

Additional questions that have been raised during the consultation period

Q The most obvious way to raise funds is through tickets prices. Adding £20 to the cost of a season ticket is less than a £1 a match, I am sure the prices could raise by a bit more if needed, after all its for the stadium not for wages.

A *Over the past 2 years season ticket prices have increased, which has brought additional revenue to the Club. We believe these rises have been justified with the success of the team. Despite the limited capacity of the stadium, increasing demand and the temptation to charge more, we want to remain an inclusive club and where possible to try and keep ticket prices down to ensure that all Dons supporters can afford to watch games. It is a balancing act but even a significant rise in ticket prices would not provide the level of capital we need.*

Q If we spend £1-2 million on Kingsmeadow to upgrade, when we come to sell the stadium will we ever cost recover the amount? I guess that the land is what will make it viable not the ground itself. Mind you can we sell the stadium so it can become houses or a supermarket? I think we have been there before.

A *This is a tricky one as the stadium is only really worth what someone will pay for it and there aren't many clubs (certainly football clubs) that would be in a market for it outside of their traditional catchment. It's built on metropolitan open land, where the planning regulations are very similar to green belt (but in the inner city), so selling it for housing for example isn't really an option. That's why upgrading the stadium in the cheapest way to meet FL requirements seems like a sensible solution.*

Q Re fundraising and the 'Mandatory' versus 'highly desirable' categories; I think this needs some real care. Whilst it would be great to raise more money than we need for the mandatory purposes, and spend the excess on desirable purposes, there's a risk of sending out mixed messages. People who might be willing to subscribe, say, £2,000 to keep us in the football league might think that not all their money is needed for that purpose and be disinclined to subscribe that much if part of it is for the highly desirable purposes, so might cough up just £1,000 or so (numbers meant for illustration only).

Should we just raise money for the essential purposes at this stage, safe in the knowledge that with a community share issue we can always go back for more money later without the burden of preparing a full prospectus?

Or structure the issue such that people sign up for (i) an amount that they're willing to subscribe towards the mandatory purposes and (ii) the amount of (i), if any, that they're willing to be used for desirable purposes if the mandatory purposes are over-subscribed. There are probably some variants on this.

A *This raises some very good questions. We clearly have to be very careful that any offer doesn't detract or confuse potential investors from us raising the required money for mandatory investment required to remain in the Football League. However if we did have additional capital investment and reserves built up, it would help the Club to plan and take future opportunities. We are investigating different options that give flexibility on how money could be used, and could help us address long term as well as short term capital funding projects.*

Q Dons Trust bond. I know we don't want too much debt hanging over us, but a few thoughts:

There might be people who aren't willing to cough up fresh money for the community share issue but would be willing to convert their existing DT Bonds to community shares. That's worth doing, because it frees up the amount of debt from other sources that can be serviced if any can be raised (e.g. from any people who are more willing to put fresh money into DT bond than into community share issue).

A *Yes we are looking at how we might be able to do this in such a way that is cost effective and either brings in new investment or reduces the debt burden. When things become clearer with the method of raising finance and whether we might qualify for tax incentives we plan to speak to all DT Bond holders to discuss the options that are available.*

Q As you know, the maximum amount of community shares that anyone can subscribe for is £20,000. If there were anyone out there willing to put in more than £20,000 (maybe a forlorn hope), then perhaps they'd be willing to put the balance in the form of DT bonds?

A *This could be an option open to us and there are others. The important thing would be to ensure any investment over £20,000 was in keeping with the constitution and ethos of the Club and hopefully was on terms no worse to the Club than those offered to investors investing less than £20,000. Other community share offers have uncovered individuals willing to invest more than £20,000, so it's a possibility.*

Q Is there any merit in allowing people to convert their AFCW PLC shares into community shares? Clearly that doesn't raise any fresh money. But, if people are willing to exchange one for the other, at the same time as subscribing for community shares, it might help us get rid of the minority interests in the PLC, which are always going to be a problem in terms of governance etc. otherwise.

