

2008_01_26_draft_AGM

Wimbledon Football Club Supporters Society Limited

Draft Minutes of the Annual General Meeting held on Saturday 26th January, 2008¹ at

The Cherry Red Records Fans' Stadium - Kingsmeadow, Jack Goodchild Way, 422a Kingston Road, Kingston-upon-Thames, KT1 3PB

These minutes were endorsed by the DTB at its meeting on 3 March on the basis that they would be submitted for approval by the members at the next SGM

0. Introduction and Apologies for Absence

0.1 At 12:15pm the Chairman of the Trust Board, David Cox (DC), declared the meeting open. As well as the members who attended the meeting in person, 23 members had submitted proxy forms in favour of the 6 resolutions.² Welcoming members, DC conveyed apologies from Matthew Breach, Stephen Godfrey, Iain McNay and Mike Richardson.

1. SGM Minutes

- 1.1 Turning to the minutes of the 27 September June 2007 SGM, DC invited comments.
- 1.2 Ray Downham (RD) asked how the minutes could record apologies from someone who had not on 27 September been a member of the Trust. The meeting **accepted** the proposition made from the floor by Kris Stewart (KS) that someone who had inadvertently allowed his Trust membership to lapse could nonetheless be genuinely apologetic about his absence from the SGM and that the minutes could stand as a correct reflection of that fact.
- 1.3 RD asked whether the Board had looked into the constitutional implications of allowing life membership for those who paid the special one-off fee of £500. DC confirmed that the Board had done this and had concluded that this form of membership was in accordance with the constitution.³ In passing, it was announced that there were now 8 life members.
- 1.4 **The September 2007 SGM minutes were duly taken as accepted.**

2. DTB Annual Report for 2007

2.1 With reference to paragraph 2 of the report (Members of the Board in 2007)RD repeated his point on the accuracy of papers that counted Marc Jones (MJ) as a member during a period when his membership of the Trust had lapsed, making him ineligible to be a member of the Board. David Wilkinson (DW) noted that the position had not been known when he had created the document – there was no question of MJ or the Board seeking to hide the position as was evident from page 1 of the Report and Accounts for the year ended 30 June 2007 that quite openly and explicitly recorded what had happened. RD said his point was whether MJ's ineligibility called into

¹ Notwithstanding the date, this was the AGM for 2007. It had been postponed because of the delay in producing audited accounts as had been explained to members in advance of the meeting.

² 13 cast their votes in favour and 10 made the Chairman their proxy in the clear knowledge that, as made clear in the papers, he would cast their votes in favour of the resolutions.

³ Secretary's Note. See Rule 11: "Members are to pay an annual subscription of £25 **or such other reasonable sum as the Society Board shall decide**", emphasis added. The Society Board so decided in relation to the £500 fee for life membership.

2008_01_26_draft_AGM

question the constitutionality and therefore the validity of the Board's decisions in the period in question. DW said that a check of all the votes in the period in question had confirmed that no decision came out differently when MJ's vote was discounted. On the wider issue, DC said that the Board took the view that it simply had to do the best that it could to deal with inadvertent constitutional lapses and it was working with John Stembridge to introduce arrangements where the Secretary of the Board would be given regular, systematic confirmation that all Board members' shares in the Trust remained fully paid up.

- 2.2 On paragraph 4 (the Role of the Board) RD asked that due care be taken that the use of the word Club lest Members be confused about the entity at issue. The members present accepted KS's intervention from the floor that 'Club' and 'Trust' were helpful shorthand but that in any context where the exact entity involved (for example one of the subsidiaries) was significant, then the exact title of the entity should be spelled out.
- 2.3 Ian Lownes noted that the Annual Report enumerated a large number of important matters that were being taken forward from last year into 2008 and he wished the Board luck in coping with such a heavy work load, expressing the view that we should go down to three general meetings a year (5.4, 2nd indent on page 9); go down the road of aligning Trust membership with the purchase of a season ticket (5.4) and make fundraising the top priority for 2008 (5.10). He pointed out a slip at 5.4(iv) where "annual membership with a one-off fee of £500" should read "life membership".
- 2.4 With these comments duly made, the **meeting noted the contents of the DTB AGM Report 2007.**

3. Dons Trust 2007 Annual Report and Accounts

- 3.1 Sean McLaughlin (SM) briefly introduced the accounts, drawing particular attention to page 11 that showed 2007 membership income down on 2006 (£31k against £36.5k) and page 12 that showed 2007 fundraising just up on 2006 (£92k against £90.7k).
- 3.2 DC invited questions. There were none.

