

Register No 29366R

Wrexham Football Supporters' Society Limited
trading as



Report of Directors and
Financial Statements for the
year ending 31 December 2005

Company Information

Company Name: Wrexham Football Supporter's Society Limited

Trading Name: Wrexham Supporters Trust

Company Number: 29366R

Registered Office: 2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9PX

President: Arfon Griffiths MBE

Elected Directors: Bruce Clapton (Chairman)
Rob Griffiths (Vice Chair)
Lindsay Jones (Secretary)
Mark Williams (Treasurer)
Lesley Griffiths
Pete Jones
Richard Purton
Simon Johnson
Terry Heath
Wyn Griffiths

Co-opted Directors: Kevin Baugh
Phil Lloyd
Sally Poppitt

Company Secretary: Lindsay Jones

Auditors: McLintocks
Chartered Accountants
Registered Auditors
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

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1 2006 Annual General Meeting

At the Mineworkers Institute, 6 Grosvenor Road, Wrexham, LL11 1DN

Commencing at 7:30pm

AGENDA

1. Approval of Minutes from 2005 Annual General Meeting
2. Chairman's Report
3. Treasurer's Report
4. Election of Auditors
5. Result of Ballot for Election to the Society Board
6. Voting on Resolutions proposed
7. Any Other Business

2 Minutes from 2005 Annual General Meeting

Held on Thursday, 16th June, 2005 at the Centenary Club, Wrexham

1. Minutes of the 2004 AGM were accepted as a true record. Proposed by Mark Williams, seconded by Wyn Griffiths.
2. Bruce Clapton gave the Chairman's report.

He felt there had been considerable growth of the Trust over the last year and that the Trust had changed in many ways. At the AGM in 2004, there had been 180 members, membership now stood at 550.

The Trust recently awarded an Official Supporters Award.

Special thanks went to Rob Owen who had originally set up WINS.

He highlighted several events over the last year, the Legends Weekend, the Save the Racecourse banner which reached the Arctic and the opening match of the season on 7th August when a march and balloon race were held.

The Trust had undertaken a lot of work regarding the legal side of things and had worked closely with the administrators.

The Chair thanked the many members who had helped so much. Particular mention went to Wayne and Stuart who walked from Wrexham to Cardiff, Lee and Dave who sat on every seat at the Racecourse. Neil Williams who collected 92 shirts which had recently been sold for £13,000.

3. Treasurer's report.

Mark Williams reported that £17,800 had been taken re merchandise before costs, £1,100 had been taken by Paypal.

There had been several bucket collections, the Brighton v Burnley had raised £1,100.

There were unallocated membership payments.

Total income for 2004 - £82,444.69.

Current balance - £127,000.

4. Secretary's Report.

Lindsay Jones stated he was extremely pleased that there had been an election this year for the remaining places on the Trust Board. 225 votes had been cast and the following were elected:- Bruce Clapton, Lesley Griffiths, Rob Griffiths, Terry Heath, Peter Jones and Richard Purton. He thanked the organisers of the election.

5. Resolution A – Future funding of Wrexham AFC proposed by the Society Board:

1. The Trust is to set aside £150,000 for equity purchase in Wrexham AFC.
2. Whilst Wrexham AFC is subject to an administration order the Trust will donate to the Club £3,000 per month to improve the playing squad commencing 1st July, 2005.
3. Once Wrexham AFC exits administration the Trust will provide to the Club £3,000 per month in the form of a soft loan, convertible to equity or repayable in specific circumstances eg a hostile takeover.

PASSED – 1 member against.

6. Resolution B – The Trust gives full backing for the current bid to purchase Wrexham AFC by Mr Neville Dickens and Mr Geoff Moss proposed by the Society Board

PASSED UNANIMOUSLY.

7. Resolution C – WST to make representations and campaign for the Racecourse Ground to be designated a sports stadium in the forthcoming local plan, proposed by the Society Board

PASSED UNANIMOUSLY. All votes taken after detailed discussion from the floor.

8. Election of auditor – John McLintock

9. ANY OTHER BUSINESS – Denis Smith sent his apologies for his absence this evening due to a family commitment.

Phil Tooley spoke about fundraising. Spoke about the LDV Vans Trophy final and what a great day it was but his sadness regarding relegation. Spoke about other football trusts in the U.K.

Discussion re Wrexham 2 – Lindsay and Kenny Pemberton. Many topics were discussed including the adoption of balance sheets, shareholders, administration.

