

**Wimbledon Football Club Supporters Society Limited**  
**Minutes of the Special General Meeting held on 18<sup>th</sup> December, 2006 at 7.30pm**  
The Fans' Stadium - Kingsmeadow, Jack Goodchild Way, Kingston Road, Kingston-upon-Thames, KT1 3PB

These minutes were unanimously approved by the DTB at its meeting on 5<sup>th</sup> February 2007 for submission for approval at the next SGM

**0. Introduction and Apologies for Absence**

- 0.1 Welcoming members, Tom Adam (TA) reminded members that this was the first of two AGMs and would be followed later in the evening by the AFCW PLC AGM. He conveyed apologies from Dennis Lowndes, Xavier Wiggins, Alan Edwards and Margaret Adams. He thanked John Stembridge and his helpers for signing in members at the meeting.

**1. SGM Minutes**

- 1.1 Turning to the minutes of the October SGM, TA reported on the following matters arising:

- Mr Khosla had now been repaid, and the Barclays loan was in place;
- The "Each One Reach One" and "Kids Go Free" initiative on 2<sup>nd</sup> December had resulted in the highest home crowd of the season, i.e. 2,707. TA congratulated Ivor Heller and his team.
- John Owen had suggested at the last SGM that the Dons Trust Board should not have access to privileged information about how many candidates were standing. Arrangements had been put in place to keep the Board at arm's length from the Election Steering Group.
- John Owen had also suggested changing the rules to prevent the Board from selling the club without member approval. This was on the agenda for the AGM.

- 1.2 TA invited comments on the minutes. There were none and they were duly taken as accepted.

**2. AGM Report**

- 2.1 TA invited comments and clarifications on the AGM report. There were none.

**3. Annual Report and Accounts**

- 3.1 Before inviting questions, TA asked Sean McLaughlin (SM) to highlight any key points from the annual report and accounts. SM noted that profits were down on the previous year, reflecting the decline in membership and fewer fundraising events.
- 3.2 Dave Boyle (DB) asked about the separation of the Dons Trust and AFCW accounts and the comment that consolidated accounts were not prepared as the two organisations were very different. This did not ring true, he believed, as the Trust and club were closely connected. SM replied that there were tax risks if the two organisations were seen to be one, in particular the risk that membership subscriptions would be liable to VAT. Erik Samuelson (ES) recognised DB's point but was of the view that the presentation of the accounts would not affect members' and supporters' perceptions of the relationship between the Trust and club.

**4. Resolutions proposed by the Board**

- 4.1 There being no further questions on the annual report and accounts, TA invited a show of hands on Resolution 1 to approve the Society's report and accounts. The large majority of those present were in favour, with none against and one abstention, and the resolution was duly passed.
- 4.2 Turning to Resolution 2, TA asked Peter Proto (PP) whether he had any comments to make about his proposed re-appointment as auditor. PP noted that the existing spreadsheet-based accounting system was difficult both for the Treasurer and the auditor and that he recommended moving to an accounting software package. SM agreed that this was his intention. TA then invited a show of hands on Resolution 2, to confirm the re-appointment of Proto & Co. as auditor. The resolution was passed *nem con*. TA thanked PP for his tremendous efforts on behalf of the Trust and there was a round of applause.

