

Wimbledon Football Club Supporters' Society Limited**Minutes of the Annual General Meeting held on 1st December, 2005 at 7.30pm**

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

0. **Introduction and Apologies for Absence.** Tom Adam (TA) welcomed members to the AGM. He conveyed apologies from Steve Butterick and Chris Philips.

1. Previous Meeting Report

1.1 TA reported on various matters arising from the notes of the previous meeting:

- Follow-up to the letters to Supporters Direct regarding membership by franchised clubs. A response had not been received to the DT's letter; however, the DT understood that SD had included in their new membership policy wording which accommodated the DT's wishes¹;
- The Board had undertaken to follow up on what it means for the DT and AFCW to be part of the same group. This had not yet been published; however, relationships between the DT and AFCW were being examined and this was work in progress to be reported on in the future;
- The revised Rule 61 of the DT Constitution had been registered with the FSA following the SGM;
- Incorporation of AFCW Ladies. The Memorandum & Articles of Association had been sent to the FA for approval. The FA had requested some changes and these were being made;
- The DT had nominated Lou Carton-Kelly for election to the Board of Supporters Direct and had exercised its vote in these elections. Lou had not been voted in at the SD election.

1.2 Erik Samuelson (ES) reported on progress with the commercial bank loan. The AFCW PLC Board had considered the terms offered and, after debate, had recommended that acceptance of the loan should be put to the DT membership. It was considered that member approval would be appropriate because there were conditions which members needed to be comfortable with, in particular the requirement for (in simplified terms) profits to be at least 150% of principal plus interest payments. If not complied with, these conditions could potentially result in the bank foreclosing on the loan. The DT Board had requested more information before putting the matter to members. This information had now been received and would be passed onto the DTB for discussion at the next DTB meeting. The AFCW PLC Articles of Association required the loan to be voted on by its shareholders (necessitating an EGM) and the DT would likely also wish to put the matter to its members (necessitating an SGM). This was therefore a slow process; however, it was important to get it right.

1.3 TA asked whether there were any further comments on the notes of the previous meeting; there were none and they were taken as accepted.

2. Annual Report and Annual Accounts.

2.1 TA asked whether there were any requests for clarification on the Annual report; there were none.

2.2 John Owen (JO) reported that since taking over as Treasurer he had made available quarterly figures to members. There should therefore be few surprises in the audited accounts for the year to June 2005. The DT had made a surplus of £99K after nine months and £124K for the full year. The last quarter was somewhat weaker than the previous quarters, since it included two months of close season when there was little fundraising activity. TA then invited questions on the accounts.

- Ray Downham asked whether there was no Sports Interactive sponsorship for 2005. JO replied that £10K had been received but that this had been transferred to AFCW in view of the costs of the youth academy met by AFCW.
- Peter Young (PY) asked what was the gross cost of the Ladies and Youth set-up. JO replied that the figures did not net out the sponsorship, so the £12K figure for the Ladies was a gross figure.
- PY noted that the costs appeared to be climbing upwards and again asked what the total costs were. Knowing this would allow members to form a judgement as to whether so much money should be spent on Ladies and youth football. TA said that the DTB would try to give a fuller reply to PY's question subsequent to the meeting.

¹ Secretary's note: The Supporters Direct Membership Policy referred to by TA includes the following wording: "The Board can also refuse a group on the basis that they have, in the Board's view, brought the Trust movement or Supporters Direct into disrepute in the previous year of membership. The Board shall also have regard to the unity of the trust movement in considering applications for membership."

