

Summary of the meeting of the Constitution Review Group (CRG) of Wimbledon Football Club Supporters Society Ltd held at The Princess Alexandra, Wimbledon on Thursday 20th April 2006 at 7.00 pm

Present: David Cox (DC) (Chair)
Dave Boyle (DB)
Sean Fox (SF)
Mark Davis (MD) (Secretary)

Apologies: Roger Cassells (RC)
Ray Downham (RD)

The CRG had not met for quite some time and the purpose of this meeting was therefore to get people back together with a view to re-energising the work of the group rather than following a formal agenda. In the absence of an agenda, there was a free-ranging discussion about topics that had come to the forefront of CRG members' minds in recent months.

Long-term threats to the Dons Trust

Earlier in the review process, CRG members had raised various potential threats to the Dons Trust as an introduction to discussion of changes that would need to be made to the Constitution. A fresh threat was raised at this meeting, namely that the Dons Trust structure is perceived as a constraint to the progress of AFCW, with the consequence that members either deciding to sell the club to a rich individual (and the downstream risks of the club's long-term interests not being safeguarded) or voting with their feet. By way of illustration, such a scenario might entail:

- The club progressing in a few years to, say, the Conference but lacking the funds to progress into the Football League;
- Volunteer fatigue in the Trust, with the consequence that the most able and energetic people are attracted to the club, and the calibre and energy of the Trust itself are depleted;
- Supporters, many of whom by then will not by then have been party to the club's misfortunes in previous years, becoming hungry for football success at any cost;
- The DT and its structure being perceived as a constraint on the club's success, because of the inability to attract fresh capital via an IPS and because of the DT, with a dwindling membership and run by "stuffed shirts", being seen both to deter investors and to hold the club back more generally;
- Division between and among the Trust and Club;
- Eventually, supporters and DT members favouring selling the club to a wealthy individual offering money to take the club into the League;
- Or, if such a decision is not made, supporters and Trust members voting with their feet.

Such a scenario raised a number of questions:

- The DT had been used as a vehicle by a broad spectrum of football supporters to re-establish a football club – is it necessarily the case that it is a permanent solution and that the current generation of DT members should mandate the values held by and choices open to future generations of AFCW supporters?

- Has work been carried out to ascertain whether there is a viable path to the Football League within the existing DT / AFCW structure?
- Would it necessarily be a failure if AFCW ended up as a Ryman One club with a few hundred supporters?
- Is it true that the existing structure constrains capital funding for the club? Are there other structures which remove such constraints while still safeguarding the club?
- Could any such structures be accommodated within an IPS? Is the continuation of the DT as an IPS – with the principle of “one member, one vote” at its core – sacrosanct?
- What would transition to a new structure look like? Would members and the Boards be “up for it”? Would it mean the rest of the Constitution Review coming to a grinding halt while long-term solutions are devised or is there an incremental approach?

While not presuming to answer such weighty questions on the spot, a number of ideas and propositions emerged:

- That the link between the football club and its home are something that it is appropriate for the present generation of supporters to bequeath to future generations as an inalienable asset (“intergenerational asset transfer” was the term used);
- A Community Interest Company was potentially a way of unbundling capital investment, ownership and control of the company and safeguarding the club (see below);
- The counter to the long-term threat did not necessarily just lie in long-term structural changes but also in things like:
 - bundling membership of the DT with season tickets might be a way of bringing supporters more fully into the DT;
 - paying more attention to branding so that the DT is not just seen as a vehicle for outsourcing the less glamorous activities such as fundraising and community;
 - Making sure that the DTB’s work in monitoring the club is more transparent – e.g. the “before” and “after” of negotiations with the club over the Barclays loan.