Raffle held for Wrexham 2.

3 Chairman's Report

The last year has been one of the hardest in the club's history, and the Trust has done all that it can to lend its full support and assistance to ensure that we come through the other side.

It was also a year that saw the Trust truly come of age with our membership almost doubling from just over 500 from last year to reach the 1,000 mark coming in to this AGM. This represents a substantial part of the fan base, and the Trust will be looking to push on and hopefully achieve a similar increase over the next year.

At last years AGM the membership voted overwhelmingly in favour of the 3 resolutions that were put forward, and these resolutions have been acted upon over the last year.

Firstly, with regards to Trust funds, the membership voted to try and raise and subsequently ring-fence a total £150,000 for the purpose of obtaining equity in Wrexham AFC. Not only did we reach this initial target we have now extended it with the launch of the Target 250 initiative, to raise £250,000 for equity in the club going forward.

Alongside this raising of a capital amount for shares, the Trust also voted to give the club £3,000 a month to assist in the formation of the playing squad. However due to Football League rules regarding income against players wages being restrictive on how this could be spent, this meant we were able to fund a number of other initiatives at the club including the highly successful free shirt with all child season tickets.

The second resolution passed was to fully support and encourage the eventual takeover of Wrexham AFC by the Neville Dickens/Geoff Moss consortium. Their bid has been the only one that has shown to have the best interests of the club above our own, and accordingly the Trust has given its backing to this bid, which as we go to press looks likely to bring us out of administration.

The third resolution passed was to actively campaign to ensure the Racecourse was designated a sports stadium in the local plan. To this end we have been working alongside Planning Aid Wales to achieve this aim. However due to delays in the whole national planning process this is still ongoing.



The Trust agreed to underwrite players' contracts to the value of £100,000 to help secure first team football last season

Alongside these financial commitments to the club, the Trust also agreed to underwrite 2 players' 12 month contracts for the 05/06 season, to the tune of £100,000. Without this undertaking and similar ones afforded by Neville Dickens, Geoff Moss, and Begbies Traynor it was doubtful whether we could have fielded the squad that we did.

Away from the resolutions passed at last years AGM, probably the most notable and visible achievement for the Trust in the last year was taking over the running of the clubs merchandise operation, in a profit-sharing arrangement with the club. As part of the deal to run the clubs merchandise operation the Trust also took over the running of the club shop.

To enable the Trust to provide a consistent service we took on a full time employee to run the shop during the week, and this coupled with our online shop and additional match day outlets has allowed us to revitalise the clubs flagging merchandise range and bring in our own unique Trust based lines.

Since taking over the operation in September of last year, we have managed to successfully turn the fortunes of the shop around and make what had been a drain on both the clubs finances and resources into a profit making venture that has now started putting money back into the club.

Over the last year, the Trust has worked with the club on a number of other projects. These include:

- **Official Kit:** The Trust was asked to look into the sourcing of the new kit for the forthcoming season. Members of the Trust board met with a number of kit suppliers before making a recommendation to the clubs steering committee. In the end it was recommended to take a 1 year extension to the existing contract with Vandanel.
- **Sponsorship Evening:** The Trust organised a sponsorship evening on behalf of the club where local companies were invited along to see a presentation of all the sponsorship and commercial packages available at the club for the 05/06 season. We have also recently been assisting the club in setting up a new commercial / sponsorship database.
- **Football In The Community:** The Trust are currently in the process of taking over the organisation and set up of the Junior Dragons.
- **Work Parties:** The Trust was responsible for the organisation and running of last years work parties, which involved every single seat in the ground getting a good wash and the Kop getting a new lick of paint, along with some other much needed maintenance work in and around the ground. This is something that the Trust are currently repeating this year during the close season.



Trust Members help clean up the Racecourse

Away from helping the club out throughout the year, the Trust's main focus has been on fundraising, in order to allow us to have sufficient capital available to purchase as much equity in the club as is possible.

To help with this we set up the Events & Fundraising group. This group is made up of Trust members and its main aim is to organise and promote the number of events that the Trust puts on throughout the year. Along with the numerous sports evenings, race and quiz nights, this group has also been responsible for:

- **Open Day:** Last years open day and Possibles v Probables match, which was hailed by all those in attendance as a great success including Denis Smith, who described it as a 'real fans open day'.
- **Christmas Party:** The first 'fans' Christmas party at the club with the traditional seasonal fayre being replaced with an excellent Thai buffet.
- **Player of Season Awards:** The Trust again organised and hosted the annual end season player the season awards, with all supporters organisations attending to present their awards.