4. Resolutions proposed by the Board

- 4.1 The board had proposed six resolutions and in the papers for the meeting had made clear that its recommendation to members was that they should vote in favour of all six.
- 4.2 The summary outcome of this item is that the **meeting voted unanimously in favour of all six resolutions.** The detail on each resolution is set out in the following six paragraphs.
- 4.3 **Resolution 1** – the matter having been dealt with substantively under item 3 above and the meeting having been spared through an intervention from RD from thinking it might be resolving to approve the 2006 report and accounts (the offending typo is on page 13 of the AGM papers), **the meeting resolved unanimously** "to approve the Society's annual report and accounts for the year ended 30 June 2007".
- 4.4 **Resolution 2** – having expressed its appreciation for the work done by AFCW fan Peter Proto, **the meeting resolved unanimously** "to reappoint Proto & Co as auditor of the Society for the year to 30 June 2007".
- 4.5 **Resolution 3** – DW reminded members of the background. At the June 2007 SGM the members had resolved unanimously to adopt a two-phase rule change devised and

2008_01_26_draft_AGM

drafted by Dave Boyle, Deputy General Secretary of Supporters Direct. The ultimate objective is to protect the status of AFCW PLC and its subsidiaries as a club that is owned by its fans. The Regulator (the Financial Services Authority) raised a few technical questions about the terms of the Resolution. These have now been resolved to the Regulator's satisfaction. Even so, the Board thought that the nature of the issue was so important that the matter should be referred back to the members who were therefore invited to approve the amended resolution set out in full on pages 18 to 21 of the papers circulated for the AGM⁴. DC invited comments and questions. RD asked for confirmation that the references to the 2008 AGM on page 19 were in fact correct. DW said they were, noting that the current meeting was the 2007 AGM and that the two-phase approach meant that in the course of 2008 the members would be consulted on what further restricted actions ought to be incorporated into the schedule prior to the tabling of a complete schedule by resolution to the 2008 AGM. **The meeting then resolved unanimously** "to approve the amendment proposed to Rule 22 of the Society's constitution and the creation of the associated Schedule".

- 4.6 **Resolution 4** – Erik Samuelson (ES) began by explaining just how strong was the Trust's controlling interest in AFCW PLC. The Trust holds all 5m 1p Ordinary shares and 426,150 1p A Ordinary shares in the PLC, representing in total 73.26% of the issued share capital of the company. As each Ordinary Share has 3 votes per share and each A Ordinary Share just 1 vote per share, the Trust holds 88.62% of the voting rights of AFCW PLC. This meant that whatever the Trust decided would always determine the outcome of votes at the AGM of the PLC. The Board thought it right therefore that the members of the Trust should be given their say and the opportunity to vote on how the Chairman of the DT Board should cast the 88.62% of the vote in the PLC AGM as his single raised hand would in fact determine the outcome, whatever the votes cast from the floor. ES then briefly highlighted the main points of the AFC Report and Accounts for the year ended 30 June 2007 with turnover up to £1,277k (as against £1,145k in 2006) and a loss of £36.5k (an improvement on the loss of £60.6k in 2006). **The meeting then resolved unanimously** "that the DTB should be authorised to cast the DT's vote at the fourth AGM of AFCW PLC in favour of approving AFCW PLC's accounts and the reports of the directors and auditors for the year ended 30 June 2007".
- 4.7 **Resolution 5** – ES explained that when AFCW PLC was created, 5 million 1p Ordinary A shares (the ones with one vote) had been created. Not all had been sold – there were still 73,850 available as of 30 June 2007. If the PLC is approached by individuals wanting to buy these shares, it knows it can sell them without in any way compromising the overall control exercised by the Trust and therefore there is no risk and nothing but financial gain from selling. Therefore in 2005 a DT AGM had adopted a policy that the PLC should be given authority, for one year at a time, renewable annually at succeeding AGMs, to sell up to a specified limit a number of Ordinary A shares. So the resolution was to extend for another year an existing DT policy. **The meeting then resolved unanimously** "that the DTB should be authorised to cast the DT's vote at the fourth AGM of AFCW PLC in favour of the special resolution" giving the Directors of the PLC authority to allot A Ordinary Shares up to the aggregate nominal amount of £25,934, the authority expiring on 26 January 2009.⁵
- 4.8 **Resolution 6** – ES explained that the purpose of this resolution was to enable the PLC to sell shares in accordance with the previous resolution without having first to contact every existing Ordinary A shareholder to see whether they wanted to maintain their shareholding at the same proportionate level by being given the opportunity to buy

