

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT SELHURST PARK STADIUM ON
11TH OCTOBER, 1993

Present : S.G. Reed (Chairman)
S.G.N. Hammam (Managing Director)
J.H. Lelliott
N.N. Hammam
P.E. Cork
P.R. Lloyd Cooper
P. Miller

In attendance :

D. Barnard
M. Greely

1. There were no apologies for absence.
2. The Chairman reported that a quorum was present and declared the meeting regularly constituted and duly convened.
3. APPOINTMENT OF NEW DIRECTOR
S.G.N.H. proposed that Mr.Peter Miller be appointed an additional Director of the Company. P.R.L.C. seconded the proposal and it was unanimously resolved that Mr.Peter Miller be appointed an additional Director of the Company with immediate effect and he was invited to join the meeting.

4. MINUTES OF LAST MEETING

The minutes of the last meeting held on 23rd November, 1992 were read approved and signed by the Chairman.

5. ACCOUNTS FOR YEAR ENDED 31ST MAY, 1993

The Chairman reported that draft accounts for the year ended 31st May, 1993 had been circulated to all members prior to the meeting for their consideration. Various questions were raised on the accounts as follows:-

- (a) J.H.L. asked for clarification on the ground keeping costs of £187,250. N.N.H. explained that £165,000 was in respect of Selhurst Park and the balance was in respect of Plough Lane. The costs include salaries, fertilizers, rates, water, electricity and all O& M expenses.
- (b) P.E.C. asked for details of the interest rate payable on the overdraft. M.G. advised the rate was 1.5% over Barclays Bank base rate. P.E.C. also asked for confirmation that Barclays Bank afforded the facility of off-setting credits and debits on the Club's various accounts, and this was confirmed.
- (c) P.R.L.C. enquired about the Hotel and Travel costs and S.G.N.H. explained that the Team now stayed overnight on away matches except for local\London matches. D.B. explained that the Hotel and Travel figure had been somewhat inflated since the Hotel figure included the

sum of £22,000 which was the grossed up cost of the Hong Kong trip. However, D.B. also explained this was offset, in part by a corresponding contribution of £16,000 shown under "Other Income".

The Chairman proposed the accounts be approved. N.N.H. seconded the proposal and it was resolved unanimously that the accounts be approved and that the Secretary be authorised to send out the accounts to the shareholders under cover of a Notice convening the Annual General Meeting of the Company to be held on 15th November, 1993.

6. FINANCIAL REPORT

N.N.H. reported that the Club was losing approximately £4,400 per day, i.e. £1,500,000 per annum (approx.). This is a straight trading loss. The management accounts do not include any player transfers or any cup runs beyond the first round nor do they show any interest payable on bank overdrafts. N.N.H. circulated a cash flow graph as at 11th October, 1993. The graph showed that the overdraft limited of one million pounds would be reached before the end of October very soon and that a facility of two million would be needed by the end of April. N.N.H. advised that the present overdraft facility from Barclays Bank was supported by personal guarantees from S.G.N.H. and

that S.G.N.H. would be prepared (if required) to put up a further guarantee of £500,000 which should secure the necessary facilities up to the end of December\early January. This may be necessary if no players have been sold by the this time. N.N.H. noted that the cash flow forecast shows an improvement at the end of January\beginning of February which is when the Sky T.V. money will be received.

S.G.N.H. expressed concern about his huge financial commitment to the Club but explained that in view of the strength of the squad, he made a decision last Summer not to sell any players in the Summer in order to give the team the best possible chance of achieving a high review. He also decided to review the position again at the end of November\December. If at that point he does not believe the team can realistically achieve or maintain a high league position, players would have to be sold. In an attempt to reduce costs, S.G.N.H. explained that players had been grouped into three categories with priority to sell those players in the Third and Second Categories.

Third Category

Antrobus, Elkins, McGee, Miller, Berry.

These are players whom the Manager thinks we can afford to lose and not affect the team. However, in reality, we would be lucky to sell all of them for more than £500,000.

Despite active marketing, there have been no takers except for three Clubs who have expressed some interest in

Antrobus. Our game plan is to sell these players by December.

Second Category

Joseph, Blackwell, Clarke, Ardley.

These are players whom the Manager believes would fetch a decent amount of money but whose loss should not adversely affect the team. If we are not able to sell the "Third Category" players attempts will have to be made to sell the "Second Category" players, particularly if we do not have a successful "cup run". The overdraft has got to be held to within two million pounds since S.G.N.H. cannot expose himself to any further liabilities.

First Category

This represents the top players namely;

Fashanu, Barton, Holdsworth, Scales, Earle.

S.G.N.H. said these players would only be sold as a last resort.

S.G.N.H. explained that the Club will earn £40,000 for each higher place it finishes up in the League, but he feels the maximum benefit we will obtain from this (together with perhaps a further two television appearances) could be another £500,000 unless we have a very good cup run.

S.G.N.H. said he can hardly contemplate putting up a Guarantee for one million pounds let alone one and a half million or two million pounds but notwithstanding that he

is very concerned about selling any of the First Category players because it would destroy the spirit of the team.