- Ron Trayhorn noted that he had portrayed the net cost of the Ladies team at the last SGM as being less than the £12,000 shown in the accounts because a 50/50 allocation of Sports Interactive sponsorship between Ladies and Youth had been assumed. Having not been at the DTB meeting where this was discussed, he did not understand why none of the sponsorship was allocated to the Ladies. JO replied that there were VAT considerations as to how sponsorship was allocated and that, since AFCW had absorbed certain of the costs of the Youth teams, it had been considered appropriate to transfer the sponsorship to AFCW.
- PY asked whether the total cost of the Ladies plus Youth was in the order of £60K. Nigel Higgs (NH) said that, taking account of pitch hire and kits, this figure sounded about right but that it would need to be confirmed.
- PY asked whether a contribution was made to costs by the youth players and/or their families. NH replied that no direct contribution was made to costs by players or their families. AFCW was attempting to create a centre of excellence for youth football, so was having to provide a different offer than other leading local clubs and therefore did not ask for subscriptions. However, players were asked to join the DT and to buy season tickets, and this brought in some revenue which was not netted against the costs.
- PY asked what as to the cost of the NESOCOT tie-up. NH replied that the combined net budget for the Youth & Community Football Scheme for the season was £22k, versus around £33K for the previous season.
- Martin Drake gave feedback that that he would like to see the income and expenditure for the Ladies and Youth in one place in the future and in more detail.
- RT asked whether a share of the sponsorship income would be allocated to the Ladies in the future. JO replied that it was the gross figure that mattered and that sponsorship could be allocated in different ways. Given the relative levels of costs of the Youth and the Ladies, the previous 50/50 split did not seem fair and it was fairer to allocate the majority to the Youth. RT responded that there had been questions about the costs of the Ladies throughout the year and that, if no credit were given for sponsorship, the Ladies costs appeared to be too high and that some credit should be given for sponsorship income.
- A member asked if the sponsors were concerned as to how the sponsorship income was allocated. Kris Stewart replied that they were not.

3. Resolutions proposed by the Board.

- 3.1 TA asked members if any comments or clarifications were required on Resolution One, to approve the annual report and accounts. There were none. TA called for a show of hands. There was near-unanimous support for the resolution (there were no votes against and one abstention) and the resolution was duly passed.
- 3.2 TA asked members if any comments or clarifications were required on Resolution Two, to reappoint Proto & Co as the Society's auditor. There were none. TA called for a show of hands. The large majority of members supported the resolution (there were two votes against and four abstentions) and the resolution was duly passed.
- 3.3 TA asked the Dons Trust Secretary to summarise Resolutions Three, Four and Five before these were put to the vote. Mark Davis (MD) reminded members of the background to the WISA offer to purchase shares in 2004, the review of selling shares to parties other than the DT (as discussed at the June SGM) and the recent issue of shares by AFCW to capitalise outstanding loans from the DT. AFCW wished to have shareholders' authorisation to carry out a further capitalisation issue for the year ahead and, taking into account feedback from members at the June SGM, it seemed appropriate this year to widen the parties who could purchase newly issues shares in AFCW rather than for the DT to be the only such party. Therefore:
 - Resolution Three was a proposed share policy which was essentially the outcome of the discussion with members at the June SGM. MD highlighted the main provisions of the policy and pointed out that this policy could be changed at a later date if appropriate;
 - Resolution Four would permit the DT to exercise its vote on Resolution 6 at the AFCW AGM in relation to authorising AFCW to issues further shares during the year ahead;
 - Resolution Five would permit the DT to exercise its vote on Resolution 7 at the AFCW AGM in relation to authorising AFCW to disapply pre-emption rights on share issues (up to a certain number of shares) during the year ahead. If passed, this meant that AFCW would be authorised to sell shares to parties such as the DT or individual purchasers without having to offer shares to all of its existing shareholders (which would entail the costs of preparing a prospectus etc.).

- 3.4 Sean Fox said that the policy was welcome but questioned why the sale price was not stipulated in the policy and why there was not a firmer policy on the minimum transaction value reflecting members' wishes to keep this low. On the former point, JO said that people would be aware that there was no appetite on the Board's price to sell at a price other than 60 pence per share but that to set a price might be seen as tantamount to offering shares, which for regulatory reasons AFCW could not do, and that AFCW could only react to unsolicited offers received. On the other point, JO said that the answer depended on how many offers were received, since there were administrative costs in issuing shares. Again, AFCW could only react to unsolicited approaches; however, JO's feeling was that a minimum transaction value of £100 might be about right.
- 3.5 Chris Gibbs asked what the benefits of buying shares were and why individuals should want to. TA replied that this was more about showing support for AFC Wimbledon than financial benefits. JO reminded members that share prices can go up and down and said out that at previous meetings members had said that they would like to buy further shares – for example, to donate to others such as their children – and perhaps in the expectation of possible dividends at a later date. A member observed that shares in AFC Wimbledon were good value as souvenirs.
- 3.6 Martin Drake asked the rationale for the amounts set out in Resolutions Four and Five. JO replied that the amount set out in Resolution Three was the total authorised but unissued share capital of AFCW PLC and that there were guidelines on how much should be offered by way of disapplying pre-emption rights at a time, so not all of the shares were being authorised for sale via this route. Martin then asked whether there was a policy on the DT buying back shares in AFCW. JO replied that the DT would be happy to receive AFCW shares as donations but that there was not much benefit to the DT in purchasing shares in AFCW from third parties.
- 3.7 Chris Gibbs asked whether issuing shares was the preferred method of raising funding for the club. JO replied that all money raised by AFCW from its day to day activities was spent within the club and that the main mechanism for raising money to pay off the Khosla loan was the DT's fundraising activities. ES added that there had previously been a debate about the relative merits of shares and loans. Unlike shares, loans have to be repaid. Depending on individuals' circumstances, shares were therefore preferable from AFCW's perspective. AFCW was currently investigating whether there might be tax relief on loans but this was for the future.
- 3.8 Kevin Watson asked whether passing these resolutions would affect the ability to advertise the availability of shares, including by WISA. JO replied that advice had been received that the DT and AFCW should not advertise but that the DT was not in a position to dictate what WISA should do in this regard.
- 3.9 TA called for a show of hands on Resolution Three. There was unanimous support for the resolution and it was duly passed.
- 3.10 TA called for a show of hands on Resolution Four. There was unanimous support for the resolution and it was duly passed.
- 3.11 TA called for a show of hands on Resolution Five. There was unanimous support for the resolution and it was duly passed.