⁴ To save paper, the text of the full resolution is not repeated here having been provided in full with the papers for the AGM.

⁵ The full formal resolution is given in the papers for the AGM and is not repeated in full here.

2008_01_26_draft_AGM

more shares. Again, the resolution was to extend for one more year an existing DT policy. The **meeting then resolved unanimously** "that the DTB should be authorised to cast the DT's vote at the fourth AGM of AFCW PLC in favour of the special resolution" empowering the Directors to allot further A Ordinary Shares up to an aggregate nominal amount of £3,500 disregarding the statutory pre-emption rights that normally apply.

5. Outcome of 2007 Elections to the Society Board

- 5.1 DW said that in October the Board had invited the Election Steering Group (ESG – Stephen Godfrey, John Dolan, Dave Boyle, Sean Fox and Ray Downham) to oversee an election to the DT Board to fill the 5 vacancies that would arise when Tom Adam, Bert Dale, Marc Jones, Sandy Lawrence and Erik Samuelson completed the maximum 2 year term for elected members at the end of 2007.
- 5.2 The ESG issued nomination forms on 19 October with a closing date of 2 November. The disappointing result was, as reported on the OS on 9 November, that only three valid nominations were received - from Tom Adam, Erik Samuelson and Kris Stewart. As this was fewer than the number of vacancies obviously there could not be an election and the existing DT Board (less the two members standing for election) had, in accordance with the Election Rules Policy, to decide how to proceed with filling the remaining vacancies.
- 5.3 This was done at the DTB meeting on 3 December and the outcome is openly recorded in the DTB minutes posted on the OS and reproduced on pages 24 to 26 of the papers for the AGM. Basically, what the Board was really worried about was the fact that only 3 Trust members had been willing to stand for the Board. This seemed to the Board to be the real issue of democratic participation and involvement that the Trust should be concentrating on. Unfortunately, most time and energy had to be spent, initially at least, on interpreting and applying Rule 72 of the Constitution to the position of ES. In short, could the CEO of AFC Wimbledon Ltd be an elected member of the DT Board? For the reasons set out at length in the email that DC sent to SG, the Chair of the ESG, on 7 December, copied to the other 4 members of the ESG, the Board concluded that ES could be an elected member.
- 5.4 DC then invited the two members of the ESG present to comment. John Dolan (JD) said that the account given by DW broadly fitted in with his understanding but he noted that the ESG had been divided on the interpretation of Rule 72. In any event, he and the Chair, Stephen Godfrey, were clear that the DTB had the right to decide on the correct interpretation of the Constitution. RD said that the email from Stephen Godfrey dated 9 December reproduced in the papers was simply a personal expression of opinion.⁶ In his view, the ESG by majority had thought that the Board had got the interpretation of the Constitution wrong⁷ and he contested the right of the Board to set itself up as the arbiter of the meaning of the Constitution and asked why it had not taken up the offer from DB for free legal advice via SD lawyers.

