



11 September 2007

Dear Member,

I attach the Notice and Agenda for the Special General Meeting (SGM) to be held at 7:30pm on Thursday 27th September 2007.

As you know, this comes at the end of a month when we are convening a couple of consultation meetings on the strategy review – one at Kingsmeadow on Thursday 13th September and one at the Wimbledon Community Centre on Wednesday 19th September. This heavy diary is proof of our democratic commitment to involve the membership fully in the decisions that are central to the direction and success of AFC Wimbledon.

You should also find attached the following additional documents:

- The draft minutes of the SGM held on 28th June 2007;
- A summary account of what the Board has been up to since the last SGM in the form of the minutes of the DTB meetings held on 2 July and 6 August;
- The paper prepared for the two Strategy Review meetings – this comprises a note on the process, the eight key issues for debate, and the summary position adopted by the Board at the special meeting it held on 20 August to discuss those issues;
- A paper summarising the history of the £600,000 loan facility that we negotiated with Barclays Bank when we paid off the loan to Mr Khosla, how this facility has been used to date, and the thinking behind the decision to draw down the loan in full at this point.

After the last SGM I got a lot of positive feedback from members about how informative they found the Q&A session when all kinds of issues - large and small – were raised about the Club and the Trust. I do hope as many of you as possible will be able to get along to make sure that we have another lively and open discussion.

Finally, could I again ask everyone who is able to receive notices and reports electronically to agree to do so – any member who has not already given us their e-mail address please e-mail membership@thedonstrust.org. This would be of great practical assistance and it would help us to keep our administrative costs down to a minimum.

Yours faithfully,

David Cox
Chair of the Dons Trust Board

Notice is hereby given of a Special General Meeting of the members of the Wimbledon Football Club Supporters' Society Ltd to be held at The Cherry Red Records' Fans Stadium – Kingsmeadow, Jack Goodchild Way, 422a Kingston Road, Kingston-upon-Thames, KT1 3PB on Thursday 27th September 2007 at 7.30pm

SPECIAL GENERAL MEETING

AGENDA

1. Report on the SGM dated 28 June 2007
2. Work of the Board since last SGM
3. Update on the strategy review – outcome of consultation meetings held on 13th and 19th September
4. Report on the use of the Barclays Bank Credit facility
5. Questions and answers
6. Any other business

By order of the Board

[*Sandy Lawrence*]

Secretary

Wimbledon Football Club Supporters Society Limited

Minutes of the Special General Meeting held on 28th June, 2007 at 7.30pm

The Fans' Stadium - Kingsmeadow, Jack Goodchild Way, Kingston Road, Kingston-upon-Thames, KT1 3PB

These minutes were unanimously approved by the DTB at its meeting on 6th August 2007 for submission for approval by the members at the next SGM

0. Introduction and Apologies for Absence

- 0.1 Welcoming members, David Cox (DC) conveyed apologies from Nigel Higgs, Marc Jones, Sandy Lawrence, Sean McLaughlin, Iain McNay, Kris Stewart and Ross Maclagan and other members of the WISA deputation who were otherwise engaged at the Merton Council meeting [and where they brought to a successful conclusion their campaign to bring Wimbledon's H&H back to its rightful home]. He thanked John Stembridge and his helpers for signing in members at the meeting.

1. AGM Minutes

- 1.1 Turning to the minutes of the 18 December 2006 AGM, DC invited comments on the minutes. There were none and they were duly taken as accepted.

2. DTB Half Year Report January to June 2007

- 2.1 TA invited questions. In response to a question about the incorporation of the Ladies, Bert Dale said that the Articles of Association had just recently been agreed by the FA. Legal advice was now awaited on where the Ladies should sit within the Trust/Club structure and it was hoped that this would be resolved within the next 2 or 3 weeks.

3. Resolution to amend Rule 22

- 3.1 DC reminded members of the background to this resolution proposed by the Board. Its purpose was to put in place procedures designed to safeguard the status of AFC Wimbledon as a football club that is owned and controlled by its fans. It does so by creating a new section of the Dons Trust Rules (Schedule 1) that lists all the decisions that can only be taken by the members and what majorities are needed to take them. He thanked Dave Boyle (DB), Deputy Chief Executive of Supporters' Direct, for his expert advice and assistance in drawing up the resolution and asked him to introduce the paper.
- 3.2 DB gave a brief resume of the proposal. While it was impossible to anticipate every way in which the ownership and control of the Club might conceivably be put at risk, it was possible to identify certain fairly obvious key assets that should be put under the control of members. These "crown jewels" had been listed in the resolution tabled at the SGM.
- 3.3 However, there were less obvious ways in which the ownership and control of the Club could be put in jeopardy (eg running into debt and potentially ceding control to our creditors). In such cases it was possible to devise a protection (eg making borrowing against the lease impossible) but such protective measures could have unintended negative consequences on the Club's development (eg making it impossible to borrow in order to redevelop the ground). As this example shows, there is no self-evident "right" answer. The DTB had therefore resolved to consult with members between now and the 2007 AGM over the types of critical decisions that need to be added to the list of restricted actions. A further resolution incorporating these decisions into the Schedule would be submitted to a vote at the AGM. After that point, the only way to add new decisions to the list would be through the voting procedures set out in the Schedule.
- 3.4 There being no questions or debate, DC noted that under Rule 96 (Amendment to Rules), the Resolution required a two thirds majority. He invited a show of hands on the Resolution to amend Rule 22. All of those present were in favour, with none against, and 51 of proxy votes were in favour and 27 were to be cast at the Chairman's discretion¹. The resolution was duly passed.
- 3.5 Welcoming the vote in favour of the resolution, Erik Samuelson (ES) reminded everyone that whatever procedures we devised, it would never be possible to devise absolutely watertight protection against determined attack. The best protection came from members remaining involved, alert and committed. Measures like the resolution were helpful in putting in place early warning systems of potential threats

