



Wimbledon Football Club Ltd

Selhurst Park Stadium London SE25 6PY Telephone (020) 8771 2233 Fax (020) 8768 0640



14th January 2000

THE WIMBLEDON WE HAVE

This has been a traumatic period for me. I can see Wimbledon slipping into a bad situation and possibly a disastrous one, when there is no need for that.

Since mid November when I got a letter from you, our relationship has been getting worse. I have not stopped asking myself Why?! I can clearly see good people in you and your team, I like to think that we have a good team here in Wimbledon and that includes me. So why all this problem?

It is now 3:30 a.m. and I have been awake for an hour, still thinking why?! And what can be done?

Suddenly, it clicked, that maybe we are not seeing the forest from the trees. That is the problem !! that is Why !!!

For this reason I thought it best to put forward before the Board and really you the overall picture (THE FOREST), hoping that this will help you and me solve the problem.

As you will see, we have a number of options whether together or individually. All we need is first to see the overall picture and if we agree on it - then we can address both your anxieties and mine and then the problems are solved once and for all. If we can do that, and I believe we can, then we can all be happy. If we cannot then, I believe, everyone loses but most of all the Club and that will be a very sad day.

So now please allow me to put my thesis forward:

History and Background

Until the mid sixties, Wimbledon was an amateur side.

They had a wealthy benefactor and prominent local politician called Sydney Black. He wanted to take it semi-professional but got very serious resistance from the committee (as it used to be run in those days) and the fans. He threatened to resign and finally got his way. This I call "critical decision 1".

SPONSORED BY



COMPUTERS

In the late seventies Wimbledon were doing very well in the semi-professional Southern League and had successfully applied to join the League (meaning the top four divisions). It was at that period that I joined the Club.

The very big decision then, was whether to turn fully professional or not. It was financially a very big decision to make. We did go professional and the rest is history of the highest calibre. This I call "critical decision 2".

We reached the Premier League (then called 1st division) in seven years and have never been relegated and won the F.A. Cup in the process. Personally, I believe this to be the greatest footballing achievement above all else including Manchester United and Liverpool.

Through the eighties hooliganism became a serious problem. The government passed laws to make stadia all covered and all seater with excellent security mechanisms. The game has since thrived. We were forced to leave our beloved Plough Lane or go back down the divisions. I pushed for a move to Selhurst Park but got very stiff resistance and serious demonstrations from the fans including death threats, damage to my car and face to face confrontations. The Wimbledon Board backed me and we made "critical decision 3" and moved to Selhurst.

Since 1977 when we joined the League and until now, we have had two big problems:

- Our gates
- Our stadium

To a degree the two are also related.

Football is a tribal sport. If a father supports a club, he passes that to his children. Wimbledon, coming from non-league, cannot expect to get big crowds simply because of their good league position in the Premier League, because of the above fact. Slowly, but surely, our hard core support has increased. This is because we have by and large been doing well on the pitch and because of the excellent "football in the community" scheme that we have (it costs money but I believe it is worth it).

So the gate problem is being addressed by our performance on the pitch, our community scheme, our "Crazy Gang" image which makes us colourful and appealing and the pricing policy of our tickets which I believe is very good.

The stadium, on the other hand, has proved to be, so far, an insoluble problem. I can write a book about the attempts we made and the frustrations we faced, but this is not for now.

However, it is absolutely important that the stadium problem is solved, not only because it is an essential and critical thing for the Club's success and identity but also because time is running out on us at Selhurst Park.

To build a stadium from scratch you need a site, need planning permission and a construction period. This requires about 5 years give or take. More significantly it should make sense financially. By this I mean, it should really be "able to wash its face" at least, but hopefully generate profit, which can be used to help the team further. The scheme might have to have "planning gain" or multi-purpose use to make it financially viable.

Naturally, our low support base made and continues to make our financial situation very difficult indeed. Not only does it affect our gate income but also our sponsorship, replica sales, box sales and in general all commercial aspects.

In a much wider view, the stadium and our gates (therefore financial) make the Club not attractive for investors or flotation.

Of course, there is a solution to the incredibly frustrating realities of being Wimbledon. If (and only if) we cannot find a solution to our stadium and gates problems and if (and only if) we can find an imaginative solution that is honourable and which we can sell to the fans then we must proceed accordingly.

For this reason and since the early eighties and while very vigorously still trying to find a good site and build a stadium in Merton (our borough), we started to widen our horizon and explored all sorts of ideas, even farfetched ideas.

In my frustration and facing the realities of Wimbledon having looked at every possible site in our borough, we then actively explored seven boroughs around us, seriously discussed ground sharing with seven clubs, we then widened the horizon and at various times were invited for discussions with Watford, Luton, Birmingham, West Bromwich Albion, Portsmouth, Brighton, Milton Keynes even Hull, these we did not pursue seriously though did discuss. However, we did discuss and actively look at Scotland and Cardiff. Finally Dublin came into perspective and subject to convincing the fans and addressing a number of practical realities, we considered this to be a serious proposition and an excellent way out of our problems and into cloud nine.