⁶ Secretary's note. I have gone back to this exchange of emails and confirmed that both DC's email of 7 December and SG's email of 9 December were copied to all members of the ESG and indeed to all members of the DTB. At no time did I receive any objection that the 9 December email did not reflect the position of the ESG.

⁷ Secretary's note. Following the AGM, I approached DB and asked for his judgement on the Board's conclusions at its 3 December meeting. He replied: "my personal view here is that I think the Board's reasoning is acceptable, even if I think some of the assertions are challengeable. I think the ultimate point being argued is regrettable - I really don't think we should have someone doing a job for the organisation sitting as an elected member. However, I do take the point that this isn't expressly forbidden in the rules, and so whilst I think the ultimate end-point isn't the best, I accept that it's not against the rules. However, as much as I think the situation isn't ideal, the swinger for me was the fact that if Erik wasn't classed as an elected member, the Board wouldn't be quorate and couldn't act, which seems ridiculous, and overrides pretty much all other concerns."

2008_01_26_draft_AGM

- 5.5 At this point, a number of members objected from the floor that they had no papers before them that explained RD's points or general position. If he wanted to make them, he should follow proper procedures and submit a resolution for discussion on the basis of full explanatory and supporting documentation. The Chairman was asked from the floor to move the item to a vote.
- 5.6 DC invited the AGM to indicate, by a show of hands, first, that they endorsed the election of TA, ES and KS to the DT Board and, second, that they agreed that the Board should proceed to hold a by-election to fill the two remaining vacancies for elected members on the Board. The meeting supported both propositions overwhelmingly.
- 5.7 DC thanked the meeting and said that he would arrange for an analysis to be made of RD's list of points once they had been submitted to the Board. The outcome would be reported to members.⁸

6 Questions and answers

- 6.1 Q: why had the accounts for AFC Wimbledon Ladies FC Limited still not been filed with Companies House, resulting in a £500 penalty? DC said that it would have been more sensible and helpful had anyone with such information (if correct, and the Board would now take the necessary action to establish the facts) reported the matter as soon as they had become aware of it, rather than apparently saving it up for the AGM.
- 6.2 Q: what was the Board's reaction to Goals' success in winning the competition to run part of the playing fields in Morden Park? The questioner thought that, unlike the Morden Trust bid that we were a part of, Goals' approach was insensitive to the community's true needs. By this stage, there was a good deal of noise in the back bar, making it difficult to hear ES's reply on this important and complex issue. By way of compensation, members are invited to read Erik's page devoted to this issue in the programme for the 29 January Boreham Wood game
- 6.3 Q: were we going to be able to meet the monthly payments to pay off the principal (£600k) on the loan from Barclays that had replaced our debt to Mr Khosla? ES noted that the repayment 'holiday' had ended in October 2007 and the DT had already begun the process of making monthly transfers to the PLC so that it could meet the repayments on the principal. (The PLC took direct responsibility for meeting the interest payments on the loan out of its operational funds.) The short answer was "yes" the Trust was in a position to pay off the debt. The long answer was that the Trust needed to redouble its efforts on fundraising if it was to be able simultaneously meet its obligations (to Bond holders as well as Barclays) as well as enter into new important commitments (like redeveloping the stadium). That is why the Board was delighted to have signed up Mark Davis as successor to Faz as the chair of the fundraising committee.
- 6.4 Q: what was the latest position on the Greyhound Stadium? ES confirmed that there was no significant change from the position reported in the Board's annual report to the AGM that explained how we planned to put ourselves in a state of readiness to pursue any opportunities that may arise for a development with a new stadium element built into it. As far as he knew (and hard knowledge was at a premium), the owners of the Greyhound Stadium, Risk Capital Partnership, were still holding to the position that all six stadiums were to be sold together.

⁸ At its meeting on 3 March the board agreed that this should be done reproducing as an annex to these minutes the note of a meeting that RD held with KS and DW on Sunday 3 February. This annex is at page 7 of these minutes.