¹ In addition there were 9 proxy voting forms that arrived after the deadline – 4 were for and 5 were to be cast at the Chairman's discretion.

– but it was the membership’s collective strength that was the ultimate guarantee of the Club’s status as a supporters’ Club.

4. Report on the appointment of the CEO

- 4.1 DC briefly rehearsed the process that the Board had followed in approving the appointment of Erik Samuelson as CEO of AFC Wimbledon. He noted that the minutes recording the process had been placed unedited on the Official Site. The Contract was now close to completion.
- 4.2 The one question related to the general policy on advertising posts. DC said that the Trust's policy was to advertise but in the particular circumstances of this case, where the Board was unanimous that it had identified the right candidate internally, they had decided after a proper and diligent interview process proceeded to appoint directly. Speaking for the Club, Erik Samuelson said that the approach was generally to favour open competition but to have an open mind and make internal appointments when this was the sensible and best way to proceed. So there had recently been an advertisement to fill accountancy vacancies. But when the position of cleaner came up recently he first confirmed his own judgement that the work was being very well and conscientiously done and then offered the post to the person who had been temporarily filling the position. He believed that this was a sensible and fair way of proceeding so long as the Club was absolutely open about what it was doing and why.

5. Report on the Appointment of the First Team Manager

- 5.1 ES rehearsed the steps that had been taken from the departure of Dave Anderson on 2 May to the announcement of the appointment of Terry Brown (full-time) and Stuart Cash (part-time) on 15 May. He said that TB and SC had been particularly impressive in their knowledge of the AFCW set-up and playing squad, their understanding of the club’s nature and ethos, and their clarity about their strategy for getting us out of the Ryman League.
- 5.2 Asked about the target TB and SC had been set, ES said that the first step was promotion to Conference South with the Conference within 4 years as the aim.
- 5.3 Asked about the demands on the budget that the new management team had made, Es said they were in football and all football managers would always want more. The players’ budget was up on last year and TB and SC were happy with the budget that they had been given.
- 5.4 Asked whether style of play had featured in the appointment equation, ES said it had. A large part of TB and SC’s appeal was that they wanted their team to win every game rather than not lose any game. At home we could expect the side to attack; playing away we would, if necessary, play ‘ugly’ to win.
- 5.5 Asked whether the new appointment had had a positive impact on season ticket sales, ES said that he thought we were probably slightly ahead on last year.
- 5.6 Asked whether he would have an input on youth and academy football, ES said that in his full-time role, TB would watch them train and play at Nescot. His attitude was “how can I help” and that was the basis on which he wanted to cooperate with colleagues across the Club.
- 5.7 Asked why we had moved from part-time to full-time, ES said that nearly all of the seven who had got onto the short list were looking for a FT appointment. We believed that there was enough of a role for a FT appointment and thinking that that was what we needed to achieve our aims and objectives, that is what we decided to go for.

6 Update on the Strategy Review

- 6.1 It had now been possible for ES and the Strategy Review Group (SRG) to convert the key findings from the nine working groups into a set of fundamental issues that would determine the direction of the Club for the next five years. All of these issues needed to be put to the membership for a full and wide debate. For each of the issues identified (eg should we be seeking to go back to Merton) ES had produced one-page summaries that stated the issue, provided the essential background facts, set out the risks and costs, and identified possible courses of action for the members’ consideration.
- 6.2 The next step was to obtain the views of the DTB. Once he had their approval, the set of summary issues papers would be given wide circulation and tabled for general discussion at the September SGM. On the basis of the feedback received a complete version of the strategy document would be produced and presented for formal adoption at the AGM in December.

7 Report on the Outcome of the SROB pilot

7.1 DC drew special attention to that section of the six monthly report from the DTB (item 2 above) detailing the course and outcome of this pilot. The governance issues that had emerged from the pilot would now be carried through to a conclusion as one of the key issues emerging from the Strategy Review as warranting debate by the membership. There were no questions or debate.