It goes without say that apart from the paramount task of convincing the fans and only if we are sure that there is no possibility to go back to Wimbledon and no possibility around Wimbledon and only if the alternative is for Wimbledon to disintegrate, then the move to Dublin if practically possible - must be seriously considered.

Philosophy - General

The philosophy which has prevailed and sustained Wimbledon is to draw an imaginary line between the shareholders and the Club.

We the shareholders or owners are really custodians of the Club. While we own the shares and therefore the Club is legally ours, the reality is that the Club belongs to the fans.

So the logic is that if we make the club big and successful then our share value will increase. If we fail then the share value drops. The Club is not affected, we are.

As far as the fans go, they care that the Club should do as well as it can and they expect us to do our best. We come and we go above the Club operation. We make or lose money on the shares above the Club operation. This has nothing to do with the fans nor do they care much. The only thing they care about is whether we care for the Club and whether we have the ability to make the right decisions and whether we are, within reason, able to support the Club financially if necessary.

With this deeply rooted in my mind and heart I have been giving over many years, my time to the Club for free. Moreover, I also incur a lot of expense directly to the Club. This is a very well known fact.

Since we became partners and even though I am the junior partner, I continued in the above way.

This is why, and for your own sake and name, I advised that the recent loan you made to the Club should be with a different approach and conditions. Please understand that I am not criticising, but just wishing something for the sake of the continuity of the philosophy.

I do not want anybody to ever say that Kjell or Sam made money out of the Club. Above and outside the Club operations yes, but not out of. This is why we pay for our seats, the boardroom messing bill, our expenses and if we invite guests who are ours and not important for Club business.

Philosophy - Financial

The financial philosophy of running the Club on year to year basis is simple and clear:

1. Maintain Premier League Status
2. Run the Club in "its own juices"
3. Maintain player value

The importance of the Premier league, apart from the fact that we all are ambitious and would like to do well, is that it is the only way that our Club with no stadium and low gates can survive as well as have value to the shareholders. I can elaborate but there is no need - it is obvious.

Running the Club in its "own juices" means that it runs with its own cash flow or monies it can borrow freely in the open market. In general, we should always try not to have overdraft, but like many times in its history we allowed the Club to go temporarily in the red when it was judged to be necessary for the longer term financial well being of the Club.

Maintaining value of players is absolutely essential for a club like Wimbledon. Our youth policy and its product is very well known and respected and, while costly, it is one of the cornerstones for the success of the Club. I can elaborate on this but there is no need now. Moreover, our scouting and buying/selling policy has by and large been very good and many people envy us for this. I can elaborate, but there is no need now.

It is important to understand when we are evaluating players to appreciate that players' value is a very fluid situation. It depends on the state of the market in general, supply and demand, the Bosman effect, whether the player is in the team or not, whether he is playing well or not, whether the Club is in need of money or not, whether the player is essential to the success and status of the team or not etc... etc....

Players' value is not absolute or fixed. For example, Carl Cort's value has increased over the last two years while Michael Hughes's has decreased. A player's value such as Neil Sullivan's can go from a lot to zero because of Bosman, even though we tried every avenue to sell, but on the other hand you can buy a player under the Bosman ruling and create value.

The important consideration here is the totality of the players' value and not players individually from time to time. This means are we maintaining or improving value?

Practically the above financial philosophy assumed that in the event of a conflict between Premier League status and balancing the books, then within reason the first will prevail.

Moreover, due to the relatively very small income of the Club when compared to our competitors, we have usually budgeted to lose money on our "above the line" income/expenses. It was only in this way that we have been able to keep good players and staff and hence maintain our Premier League position. The idea was that even if say we lose £1m or £2m per year then the sale of one or two players at the right time and price will redress the problem.

Naturally, this problem becomes more pronounced in critical periods, for example when we change managers or when we are forcibly trying to protect or improve a league position.

Recent History

By the mid nineties, I was facing two issues.

As you know, privately my wife had had enough of my football and me. I promised her that, given the chance and the right choice of people for the Club, I will relinquish my majority shareholding.

Moreover, whether the Club was going to build a stadium in Wimbledon (or wherever) or whether the Club was going to implement an imaginative solution, it was clear that a lot of financing was needed.

So whichever way I looked at it, the time was right to introduce the right partners.

A number of options presented themselves. Most were not serious enough or practical enough to peruse. If it matters to you, one name you mentioned recently was a very small partner in a consortium that had little chance of success.

In the end three possibilities existed all of a similar vein. While we were well advanced with one party, you renewed your interest and I had no doubt that you were the best for the Club. This I believe to still be the case.

In my mind I had given ultimate control of the Club and satisfied my wife, I had given it to the best profile people anyone can dream of - young, extremely successful, rich, sporty (skiing and boat racing), with good football experience (Molde), very modern, go ahead and with a similar philosophy to me. Moreover, I was told at the time that I will stay in full charge and get all the support I need (of course, I understand that you had and have the right to change your mind at any time and for whatever reason). I thought that I will help you or Bjorn to succeed me in this most beautiful Club.

