



## **Wrexham FC- Annual General Meeting**

### **WST Members Meeting**

Nick Whitehead Theatre Glyndwr University

1930 Thursday 24th January 2013

#### **Board members present:**

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

WST Society Board - Peter Jones, Terry Stott, Dave Jones, Huw Davies, Alan Fox, Jenny Cantwell, Anita Robinson

Apologies from Gavin Jones, Tom Stanford, Keith Roberts

#### **Introduction**

Peter Jones, WST Chairman, opened the meeting before a large audience of WST members in the Nick Whitehead Theatre. He called the meeting an “historic moment” and said the lack of an AGM in the last 10 years was a “sad reflection of what we’ve been through”.

PJ introduced the recently appointed WFC commercial manager Steven Cook.

The main part of the AGM consisted of the presentation of a detailed financial statement and accounts by Mark Williams (Finance director) who said that the Board wished to be open and transparent. Whilst there is no 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

MW explained that Wrexham AFC Limited was incorporated on 8 July 2011 but did not commence trading until 30 November 2011. The accounts cover operations of the football club from 30 November 2011 to 30 June 2012 and pre-acquisition costs.

#### **Summary**

The football club had a turnover of £1.4m and gross profit of £300,000. There was a small operating profit of £16,000 made from football operations. Acquisition costs turned this into an overall operating loss and a significant goodwill write down following the acquisition of the old football club resulted in a net loss overall. The supporters owned football club inherited a net liability of £442,500 and has successfully repaid all these liabilities except for the long-term liabilities consisting of hire purchase agreements and pension payments. At the end of the financial year the football club had cash reserves of £225,000 with the only creditors outstanding being traditional trade and crown creditors that would apply to any other company.

## **Profit and Loss Account**

The profit and loss account is made up of the following three classifications of income and costs:

1. Reoccurring: this is income that will occur each season e.g. league matches and player wages;
2. Football fortune: these are income and associated costs that you cannot budget for e.g. cup runs, play offs and transfer income, and
3. Acquisition costs: these are costs and charges related to the takeover that will not reoccur in the future.

The underlying operating loss of £600,000 for 8 months has been reduced to a budgeted £200,000 loss for a 12 month period whilst still remaining competitive in the league for the current season.

### **Football Costs (£913,236)**

This covers players, management team and youth team wages. It also covers first team and training kit; Medical insurance and supplies; Players travel to away matches; Hotel/players accommodation and Coaching and scouting expenses.

### **Expenditure**

The amount we actually pay for the Racecourse & Colliers Park is offset by income from sponsorships. Insurance policy is just for stock, cash in transit and loss of revenue. The main public and employers liability is provided by the league. Office costs cover postage, stationery and software. Half of the motor expenses are insurance for two mini buses and one company car. Legal fees were incurred agreeing the 25 year license for the stadium. A 10 year agreement is a minimum requirement for entry into the Football League. Administration costs are wages.

### **Intangible assets**

Player registrations relate to the transfers of Jake Speight from Bradford City and Danny Wright from Cambridge United. These are written off over the duration of their contracts and appear in the accounts as amortisation of intangible fixed assets. Goodwill is the net liability that we inherited from the old company for the £1 we paid. This is written off over two years as an exceptional item.

MW's presentation was very well received and members registered their appreciation by a round of applause.

### **Questions**

In response to questions from members, MW replied:-

- There was a sell on clause in the transfers of Curtis Obeng and Danny Ward
- Scouting was carried out on an informal basis. The figures record mainly first team scouting so mainly transport costs
- The Racecourse was licensed from the University to play a fixed amount of games

- In reply to a question from H Taylor, MW said that next year he would consider publishing the statement in advance of the AGM but this was complicated for several reasons hence its provision at the meeting
- RB asked about the football costs of £900,000. MW explained that this included overnight stays and not just player's wages etc.
- MW said they had been trading for 15 months and nothing "surprising" had emerged from regarding a question on any other liabilities. The pension costs were inherited from before the club went into administration. We are responsible for a share of the deficit in the fund which will reduce over time.
- C Roberts asked about the fees paid for using the ground and Colliers Park. MW said we were comfortable with that and they covered all associates costs e.g. rates, utilities and maintenance. A Watkin said that the Council had been quoted considerably more when they made enquiries in the past
- K Williams commended an "excellent" report. He commented on the exceptional income from "football fortune". MW said they anticipated losing £700,000 anyway and the long term objective was to be sustainable and eventually use any football fortune to boost the funds available for the manager
- In response to a question from R Taylor, MW said that the licence fee for the Racecourse had been fixed for a 15 month period and would need revisiting in the near future
- MW explained that the delay in redeveloping the club shop was due to the discovery of asbestos and the need to find a suitable "window" during which work could commence
- Despite the lack of recent home games and the FA Trophy cup run the club had enjoyed a commercially strong Christmas period income wise
- M Webber raised the prospect of a fixture backlog and the possible deal for tickets over a few matches. DB said he and SC would consider this
- J Edwards raised the question of advertising boards and that the University have those above ground level. DB said that in the past boards had not been paid for. Now they are. The hardest thing is getting sponsors in the first place. This needed resolving and with SC's input it would be addressed. Including pricing and perhaps, as one member suggested, putting something up to fill in "the gaps". DB did say that the gaps were a good reminder of the need to sell those spaces.
- J Valentine asked about whether the Council provided any incentives for small businesses. DB said he would look into this
- The meeting approved the reappointment of the auditors.

