



Wrexham AFC Limited- Fifth Annual General Meeting

Centenary Club Racecourse Ground

1930 Wednesday 24th April 2017

Minutes

Board members present:

Wrexham AFC Board of Directors: Spencer Harris, John Mills, Mark Williams, Phil Salmon. Apologies from Gavin Jones who joined the meeting later.

Trust Board Members were present.

1 Welcome and Introductions

Peter Jones, WST Chairman, welcomed those present, introduced the Club Board members and set out the agenda.

2 Approval of minutes from the fourth annual general meeting

Approval of the minutes of the Club AGM of 20th January 2016 was proposed by Clive Popplewell and seconded by Steve Gilbert, they were unanimously accepted by those who had been present.

3 Presentation of financial statements

The main part of the meeting consisted of the presentation of a report of the directors, 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. The accounts had been made available for viewing on line.

Mark explained that the figures covered the 12-month period from 1st July 2015 to 30th July 2016.

What follows is a summary of a detailed presentation by Mark and should be read alongside the accounts. The previous accounts included income from FA Cup and Trophy runs that did not materialise in the 2015/16 financial year.

Profit and Loss Account

The football club had a turnover of £2,091,719 during the period and made a gross profit of £308,878. There was an operating loss of £151,487. We budgeted for a loss of £90,000. The budget was the figure approved at the Trust AGM in 2015.

Income and Expenditure

Mark emphasised the importance of gate receipts to the Clubs finances. The main variance is gate receipts from league matches finished ahead of budget by £115,000, with season ticket income accounting for £55,000 of this variance

However, cup income was behind as the 2015 figures included the away match at Stoke City in the FA Cup and reaching the final of the FA Trophy.

A breakdown of the Matchday and Commercial income was provided. All apart from our Executive Box sales were ahead of budget and last year but this was more than offset by the Bamfords Hospitality and MW thanked Nick Hencher for his comparing duties along with the staff and the Former Players Association for their hard work in developing our matchday hospitality.

As far as retail was concerned, our turnover was down on the previous financial year. However, the previous year included additional income from the 150th anniversary, the Christmas period coincided with reaching the third round of the FA Cup and we were unable to secure a prime retail spot. Although we hit similar kit sales we were unable to maximise on this further due to lack of availability from Adidas. Although turnover was down, costs were also significantly down by £75,000, profit was only down by £20,000 as we sold higher margin items. We have corrected this year by reducing our overall retail target

Football Income was discussed. Mark explained that the League Subsidy finished on target to budget but behind the previous year. We budget for two home games and two away games on TV in the season but ended with one of each. The TV and Radio fees in the previous year all relate to the FA Cup. Web Site royalties are received from the Football League Interactive agreement that comes to an end this season.

Transfer Fees and Prize money was mentioned. The main source of income here is Transfer fees and this covers income received from the sales of Dominic Vose, Louis Moulton and Kayden Jackson. In addition to the income received we also included sell on fees as part of the transfer.

Centre of Excellence – Mark explained that donations were in line to the previous season and close enough to budget. Compensation agreements were ahead, boosted by the sell on agreement from the Danny Ward transfer. The YTS funding was ahead of budget as we had more paid players operating within the scheme. The Glyndwr Academy income was ahead of budget as we received additional loan fees.

Mark gave a detailed breakdown of match day costs. Average cost for a league match for the season was £6,100 per game. Each club pay the same amount for match officials as the league reconcile this at the end of the season. Cup games were behind the previous season as we had more home games due to reaching the FA Cup third round and FA Trophy final.

Football costs were provided. This covers players and management team wages. In total we overspent in this area by £166,114 due to the increase in gate receipts and transfer income.

Mark summarised the previous slides by saying that turnover increased due to gate receipts and transfer monies. The additional income was invested in the first team (up 18% on the original budget) but some of this had to absorb the reduction in profit generated from retail. We incurred additional facility costs from the University.

The main acquisition was the Frost Covers. We had to reseed the main pitch at Colliers to maintain the facility and likewise the ground improvements to maintain the safety certificate. The University has no use for the stadium at the time and we had no choice as a board to maintain the capacity in the University and Mold Road stands.

Balance Sheet summary- the increase in fixed assets is due to frost covers and additional expenditure on the training and stadium. We have paid the hire purchase agreement in full and our only long-term liability is the FL pension. Total investment in the club at the year-end is now over £850,000

4 Update on current financial position

Mark summarised performance compared against the budget approved in June last year up to and including ~~December 2016~~ [February 2017](#). The main reason for our income variance has come from gate receipts. We have only reached our average on four occasions during the season. The match with the largest gate receipts was not Chester or Tranmere but Dover on the opening day of the season.

5. Training Ground options

The meeting was informed about training ground options at Lex, Colliers Park and Nine Acre.

5 Questions about from the floor

- H Taylor asked about the length of the agreement to use Nine Acre. S Harris replied that it was for a year with an expectation for future years. Dean Keates said that after some work it would be sufficient for our purposes.
- M Currie said that the loss was not far short of £200,000 and asked about efforts to reduce costs. MW said that we had incurred one off costs and now have opportunities to generate income and better control costs.
- J Wells thanked MW for his work and asked about additional monies for the first team. MW said that there are some unknowns e.g. income from the concerts but we will plan with a view to increasing the playing budget.
- R Bennett asked about the concerts. No monies had been built in but there should be a surplus.
- G Counsel asked about gate receipts and MW explained how we worked out the average paying attendee.
- S Chaffer asked about ticket prices. MW said he would like to simplify ticketing as we have seven variations now.
- J Connor asked about Nine Acre – Alan Watkin said we have to show we are good tenants and look for a two-year licence.
- M Evans asked about agent fees. MW said we had recovered £10000 back from a buying club so we actually paid £16,000.
- J Edwards asked whether we could rent out Nine Acre, but the board said, “we need all the space”.

The members thanked MW for all his work during the year.

6 Appointment of Auditors

Proposed by the board and seconded by B Still, the meeting agreed to the reappointment of McLintocks as our statutory auditors.

7 Wrexham AFC Board Review

S Harris explained that a review had been carried out following the changes at board level. We have assessed what skills we need on the board especially since we took over the running of the stadium. Consequently, Phil Salmon had joined the board with director responsibility for stadium

maintenance and procurement. The board had also identified marketing as an area where further work is needed. Rob Parry will continue to provide legal advice to the board.

8. Further questions from the floor

- J Connah asked about succession planning. SH said that they try to minimise risk by pairing up in some areas. When asked whether the club has considered appointing a chairman, SH said that there was no need – directors were equal, his role involved line managing the first team manager which involved “constant conversations”.
- P Wynne asked about a daily point of contact at the club such as a CEO. The board replied that to get the necessary level of expertise would involve a cost better spent on the pitch. That may change with promotion.
- A member asked what lessons had been learned from the Mills era. SH there was now more communication with the manager, we know who is accountable and who can do what. We review every contract before its signed.

Gavin Jones joined the meeting

- J Wells asked about contracts for certain players. DK explained his thinking. He said that we can offer 2-year contracts, and the size of the club helps attract players. He wanted a squad of 18/19 players.
- When asked about redevelopment of the stadium, GJ explained that they have held an initial meeting with the Welsh government and there was an appetite to sort something, but we do not own the bulk of the site.
- The Trust board explained efforts to target lapsed members.
- H Taylor mentioned a cup run and whether we still receive FA Cup Final tickets. We do not because of the period in administration.

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

