

**Wimbledon Football Club Supporters Society Limited****Notes of the Special General Meeting held on 1<sup>st</sup> September, 2005 at 7.30pm**

The Fans' Stadium - Kingsmeadow, Jack Goodchild Way, Kingston Road, Kingston-upon-Thames, KT1 3PB

1. **Introduction and Apologies for Absence.** Tom Adam (TA) welcomed members to the SGM. He conveyed apologies from Kris Stewart, Ivor Heller, Marc Jones, Chris Philips, Niall Couper, Bob Farrance and Robert Dale.
2. **Previous Meeting Report**
  - 2.1 TA reported on various matters arising from the notes of the previous meeting:
    - Rule 61 of the DT Constitution and the sale of shares in AFCW PLC were on the agenda for the previous meeting;
    - Following the previous SGM, a letter had been sent to Supporters Direct requesting them to establish a policy on franchised teams seeking SD membership. A response had not yet been received;
    - Following the previous SGM, there had been an exchange of correspondence with WISA regarding the structure proposed for the ladies' team.
  - 2.2 TA reported that one comment had been received on the notes of the previous meeting, which was that Ronan Warde wished to add that he had expressed his intention to introduce a Members' Resolution on the subject of fixtures against Milton Keynes Dons at a future SGM. This change would be made to the minutes. TA asked whether there were any further comments on the notes of the previous meeting; there were none.
3. **Quarterly Report.** TA introduced the quarterly report. He noted that some of the usual features had been omitted on this occasion but that these areas would probably be discussed during the course of the meeting. He invited clarifications on the report; none were requested.
4. **Shares in AFCW PLC.**
  - 4.1 John Owen (JO) reported that, by the time he joined the Board in December 2004, the issue of a sale of AFCW PLC shares to WISA was already being discussed. He had been asked by the Board to review this matter. He reported that:
    - In the 2003 offer for subscription, 5 million A Ordinary shares had been offered for sale without restriction. Only 2.1 million shares had been taken up, with the effect that 60% of the authorised shares had not been issued. WISA had asked to buy some shares. Nothing had fundamentally changed since 2003 and there was therefore no reason why, in principle, the sale of further shares should be wrong now;
    - However, the costs of the 2003 transaction had been £130K. There had been no offers to buy shares other than from WISA and the transaction costs were therefore a potentially significant obstacle;
    - The Board had taken legal advice on how it might make available more shares and from which source. As part of the 2003 offer for subscription, the DT had purchased 132,700 A Ordinary shares. Whereas the DT's holding of Ordinary Shares was important to retaining control of AFCW PLC, the DT's holding of A Ordinary shares was not considered strategic. This view had been endorsed at the previous SGM;
    - Shares in AFCW PLC were freely exchangeable - otherwise they would be effectively worthless. This was true of shares held by the DT, as well as shares held by individuals;
    - According to the legal advice received, the DT was legally entitled to sell its shares in AFCW PLC if it was formally approached by a buyer. But, unless it were to undertake an extensive process of preparing a prospectus, the DT would not be able to actively market shares;
    - WISA had formally made an unsolicited approach to the DT to buy shares. Taking account of the legal advice and the views expressed at the previous SGM, the DT had sold 6,700 of its A Ordinary shares to WISA;
    - The DT Board had not sought approval from members for this transaction. The lawyers' advice had been clear that, if the Board had sought approval from members for a transaction for which it did not formally require member approval, then there was a risk that this could be construed as advertising shares.
  - 4.2 Colin Gales asked whether the sale of A Ordinary shares held by AFCW was different from the original intention of selling unsold shares. JO replied that, from a group perspective, the same amount of

money would be brought into the group, regardless of whether the shares were sold by the DT or by AFCW PLC. The unsold shares had not been issued and were not 'sitting in a drawer'.