8 Questions and answers

- 8.1 What training facilities would the Club be using next year? King's College Sports Ground. We had signed a one year contract with an option for a one year extension. Terry Brown was very pleased with the facilities.
- 8.2 Why did the Ryman League player registration system not pick up the fault in our form in relation to Jermaine Darlington? At the Ryman League AGM held earlier in June, it was reported that the Ryman League, in common with all leagues across the national game, had now been granted flexibility in the handling of any future ITC cases that arose in the future. ES thought it important that we should recognise the difficulty the League had faced in accessing the outdated FA data base on which the system rested and work was now in hand to upgrade the system. To avoid any repetition of the Jermaine Darlington affair, the Club was seeking to have each registration confirmed explicitly. ES, the Club and the Trust were keen to have good working relations with the Ryman League.
- 8.3 Were we prepared for the new smoking regulations? Yes, awnings would be placed outside the front of the bars for smokers. The new regime came into operation on 1 July.
- 8.4 Does our ability to obtain a loan from one of the country's leading banks carry any signal of our ability to achieve the status of a fully professional club? Obtaining a loan from a high street bank (taken up at the end of September 2006 at 2.5% above Base Rate) made the Club something of a rarity in the football world and demonstrated our good credit rating. We had good professional relations with Barclays and made sure that they saw how professional, efficient and prudent we were in our running of the club. Mr Khosla had been paid off in full and we had to date drawn down £250k of the overall loan facility available to us of £600k. These facilities could not be carried over indefinitely and if we did not draw down the remainder of the loan within a year of the original draw down date we would have to reapply, so this would be an important decision that we would need to make in due course.
- 8.5 What was the latest position on the loan and on bondholders? We owed the bondholders about £300k. All had recently confirmed their willingness to defer payment. Most had done so for 3, 4 or 5 years but some had set the repayment date as far as 11 years ahead.
- 8.6 How did the individual members of the Board vote on the different elements of the Schedule in the Resolution presented this evening? The Board had voted on the proposal in its entirety and had therefore adopted Dave Boyle's suggestions unanimously.
- 8.7 What were our obligations to Kingstonian and was there no way of reducing the wear and tear on the pitch? The license to Kingstonian to use the ground for 20 years had been a condition of sale insisted upon by Mr Khosla. As for pitch usage, we were doing what we could to reduce the time it was in use and it had been decided that the Ladies should be asked to play on the Athletics Ground. A great deal of work had been done on the pitch by new contractors and it was hoped that we would see the benefit next season, although the contractors had explained that the full benefits of what they were doing only worked through fully in the third season after the work.
- 8.8 What was the position on the perimeter lease? This was a complicated business because of the Royal Borough of Kingston's insistence that the proceeds from selling or the benefits from granting the lease should accrue to the Kingstonian Club (and not its current owners). It was proving difficult to find a satisfactory way of achieving this difficult objective and the Board and Trust were working on possible ways forward.
- 8.9 How would the Ryman TV initiative affect us? ES had only recently learned of this venture where a company called Invision will pay the Ryman League for a 3 year contract to have cameras and commentators at Ryman Premier League grounds each week to record material that will be put out as

a weekend summary available over the internet. There was a provision for occasional live coverage and this part of the deal would need to be watched carefully for its potential impact on attendances.

- 8.10 What initiatives did we have to broaden the fan base and did they include making approaches to the Korean community? Ivor Heller explained that some specific efforts in this direction had confirmed the Club in the correctness of its overall strategy to take generalised rather than targeted initiatives. Hence, the main drive at the moment was the “kids go free initiative” complemented by the cheaper season tickets for the 16 to 21 age group. ES agreed and noted that all the research on this had shown that the right order in maintaining support bases was: retain the current supporters, research and recover past supporters, and only then seek to extend.
- 8.11 What were we doing to keep our hooligan element under control? We had a standard policy for dealing with hooligans at home games. Offenders were banned indefinitely but had the right to present themselves before a special panel to explain their behaviour and demonstrate to the Panel that they could be trusted not to reoffend if they were to be readmitted. If they failed to do so or failed to convince the panel, they were banned until they could convince them. By and large this policy worked. However, it did not extend to away games. Here the Ryman League had now agreed to work alongside us to extend the ban and we were working with the police and other clubs to circulate details and photos of the people involved so that they could be refused admission to away games.

9 Any other business

- 9.1 Concluding the meeting, DC thanked members for their attendance. The meeting closed at 9.00 pm.

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Chairman

Edited minutes of the meeting of the Dons Trust Board held at the Fans' Stadium on Monday, 2nd July 2007 from 7:00pm to 10.10pm

These minutes were unanimously approved by the DTB at its meeting on Monday 6th August 2007

Present – Tom Adam (TA), Matthew Breach (MB), David Cox (DC), Bert Dale (BD), Nigel Higgs (NH), Paul Jeater (PJ), Sandy Lawrence (SL), Sean McLaughlin (SM), Iain McNay (IM) and Erik Samuelson (ES)

Apologies – Ivor Heller (IH) and Marc Jones (MJ)

Secretariat – David Wilkinson (DW)

1. MINUTES AND EDITED MINUTES OF MEETING HELD ON 4TH JUNE 2007

The **Board unanimously approved** the full and edited minutes of the meeting of 4th June 2007.