S.G.N.H. said there is just not any money about for sales of players. There is a market at the very high level but not for the second or third category players. The problem is that no Second or Third Division Clubs can afford the wages of players like these who have experienced Premier League or First Division wages.

S.G.N.H. said our main problem was wages. We now pay seven times more than we paid when we first got into the First Division.

S.G.N.H. reported that Antrobus, Elkins and Joseph are out of contract, i.e. they have freedom of contract and the rule is that when a player's contract ends he only receives his basic wage unless he plays in the team when he will receive the usual bonuses. If any such players then join another club the transfer fee is the fee agreed between the two clubs or, alternatively, as determined by Tribunal.

S.G.N.H. advised that both Fashanu and Segers contracts come to an end this Summer. At the moment, Fashanu has decided not to negotiate since he is considering leaving the game.

A general discussion followed on the role that agents play in the negotiations between players and the Club.

In view of the critical nature of the Club's finances, the Board resolved that the financial situation of the Club must be monitored very carefully on a regular basis and the Board should be kept advised at all times. There will be an up-date on the 15th November at a meeting to be held prior to the holding of the Annual General Meeting when the Board would also receive the Manager's Report.

Finally, the question of "shirt sponsorship" was discussed. N.N.H. explained that the L.B.C. deal does not give us any cash but it does give us 30 free radio advertising spots each week. N.N.H. said efforts would be re-doubled to find a "shirt sponsor" for next season, particularly since L.B.C. may well have closed down by that time.

There were no other comments on the Management Accounts.

6. STADIUM DEVELOPMENT

S.G.N.H. said there were two points:-

- (a) We wish to go back to the Borough, and
- (b) We need to raise the money to do so.

The Council does not want to link the "Greyhound Stadium with the Plough Lane development. We think we can raise the money for the development of the Greyhound Stadium provided the proper planning consents are given, but there are major political problems which we have to cope with.

However, we will have to get the planning consent we require for Plough Lane. We had top meetings with all the top people and top Councillors, i.e. anyone who carries any power or influence at all and we were promised by all of them that a food retail consent would be given in November 1993. Based on these promises, we signed a contract with Safeway. The Councillors even promised Safeway what they promised us. Safeway bought the adjoining Roberts site and submitted a full application on the 24th September but the Leader of the Council (Mr. Coleman), immediately sent us a letter saying he was very unhappy about the application, even though he had full knowledge of it and even though Safeway only applied for what the Council said they should apply for. The Council now wants both Safeway and ourselves to wait for another year until after the local elections because the Labour group fears that to approve the applications now would lose them votes and they could lose control of the Council. If Safeway appeals on the basis of a deemed refusal of the Application then, in view of what the Council said prior to the Application being submitted and the fact that food retail was included in U.D.P., they feel they have a good opportunity of winning the appeal. However, the problem is the Council would not then give the planning which is required for the Greyhound Stadium, particularly, with regard to staging "boxing and pop concerts".

S.G.N.H. said this whole issue raised a number of questions about what is W.F.C.? what is it for? who is it for i.e.,

Yes *THEIR INTERESTS MUST BE SAFE GUARDED* *Yes*

is it for the community or, the shareholders, the staff, or the supporters? ^{*Yes*} and what loyalty do we owe to the Borough? ^{*None*}
 S.G.N.H. wants to review these questions and to have ^{*to SUPPLEMENT*} answers to them and also to determine how long we should give the Council and whether the Board should meet the Council. These questions are particularly relevant since we are being pressurized by Crystal Palace to commit to staying at Selhurst Park and to apply to The Football Trust for our share of the ground improvement grant. If we do so, then we can secure a good deal with Crystal Palace for many years to come and perhaps save the £250,000 per annum which it costs us each year to stay at Crystal Palace. However, we can only do this if we give up any thought of going back to the Borough.

There was further discussion on the new appeal process which is now in force for appealing planning decisions relating to developments such as ours which are for more than a certain number of square feet and are within five miles of the most recent super market development in the last five years. In cases such as ours, an appeal would have to go to the Department of Environment who would either refer it back to the Borough or, deal with it themselves. In either event the overall process could take approximately one year. This raises the basic question of whether Safeway should wait for a further year before appealing by which time the elections will be over and, according to Mr. Coleman, Labour will be in power and the consent will be given.

Down
TO
DOWN

LONG TERM INTERESTS
LONG TERM

J.H.L. said Safeway should appeal now despite what the Council says but it was pointed out that if this was done the Council would probably retaliate by refusing the consents we require to make the Greyhound Stadium viables and, as a consequence, put on end to any realistic prospect of us returning to the Borough.

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IF NECESSARY

IS THIS A PRIORITY

It was agreed that before the next Board Meeting, S.G.N.H. would talk to each Board member and take their views on the questions raised under this agenda item 6 with a view to establishing a collective view on whether or not to encourage Safeway to appeal and/or for the Club to say at Crystal Palace. It was also agreed that Board members should talk to each other about the same subject.

- 7. There was no other business and the meeting closed.

Chairman