



Wrexham AFC Limited- Third Annual General Meeting

And WST Members Meeting

Catrin Finch Centre Glyndwr University

1930 Thursday 29th January 2015

Minutes

Board members present:

Wrexham FC Board of Directors -John Mills (also Trust Board), Spencer Harris (also Trust Board), Mark Williams (also Trust Board), Gavin Jones (also Trust Board), Barry Horne, Don Bircham (Club CEO), Alan Watkins

WST Society Board - Peter Jones, Jenny Cantwell, Anita Purslow, Robin Wiggs, Dave Jones, Geoff Scott, Tom Stanford, Richard Ulrich, Alan Fox

Apologies from- Keith Roberts

1 Welcome and Introductions

Peter Jones, WST Chairman, welcomed those present, introduced the Club Board members and explained that the proceedings would consist of the third annual general meeting of Wrexham AFC Limited to be followed by a WST members meeting in the form of a question and answer session.

2 Approval of minutes from the second annual general meeting

The minutes of the Club AGM of 29th November 2013 were provided to those in attendance and had been made available on the WST website. Proposed by Clive Popplewell and seconded by John Edwards, they were unanimously accepted by those who had been present.

3 Presentation of financial statements

The main part of the AGM consisted of the presentation of a detailed financial statement and accounts by Mark Williams (Finance Director) who reiterated that although there was no legal requirement for a company our size to publish detailed financial statements (and few if any other clubs did so) the Board was keen to share as much information as they could with Trust members who were the clubs owners. Mark talked of the financial journey since supporters bought the club in November 2011 when it was losing £750,000 per year. Improving each year, and into the black within three years, the club was on course to make a profit during the current year.

Report of the directors and financial statements for the period 1 July 2013 to 30 June 2014

In addition to copies of the accounts made available on the night, they would also be accessible on the WST and Club websites shortly.

What follows is a summary of a detailed presentation by Mark and should be read alongside the accounts.

Mark explained that the accounts cover operations of the football club from 1 July 2013 to 30 June 2014.

Costs include player contracts for this season in May and June 2014 but not season ticket income to cover those costs which will be in the next accounts. Mark stressed that the 2013 figures included over £500,000 of income from winning the FA Trophy and reaching the play-off final.

Profit and Loss Account

The football club had a turnover of £1,702,137 during the period and made a gross profit of £77,028. There was a net loss of £349,603 compared to a budgeted loss of £134,107. Comparisons with 2013 were difficult due to the impact of the FA Trophy monies that year but without the FA Trophy monies the loss in 2013 would have been £489,620.

Mark said that the football club had budgeted to make an operating loss of £135,000 in the financial year 2014. Up to April 2014 the club made an operating loss of £150,000 and £210,000 when including overheads for May and June. Player contracts in May and June resulted in an overall operating loss of £325,000. We had the cash flow to offer playing contracts during the summer from season ticket sales but this income is deferred until the current financial year in terms of the profit and loss account. We have factored in offering playing contracts in during the summer in the current year budget.

Income and Expenditure

Mark emphasised the importance of gate receipts to the Clubs finances. The original budget was set to crowds of 3,500 but we only achieved 2,900 with gates tailing off towards the end of the season.

A breakdown of the Matchday and Commercial income was provided. Sponsorship and advertising finished ahead of budget but the overall variance was down by £42,000 due to hospitality not reaching targets. Hospitality actually improved towards the end of the season, in contrast to gate receipts, and budgets for this season were consequently realigned. Unlike when the Trust took over, all sponsorship boards are now sold and paid for. The cost of producing match day programmes was increasing with income from them decreasing but we are obliged to produce one

Football costs were provided. This covers players and management team wages. It also covers the following items- First team and training kit, Medical insurance and supplies, Players travel to away matches, Hotel/players accommodation and Coaching and scouting expenses. Although this is down on the previous year the 2013 figures included significant contractual bonuses for reaching Wembley twice. We have addressed these so that reaching Wembley is not rewarded but winning is. There was also a cost regarding the change of the previous management team

Centre of Excellence income and expenditure were discussed. The main source of income is compensation fees and last season failed to hit our original budget. The only funding the club receives is YTS funding. Donations are the funds raised by parents. The CoE cost the FC £60,000 to operate during the period. It is on target to break even this year.