2. MATTERS ARISING

The Board reviewed the Schedule of matters arising from recent meetings. Those matters that remain to be dealt with, plus the measures proposed for dealing with them, are recorded in the revised list at the end of these minutes which also includes actions agreed in the course of this meeting.

3. STRATEGY REVIEW – STATUS REPORT

It had now been possible for ES and the Strategy Review Group (SRG) to convert the key findings from the nine working groups into a set of first order issues that needed to be put to the membership for debate.

Each of these issues (ten in all) had been condensed into one-page summaries that stated the issue, provided the essential background facts, set out the risks and costs, and identified possible courses of action, without offering any preference.

The review had demonstrated that in an organisation based on volunteers there were severe limits on the extent to which one could set and hold to a tight timetable. Nonetheless, in order to maintain momentum, ES thought that it was now essential to move to an agreement on what were the fundamental issues and to decide on how they should be presented to the members.

The aim was to do this in a way that would generate the fullest possible debate so that the SRG, [working closely with the Directors of AFC Wimbledon (who will ultimately be responsible for implementing the strategy)] would be able to draw upon as much member feedback as possible when they came to draft the strategy document itself.

Once that document had been drafted, it would first be put to the DTB for approval and then to the DT membership, with a target date of the 2007 AGM in early December.

With ten issues on the table, **the Board agreed** to focus on process and timetable rather than substance. **The Board** recognised the constraints that had affected the original timetable, thanked the SRG for its work to date, welcomed the helpful standardised one-page format for addressing the issues, and agreed on the importance of completing the exercise in such a way that the strategy document that was eventually adopted was seen as being owned by the membership as a whole. But while no one wanted this to be an exercise dictated from above, there was a concern that it would not be possible to bring the process to a timely conclusion if the papers on the issues were couched in the purely neutral terms in which they were currently drafted.

It was agreed that all members of the Board should email Erik **no later than Monday 23rd July** giving their comments - be they on handling (eg the way in which the issues might be ordered or otherwise grouped, whether there were any issues that they did not think were sufficiently strategic to be included in the list) or substance – so that he could take them into account in producing the next version of the document for the 6 August meeting where the final decision would be taken on how far the options should be presented to the membership in neutral terms and how far they should be presented with a steer from the Board. [**ACTION 1 – ALL BOARD MEMBERS**] ES would attempt to present that version in the form of the draft of the paper that would eventually be circulated to the members and it would show exactly what they would be asked to vote upon. Once endorsed by the DTB, that options paper could be given wide circulation and be tabled for general discussion at the September SGM. On this timetable, the members would have two bites at the cherry, with the final version of the strategy document – that would reflect the general feedback and in particular the debate and votes at the SGM - being presented for formal adoption at the AGM in December. [**ACTION 2 – ES**]

4. THE PERIMETER LEASE

ES explained why ManComm had decided to reject the latest proposal that had been received as not in the best interests of the club.

The Board agreed unanimously with their analysis but noted that there was not a “do nothing” option as securing the perimeter lease was a precondition for obtaining and implementing the planning permissions for improving the ground.

The Board confirmed that ManComm should pursue other options that met the RBK criterion that the proceeds from the sale of the perimeter of the lease should be to “the benefit of Kingstonian”

Some preliminary ideas that might be sounded out with Ks and the RBK were discussed. ES thanked the Board for the discussion which would help him and ManComm to explore further possible ways forward. [**ACTION 3 – ES and ManComm**]

5. THE PLANNING PERMISSIONS (PP)

ES reminded the Board of the process which required us to maintain and upgrade our PPs to allow us to upgrade the ground so that it would meet the requirements for admission to the Football League. These were themselves in three stages – (i) the level required even before you were able

to make an application; (ii) the level required at the actual point of entry to the League; and finally (iii) the level required two years after admission. The rule of thumb improvement that showed how far we needed to go to get Kingsmeadow up to standard was providing 2,000 seats under cover, a figure we currently miss by 957.

To meet the necessary deadline so that our PPs did not lapse, we now needed as a matter of urgency to commission consultants to produce a first outline design for the upgrade of the ground that would then be followed by a full design with all the necessary engineering input and detailed structural drawings. We had a quotation for this two-stage process of some £50k for each stage.

The Board agreed unanimously that there was no alternative – given the Trust’s aim to secure a return to League football for the Club – but to commit to this expenditure to undertake essential work that lay upon the critical path to Football League status. ES was authorised to proceed accordingly.

6. LADIES FOOTBALL

BD presented his report and, noting the final success in getting FA approval for the Memorandum and Articles of Association, invited the Board to approve a senior budget of £13,385.