There are also a number of on-going fund-raising initiatives that have been set up during the year, including the recycling of printer cartridges, the collection of foreign currency and the recycling of old mobile phones, all of which provide a steady income stream into the Trust.

We have also set up a number of affinity schemes on the internet, whereby on-line shoppers can earn commission from their purchases for the Trust by simply clicking through a special link to go to the web-site of their choice. This proved particularly profitable for the Trust over the Christmas period and the range of retailers offering the commission is always being expanded.

Looking forward the Trust will be continuing its work in and around the club whilst progressing its stated aims of establishing supporters representation on the clubs board of directors. We will also be pushing on with our fund-raising efforts to try and meet our 'Target 250' which is to raise £250,000 to invest in equity in the newly formed club.

To help achieve this there are a number of new initiatives that will be launched in the near future. These include the much anticipated launch of the new Trust lager, with an initial two brews 'Tommy' and 'Benno' being available from the middle of June.

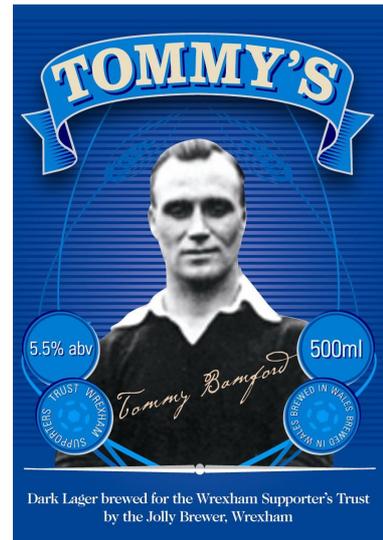
We are currently in the process of setting up a new on-line book shop, where shoppers will be able to order their books on-line with all profits going to the Trust.

Overall it has been a tough year, and its taken an awful lot of hard work by a lot of people to help see us through it, and I would like to thank each and everyone of them, and they should all feel justifiably proud of their achievements.

The adversity surrounding the club has proven to make us stronger as a Trust and this can only be good for both the Trust and the club as we move in to this new era of Wrexham's history, one which we all hope will be a happy one.

Many thanks for all your support.

Bruce Clapton
Chair.



The WST Lager is being launched in mid June as part of the Target 250 campaign

4 Auditor's Report

Independent auditor's report to the members of Wrexham Football Supporters' Society Limited

We have audited the financial statements of Wrexham Football Supporters' Society Limited for the year ended 31 December 2005 which comprise Profit and Loss Account and Balance Sheet. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the committee of management and auditors

As described in the Statement of Committee of Management's Responsibilities the Committee of Management are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968.

We also report to you if, in our opinion, the Report from the Committee of Management is not consistent with the financial statements, if the society has not kept proper accounting records, if a satisfactory system of internal control has not been established and maintained or if we have not received all the information and explanations we require for our audit.

We read the Report of the Committee of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the society's affairs as at 31 December 2005 and of its excess of income over expenditure for the year then ended, and
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968.



McLintocks
Chartered Accountants
Registered Auditors
2 Hilliards Court
Chester Business Park
Chester
CH4 9PX

