that the present value of assets may not cover the debt. Current evaluations have been assessed in light of the fact that the club properties have been zoned by the planners for "landscape amenity or recreation use".
4. Faced with this situation Linfield brought in PWC to assess their options for survival. Acting on behalf of Linfield, PWC presented their initial findings to DCAL and warned that the club's problems could soon hit the media and this will invoke questions about the future of Irish League soccer and the implications for International Soccer. It is inevitable that doubts about the future of Windsor Park will rekindle the debate about a National Stadium and whether Northern Ireland should have a multi-sport National Stadium or a soccer-only venue for international matches. In this context you may wish to be aware that David Campbell, Special Adviser to David Trimble, has written to the Office of the First and Deputy First Minister (OFM/DFM) strongly promoting the idea that a National Stadium be built on the Maze site as a venue for sport during the 2012 Olympic Games should the London bid be successful.
5. The options available to Linfield will depend very much on the potential for re-zoning and improved access. There is also a potential role for Belfast City Council (BCC) which owns the nearby Olympia Leisure Centre and playing fields. This centre is not well used, is dated and in need of refurbishment.
6. PWC will proceed to consult with the planners about re-zoning and BCC about a possible partnership with them and will keep us informed of developments.
7. Should the "story" about Linfield and the consequential implications for International Soccer break while you are on leave it is important that you have agreed a line to take.

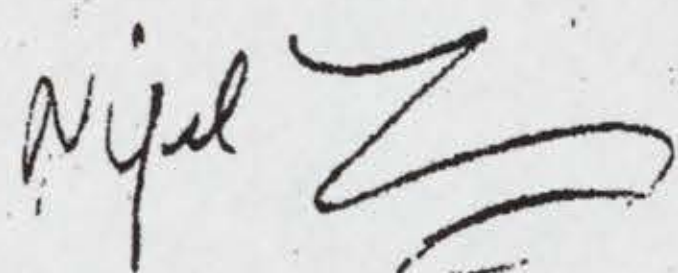
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Recommendation

8. It is recommended that you agree the following line to take:

“The Department of Culture, Arts and Leisure is aware of the current financial difficulties facing Linfield and that the club is considering the options that are available to it. We are monitoring the situation, particularly the implications for international soccer. This is however a matter for the Irish Football Association in the first instance”.



NIGEL CARSON
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cc: Aideen McGinley
Carol Moore
Jack Palmer
Brian Kirk
Ciaran Mee
Lynda Lister