4. Outcome of 2005 elections to the Society Board

- 4.1 MD reported on the process that had been undertaken to recruit candidates for the DTB elections. By the closing date for nominations, only five candidates had come forward. The DT Constitution did not clearly provide for this eventuality, although Rule 64 provided some indication. It had been considered that extending the deadline for nominations would set a poor precedent for future elections. Acting on the advice of the Secretary and the Election Steering Group, those members of the DTB who were not standing for election had decided to consider the five candidates duly elected. They were Tom Adam, Bert Dale, Marc Jones, Sandy Lawrence and Erik Samuelson.
- 4.2 MD added that it was disappointing that so few candidates had stepped forward. The DTB had asked the Constitution Review Group to consider further the implications for the DT Constitution, taking into account the ambiguities in the rules and the need to think about preserving a sustainable pipeline of candidates for future Boards. MD thanked the ESG, namely Stephen Godfrey, Tim Hillyer and Matt West, for their assistance.
- 4.3 TA endorsed MD's thanks to the ESG and there was a round of applause for the ESG. TA noted that an issue for the coming year would be how to encourage DT members to participate in the business of the DT and how to devolve more work to involve members. Chris Gibbs asked when and how these

matters would be addressed. TA said that it was part of the Constitution Review Group's work and would no doubt be reported on at the subsequent SGM. TA asked the new DTB members, Bert Dale and Sandy Lawrence, to identify themselves and there was a round of applause.

- 4.4 Ray Downham noted the requirement for to preserve a majority of DT Board members on the Boards of each of the subsidiaries. David Cox (DC) noted that this would be discussed at the next DTB meeting. Geoff Seal asked whether this would allow the Boards to continue to operate in the meantime. DC replied in the affirmative.