- 4.3 Walton Nangle commented that, as a public limited company, there were no legal obstacles preventing AFCW PLC from offering shares to members and that the shares already existed. JO replied that the shares were unissued and do not exist; also that being a PLC was not the same as being a listed company. In a listed company, parties could enter into matched transactions to buy and sell shares via a broker. This was not the case for AFCW. Walton asked why the PLC could not encourage people to buy more shares. JO replied that the only party to have asked to buy was WISA. Erik Samuelson (ES) noted that JO was choosing his words carefully for a reason. At the request of a potential purchaser of shares, ES had some time ago asked lawyers whether it would be possible to assist a party in purchasing shares. The advice received had been that this would constitute "financial promotion" and therefore fall foul of regulations unless a costly process of preparing a new prospectus were undertaken. When the DT was approached by buyers on an unsolicited basis, it was able to sell shares; however, it could not state publicly that it would be willing to do so.
- 4.4 Geoff Seel asked about the relationship between the DT and AFCW PLC. More specifically: (i) what would the DT do with the proceeds of the sale of shares to WISA? (ii) Why does the DT have to be careful about not promoting the sale of shares whereas individual shareholders are free to find purchasers? (iii) Are the DT and AFCW part of the same group in financial terms? JO replied that (i) as much surplus cash as possible was transferred to AFCW PLC in order to repay the Khosla loan. (ii) The DT was caught by the regulations by virtue of being in the same group as AFCW PLC. The lawyers were generally circumspect in this area. If a buyer of shares were subsequently unhappy with the shares they had bought, then this would be an area of risk whereas, if the DT were selling in response to an unsolicited approach, there was less of an issue. (iii) The DT and AFCW PLC were part of the same group by virtue of the DT having voting control of AFCW PLC. TA undertook to publish further information on what it meant to be part of the same group in due course.
- 4.5 On behalf of WISA, Simon Wheeler thanked JO for his hard work in finding a way to make the sale of shares work. This had raised complex issues, necessitating consultation with lawyers. He was satisfied that the transaction, as structured, resulted in funding being raised for the DT and Ground Fund, unlike a sale of shares between individual shareholders. TA echoed Simon's gratitude to JO in what had been a tortuous exercise.

## 5. Proposed Resolution – Amendment to Rule 61

- 5.1 David Cox (DC) reported that the Constitution Review Group was undertaking a thorough review of the Constitution. As indicated at the previous SGM, there was a technical issue to be addressed in the Constitution prior to the 2005 Board elections. DC read out the existing Rule 61 and noted that there was a drafting error when it had last been revised, with the unintended implication that half of the previous year's elected Board members would need to stand down. He read out the draft of the proposed Rule 61 and invited questions on this issue. No questions were asked. The resolution was put to a show of hands, was unanimously approved and was thereby passed. The DT Secretary reported, for information, that 42 proxies had been in favour; 11 had left the matter to the discretion of the Chair, none had been against and that there had been one spoilt proxy form.

## 6. Questions and Answers.

- 6.1 TA reported that Bob Farrance was unable to attend the meeting, due to the revised date, but had sent in some written questions which he would have asked if he had been able to attend. Ron Trayhorn (RT) and Erik Samuelson (ES) would answer Bob's questions on the ladies' and youth teams respectively.
- 6.2 The DT Secretary read out the questions on the ladies' teams as follows:

*"Not for the first time, I am very disappointed by the extremely limited amount of information contained in the [latest quarterly] report on the ladies. In particular, I note that there is no reference to:-*

*a) their incorporation – this is a matter that appears to have been dragging on for some considerable time;*

*b) their finance – I understand that a big reduction was made in the amount of finance required by them between the first and second seasons. Likewise, any information on the level of funding they will require for 2005/06;*

*c) any income derived from the games or fund raising undertaken by them;*

*d) any community activities they have undertaken by them – the DT Board quarterly report of 22 March 2004 said that such plans were being developed."*

6.3 RT noted Bob's disappointment but pointed out that space in the Quarterly Report was limited. He answered Bob's questions as follows:

- **Incorporation** – this was under way and papers would be submitted to the Football Association for approval upon Ron's return [from holiday] in mid September and thereafter to the DT Board;
- **Finance** – a budget to run the Ladies team totalling £18K had been presented to the Board prior to the 2004/05 season. The Board had requested a reduction to £16.5K for that season and a further reduction to £15K for 2005/06. The Ladies only received £12K from the Trust last season, the main reason being that the Ladies were unable to find suitable training facilities and, in the main, only trained once a week. Also the Ladies had lost their coach early in the season and he had not been replaced. It was possible that these two matters had contributed to the disappointing final position in the league;
- Although the Trust had advanced £12K, this took no account of the £5K sponsorship received from Sports Interactive, £1K in DT memberships and £1K paid to the DT from the Valentine's evening. Also not taken into consideration was the profit going directly to AFCW from bar sales. At the Valentine's evening around £1.9K was spent over the bar and at home games on Sundays probably around 50 people spend at the bar whereas on a normal Sunday it is almost empty. Even if the DT were to advance the full £15K during this season, the other income mentioned above would still reduce the actual amount spent. The net cost to the DT was probably less than £4K;
- **Income from games or fundraising** - with the small attendance at matches the Ladies relied upon programme sales and small fundraising initiatives similar to 'golden goals' but this did not even cover the cost of officials. Charging for attendance would reduce the attendance and the end result, therefore, would probably be about the same. The Valentine's evening had been very successful and the cash raised was shared with three charities. It was expected that this would be repeated this year, with more funds being retained within the club.
- **Community activities** – many of the players were themselves from the local community. Teams had just been started at Under-12 and Under-14 levels and, once these were running successfully, it was anticipated that an Under-16 side would be formed, thus providing an outlet for any local girls interested in playing football. In addition one of the charities that had benefited from the Valentine's evening was a local hospice.