A *We've looked into this too and on the basis of fairness it might feel like the right thing to do. However it would most likely create a major restructuring of the PLC and the Club would be taking on another £1 million of debt which would need to be repaid, so it would be very difficult to see it as a viable option.*

Q Once the new KRE stand is completed how many covered seats will the stadium have? Therefore what, if any, is the shortfall between the number of covered seats the stadium will have by the start of the 2012-13 season and the 2,000 mandatory number?

A *Once the new KRE stand is complete there will be 2,221 so there will be no shortfall*

Q Why is the East Stand not currently compliant with the guidelines set out in the "Safety at Sports Grounds" publication?

A *It does not meet the guidance on 'C-Values'. 'C Values' are basically measurements of your ability to see over the person in front of you. The specification is set out in 'a guide to safety at sports grounds' generally referred to as 'The green Guide' (due to the colour of its cover). The Sports Ground Safety authority requires us to comply with the guidance by 2014, and if we don't they can withhold our licence.*

Q Are the costs provided in the consultation paper to re-develop the East Stand (£0.75 – £1m) the minimum required to make this stand compliant or does this quote include some “nice to have” features? How can we make the East Stand compliant by spending the least amount of money?

A *We are looking at different variations for the stand but we are aiming for the cheapest possible solution but one which will last a reasonable time since we don't know how long we will be at Kingsmeadow. 'Nice to have' items are clearly much more attractive if they pay for themselves in a short time period, but the purpose of the consultation is to find out what fans think.*

Q Re new office space for Elite Player Performance Plan. Should the office space requirements, and the cost of providing if not already available, have been considered prior to this course of action being committed to?

A *We have been short of office space for some time and there is no obvious cheap solution. The EPPP application was made knowing we need more office space but if we didn't apply we would have lost our right to be an academy and all our work to build up a youth development scheme over the last few years would have been wasted. For that reason we had no choice but to apply. We've been getting by with people 'camping' in the President's Lounge and being kicked out when we need it for a meeting or when we rent it out for much needed income. This isn't professional or sustainable as a working arrangement.*

Q What are our current levels of cash reserves? What is the minimum we need to have as cash reserve, to cover what contingencies? If we have to pay all £836,000 for the KRE from cash reserves what amount of cash reserve remains?

A *We do not have enough cash reserves to pay all the £836,000. So long as we get a grant (which we expect should be for about half the amount) we should be ok from a cash reserves point of view. However we have always maintained a reserve for eventualities we haven't expected. For example if we were relegated (fans may not like thinking about this but assessing the consequences is something we should do as good management practice) we would need at least £300,000 for our first year back in the football conference to stabilise things. We need to review this amount regularly but, in any event, re-establishing a cash reserve of about that level makes sense.*

Q Will these new shares receive a dividend if the club feels a dividend is affordable?

A *Yes. Due to the nature of the shares it would be interest rather than a dividend but we would certainly harbour the ambition to pay interest if the Club could afford it – ultimately at the discretion of the DT Board.*

Q Will shareholders be able to sell these shares back to the club only, at a time and price to be determined by the club?

A *Yes that is the intention. In the case of FC United and Wrexham they set a three year lock-in period where no sales were allowed and then a cap of 10% of shares to be paid back each year, although the level will ultimately be at the discretion of the DT Board – i.e. shares aren't redeemable. The shares would not go up in value and could not be sold to anyone other than the Club.*

Q If the board is paying interest on these shares does this not mean they are effectively a bond? What interest would be paid, at what frequency? If these are shares is this not a dividend and not interest?

A *There is no guarantee that interest will be paid on shares; it would be paid when the Club can afford it. More details would be provided with a prospectus should a share offer be launched but interest may not be paid in the first year and would only be paid if targets were reached. The intention would be to give the option of interest for those that want it, at a 'savings account' level, as delivery of community benefit must take precedence over payment of interest. We would show financial projections in the prospectus as to how we would intend to pay it from reserves.*