### **Appointment of auditors**

The meeting approved the reappointment of McLinctoks Partnership Limited as the statutory auditors of Wrexham AFC Limited for the current financial year

### **Close of Annual general meeting**

There being no further business the first annual general meeting was closed by MW

## **PART TWO: Wrexham Supporters Trust Members' Meeting**

### **The Brand Alignment of Wrexham FC**

Andy Slinger a marketing expert (and season ticket holder) who had worked with well-known clients and brands gave a presentation about enhancing the Wrexham brand.

He had kindly agreed to assist the club (as a volunteer) to develop a Vision Statement for Wrexham FC that captures what we aspire to become and identify our purpose/mission, why do we exist and how we will deliver our vision. To build a 'story' for Wrexham FC that describes our business, in an easy to understand way: Where we have come from, What makes us special, How we use our unique proposition to deliver excellence in all that we do and to use the story to guide the direction of our company. Inspire, motivate and excite us as to what could be possible and define the new culture wanted in the business.

AS explained that firstly he had to understand and explore the "Market" including the match day experience for fans, lapsed season ticket holders, "big gamers", players/management, businesses and the wider North Wales community. Then develop a "Strategy" with the Boards which was visionary then "Drive" it forward with the support of fans and working groups.

The aim was to make the Wrexham brand a more attractive proposition all round and to help grow the business and attract more fans and sponsors etc. He would need help including with market research, designers/video editors and invited people to get in touch.

In response to questions from members, AS and Board members said:-

- The University may be able to assist although we would not be paying fees
- There was no appetite to resurrect Rockin' Robin (or his bike)
- The Board agreed that the empty former club shop with the club name on it gave a poor impression and that efforts should be made to remove the sign from it
- Brighton and Swansea were great examples of how clubs had successfully developed their own brands
- A member asked about unauthorised sellers of merchandise at big games. MW said that the club had applied for a trade mark for the club badge
- SH confirmed that the Board were excited about developing the brand in order to grow the business and show how we stood out from others as a community club

### **WST Members meeting**

PJ introduced recent additions to the WST Board namely Terry Stott to help with community development, Anita Robinson who would lead on volunteering and Alan Fox the newly appointed independent secretary (following the Parnell Report). Marc Jones (who had been appointed to assist with media matters) and Keith Roberts (who was taking over as WST treasurer) sent their apologies.

PJJ mentioned that next year would see the 150th anniversary of the Club. He was putting a committee in place to organise events in the near future.

The WST Board would be meeting with Paul Fletcher soon regarding the proposed development of the stadium and invited comments/questions from members.

The date for the Player of the Season dinner was awaited but the Shropshire Reds annual dinner would be on 3/3/13 at Lion Quays. Following on from the dinner celebrating the 92-93 promotion season there was also to be one celebrating the 2002-2003 promotion. Details would be circulated in due course.

PJ explained the roles and responsibilities of WST Board members.

Community development included the new Disabled Supporters Association. The serving counter for disabled supporters in the MRS had been reopened. We were looking at improving the viewing for disabled fans.

Fund raising was mentioned including the £12500 raised by the Xmas raffle. PJ thanked everyone who had sold/bought tickets. The Trust was still proceeding with the sale of Community Shares.

WST needed to increase membership -including by members spreading the word and recruiting new members.

PJ apologised that those who had responded to requests for Matchday volunteers had not been contacted further. SC would help take this forward.

In response to a question from the floor, SH explained that the Club profited from the hospitality sold at matches but not from the food kiosks -which were run by Glyndwr. He agreed that we need to improve the Matchday experience and that discussions with the University would be underway late this year together with the licence agreement.

HD was working on improving the benefits of membership and asked members to let him have ideas. SC would assist also. PJ said that the Trust Board was close to co-opting someone to assist SC on the commercial side.

#### **Questions from members:**

- The question of safe standing areas was raised. PJ said that first the Board needed to consider its views on that topic
- PJ said that the Trust Board had not discussed taking over the Lager Club
- A member said that there were lots of different mediums and portals covering the Club and Board and that ideally there would be one. JM said that the club website was not impressive but we were stuck with it for the time being. The two portals are the WST website and the Club website which are usually updated at the same time. Anything else was unofficial
- The question of a possible Wembley final was raised with a view to maximising revenue from merchandising. This needed planning for without risking cost
- SH agreed to take away and action the question of the club shop signs on the empty garage
- The question of Gold Bond membership was raised. SC commented on the work needed to increase participation
- The question of renewal of membership was raised .HD said that we needed to address the issue of lapsed memberships which numbered around 100 0 and how we contact members.

- The Trust was looking at continuous membership which continued until a conscious effort was made to discontinue it. Standing Orders were by far the best way of paying fees.

The raffle prizes of a signed football shirt and book were handed to the lucky winners.

It being his birthday (a significant one) the meeting wished DB a happy birthday.

There being no further business the meeting closed at 2145.

Alan Fox

WST Society Secretary