- 4.3 TA invited Mark Davis (MD) to summarise Resolutions 3 and 4. MD explained that the suggestion had been made at the October SGM to change the Constitution at the AGM to prevent the Trust from selling the club without member approval. The Constitution Review Group (CRG) had met to consider this and a draft rule change had been prepared. However, there were risks to rushing the rule change as any rule introduced to provide the necessary protection would require an enhanced majority to be revised, and any deficiencies in the rule would therefore be difficult to unwind. It had therefore been decided, instead, to introduce two resolutions. The first, Resolution 3, would require the Board to bring forward a rule change for member approval, by June 2007, to prevent the Board from selling the club or stadium without member approval. The second, Resolution 4, would require the Board not to sell the club or stadium in advance of the rule change coming into effect. There being no questions, TA moved to a show of hands on Resolutions 3 and 4 in turn. Both resolutions were passed *nem con*.
- 4.4 Introducing Resolution 5, TA asked whether members had questions. DB asked for confirmation that it was appropriate for questions on the AFCW accounts to be raised in this forum rather than at the AFCW AGM. MD replied that, in voting on the resolution, members would be authorising the Board how to vote at the AFCW AGM. As the DT's vote would automatically carry the resolution at the AFCW AGM, the DT AGM was a legitimate place for members to raise questions on the AFCW accounts before giving the DT Board authority as to how to vote at the AFCW AGM.
- 4.5 DB asked three questions, which were answered in turn by ES as follows:
- Why were football costs not disclosed separately from other employee costs? ES explained that this was to keep the statutory accounts as simple as possible. ES did intend to publish more detailed information in due course.
  - Why did the accounts not disclose the full-time equivalent (FTE) of the staff complement? ES replied that this was hard to work out and not particularly useful. For example, if bar staff worked four hours per week, it was not meaningful to equate ten bar staff to one full-time employee.
  - What was the £1.6m debt due from a subsidiary? This was the balance of a loan outstanding from AFCW PLC to its subsidiary AFCW Stadium Limited, which had been entered into to finance the acquisition of the stadium.
- 4.6 Laurence Lowne asked if the names of full-time staff could be disclosed in the accounts as a matter of course in the future.
- 4.7 Ian Pollock asked four questions, which were answered in turn by ES as follows:
- The financial performance of the club appeared to have deteriorated since the previous year – was this satisfactory? ES acknowledged that the financial year had not been a good year compared with the year before, as the more detailed commentary to be released in due course would show. The overall result was not far short of the original budget and was better than the revised forecast provided at the time of seeking member approval for the Barclays loan, notwithstanding that £20K of unanticipated costs had been absorbed in connection with planning permission and Morden Park. But the underlying deterioration was masked by an extra £47K of donations – some of which, received from holders of five year season tickets, would not recur – and unbudgeted success in cup competitions. The sale of 3,200 shirts, following the release of new home and away kits, was also unrepeatable.
  - What was the trend in the current year? So far, ES replied, the current year was not showing an improvement on last year. League gates were down by 14.8%. Fortunately this was more than compensated by unbudgeted success in cup competitions. The club was taking steps to address the situation, by reining in the cost budget, promoting the Kingsmeadow Live venture to make better use of the facilities and initiatives to boost matchday attendances and to find out why some season ticket holders had not renewed. But 2006/07 was likely to be a difficult year.
  - Was it the case that the cash flow position had switched from positive to negative? ES replied that there was a net cash movement of minus £135K. £66K of this was expenditure on the stadium roof and other discretionary capital expenditures. However, the other £70K represented an outflow of cash from operations. However, if AFCW PLC had undertaken a capitalisation issue in the same way as the previous year, then this would have made the cash flow look £60K better.
  - Overall, was the financial situation problematic? ES replied that he was not desperately worried by the financial situation. AFCW was not bleeding cash badly.

- 4.8 Jerzy Dabrowski asked what percentage of cup prize money was paid to the playing staff. ES replied that most of it – around 75% but varying from round to round - was spent on bonuses. A number of players had been recruited on lower wages than they had received elsewhere, and cup bonuses were a way of attracting players.
- 4.9 Concluding the discussion on this item, TA invited a show of hands on Resolution 5 to authorise the DT Board to vote in favour of approving the AFCW report and accounts at the AFCW AGM. The resolution was passed *nem con*.
- 4.10 At TA's invitation, MD summarised Resolution 6. This was to authorise the DT Board to use its discretion in exercising the Trust's votes at the AFCW AGM on the election of four directors, namely Ian Cooke, David Cox, Rod Fraser and Iain McNay. MD explained that it was not possible to decide how to exercise the Trust's votes in advance, since it would not be know who would be on the DT Board following the conclusion of the elections and whether the election of all four directors was consistent with the constitutional requirement for DT Board members to represent the majority of all subsidiary boards. The DT Board would be meeting briefly between the two AGMs to decide how to vote. TA invited a show of hands and Resolution 6 was passed *nem con*.