2008_01_26_draft_AGM

6.5 Q: was there any chance of the Club taking over the vacant premises of the bookmakers on the corner of the Jack Goodchild Way. Erik said that such a purchase could not be justified when set against the many competing priorities for scarce capital funds. However, he was interested in establishing whether there was any prospect of using the gable end of the building to advertise the ground, games and functions from what was a prime position.

7 **Any other business**

7.1 Concluding the meeting, DC thanked members for their attendance and their patience. He promised that the Board would learn lessons from the conduct of this less than satisfactory meeting and promised that the Board would be in touch about the format and arrangements for the next SGM.

David Cox
Chairman of the Board

David Wilkinson
Secretary of the Trust

2008_01_26_draft_AGM

ANNEX

NOTE OF THE CONCLUSIONS OF THE MEETING BETWEEN RAY DOWNHAM, KRIS STEWART AND DAVID WILKINSON - KINGSMEADOW FROM 18:00 TO 19:40 ON SUNDAY 3rd FEBRUARY 2008.

Sean Fox was also expected but sent his apologies on Sunday morning, assuring us that Ray knew his mind and could represent him.

Ray told us:

- There was a concern as to why the DTB had not asked the ESG for the underlying reasons for their conclusion.
- There is an element of risk attached to the board's position and that this risk is increased by the fact of the board's awareness of its being claimed that there is such a risk.
- It would be simple for the board to minimise the risk specifically attaching to Erik's position, by passing a board resolution saying that in the event that Erik is not eligible to be an elected member, the board considers him a co-opted member.
- It would be simple for the Trust to avoid such a situation's arising again by changing rule 54 so that, although we are required to have 12 elected members, we are able to continue acting as a board unless and until the number of elected members falls below 10. Further, as a part of this process we could look at eliminating the position of casual vacancy.
- That communication between the ESG and the board has been poor.
- That the role of the ESG was unclear.
- That it is not clear, in the constitution, whether the election of members to the board is a one-stage process (in which case the ESG must rule on eligibility) or a two-stage process (in which case the eligibility test must be done in some other way, but it must be done).
- That a complete rewrite of the constitution is overdue, and that the same "clean sheet of paper" approach which would be most effective for the constitution could also be used for the election rules.

We told Ray:

- That beyond this meeting, there was no point submitting a full written account of the discussions and constitutional points raised within the ESG for DTB consideration as the DTB has already taken a decision and did not wish to discuss the matter further, subject only to a reference under the disputes procedure at rule 121.
- That the Board had already made an assessment of the risks arising from its judgement on the proper interpretation of the constitution. We thought that the risk he had identified was very low and so we did not share his view that remedial action was necessary.
- That the balance on the ESG is now (assuming Ray and Sean were still against the decision) 3-2 in favour of accepting the board's position (David W having ascertained Dave Boyle's position).
- That we did not accept his claim that he had no option but to raise these matters at the AGM. We could see far better ways of handling this difference of opinion that would have enabled the meeting of the AGM to go ahead and fulfil its true purpose as the central annual democratic event where the board was held to account by the members.
- That an election steering group should concentrate on encouraging vibrant, contested elections, and not on poring over constitutional minutiae, and that we have not had such an ESG, and that we should have such an ESG.
- That the election rules should be written afresh from the point of view of balancing the need to stimulate democratic involvement and securing fairness and upholding proper rules of behaviour. But the board was no longer willing to let the latter two legs have priority to the complete exclusion of the first leg.

We all agreed:

- It is the secretary's role to ensure that rules are upheld on behalf of the members. Ultimately, in the event of disagreement on interpretation, the board has to make a decision on any constitutional issue. It is the role of the secretary to ensure the board is

2008_01_26_draft_AGM

- fully apprised of the relevant issues, but any decision is of course subject to appeal as per the Trust's constitution.
- On Ray's suggestion, that the forthcoming by-election should be run by a new ESG under new election rules, as a pilot.
 - That there may be value in having a group outside the board to whom questions regarding constitutional issues can be referred, but even before this question was resolved it could be said now that any such a group cannot be the ESG.

Kris Stewart