6.4 ES noted that Kris Stewart had prepared the answers to Bob's questions about the youth team and that, in Kris' absence, he would read them out on his behalf. The questions and Kris' answers, which ES supported, were read out as follows.

- **Q: "When was the decision first taken to enter into discussions with NESOCOT about a possible tie-up?"**  
**A:** *"NESOCOT has been talked about as a possible partner for such a scheme since not long after AFC Wimbledon was formed. We have held a number of discussions with NESOCOT and NESOCOT staff over that period as well as with other institutions. My [Kris Stewart's] first meeting with NESOCOT was in June."*
- **Q: "Were the Under-18 management team consulted before the discussions with NESOCOT began?"**  
**A:** *"Although the Under-18s manager was made aware of and supported the intention to start a scheme such as this, both in his previous roles at the club and in his role as under-18s manager, neither he nor his assistant were involved in the discussions with NESOCOT."*
- **Q: "Were the Under-18 management team consulted at any stage during the negotiations with NESOCOT?"**  
**A:** *"No."*
- **Q: "When were the Under-18 management team first told of the implications for their positions with AFC resulting from the NESOCOT tie up?"**  
**A:** *"Any implications were discussed with the relevant person as soon as it was clear that the proposed scheme could go ahead for this coming season."*  
**Q: "Why did it take the best part of three weeks following the NESOCOT announcement to confirm the implications for Keith Ward and seven weeks to confirm the implications for Nick English?"**  
**A:** *"The announcement of Keith Ward's decision to take a position with Raynes Park Vale was delayed unnecessarily and I [Kris Stewart] apologise for that. The announcement about Nicky English leaving the club was made as soon as the details were agreed – I [Kris Stewart] don't and won't apologise for taking the time to get that right and make sure everyone concerned was happy with what was happening and how we talked about it."*

- 6.5 Simon Wheeler responded to the NEScot tie-up. He noted that clubs rarely protected the interests of youth players. In this case, AFC Wimbledon was ensuring that youth players were offered an education as well as football and he applauded the club for this. ES noted that there was a small risk that some players might be deterred by the educational aspect but believed this was nonetheless the responsible thing for the club to do. He was delighted that this opportunity had come to the club and showed that the club cares about its youth players.
- 6.6 Martin Drake asked whether a policy was needed about establishing a code of conduct for existing members of staff. ES noted that the club already had HR policies about recruitment, retention and development. The club did its best to implement those policies – sometimes it took time to follow through.
- 6.7 Roger Dennis agreed with Simon Wheeler. But he also agreed with Martin Drake's point about the club acting as a good employer. There had been a good youth management team and it was a pity that they had not been consulted. ES noted this and said that this point would be remembered if a similar situation were to arise in the future.
- 6.8 Martin Drake asked about the progress made on a commercial loan to replace the Khosla loan. ES reported that an offer had been received from a bank. This was not yet in a written form that AFCW could accept. It was subject to various conditions, including profitability and valuation of the stadium. The valuation had been undertaken (at AFCW's expense) recently. AFCW had not yet had sight of the valuation report and did not yet know when it would be available. However, this was the closest that AFCW had ever been to concluding a commercial loan. If the valuation was insufficient, then a commercial refinancing would probably need to be shelved for several years. If approval were forthcoming, then it would likely take some months to finalise the loan.
- 6.9 Simon Wheeler asked whether the valuation would be on the basis of the property alone, or as a property where AFC Wimbledon plays football. ES thought that the answer was both of these but that, ultimately, what really mattered to the bank was the value of the ground if AFC Wimbledon were insolvent.
- 6.10 Walton Nangle noted that The Observer newspaper no longer showed the Ryman Premier Division results and asked what AFC Wimbledon could do to rectify this omission. ES noted that it may be seen as the club exaggerating its own importance if it were to complain about this but that there was nothing to stop individual supporters from writing to the newspaper about this. Geoff Seel clarified that The Observer's coverage of non-league football results varied from week to week.

## 7. Any Other Business.

- 7.1 TA noted that Supporters Direct would be holding a conference in September. The DT Board was currently considering whether to nominate an individual to stand for election to the SD Board and also how to vote on issues at the SD Annual General Meeting.
- 7.2 TA noted that elections to the DT Board would be under way shortly and that members would be receiving information about this in the coming weeks. Some of the current DT Board members would be stepping down. Members of the DT would be able to take part as candidates.
- 7.3 ES reported that there would be an AFC Wimbledon open meeting on 17 September. He also noted the new signage around the ground, including the noticeboard showing the next match.
- 7.4 Simon Wheeler asked whether the DT Board would be represented at the Supporters Direct conference, bearing in mind that the Milton Keynes Dons Supporters Association would be attending. DC replied that this issue was recognised and that at least one DT Board member would be attending.
- 7.5 TA advised that the next meeting of the DT would be the Annual General Meeting on 1 December.
- 7.6 The meeting closed shortly after 8.30 pm.