## 5. Outcome of 2006 elections to Society Board

- 5.1 At TA's invitation, Stephen Godfrey of the Election Steering Group (ESG) announced the outcome of the elections. Of the 1,370 eligible members, 471 had voted, representing a 34.4% turnout – some 5% higher than at the previous election. None of the ballot papers were spoilt.
- 5.2 The election count had taken place on 15<sup>th</sup> December, witnessed by Mark Murphy of the K's Trust. The ESG suggested that the Board write a letter of thanks to Mark Murphy.
- 5.3 The results of the elections were as follows:
- Matthew Breach – 284 votes – elected;
  - Stephen Butterick – 105;
  - David Cox – 304 – elected;
  - Ivor Heller – 332 – elected;
  - Nigel Higgs – 326 – elected;
  - Paul Jeater – 292 – elected;
  - Dennis Lowndes – 238;
  - Sean McLaughlin – 285 – elected;
  - Iain McNay – 270 – elected;
  - John Owen – 202;
  - Geoff Seel – 198;
  - Xaver Wiggins – 196.
- 5.4 Offering congratulations, TA invited the successful candidates to identify themselves to those present, and there was a round of applause. TA noted that there had been a real competition for places this year, which was healthy. He thanked all candidates for taking part and thanked the members of the ESG for their work. He thanked the retiring DTB members, Stephen Butterick, Mark Davis and Chris Philips for their participation in the board.

## 6. Questions and answers

- 6.1 DB noted ES' observation in the AGM report that some clubs spend unsustainable amounts on the playing budget. He added that it was not helpful that, for clubs which are connected with other business interests, there may be ways for such expenditures to be deductible against other taxable revenues, at the expense of taxpayers. Whilst the Conference operated a – perhaps not foolproof – salary management protocol, no such arrangement applied in the Ryman League. He asked whether there had been any moves to change the Ryman League rules and indicated that Supporters Direct could be willing to lend its support to any such initiative.
- 6.2 Recognising that there were concerns about the manner in which players' wages were paid in non-league football, ES replied that the club had not thought of such an approach and he would be interested to talk to DB some more about the idea and to take it up with the Ryman League. There were ways around the salary management protocol in the Conference, however: additional funding from backers could be invested in the form of share capital and could then be available for funding players' wages. Finally, ES noted that there was a continuing struggle to compete with the top-paying clubs in the league. One of the issues to be addressed by the strategy review would be how to release more funding for players.

- 6.3 Toni Shepherd asked how much money volunteers saved the club. ES replied that it had become apparent, during the course of organising the volunteers' party, that the club had over 200 volunteers. The cost saving to the club of their services had not been calculated but this was something that the club should do.
- 6.4 Stephen Godfrey noted that the Ladies team had been drawn away to Blackburn in the Women's FA Cup and asked whether the Trust would release additional funding for this. Bert Dale replied that travel and overnight accommodation would be subsidised by the FA and that no further funding was being requested of the Trust.

**7. Any other business**

- 7.1 Julian Edwards asked whether the proxy votes on the various resolutions would be recorded. MD replied that, since the resolutions had been decided on a show of hands, the proxies had no formal status and that, since there had been no appetite from the floor for the proxy results to be read out as a matter of information, they would not be recorded. Julian asked if the proxy results could be read out. MD replied that 38 proxy forms had been received, all of which were valid. The proxy results were as follows:

Resolution	For	Chair's discretion	Against	Abstain <sup>1</sup>	Spoiled vote
Resolution 1 (approval of DT accounts)	26	10	0	2	0
Resolution 2 (appointment of auditor)	25	11	0	2	0
Resolution 3 (instruction to change Rules)	24	10	2	2	0
Resolution 4 (instruction re: restricted actions)	25	10	0	2	1
Resolution 5 (authority to approve AFCW accounts)	26	10	0	2	0
Resolution 6 (authority to vote for AFCW directors)	25	10	1	2	0

- 7.2 Noting that Geraldine Messenbird had stepped down from the Board during the year owing to ill health, ES recorded the Board's gratitude to Geraldine Messenbird for her work. He also thanked MD for his work as Secretary and hoped that, having had a rest from this work, MD would continue his involvement at a later stage. DB endorsed MD's work as Secretary.
- 7.3 DB noted that the AGM was being held too close to Christmas and asked that it be brought forward to an earlier date next year, notwithstanding difficulties in finalising accounts, in the interest of boosting attendance. He added that supporter-owned clubs were lucky to have meetings such as this, where real issues were debated between members and the Board, in contrast to some of the larger clubs where discussion of serious financial issues was avoided
- 7.4 Concluding the meeting, TA thanked members for their attendance. The meeting closed at 8.45 pm.

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Chairman

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<sup>1</sup> Secretary's note: Abstentions were recorded where no vote was indicated on a resolution in the relevant boxes.