Although the Board was in favour of the Ladies as part of the Club’s general commitment to the principle of diversity and supporting football in the community as a whole, there was some concern that in practice in the past the Ladies had not demonstrated any strong sense that they wished to be an integral part of the AFCW family. Bert thought that this was a valid criticism but he thought that, under the new manager, the new group of players would be ready to show a real commitment to the club.

It was proposed that in awarding the £13k budget the Board should set as a condition that the Ladies Team would hold any functions or parties at Kingsmeadow and be willing on occasion to support the men’s team on Saturdays. **The Board approved** the budget with these provisos, with 8 members voting in favour and Sandy Lawrence and Iain McNay abstaining.¹

The Board then approved unanimously that the Ladies section should be incorporated within the company structure under the PLC as a separate DT-owned entity. [**ACTION 5 – BD and ES**]

7. KINGSMEADOW LIVE AND THE 1889 CLUB

In IH’s absence, it was agreed there could only be a preliminary review of these issues, with full debate deferred until the meeting on 6 August.

[**ACTION 6 – ES** would report back on this preliminary discussion to **IH** so that he was able to lead a full discussion on both ventures at the 6 August meeting.]

¹ Subsequently the Board **carried unanimously** the following resolution by email: “Following the decision at its meeting on 2 July to approve a budget of £13,385 for the senior Ladies’ team for the 2007-08 season, the DTB **resolves** to grant a one-off payment of £1,615 to the girls’ teams for the coming season, making a total payment for the year for ladies’ and girls’ football of £15,000.”

8. THE MANAGEMENT ACCOUNTS FOR AFCW PLC FOR THE 9 MONTHS TO 31 MARCH 2007

ES had circulated these in advance of the meeting. They showed a profit before depreciation of £134,253 (nearly £64k up on the budgeted £70k) a reasonable outcome substantially helped by two successful cup runs.

9. MANCOMM REPORT

Erik had circulated his monthly report to the Board in advance of the meeting. The most pressing items had already been covered in the course of the agenda but Erik picked out Terry Brown's continuing difficulty in identifying the elusive target man; the high quality of the training pitches; the promising indications for Season Ticket sales; progress on the various refurbishment projects at Kingsmeadow; the cooperation we were receiving from the Ryman League in excluding our banned supporters from away games; the forthcoming appointment of an accountant; and the plans to recruit a new Club Secretary.

10. ANY OTHER BUSINESS

Tom reported that he would be engaging, alongside WISA, on the Local Development Framework document. There was an open meeting with Merton Council set up by WISA on 4 July and our reply had to be in by 22 or 23 July.

It was agreed that the September SGM should be scheduled for Thursday 27 September when members would be encouraged to debate the agreed list of key issues emerging from the Strategy Review. Two Resolutions would need to be submitted by the Board – one on drawing down the Barclays Bank loan and the other completing the Schedule of Restricted Actions. Dave Boyle had kindly agreed to help us with the completion of this process. [**ACTION – DC to work out with ES and DW and David Boyle** a timetable for getting the necessary paperwork completed and issued by Tuesday 11 September.]

The meeting closed at 22.10pm.

MATTERS ARISING FROM RECENT MEETINGS

THIS VERSION INCORPORATES THE RESULTS OF DISCUSSION AT THE 2ND JULY 2007 MEETING

DTB MEETING – 22 JANUARY 2007

2	Review of risk assessment	ES (drawing on offer of help from MB)	Deferred until completion of the Strategy Review project
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DTB MEETING – 5TH MARCH 2007

4	Bible of contracts to be held centrally on recommendation of auditor	ES	Created but work still needed to make it comprehensive. Item to stand until complete.
4	Check that YDP and CFS coaches follow up what they needed to do in order to preserve their self-employed status	ES, NH	Material still awaited.

DTB MEETING – 2ND APRIL 2007

13	Draw up formal contract of employment for Chief Executive	DC	In hand with ES to comment on latest draft
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DTB MEETING – 4TH JUNE 2007

1	Implement 4 agreed actions on DT membership – life membership, new application form, mail shots to ST holders and lapsed members; mail shots to WOPA	MB supported by DC, MJ, SM and PJ	ASAP
2	The use to which the DT fee is put - statement and charts to be published in the first full programme of 2007/2008 season	PJ with help from SM	By start of next season
3	Further debate on membership issues on basis of a new pie chart.	SM	Meeting on 2 July
4	Establish the cost of sponsoring the Boys' Morden League	MJ	

DTB MEETING – 2ND JULY 2007

1	Comment on ES's status paper on 10 key issues emerging from the Strategy Review	All Board members	Emails to ES no later than 23 July
2	Paper on key issues reflecting above comments	ES	DTB meeting 6 August