5. Questions and Answers.

- 5.1 PY asked whether, rather than using the youth system to grow an elite of players for the senior team, consideration had been given to using the youth system to grow AFC Wimbledon's base of supporters, e.g. by issuing free tickets to players and their families or having a league for AFC Wimbledon supporters who were prepared to pay in order to play. He noted that the benefits of the youth system as a feeder to the senior teams needed to be weighed against the costs. NH noted that there were two separate systems within the Youth & Community Football set-up – an elite system to feed the senior teams and community football for those who are willing to play. He did not see this as an “either/or” situation. NH added that about 70 youngsters would be coming to the Leyton game as a result of vouchers handed out to CFS participants. As for the elite system, this was a medium term goal – U16 players were beginning to enter the Reserves and last year's U18 players were now entering the squad. Because these players were at college, they tended not to cost much as players.
- 5.2 PY asked about the cost of this approach and why a more inclusive approach was not taken towards the youth teams. NH welcomed this debate. He said that an objective for the current year would be to manage the costs of the youth system carefully. PY asked NH to publish reformatted costs for the past year and the budget for the coming year. NH said that he would be happy to do so once a few outstanding items on the budget were reconciled. He noted that, under the auspices of the DT's Community activities, Marc Jones (MJ) was looking at football provision for disabled people. ES also welcomed the debate. He noted that John Moules, the Chief Operating Officer of the Conference, had visited the club. When asked about the relative merits of growing talent from versus recruiting talent from elsewhere, Moules had answered that the most successful clubs tend to do both.
- 5.3 Gail Moss noted the reference to “Cabinet posts” in the Annual Report and asked whether this implied a new approach to roles on the DTB. MJ clarified that this was simply a colloquial way of referring to DTB member roles and not a new approach.
- 5.4 Ronan Warde noted from the October DTB minutes that there was a discussion about the extent to which DTB members were given access to the detailed worksheets underpinning the AFCW budget. TA replied that the question was over the extent of information that a Board should need and was an ongoing area of discussion. Ronan then asked whether, if a DTB member wished to see all of the detail of AFCW's finances, they were able to have access to this information. Various DTB members responded to this:
- JO noted that ES was on both Boards and so was able to explain any questions on AFCW finances to DTB members. However, there was a balance to be struck on the level of information provision as not all DTB members were financially aware. The situation that Ronan was asking about had not arisen to date and was therefore a hypothetical question;
 - TA noted that if the DTB had areas of concern, then they would be able to seek this information;
 - ES echoed that DTB members could have this level of access to AFCW financial information but noted that exercising such a right would suggest a serious deterioration in the relationship between the DT and AFCW.
- 5.5 Kevin Watson asked about the relationship between the DT and AFCW – in particular, which was the senior party in control of the other. MD explained that the DT and AFCW PLC were separate legal entities and it was necessary to observe certain formalities in the way they operated. Formally, the DT was able to exercise control of AFCW via a number of mechanisms, namely: influencing decisions via majority DTB member representation on the AFCW Boards; and the ability to requisition EGMs of AFCW and thereby bring forward resolutions, including resolutions to appoint and dismiss AFCW Directors². In practice, the mere fact that the DT had these levers available to it meant that it was not necessary to operate them – there was a process of ongoing dialogue and AFCW would be unlikely to

² Secretary's note: The Secretary could have added that the Articles of Association prevent the AFCW Board from undertaking certain actions without the consent of the shareholders and that the DT has a sufficient voting interest in AFCW to approve or prevent all such matters as are put to shareholders.

go against the wishes of the DT when the DT could then exercise the levers formally available to it. This was at the essence of what it meant for the DT and AFCW to be part of the same group, the question raised by Geoff Seal at the previous SGM.

- 5.6 Jacki Harvie asked whether there was any progress on reviewing the £25 membership subscription. JO said that a reduction in the subscription would affect the activities that the DT could undertake. He noted that there had been no increase since the DT was first established, so the cost had declined in real terms. Jacki added that the £25 might be a reason for the membership level declining. JO pointed out that there had been an increase in the number of members following the year-end. MJ noted that a member of the new DTB would be responsible for membership and would look at the implications of membership subscription fees.
- 5.7 Geoff Seal asked for clarification of the reference in the Annual Report to a reduced number of SGMs. MD replied that there were two factors to be considered. One was that, in the DTB's view, SGM's were not a particularly successful way of engaging the membership – they were very formal and attracted a small number of members. The other was that discussion of general meetings takes up a significant proportion of the limited time available for DTB meetings. The Board had noted that one of the most successful discussions it had had with the membership this year had been the discussion at the June SGM on share ownership which had been conducted in more of an "open meeting" format. The view of the Board was that it would therefore be preferable to have fewer general meetings, say two per year, but to supplement these with other meetings such as open meetings, perhaps even themed meetings. The slot available for these could be replaced with a general meeting if there was formal business necessitating a general meeting. These were, however, only the Board's views and it would be up to the membership since the requirement for four general meetings was currently set out in the Constitution. A member observed that time was wasted at general meetings on questions and answers, which could be better addressed at open meetings before or after matches.

6. Any Other Business.

- 6.1 TA noted that Roger Dennis was stepping down from his Community Events activities, and would be succeeded in this role by Barrie Scott. There was a round of applause for Roger. It was noted that Roger was continuing in his Golden Goals role.
- 6.2 TA also thanked everyone who had volunteered during the year and asked them to identify themselves. There was a round of applause.
- 6.3 TA noted that Ivor Heller and Ron Trayhorn were stepping down from the DTB, having served on the Board since the DT's inception, and thanked them for their work. There was a round of applause.
- 6.4 TA noted that the AFCW AGM would start shortly and that it was open to all present, although only AFCW shareholders could vote. The next DT SGM would be held in the first quarter of 2006. He closed the meeting, thanking members for attending and wishing a Happy Christmas to all.
- 6.5 The meeting closed at 9.15 pm.

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Tom Adam, Dons Trust Chair