

The History of the Move to the Banks's Stadium (formerly Bescot Stadium)

APPENDICES

1. APPENDIX I

NOTICE ISSUED TO SHAREHOLDERS CONVENING EXTRAORDINARY GENERAL
MEETING ON 22ND AUGUST 1988

2. APPENDIX II

RELEVANT EXTRACTS FROM THE MINUTES OF THE EGM HELD ON 22ND AUGUST 1988

APPENDIX I

This document is important and requires your immediate attention. If you are in any doubt about the action to be taken you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your ordinary shares in Walsall F.C., please hand this document and the accompanying documents to the purchaser or to the stockbroker, bank or other agent through whom you made the sale for transmission to the purchaser.

THE WALSALL FOOTBALL CLUB
LIMITED.

A notice convening an Extraordinary General Meeting at which shareholders will be asked to approve the proposed sale of Fellows Park and obtaining of a Lease of premises at Rescot Crescent, Walsall, as set out in this document.

You are urged to complete and return the enclosed form of proxy as soon as possible, but in any event so as to arrive no later than 9.45am. on 22nd August.

THE WALSALL FOOTBALL CLUB LIMITED.

NOTICE OF EXTRAORDINARY GENERAL MEETING.

Notice is hereby given that an Extraordinary General Meeting of the Members of the Company will be held in the Swifts Club, Fellows Park, Walsall WS2 9DB, on Monday 22nd August 1988 at 9.45am. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION.

'That this Meeting approves the terms of the Agreement for the proposed sale of Fellows Park by the Company and to the obtaining of a Lease of premises at Bescot Crescent, Walsall, and hereby authorises the Board of Directors of the Company to implement the Agreement with such amendments and revisions thereof as the Board may consider appropriate'.

Dated 20th July 1988.

By Order of the Board

K.R.Whalley

Secretary

Registered Office:

Fellows Park,
Walsall. WS2 9DB.

NOTE

A member of the Company entitled to attend and vote may appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member. The instrument appointing a proxy must be received at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting or and adjournment thereof.

THE WALSALL FOOTBALL CLUB LIMITED

(Registered in England No.171970)

Registered and Head Office
Fellows Park,
Walsall WS2 9DB

To: The Shareholders of Walsall Football Club.

Dear Shareholder,

I am writing to give you details of the Development Agreement which has been entered into by the Company and Denglen Limited, conditional upon its ratification by the Shareholders in the Extraordinary General Meeting to be held on 22nd August 1988.

Background Information.

Prior to the takeover of Walsall Football Club Limited by Newheld Investments Limited (a holding Company, in which Mr. Maurice Miller is the majority shareholder) on 25th March 1988, Walsall Football Club was in a precarious financial situation.

The incoming administration inherited a rapidly deterioration financial situation, which had taken the Club to the brink of financial oblivion.

Shareholders are already aware that losses amounting to £492,718.00 were incurred during the 1986/87 financial year. The Club continued to sustain further handling losses throughout 1987/88, albeit at a reduced rate to the previous year, and these will become apparent when the Balance Sheet for the last financial year is published

By March 1988 the Club, in every business sense was insolvent. It's only tangible asset was the freehold value of Fellows Park. However, the potential value of this site would only be realised if its usage could be converted into activities other than professional sport. As a football stadium its bookvalue was professionally estimated at only £350,000, a price which reflects the scarcity of buyers for this type of facility.

The new Board of Directors could not allow the situation, previously described, to continue. However rather than impose a financial straightjacket around the Club, which would have meant the immediate sale of some of the Club's best players, the Board devised a more creative strategy to restore financial stability.

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At this point, I would like to make clear that the paramount ambition of my Board of Directors is to eventually take Walsall Football Club into the First Division. Walsall is a big town with a tremendous catchment area of potential support. Our aim for the top flight is therefore quite attainable and realistic.

However, promotion to a higher Division means that the Club has to have better facilities to be able to cope with the demands of increased crowds. The Club has played at Fellows Park since 1903. Ground improvements, where they have taken place, have been carried out in an ad hoc manner. The result is that Fellows Park is a 'mish mash' of unco-ordinated development. The stands are old and dilapidated. Toilet facilities are totally inadequate. Maintenance costs are astronomic. Administrative and hospitality areas are totally inadequate, and high users of energy. There is insufficient car parking around the Ground. Quite simply in the medium to long term the Stadium, without demolishing it and starting again, is totally inadequate for Second Division Football, and certainly not capable of meeting the requirements of crowds of the 1990's and beyond.

It quickly became apparent to the Board therefore that if as a Club, we wanted to progress, then it was imperative to move to a new Stadium.

It is in this twin context therefore of (a) financial difficulties and (b) the need to provide better facilities for supporters, that the Club has entered into a Development Agreement with Denglen Ltd.

Development Agreement.

After detailed discussion and careful consideration, therefore it was felt by the Board that it would be in the best interests of Walsall Football Club to enter into this Development Agreement.

By the terms of this Agreement, Walsall Football Club is agreeing to sell Fellows Park to Denglen Limited.