Community Interest Company¹

The idea had been raised of using the CIC structure to protect the club. A CIC structure would potentially allow third party capital to be raised, whilst not granting unfettered control to the party providing the capital since the company would be subject to an asset lock and

¹ Secretary’s note: Community Interest Companies (CICs) are a new form of limited company. The CIC form aims to meet the needs of organisations which: trade with a social purpose or carry on other activities which benefit the community; wish to enjoy the benefits of limited company status; and want to make it clear that they are established for the benefit of the community rather than their members; but are not able, or do not wish, to become charities. A company can only be a CIC if the Regulator of Community Interest Companies decides that it meets certain statutory criteria, in particular a community interest test as to whether the activities are being carried on for the benefit of the community. A key feature of CICs is an “asset lock” designed to ensure that the company’s assets are used for the benefit of the community and preventing transfers of assets other than for full consideration. The CIC Regulator has various powers to investigate complaints against a CIC and to intervene if he considers that: there has been a misconduct or mismanagement in administration of the CIC; a CIC is not satisfying the community interest test or pursuing its community interest objects; or the assets of a CIC are in danger of being dissipated. CICs are required to report annually on such matters as: how the company’s activities have benefited the community; what steps the company has taken to consult stakeholders; and transfers of assets other than for full consideration. See www.cicregulator.gov.uk for further guidance.

the statement of community interest, and different classes of shares could be created giving blocking rights over various types of decisions to supporters.

CIC status can be adopted by companies incorporated under the Companies Act, including PLCs. Companies did not need to be set up as CICs from the outset. This meant that AFCW PLC and/or its subsidiaries could convert to CICs; however, the DT (as an IPS) could not become a CIC. This opened up the prospects of:

- Converting AFCW PLC and/or its subsidiaries to CIC status, as a way of enhancing the asset lock which already applies to the DT itself; and
- Potentially (but not necessarily) disbanding the DT itself if the CIC structure provides all the protections that are needed, so bringing all of the activities and volunteers within AFCW.

It was noted that the first step could potentially be undertaken on its own merits without prejudging a decision being made on the second step at a later date. The latter step would clearly be a major departure from the current structure. As an initial reaction, CRG members who were present saw that CIC status could potentially have benefit for AFCW PLC but there were mixed views as to whether a CIC would remove the need for the DT.

Board structure

A paper on options for structuring the various Boards within the DT group was currently being considered by the Boards and was not discussed at length at this meeting. However, the following observations were made:

- Relinquishing the requirement for DTB members to represent the majority of the Board of all subsidiaries was, in the view of some, a less difficult proposition than relinquishing the DTB's right to approve all appointments to subsidiary Boards;
- The paper that had been put to the Board had overlooked one possibility, which would be for DTB elections to be for two "slates" of candidates – one slate of candidates for membership of both the AFCW PLC and DT Boards²; the other slate of candidates for the DTB only. This would both make the process of appointment to the PLC Board more democratic and enable candidates to have greater certainty as to what they were standing for.

Next steps

MD noted that relatively little progress had been made over the past year and that a way was needed of breaking down the work into manageable segments. For example, the components might be:

- Changes to be made to the Constitution in the short term to deal with ambiguities (as had emerged before the recent SGM) relating to the Boards;
- Technical amendments to the Constitution;
- Other issues of principle in the Constitution;
- Consideration of conversion of AFCW PLC and/or subsidiaries to CIC status;
- Futures work – what a future structure might look like (e.g. AFCW PLC CIC but no DT).

² Secretary's note: it would probably be necessary to structure this as voting for DTB members whom the DTB would be instructed to put forward to AFCW PLC as proposed Directors. DT members cannot directly elect Directors of AFCW PLC.

There was some discussion about how to involve members in the CRG exercise. It was suggested that ideas should be discussed with members before specific propositions were put to them to vote upon (similar to last year's discussion of issuing more shares). The inability to modify resolutions presented for SGMs meant that there was little opportunity to incorporate feedback once proposals were put to members.

It was agreed that:

- A further meeting of the group would be convened very shortly (**Action: MD**);
- DB would make available some material on CICs (**Action: DB**).