Expenditure - The amount we actually pay for the Racecourse & Colliers Park is reduced by income from sponsorships. Insurance costs have increased due to increased stock levels and insuring the replacement costs for the club development. Motor expenses increased as we scrapped our two mini buses this year as the insurance was £3k each and it was more cost effective to hire on an ad hoc basis. £12,000 of the donations are to the Racecourse Community Foundation, the rest is local charities and the kit for the Ladies Football Team

The increase in Office Costs is the purchase of new computer equipment to replace the obsolete machines we inherited. The increase in sundries were mainly consumables purchased for the office development

A balance sheet was provided as at 30 June 2014.

Called up share capital is the funds invested by Wrexham Supporters Trust namely £709,980. The increase in fixed assets is the redevelopment of the club shop that was financed by the Community Shares and these were part of the movement in called up share capital. Prepayments are accounting entries for advance payments made and mainly relate to advance payments to/for Nike stock.

Loans to players have now been stopped and the balance relates to historical agreements that reduce each year. Gold bond money is the month of June that is paid to us in arrears. Trade debtors relates to sponsorships for the following season.

Season ticket and sponsorship income is treated as deferred income (liability) as it relates to the following financial year i.e. it is money banked and for a service to be delivered. However we incur wages when they are paid e.g. June in these accounts

Our monthly VAT repayment is usually £8,000 but it is high in June due to the season ticket sales. Accruals are accounting entries for provisions for costs that we have not been invoiced. Group undertakings are WST memberships that are now processed by the club as part of the season ticket application process.

Financial Summary

- The development of the new club shop and offices cost £90,000 and has already seen an 25% increase in sales
- Our only long term liability is the historical Football League pension with repayments of under £1k per month
- Mark said that the Club has almost 4,000 benefactors and Wrexham supporters have invested over £700,000 in the Club in the last three years

4 Update on current financial position

Mark summarised performance compared against the budget approved in June this year up to and including December 2014. We planned to be in profit during the season and are slightly ahead of target with an operating profit of £76,000 which excludes the FA Cup income from the Stoke match. This should be contrasted to the £750,000 loss made before the Trust purchased the club.

Mark outlined six key milestones. We were on target as far as season ticket sales, commercial and retail income, football conference subsidy and CoE compensation payments were concerned. As far as gate receipts are concerned we have hit/target target seven times so far (so better than last season) although we have lost home fixtures over the Holiday period. Mark emphasised that, unlike Premier League teams where gate receipts is a small proportion of turnover, at our level they are our main source of income.

In summary the business is improving.

We did post a loss for the previous financial year but

- This has improved year-on-year since inheriting a business that was making a loss of £750,000 a year
- We are expecting to return a small profit for the current financial year
- We are in a better position now to take advantage of any un-budgeted income that comes our way.

The meeting thanked Mark for an excellent presentation and all his hard work. Mark then took questions from the floor.

5 Questions about the accounts from the floor

- Kevin Wynne asked about the payments to the previous management team and whether they were paid up in full or a percentage of their contract. Mark replied that as with most employment contracts the parties agreed a compromise.
- Mark Currie asked about the increased auditors fees. Mark explained that the costs included financial advice given over the period (e.g. to apply for membership of the Football League had required the completion of a 109 question questionnaire) and also advice re the Trust accounts.
- Haydn Taylor asked, as he did last year, as to why the accounts could not be made available before the meeting as a courtesy to members. It was said last year that there was a question of explaining them to the press before general release but that the Board would review the position. Mark said that this meeting had been due to take place in November 2014 but work commitments meant that he had only been in a position to have the accounts approved recently. The Board would take note of the request.
- Jim Wells congratulated the board on the balance sheet and reminded Mark that last year he asked him when we would be “in the black”? Mark had indicated that we should be in 2015 and Jim congratulated Mark for his accurate prediction of 12 months ago.

