



Andrew McDaniel
Meadow Residential LLP

By email

27 April 2018

Andrew

Dulwich Hamlet Football Club

We have not been in contact since our conversation on 7 March regarding the assignment to DHST of the trade marks registered by Greendales IP LLC. There have been numerous developments since then and there are now a number of specific issues, set out below, on which we would be grateful for your response.

These issues arise against a backdrop of very high public interest aroused by the threat to the future of the Club. This interest has been reflected in the remarkable level of national and international media coverage in recent weeks, and by the strong and united support demonstrated by the community for the Club.

As you will be aware, the matter has also attracted political concern at the highest level, and has been the subject of debates in both Houses of Parliament.

On 16 March 2018, in the House of Commons, Helen Hayes MP [called on you](#) “to re-engage with the Council and the Club, and to negotiate a way forward that places a secure future for Dulwich Hamlet Football Club at its historical home, Champion Hill, as the highest priority”. Adopting the words of [our statement](#) of 12 March 2018, she said that “It would be better for everyone, including Meadow, for the land to be sold at fair market value on terms that guarantee a sustainable future for the club”.

Responding on behalf of the Government, the Minister for Sport and Civil Society, Tracey Crouch MP, said that she agreed with everything Helen Hayes had said, adding that “*It is hugely disappointing that in this instance the football club is stuck in the middle, and that it and the fans are the victims in all this. That is not right. Football clubs remain a matter of great importance to their local communities, and we should never underestimate their value. Every care must be taken by their owners and stakeholders to safeguard their long-term future... I understand that Southwark Council has asked its director of regeneration to start negotiations with Meadow over the sale of the site. Those negotiations must ensure that the needs of the club are protected. Should the negotiations fail... I will look to find and appoint an independent mediator who can facilitate the constructive talks needed between all parties and, in the process, help to secure a future for this well-supported community club for many years to come... I fully expect all parties to sit down and try to find a solution that works and, importantly, has the football club as its primary consideration*”.

In the light of these statements, it is disappointing to see it [reported](#) that in discussions with Southwark Council on 19 March you maintained that you are unwilling to sell Champion Hill. Subsequently, we understand that you have not replied to, or even acknowledged, a written offer from Southwark.

On 17 April 2018 we became aware that you had submitted a new pre-application for development. Although the accompanying [letter](#) to Southwark refers to the construction of a 4,000 capacity stadium, and to an intention “to secure the future stability of the Club”, this does not appear to be reflected in the [designs](#), which omit any substantive reference to the Club and appear to fall far short of the minimum requirements to enable the Club to operate at Champion Hill.

However, the purpose of this letter is not to comment on the merits of the pre-application document. Our immediate concerns arise from your recent and ongoing actions, which are causing the Club serious financial loss, and continue to threaten its existence.

Southwark have stated that they do not see this matter “*as a fight between Meadow and this council*”. It appears that you do not share this view, but it must now be clear to you that attacking the Club in order to pressurise the Council is a strategy that will not succeed. The approach you have adopted to date has been destructive, unnecessary and (as we said in our email of 7 November 2017 to your representative Kevin Rye) in breach of the revised MoU signed in March 2017.

There can be no justification for this strategy to continue. All parties should be able to agree on this at least: that the Club should be insulated from the harmful effects of your dispute with Southwark, not dragged into it and used as a bargaining chip (which we are concerned the pre-application continues to seek to do). Whether you intend to pursue new development proposals or sell the site you should, in the meantime, allow the Club to return to Champion Hill on fair licence terms, withdraw the threat of insolvency proceedings, and restore the revenue streams (in particular match day bar profits) that the Club has always received and relied upon.

We referred to these actions in our statement of 12 March 2018. In the light of subsequent developments, we would be grateful if you would address the following points as a matter of urgency.

Use of Champion Hill Stadium

The grounds on which you purported to terminate the Club’s licence to play at Champion Hill (relying on terms that the Club accepted under duress) are [disputed by the Club](#). The Club’s objections appear to us to be well-founded. The purported termination of the licence has, of course, caused the Club to suffer a substantial financial loss, increasing with each home match played away from Champion Hill.

It does not serve anyone’s interests, including yours, for the Club’s exile from Champion Hill to continue. We repeat our call on you to reinstate the licence, and commit to replacing it as soon as possible with a new licence negotiated fairly and in good faith, to remain in force for as long as you continue to own and operate Champion Hill.

On this issue, we note that on 14 March 2018 the South London Press [quoted](#) a Meadow spokesman as follows: “*We have confirmed to the club it can play the remaining five of its home games at Champion Hill*”.

As far as we are aware, no such confirmation had in fact been given to the Club. If this is correct, it is troubling that your spokesman would appear to have made an untrue statement to the media. He cannot have been referring to your media release of 7 March 2018 because, whilst that statement held open the possibility that the Club could return to Champion Hill, it made it clear that this was conditional on concessions from Southwark. In contrast, the words attributed to your spokesman on 14 March indicated that an *unconditional* offer to return to Champion Hill had been made directly to the Club.