DRAFT REVISED VERSION OF 8 AUGUST 2007

3	Explore further options for securing the perimeter lease that satisfy the RBK that the proceeds should be to the benefit of Kingstonians	ES and ManComm	Report back to August 6 meeting of DTB
4	Enter into contract for outline design of the upgrade of the PP for upgrading Kingsmeadow to meet the requirements set for applying for , securing and retaining entry to the football league	ES	
5	Integrate the ladies section into the company structure under the PLC	BD and ES	By 16 July
6	Review future plans and prospects for Kingsmeadow Live and the 1889 Club	ES and IH	For full discussion at 6 August meeting
7	Draw up timetable for September 27 SGM	DC with ES, DW and Dave Boyle	Papers out by Tuesday 11 September in particular the two Resolutions

Edited minutes of the meeting of the Dons Trust Board held at The Cherry Red Records' Stadium - Kingsmeadow, Jack Goodchild Way, 422A Kingston Road, Kingston upon Thames on Monday 6th August 2007 from 7:00pm to 10.45pm

These minutes were unanimously approved by the DTB at its meeting on 3rd September

Present – Matthew Breach (MB), David Cox (DC), Nigel Higgs (NH), Ivor Heller (IH), Marc Jones (MJ), Sandy Lawrence (SL), Iain McNay (IM) and Erik Samuelson (ES)

Apologies – Tom Adam (TA), Bert Dale (BD), Paul Jeater (PJ), Sean McLaughlin (SM), David Wilkinson (DW)

Secretariat – Simon Conquest (SC)

MINUTES OF MEETING HELD ON 2nd JULY 2007

The **Board unanimously approved** the full and edited minutes of the meeting subject to some amendments that Erik had submitted by email.

The Board also unanimously approved the draft of the minutes of the SGM held on 28th June 2007. This draft would be submitted for the members' approval at the next SGM scheduled for 27th September.

1. MATTERS ARISING

The Board reviewed the Schedule of matters arising from recent meetings. Those matters that remain to be dealt with, plus the measures proposed for dealing with them, are recorded in the revised list at the end of these minutes which also includes actions agreed in the course of this meeting.

2. MEMBERSHIP FEES

MB advised the meeting that:

- 1) the new life membership application form had been completed.
- 2) the programme article about DT membership had now been deferred until the second home game
- 3) half of the membership fee appears to be given to the ladies as shown in the pie chart included in the DT hand out *Be The 12th Man* included in the material sent out with this year's season tickets. It was important to remember that the maintenance of a ladies' team, as well as being important in its own right for a Club committed to the whole community, represented a potentially important investment for the future, as clubs' eligibility for certain grants may be dependant upon their support for ladies' football.

3. STRATEGY REVIEW

Erik provided an update on the progress of the strategy review. The members of the strategy review group had been "energised" by the DTB's endorsement of their listing of the key issues to have emerged from the review.

There was a prolonged discussion on how far the DTB should offer the members a steer on the different options identified for dealing with each of the eight key issues. The Board **decided** that it could help (without constraining) debate among the wider membership if the Board offered its own commentary on each of the issues. The Board further **decided** to prioritise the eight issues (8, 2, 3, 7, 1, 5, 6, 4) and **agreed** to resume substantive discussion at a continuation of the meeting that would be devoted exclusively to this single issue. That discussion would allow the production of a commentary that could go forward to members in two public meetings that the Board agreed should be arranged for September [subsequently set up for 13th and 19th September]. In this way, the Board could do justice to and give some leadership on the issues that had emerged from the review and whose resolution would be crucial in setting the future course of the Trust and the Club. [**ACTION 2 – DC** to convene a continuation meeting in wb 20 August – in fact it was held on 20 August – and **MB** to prepare a set of possible road maps for the future.]

4. MANCOMM REPORT

ES had circulated his report to the Board prior to the meeting. The highlights are outlined below.

1416 season tickets had been sold, 200 ahead of last season, a result that was seen as great news by the Board.

The deal with Ryman TV was likely to lead to the erection of a gantry behind the John Smith stand. Council permission had been obtained. The intention is to show 15 minute highlight packages in the bar prior to home games. There will also be some web hosting with a charge made for viewing. Iain asked if consideration had been given to utilising satellite channels. Ivor suggested that he and Iain should look a little more into this. [**ACTION 3 – IH and IM**]

Iain, on behalf of Cherry Red Records, was thanked for their sponsorship of the naming rights of the stadium.

On training sessions, some concern had been expressed about the system for booking training sessions and how it could be made to work more effectively. Nigel agreed to follow this up with Steve Brindley. [**ACTION 4 – NH**]

An advert will be placed for the vacant position of Club Secretary/ PLC Secretary following Trevor's resignation. Erik saw this as an opportunity to expand and develop the professional role of the Secretary as would be required as the club progressed.

5. COMMERCIAL DEVELOPMENTS

Ivor outlined the proposed re-launch of the 1889 club. Ivor confirmed that the people who joined had not produced the membership profile that had originally been anticipated, namely a group with sufficient funds to put more into the club without overstretching themselves. In fact, many of those who had joined the 1989 club had done out of their strong sense of loyalty and commitment that meant they were already contributing considerable amounts of their disposable income to the club.