6 Appointment of Auditors

Proposed by Haydn Taylor and seconded by Huw Davies, at the Boards, request, the meeting agreed unanimously to the reappointment of McLintocks as our statutory auditors.

Part Two- Trust Members Meeting

The second half of the meeting consisted of a question and answer session with members questioning both Football Club and Trust Board members.

7 Questions from the Floor

- Barry Roberts asked about the floodlights at the Mold Road end not being up to standard. Don Bircham said that this would be raised with the university. A question was also asked about the monies being lost due to postponements caused by the state of the pitch. Don said there had been problems with drainage and had identified appropriate pitch covers which cost about £11,000 and could be moved relatively easily by two people. This would also be discussed with the University.
- A member asked about the contracts of current players and what efforts were being made to extend some of them before the end of the season. Barry Horne replied that six players had been approached. Two did not want to negotiate this early.
- Matthew Webber asked about what meetings the FC Board had held with the manager following the recent very disappointing results and performances. Barry said that Kevin Wilkin had attended a recent Board meeting which was normal practice. He was challenged about recent league form and provided explanations for those shortcomings. He was left in no doubt that we expected better.
- Keith Jones asked about the Glyndwr Academy. Barry Horne said that the first year was always going to be difficult. The majority of the scholars play at a decent level. Two might break into the team before the end of the season. Encouragingly no players had dropped out of the scheme so far. This year's exit trials were around the corner and work to identify next season's intake would be underway soon.
- Colin Williams asked about values and pioneering now that the first few years of fans ownership had passed. Spencer Harris said that at the last AGM we had gone through the vision drivers and values for the club. He described the work to attract 8000 fans to the Grimsby match and hoped to announce more events during the current season. We were always looking for people to come forward and volunteer especially with skills and ideas. There was a drive to improve bilingualism and a sub group of translators had been set up. Alan Watkin talked about the work throughout North Wales with the Racecourse Community Foundation.
- Clive Popplewell also mentioned the need for pitch covers and Don Bircham confirmed that they were a condition of FL membership and moves were in place to purchase them subject to the finances being in place.
- Alan Watkin (and Steve Gilbert of the Disabled Supporters Association) answered a question about the proposed disabled viewing platforms. Grant funding was available until the

summer with the DSA having to find 50%. There were difficulties proceeding this season but Steve was meeting with the University shortly to clarify the quotes. The Trusts mosaic had not so far raised sufficient funds.

- Harry Thomas asked about a designated area for smokers who were smoking under the stands. Don said he would raise it with Glyndwr.
- Barry Eddis asked about any incoming players. Barry Horne said that the Club were close to signing a left side midfielder on loan and of course had just signed Kyle Storer.
- Huw Davies asked whether Carl Darlington had come in at the manager's request. Barry Horne said that Kevin was delighted to have Carl on board.
- The meeting asked about the recent loss of Trust monies. Alan Fox (Independent Secretary) explained that the Board took the loss of any monies/cheques very seriously and had tasked him to investigate. A Board member had mistakenly left a bag containing about £2000 in cash and slightly more in cheques in his car from where it was stolen. They were part of the raffle proceeds. It shouldn't have happened and was a one off mistake which should not be repeated. Procedures existed to avoid this happening and were being reviewed to see if they can be tightened. Those who had submitted cheques had been asked to check and, if not cashed, to submit a replacement. Almost half of the cheques had been replaced and a member had very generously donated £2000 to replace the cash.
- John Mills explained the choice of next seasons playing kit. After a detailed procurement process, Adidas had been chosen as our supplier. Members would have until Tuesday 3 February to select their choice of home and away shirt on line. In response to a question by Harry Thomas, this year's green away kit would not be auctioned off as it would be given to sponsors.

The meeting thanked the Club and Trust Board members for their efforts over the course of the year.

There being no other business the meeting ended at 2130.

Alan Fox

WST Independent Secretary