Date 31.5.06

5 Profit and Loss Account

WREXHAM FOOTBALL SUPPORTERS' SOCIETY LIMITED

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

| | £ | 2005 £ |
|--|----------------|---------------|
| Merchandise: | | |
| Turnover | | 71,559 |
| Opening Stock | 0 | |
| Purchases | 61,099 | |
| Carriage In | 94 | |
| | <u>61,193</u> | |
| Closing Stock | <u>24,643</u> | |
| Cost of Sales | | 36,550 |
| Operating Costs: | | |
| Wages | 2,130 | |
| Administrator's Commission | 12,807 | |
| Insurance | 501 | |
| Card Processing Costs | 167 | |
| Miscellaneous Expenditure | <u>237</u> | |
| | | <u>15,842</u> |
| GROSS PROFIT FROM MERCHANDISING | | 19,167 |
| Other Receipts: | | |
| 92 Shirts Auction | 11,473 | |
| Auctions | 4,095 | |
| Balloon Race | 2,095 | |
| Bank Interest | 2,598 | |
| Benno Night | 589 | |
| Bradford City Collection | 1,290 | |
| Bucket Donations | 2,844 | |
| Calendar Sponsorship | 2,075 | |
| Christmas Draw | 6,721 | |
| Coaches to Away Games (Profit) | 676 | |
| Collection Boxes | 52 | |
| Counting of Shareholders United Ballot | 300 | |
| Donations | 5,613 | |
| Football in the Community Mascot Auction | 250 | |
| LDV Coaches | 21,622 | |
| LDV Lottery | 2,218 | |
| LDV Football Cards | 158 | |
| Legends Weekend Game | 1,350 | |
| Legends Weekend Managers Night | 482 | |
| Membership Subscriptions | 36,312 | |
| Oldham v Man City Collection | 945 | |
| Open Day | 834 | |
| Player of the Season Dinner | 4,600 | |
| Printer Cartridge Recycling | 28 | |
| Quiz Night | 413 | |
| Raffles | 1,047 | |
| Race Night | 2,170 | |
| Ring for Wrexham | 1,263 | |
| Shropshire Reds | <u>61</u> | |
| | <u>114,173</u> | |

WREXHAM FOOTBALL SUPPORTERS' SOCIETY LIMITED
 RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

| | £ | 2005 £ |
|---|---------|---------------------------|
| Other Receipts (continued): | | |
| Brought forward | 114,173 | |
| Sponsor a Goal | 27 | |
| Sponsored Sit Down | 60 | |
| Sponsored Walk to Cardiff | 443 | |
| Supporters Direct (re Loan Notes) | 447 | |
| Treasure Hunt | 155 | |
| Unallocated Membership Subscriptions | 562 | |
| Web Shop | 172 | |
| Web Site Sponsorship | 100 | |
| Wrexham AFC Gold Bond Subs | 565 | |
| | <hr/> | 116,703 |
| Payments: | | |
| AGM Advert | 55 | |
| Auction Costs | 50 | |
| Bank Charges | 12 | |
| Balloon Race Costs | 878 | |
| Benno Night Bus Hire | 300 | |
| Christmas Draw Costs | 640 | |
| Donation to Wrexham AFC in Administration | 18,000 | |
| Kevin Russell Testimonial Advert | 120 | |
| Laser Printer | 886 | |
| LDV Coaches | 11,225 | |
| LDV Coach Raffle Prizes | 113 | |
| LDV Executive Box Draw Costs | 992 | |
| LDV Hotels | 1,868 | |
| Loan Notes Legal Fees | 893 | |
| Lottery Licence | 40 | |
| Managers Night Costs | 144 | |
| Open Day | 261 | |
| Operation Racecourse Clean Up | 20 | |
| Pay Pal Charges | 282 | |
| Player of the Season Dinner | 3,423 | |
| Player of the Season Trophy | 229 | |
| PO Box Annual Fee | 106 | |
| Printer (to produce Stan's Ashes CD) | 87 | |
| Printing/Postage/Stationary | 3,198 | |
| Race Night Costs | 204 | |
| Shirts Purchased for 92 Shirt Auction | 40 | |
| Supporters Direct Annual Fee | 50 | |
| Sweets for Kids at Home games | 77 | |
| VAT Late Registration Penalty | 50 | |
| Wrexham AFC Gold Bond | 616 | |
| | <hr/> | 44,858 |
| PROFIT BEFORE TAXATION | | <hr/> 91,013 |
| Corporation Tax | | 3,007 |
| NET PROFIT AFTER TAXATION | | <hr/> 88,006 <hr/> |

6 Balance Sheet

WREXHAM FOOTBALL SUPPORTERS' SOCIETY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

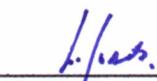
| | £ | 2005 £ |
|--|---------|----------------------------|
| Current Assets: | | |
| Stock | 24,643 | |
| Debtors | 2,085 | |
| HM Revenue and Customs (VAT) | 2,551 | |
| Co Operative Loan Notes Account (14 Day Deposit) | 17,144 | |
| Co Operative Bank Current Account | 41,926 | |
| Nat West Bank Current Account | 137,775 | |
| Nat West Bank Reserve Account | 35 | |
| Pay Pal | 43 | |
| Petty Cash | 67 | |
| Shop Float | 343 | |
| | <hr/> | 226,612 |
| less Current Liabilities: | | |
| Loan Note 2005 Certificates | 16,700 | |
| Corporation Tax | 3,007 | |
| Creditors | 52,659 | |
| | <hr/> | 72,366 |
| NET ASSETS | | <hr/> 154,246 <hr/> |
| Capital and Reserves: | | |
| Share Capital | | 797 |
| Reserves: | | |
| Reserves brought forward | 65,443 | |
| Net profit for the financial year | 88,006 | |
| | <hr/> | 153,449 |
| SHAREHOLDER'S FUNDS | | <hr/> 154,246 <hr/> |