In return, Denglen Limited will;

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- a) pay off the amount to which Walsall Football Club is overdrawn in it's current account;
- b) re-pay the loan of £398,000.00 owed to Newheld Investments (the debt inherited from Glen Corporate Finance Limited);
- c) build a brand new stadium on the nearby Bescot site, currently owned by Severn Trent Water Authority, with a capacity similar to that at Fellows Park, but with a significantly increased seating accommodation.

The sale of Fellows Park will raise, it is believed, between £4m and £7m. At the time this report is being prepared it is not possible to be more specific about the eventual price that the Ground will command. However it is fair to say that interest in the site is being shown by a number of large retail companies. It will be readily appreciated that the scale of the fee received for Fellows Park will be reflected in the size of the new stadium and the facilities that can be incorporated into its design.

As far as the Bescot site is concerned, with privatisation of the Water Industry in the near future a distinct possibility, Severn Trent Water Authority, are not prepared to sell the freehold of the land designated for the new Ground.

However, they are prepared to grant a 125 year lease to Denglen Ltd. Who in turn, are prepared to grant a 124 year lease to Walsall Football Club.

The arrangement being entered into will involve Walsall Football Club in having to pay a rent for the Lease, probably in the region of £75,000.00 per annum, subject to an annual review, based on the Retail Price Index. A scenario favoured by your Board would be for Denglen Limited to create a sub lease to Walsall Metropolitan Borough Council, and the latter to underlet the Stadium to Walsall Football Club. We envisage that such an arrangement might involve Walsall M.B.C. in taking full responsibility for all maintenance costs related to the Stadium, but in return, they would be entitled to a higher rent, based on the level of gross income being achieved by Walsall Football Club and therefore related to the Club's ability to pay.

We are seeking to ascertain the attitude of Walsall M.B.C. towards such a partnership and exploratory discussions have already commenced.

Ground Sharing

I would like to make clear that your Board of Directors are totally committed to preserving League Football in Walsall. However, if Fellows Park is sold to a retailer who, as part of the transaction, demands access to our present site before the new stadium is completed, we could be required to enter into a temporary groundsharing arrangement with one of our neighbouring West Midlands Clubs until the new stadium is completed. We hope that such an arrangement would not be necessary, but we cannot discount the possibility. It is the view of your Board that in spite of the inconvenience caused, it would be a price worth paying in the long term, in exchange for all the advantages that a new stadium will bring.

Recommendation.

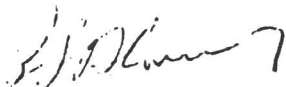
Your Directors consider that the terms of the Agreement are fair and reasonable, and in the best interests of Walsall Football Club. Your Directors unanimously recommend you to vote in favour of this resolution to be proposed at the Extraordinary General Meeting to be held on 22nd August 1988, as they intend to do in respect of their own beneficial shareholdings amounting to 38,314 Ordinary Shares which represent approximately 76.6% of the votes exercisable at the Extraordinary General Meeting.

If the proposal is carried, Walsall Football Club can look forward to having all outstanding debts cleared, and moving into a new stadium which will contain purpose built facilities, enabling the Club to compete at the highest levels in the game.

All shareholders are entitled to attend and vote at the Extraordinary General meeting.

Enclosed with this document is a form of proxy which you are urged to complete and return by 9.45, 20th August 1988, in accordance with the instructions printed on it, whether or not you can attend the Meeting on 22nd August 1988. Completion of the form of proxy in no way precludes you from attending and voting at the meeting, should you wish to do so.

Yours faithfully,



B.S. BLOWER.

Chairman.

APPENDIX II

Minutes of Extraordinary General Meeting held in the Swifts Club, Fellows Park,
on Monday 22nd August 1988.

Directors Present:

B S Blower (Chairman)
R Clift
T F Hargreaves
M Miller

In attendance:

K R Whalley (Secretary)
H Howard (Club Solicitor)
D Connick (Solicitor, Memory Crystal)
I Benton (Accountant, Edwards & Co.)

Apologies Received.

J Bonser.

The Meeting was opened by the Chairman at 9.45 a.m.

B S Blower welcomed Members to the Meeting. K R Whalley read out the Notice of the Meeting. BSB suggested that the format for the Meeting would be that he would read through the written details of the Development Agreement which the Company proposed to enter into with Denglen Ltd., which had been circulated to all Members and that they could interrupt and ask questions on any points that he raised.

[Questions were taken from Shareholders]

At this point BSB asked KRW to read out the resolution asking the Meeting to approve the terms of the Agreement for the proposed sale of Fellows Park by the Company and obtaining of a Lease of premises at Bescot Crescent, Walsall, and thereby authorising the Board of Directors of the Company to implement the Agreement with such amendments and revisions thereof as the Board may consider appropriate.

The Meeting agreed that the decision could be taken by a show of hands, with Hugh Howard and David Connick acting as tellers. The resolution was passed by 67 votes for to 4 against (including Proxy votes).

BSB thanked Members for their attendance and declared the Meeting closed, at 12.15 p.m.