I thought Superman was here, I am freed and protected and the Club is on its way to the top

I believed this then. I still believe that with my good will and your good will and application, we can still go ahead with the dream.

The passing of the ultimate control to you was "critical decision 4".

The Present Situation

In early January 1999, we were 6th in the table only a few points behind the 3rd placed team. As we know, the top 3 English clubs make the newly formed U.E.F.A. "Champions League". 5 countries make special income from this. England is one of them. If we made the top 3 (it was not impossible) then our status and income would have been very high. Joe was driving me crazy for a dominant high scoring big No 9. All in all the opportunity to get Hartson arose and we did it. The idea was that if we maintain 6th or better position then we would make at least £2m above budget, if we reach top 3 then bonanza, if for any reason things go wrong, then we will sell in the summer. Unfortunately, we were really unlucky and dropped 10 places and went out of both Cups at an advanced stage. Before Egil joined us we had agreed to sell Perry for what ultimately could be £5.5 million. So we had done the balancing.

Joe goes and Egil comes. Clearly a turbulent time, particularly that Egil, while a great manager potentially, needed time and support to get to grips with the English game. Moreover, we had just finished two seasons as 15th and 16th and something needed to be done anyway.

I was and still am convinced that Egil was the right choice. We agreed a budget and decided to back Egil in a 3-phase plan.

In my opinion, but much more importantly in Egil's opinion, we made some important acquisitions. Herman Hreidarsson and Trond Andersen seem to be certain successes. We bought a number of others and an explanation and reason for each is very well known to your side and each was bought not only with your side's knowledge but also your side's wholehearted agreement and support.

The problem we have is really very simple but at the same time very real and bothersome. We must sell players, the right players, at the right price, at the right time.

Apart from Kennedy and Ekoku, we have failed to sell the five players we want to sell even though we tried very hard. Moreover, and alarmingly so, we have had no results so far in selling highly rated players Michael Hughes, Marcus Gayle and Andy Roberts even though our efforts were very great and concerted. More recently we have added Blackwell to the list.

This is really why we have the present problem. We bought to support Egil but have been unlucky in selling so far.

I have a good record in selling, but frankly it has been demoralising for me recently. I assure you I have done my best to sell, but I am not a God and cannot hit results every time.

As you know the season did not start well for us and just before the Leeds game in early November, I was sensing some demoralising symptoms both with Egil and his team as well as the players. I rallied the troops and made a written undertaking not to sell key players before the summer - this was in the Leeds programme.

Things improved for us on the pitch in the League (therefore better safety in the Premier League) but unfortunately we are out of both cups (less income).

Soon after that the situation with you arose, then regrettably escalated.

I am sure that I can present you with a list a mile long as to my grievances and probably you can do the same.

My contention is that Egil bought well and that we already had a lot of valuable players. There should be no danger on the Club in the medium and long term (unless relegated). However, the overdraft is quite annoying and we have to bide our time and sell the right players at the right time and the right price. We should trim the squad to 25 and while we should try to trim the total players' wages, I find that this is going to be very difficult and in fact the opposite could be the case. Anyway, all this was in the budget.

The bottom line about the buying and selling of players is that it is more of an art than a science - either you have it or you don't.

Where from Here?

On Monday we should address your anxieties and problems. We should also address my anxieties and problems. Hopefully, we can find enough common ground to continue.

If we cannot agree you have made it clear what you will do.

It is obvious to me that apart from everything else, the key issue is who is the Managing Director. Everything else stems from there.

Financial and communication issues can be discussed and a conclusion reached but at the end of the day the Managing Director with his powers will be calling the shots.

If you want me to stay on as Managing Director then I am willing to do so but of course detailed negotiations will have to take place in order to agree a situation where my position is protected as well as yours. Apart from financial and communication agreement the future of the Club and where it is going must be addressed.

In the meantime I remain Managing Director and continue to do my best for the Club.

Options

There are a number of options to consider.

That will depend on a number of factors, the most important is your personal commitment to the Club, i.e. is it long term or short term. This will determine the immediate course of action.

If it is long term then we should examine stadium issues, Selhurst, imaginative ideas, training ground, a different players policy and. at the heart of it, can you personally give the Club serious time and input.

If it is short term then we have to examine who can fill that majority gap and for how much and how we should proceed in the meantime.

There is always the doomsday option, involving the sale of a lot players. This will generate a lot of profit, but will ruin one's reputation. Asset stripping may be legally possible but I find it unacceptable morally and cannot participate in it or condone it.

We have to consider what to do if we get relegated. I do not mean this year, but any time.

Of course, who is Managing Director and having harmony and total confidence in each other is another key factor when considering the options. An instability period will entail being more careful on the other hand, if the confidence is not there then also it will affect progress.

Whichever way the Club goes from now on what we are in effect going through is "critical decision 5".

This time it is in your hands !.

Good luck and
God Bless Wimbledon

A handwritten signature in black ink, appearing to be 'L. Carter', written in a cursive style.