The basic idea had been to raise funds for AFCW and some £10,000 had been raised in 2006/2007 - the Lawrie Sanchez evening selling out at £60 per head. As part of the 1889 club re-launch it was intended to hold some small intimate dinners with Terry Brown in attendance.

There was some discussion over the decision to be able to join by Standing Order as opposed to a single upfront payment.

Erik suggested that the 1989 Club needed to be organised into two separate strands, one as a straight forward fund raiser and the other as a kind of “brains trust” where the members would be willing to give the Club the benefit of their business skills and their access to networks of influence (such as local government, local businesses, and community organisations).

David Cox concluded by noting that it would be beneficial to have regular reports of progress on this initiative.

Ivor then went on to talk about Kingsmeadow Live. Details were presented of future events and potential costs/outlay. Erik said that in going forward it was important to have a clearer picture of the income derived from these events as we needed to have a clear picture of that income relative to the potential alternative earnings from outside functions/bookings. Kingsmeadow Live was making progress but the opportunity cost of lost outside earnings needed to be weighed in the equation.

Attendance at Kingsmeadow Live had fluctuated between events. For comedy nights, attendances had been 103 one week and 25 the next. It requires 50 people through the door to break even. One key to success was advertising through any appropriate medium. It was agreed to keep the situation under review.

Finally Ivor reported that all home match sponsorships had been sold and just 12 ball sponsorship spaces remain.

In terms of fundraising, no replacement had been found for Faz. Marc asked whether consideration had been given to making this a paid role within the club. This had not yet been considered.

6. AOB

Erik reminded the Board that if the Club is to make the final draw down of the Barclays' loan facility it must be done by 28th September 2007. This is the day after the next proposed SGM meeting on Thursday 27th September and the Board would need at its next meeting to authorise the draw down so that this could be reported to the SGM.

The board **noted with thanks** the tremendous efforts of Tom and Margaret Adam in relation to the organisation of the stadium clear-up during the summer.

Marc asked if it was possible to include a Join the Trust flyer with the season tickets. Erik was unsure that this could be fitted in with the despatch now imminent.

Signed

Chairman

MATTERS ARISING FROM RECENT MEETINGS

THIS VERSION INCORPORATES THE RESULTS OF DISCUSSION AT THE 6th AUGUST 2007 MEETING

DTB MEETING – 22 JANUARY 2007

2	Review of risk assessment	ES (drawing on offer of help from MB)	Deferred until completion of the Strategy Review project
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DTB MEETING – 5TH MARCH 2007

4	Bible of contracts to be held centrally on recommendation of auditor	ES	Created but work still needed to make it comprehensive. Item to stand until complete.
4	Check that YDP and CFS coaches follow up what they needed to do in order to preserve their self-employed status	ES, NH	ES to confirm that the material received is satisfactory. Updated- 06/08/07

DTB MEETING – 2ND APRIL 2007

13	Draw up formal contract of employment for Chief Executive	DC	In hand with ES to comment on latest draft
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DTB MEETING – 4TH JUNE 2007

2	The use to which the DT fee is put - statement and charts to be published in the second full programme of 2007/2008 season	PJ with help from SM	Updated 06/08/07
4	Establish the cost of sponsoring the Boys' Morden League	MJ	

DTB MEETING – 2ND JULY 2007

7	Draw up timetable for September 27 SGM	DC with ES, DW and Dave Boyle	Papers out by Tuesday 11 September in particular the two Resolutions
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DTB MEETING – 6th AUGUST 2007

1	Actions on DT Membership, Mail Shot to	MB	ASAP
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	WOPA and lapsed members		
2	Contact all DT Board Members re additional strategy review meeting and prepare Roadmap "slates"	DC and MB	Meeting held on 20 th August with road maps available
3	In relation to Ryman TV, consideration to be given to utilising satellite channels.	IH and IM to put proposal to DTB	
4	Training and encroachment on first team sessions	NH to take up with Steve Brindley	

PROPOSAL TO DRAW DOWN THE REMAINDER OF THE BARCLAYS BANK FACILITY

Note:

This paper is a slightly shorter version of the paper that was voted upon by the DT board at its meeting on Monday 4 September.

Background

At a Dons Trust Special General Meeting on 30 March 2007, the following resolution was passed (this is an extract from the minutes):

“That the Society should exercise its voting rights in AFCW PLC in favour of a special resolution to be tabled at an Extraordinary General Meeting of AFCW PLC on 30th March 2006, authorising AFCW PLC and/or its subsidiaries to enter into, and/or guarantee, a loan facility with Barclays Bank PLC secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans’ Stadium – Kingsmeadow, as more particularly described in the agenda for the EGM dated 7th March 2006.”

This resolution was passed by a substantial majority. A second resolution, as follows, was also passed by a substantial majority:

“That the Society Board should be authorised, at its discretion and on such terms and conditions as it considers prudent and appropriate, to enter into arrangements for the Society to guarantee the loan facility contemplated by Resolution 1.”