In the light of the confusion caused by that statement, it is important that you clarify your position on this issue. If it is now your position that the Club can return to Champion Hill, it is entitled to be informed of that in writing either by you, on behalf of the licensor, or by the licensor's solicitors, Collegiate Legal. Further, it would be necessary for you to specify the terms of the licence being offered, and to take all necessary practical steps to enable the club to return to Champion Hill. Such steps would include the removal of the unnecessary fence you have erected around the ground, in order to ensure that access routes to the ground are safe and unobstructed.

Please now clarify your position, both in respect of the remainder of this season (specifically any promotion playoff fixtures to be played at home) and the whole of the 2018-19 season.

Statutory demand

You have invoiced the Club for backdated rent and associated costs, and subsequently threatened to wind up the Club for non-payment of those invoices.

This threat should be withdrawn. As we said on 12 March, it is unconscionable for you to invoice the Club for these sums. To the extent that you had a right to invoice the Club for the licence fee and associated costs, you chose not to enforce it, and it is not now open to you to change your position.

Clause 4 of the previous licence provides: "*In consideration of the grant of the rights and licence prescribed by this Agreement, Y shall pay to X the sum of £500.00 per match plus VAT if required per annum payable on each match day*". It appears clear that payment of the licence fee was not "*required*", because payment was not requested or provided for in the Club's budgets; and because, if it had been required, the fee would have been deducted from receipts "*on each match day*".

We are not aware that it was ever suggested that the Club should set aside funds to cover these sums, in case you chose to invoice them – and in any event, the Club was not in a position to do so, because you, your predecessors, and your associated companies controlled its annual budgets. We would expect any claim in respect of these invoices to fail.

We are aware that the Club has written to your solicitors to make it clear that the invoices are disputed. As we have said previously, it is an abuse of process to use insolvency proceedings to pursue payment of debts that are disputed on genuine grounds. Further, it appears to us that the invoices, and subsequently the statutory demand, have been issued for a collateral and improper purpose, namely to apply pressure to Southwark in the context of your planning dispute with them. In the circumstances we ask that you confirm that you agree that it is not appropriate for you to pursue payment of these disputed invoices by way of winding up proceedings.

Bar profits

When you announced your withdrawal of financial support from the Club in October 2017, the Club and DHST sought confirmation that the Club would continue to receive match day bar profits. These, as you know, have always provided a crucial income stream for the Club.

The previous licence (which was not replaced until December 2017) made provision for the Club to do so: it included "*the right and licence for [the Club] to use the Stadium for the purpose of public viewing of the relevant fixture and the usual catering and hospitality associated with a fixture*". Reflecting this, it was the Club's responsibility to obtain the necessary licence for the sale of alcohol.

Following the abrupt withdrawal of financial support, you gave indications that the Club would continue to receive bar profits. For example, Kevin Rye's email of 30 October 2017 stated that

“Meadow, via Healey, is and remains the operator of Champion Hill. It appoints all staff to operate the facility. It will receive all income, and pay all costs, the net of which will go to DHFC Limited. Only for football club events will DHFC Limited receive the net income. All of the costs (for the previous financial year) and forecasts (for this financial year) are detailed in the financial spreadsheets sent on the 18th September this year”. Those spreadsheets included bar income and outgoings.

As a further example, Blake Bennison’s email of 27 November 2017 stated that you were *“working through the bar breakdown [for November 2017’s home games] and are hoping to be able to send this through in the next couple of days”*.

Subsequently, however, you informed the Club that it would no longer receive bar profits. This apparent change of position, and your lengthy delay in giving notification of it to the Club, suggest that the issue of bar profits has been used as another tactical device to attack the Club, in the misconceived hope that this may force Southwark’s hand. We respectfully suggest that you should now agree to the principle that, in addition to returning to Champion Hill, the Club should receive all of the net profit it generates on match days from the use of the ground (including since November 2017) and should be given greater input into matters such as the management, staffing and pricing of the bar.

* * *

Last November, [you told the BBC’s Sunday Politics](#) show that *“It’s absolutely not my desire to see [the Club] close. We have tried to do, and will continue to try to do, as much as we can to keep it alive”*.

In your statement of 7 March 2018, [quoted](#) in the South London Press, you said: *“Meadow has no dispute with the playing staff, the many loyal fans and members of the community who care about the Club and who want the Club to survive”*.

We are unable to reconcile your actions over the past six months with these statements. Nevertheless, if these statements were and remain sincere, we believe that you should have no difficulty in (i) recognising the principle – which should be uncontroversial – that the Club’s ability to operate and to maximise match day revenues should not be impeded pending the resolution of any dispute over the future of Champion Hill, and (ii) to that end, taking the actions we have requested.

We would be grateful to hear from you in relation to the above issues by 4 May 2018. In the interest of transparency we should make it clear that we may share this correspondence with other stakeholders, including the Department for Digital, Culture, Media and Sport, and with our members and other supporters of the Club in order to keep them informed and updated.

We look forward to hearing from you.

Yours sincerely

Alex Crane

Chair – for and on behalf of Dulwich Hamlet Supporters’ Trust