Mr Bruce Vincent Clapton, Chairman



Mr Mark Andrew Williams, Treasurer



Mr Lindsay Jones, Secretary

31/05/2006
Date

7 Result of Ballot for Elections to the Society Board

Existing Elected Board Members:

- Bruce Clapton (Chairman)
- Rob Griffiths (Vice Chair)
- Lindsay Jones (Secretary)
- Mark Williams (Treasurer)
- Lesley Griffiths
- Pete Jones
- Richard Purton
- Simon Johnson
- Terry Heath

Huw Davies stepped down during the year as an elected board member

Candidates for Election to the Board:

- Len Willett
- Sally Poppitt

One of the two candidates will join the existing Board members to form the new Society Board.

8 Voting on Resolutions Proposed

Resolution A:

Proposed by the Society Board

Pursuant to Resolution A from the 2005 Annual General Meeting:

1. The Trust is to set aside £250,000 for equity purchase in Wrexham Football Club and to proceed with the purchase of such equity, subject to the agreement of terms that are acceptable and approved by the Trust board
2. Whilst Wrexham AFC is still subject to an administration order the Trust will continue to donate £3,000 per month to the club to assist in bolstering the playing squad.
3. Upon exit from administration, the Trust board may authorise the payment to the football club of up to £3,000 per month or £36,000 over a 12 month period in the form of a “soft loan”, to be used for specified and agreed improvements in infrastructure, playing staff or other projects deemed to be suitable by the Trust board. The Trust board should ensure that such loans should be convertible to equity or repayable in full to the Trust in specified circumstances to be determined by the Trust board, for example in the event of a future hostile takeover or change of ownership

Resolution B:

Proposed by members Wayne Price, P.A. Jones, Paul Jones, L. E. Lorry, Carol Lorry.

The membership of WST proposes that the board actively pursues the aim of WST representation on the board of Wrexham AFC, and continues to do so until that aim is achieved.

Resolution C:

Proposed by members Wayne Price, P.A. Jones, Paul Jones, L. E. Lorry, Carol Lorry.

The membership of WST proposes that the board of WST lobbies the new owners of the club to allow the setting up of a “share save” scheme in Wrexham Association Football Club.

Resolution D:

Proposed by members Nick Stockdale and Wayne Price

I would like to put forward to the meeting the resolution that the currently named Pryce Griffiths Stand be renamed through a sale to the highest bidder. I am sure that Mr Griffiths would welcome a change if that change secured capital for the club to assist moving the club up the league and securing the clubs future at the Racecourse ground.

Resolution E:

Proposed by members Wayne Price and Alan Price.

During the transitional period, until the new full board of Wrexham AFC, is set in place, the Trust board should seek to establish a regular consultation process with the new owners. This process would be to allow a new open dialogue between fans and the club on any issues that may have an affect/impact on the supporters of the club, giving the supporters an initial voice in the shaping of the new club.

Resolution F:

Amendments to the Rules of the Society proposed by the Society Board:

Please note that F1-F6 are separate resolutions

- F1) Addition to Rule 2 – Objects:
“To maintain a professional Football League club in Wrexham.”
- F2) Addition to Rule 2 – Objects:
“To have at least one Trust nominated director on the Board of Wrexham Football Club.”
- F3) Addition to Rule 2 – Objects:
“To raise sufficient funds to buy a stake in the club, in pursuance of the above aims.”
- F4) Addition to Rule 2 – Objects
“To be an inclusive democratic organisation that seeks to represent the views of all supporters of the club through open, affordable membership, and consultation and liaison with all supporters and supporters groups.”
- F5) Addition to Rule 2 – Objects:
“To uphold and preserve the tradition and heritage of Wrexham Football Club and to secure the clubs long term future in Wrexham.”
- F6) Rule 111 is amended to:
“The Registered Office of the Society is 2 Hilliards Court, Chester Business Park, Chester, CH4 9PX .”