Passing these resolutions meant that the following resolution at the subsequent AFCW PLC meeting was also passed:

“That, subject to the receipt of written confirmation from appropriate Dons Trust bond holders in relation to deferring their right to repayment of their bond, and the satisfactory negotiation by the directors of AFCW PLC of acceptable terms and conditions with regard to the proposed loan, the directors of AFCW PLC be hereby authorised, pursuant to article 98.2 of the company’s articles of association, to enter into loan facilities with Barclays Bank PLC up to a sum of £600,000, secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans’ Stadium - Kingsmeadow.”

The letter that went to PLC shareholders said that the board of AFCW PLC would be empowered to:

- accept the offer of a credit facility of up to £600,000 with Barclays, secured via a charge on the ground
- draw down on this facility over the coming months as needed to the tune of a total of approximately £400,000 to repay in full the debt owed to Mr Khosla, clearing his charge over the ground

- draw down further amounts up to the £600,000 total to enable further purchases, such as the potential purchase of the perimeter lease, only as approved in advance by the board of The Dons Trust. For the avoidance of doubt, each draw-down would need prior approval from the board of The Dons Trust.

In practice, the amount needed to repay Mr Khosla was “only” £350,000. This leaves a further £250,000 which is available for drawdown, if we choose to do so.

The problem

The first drawdown on the facility was made on 29 September 2006. The facility letter states that any amounts not drawn down within a year are no longer available to us. In practical terms, this means that we must draw down any unused facility on 28 September 2007, the last working day this month, or lose it.

Our cash needs

We expect to be operationally self-sufficient for cash over the coming year.

However, following the expenditure to repair and improve the stadium over the summer, we have very limited additional cash available for major projects. There are several such projects that we might wish to implement but the most pressing is the need to implement one of the planning permissions. The key facts are:

- Both of the existing permissions expire in March 2009
- While they are technically capable of being renewed again, the conditions that might be applied by the council are likely to get more onerous each time we apply and there is a significant risk that another application to renew will be rejected
- The Stadium WG therefore believes that we must implement one of the permissions by March 2009. Note that “implement” means that we must start some substantial work on the permissions and comply with certain requirements (the Section 106 requirements) before then
- Recent work with our advisors has suggested that our best way forward re planning permissions is to start to implement one of the permissions (almost certainly the more substantial one) but do so in a staged way that does not prevent additional permissions from being sought and implemented later
- While work on this is still in hand, the most obvious solution is to start to extend the main stand. If we do this, then the work can only be done in the close season, i.e. in Summer 2008. Beyond that it will be too late
- The costs of starting to implement are not known yet but in my opinion we are certain to need at least the £250,000 “top up” money available under the Barclays facility
- While we may be able to borrow some more money from fans to get all this underway, it makes sense to me to take the bank facility while it is available

What will it cost to borrow the extra £250,000?

We pay Barclays 2.5% above base rate for the loan and, while we assess the business case for possible developments, the money would sit in the Co-op account earning 1% below base rate. Therefore, until we spend the money, it will cost us 3.5% pa on £250,000, = £8,750 pa or £730 per month extra.

Once we spend the money, we will be charged 2.5% above base rate. Assuming that base rate will be 6% by next summer, this will be 8.5% on £250,000 = £21,250 pa or about £1,750 pm.

Can we afford it?

The incremental cost of borrowing the loan until we decide how to proceed with the planning permissions can be managed within the club's current finances. To put it another way, we would probably need to pay the extra interest from 29 September until 30 June 2008. The cost would be about £6,600 in that period.

By 30 June 2008 it will be clear whether the business case (including financing any borrowings) for starting the planning permissions is viable. If it isn't viable, we can repay the £250,000 with no penalty; if it is viable we will spend the money having first signed off on a business plan that supports us doing so.

Can we afford the additional capital repayments?

In the first year, the payments to Barclays for a £600,000 loan at 8.5% compared to a £350,000 loan also at 8.5% would be approximately:

	£350,000 @ 8.5%	£600,000 @ 8.5%	Extra cash/cost
Interest	£29,000	£50,000	£21,000
Capital repaid	<u>23,000</u>	<u>40,000</u>	<u>17,000</u>
Total in first year	£52,000	£90,000	£38,000

Members will recall that the club pays interest and the DT pays the capital repayments. This means that, after a year's repayment holiday in line with the terms of the loan, the Trust will need to find £40,000 in the year beginning 1 October to fund the first year repayments. Of this, £17,000 extra is needed due to drawing down the additional £250,000.

Summary and conclusion

- If we don't draw down the additional £250,000, we will lose our ability to do so
- The incremental cost of drawing down the £250,000, while we put together a business plan to implement the planning permissions, is about £6,600
- There seems to me to be no great choice about this and I recommend that we draw down the full amount
- The £250,000 will be set aside for use on the permissions and will not be used for operational purposes