

Dons Trust Board

Draft Minutes of Meeting Thursday 19 November

The Cherry Red Records Stadium President's Lounge

7.30 pm

Members

Matt Breach (MB)

David Grows (DG)

Mark Davis (MD)

Jane Lonsdale (JL)

Zoe Linkson (ZL)

Nigel Higgs (NH)

Roger Evans (RE)

Sean McLaughlin (SM)

Invited

Erik Samuelson (ES)

Rob Crane (RS) (Secretariat)

Rob McGlinchey (RM) (Secretariat)

David Reeves(part)(DR)(Secretariat)

Michael Hayes (MH) (Secretariat)

David Hall (DH) (Secretary)

1. Apologies

Apologies had been received from Moorad Choudhry

2. Final Draft Minutes from 19 October Meeting

Comments had been received by DH from ES and MD. DH will incorporate and finalise. Minutes up to July 2015 have been posted on the website. MB requested that subsequent minutes be posted as soon as possible.

Action: DH to revise minutes in the light of these comments. Approved and redacted minutes to be posted on website.

3. Confirmation of minute on deferral of AGM

The Board unanimously confirmed their previous email decision that the AGM should be deferred by at least a week, precise date and venue to be agreed later in this meeting.

4. FCB update

a) Quarterly accounts

ES presented the accounts, saying that the broad view is that the club is on budget if you strip out the Dan Agyei payment. *[This section has been redacted]*. Apart from this, they are an unexceptional set of accounts. There were no further questions on the accounts.

b) FCB Monthly Report

ES reported that Savills have informed him that Merton are agreed that the planning application should be heard on 10 December, subject to prior clarification of a number of important matters in the viability statement, including the land valuation. *[This section has been redacted]*

ES will use his programme page for the Dagenham and Redbridge game to summarise the present position and in particular to explain the process at the planning applications committee and explain that attendees are not allowed to comment or ask questions.

MD suggested that preparation for comms should be made for the alternatives of grant or refusal of permission. ES agreed to draft statements covering both.

MD asked how long it would take to finalise the section 106 agreement. ES said that a first draft had been prepared which contained things unacceptable to us and Galliard *[This section has been redacted]*. It will be expedited if we get planning, and the permission will include a summary of what it should contain, but much will depend on the speed with which the lawyers can finalise it.

Action: ES to draft alternative statements covering grant or refusal of planning permission.

5. Stadium update

a) Funding/cash flow update

[This section has been redacted]

b) Other Stadium issues - Agreement with Chelsea and Financing

ES reported that we are trying to reach agreement with Chelsea on some important issues. *[This section has been redacted]*

Financing

ES referred to the tabled paper from James Mathie about Community Shares and the link to the Enterprise Investment Scheme (EIS) and the alternative Social Investment Tax Relief (SITR). Recent changes mean that there may now be limitations on securing tax relief for investors, which could affect the amount of money that might be raised. SM thought that we may be able to raise more under the EIS scheme in spite of the impending restrictions. ES also thinks EIS would be preferable, but still believes that these alternatives are secondary to straightforward bank lending. If we can secure a bank loan to cover all we need, that will be sufficient without using a Community Share, and only if there is a shortfall this could be made up via one or other of these schemes. ES said that two intermediaries are investigating bank finance possibilities but until we know the cost of the stadium we will not know exactly what we will have to borrow. Having said this, ES recognises that to the extent that a community share issue does not oblige the issuer to pay interest on the sums invested, they could have an advantage over bank lending which would involve payment of interest.

NH asked how long it might take to launch one of these schemes – ES estimated around 4 months.

The suggestion was made by JL that one of these schemes might be used to raise money for a terrace. She reminded the board that DT members were waiting for the Board to come forward with some suggestions about terracing. This led to discussion about whether it would be better to have one share issue or two (one to deal with general funding shortfall and a separate one to deal with terrace funding). The consensus was that it would be better to have one single issue.

ZL made the point that some supporters may not be interested in obtaining tax relief, and a means should be found of raising money from them without going through the hoops required by a tax effective vehicle.

JL asked when an initiative such a Community Share issue would need to be implemented, and what would be the timeline for it. ES said that we will not need funds for construction until December 2017, and possibly later than that. JL's point was that we should launch the process at the appropriate time in order to avoid delay between deciding that we do need to raise money in this way and actually raising it.

Action: ES to progress bank lending quest and further explore alternative methods of funding including Community Shares.

c) Funding Timeline

It was agreed that ES should prepare a financing timeline which should be merged with RE's timetable which had been tabled, to create a single timeline taking into account the issues that had been discussed under Financing above.

MB summarised the discussion so far as

- 1) ES to prepare timelines for the funding alternatives (which could be incorporated in RE's timetable)
- 2) MB is talking to WAW
- 3) A strategy for safe standing should be worked out, enlisting help from shadow sports minister

ES exhorted the DTB to look carefully at the timeline, which has not previously been done. MD commented that the timeline does not show the dependencies or critical paths.

ES reported that he now has a tax opinion from BDO, which he will present to the next DTB meeting. *[This section has been redacted]*

MD asked how the balance sheet will reflect the Galliard contribution. ES said this will be treated as a capital contribution. He also noted that accounting rules will mean that we will have to revalue the stadium each year.

In answer to a question from NH, ES said that the capital profit realised on KM, calculated by comparing the amount received from Chelsea with our acquisition cost of, and allowable capital expenditure on KM, will be "rolled over" into the new stadium with the effect that corporation tax

on the capital gain will only be paid if and when the new stadium is disposed of without its proceeds being rolled over into a further new stadium.

Action: ES to prepare financing timeline to be merged with RE's timeline in a suitable format for the DTB to understand. DTB members to consider this very carefully. MB to liaise with WAW about funding and also propose action for dealing with safe standing issue.

ES tabled a cash flow spreadsheet for 2015-2016. *[This section has been redacted]*

ES is confident that these figures stack up. They include receipts from WAW and Yellow and Blue.

ES stated that he has prepared another cash flow statement showing the position were we to be relegated.

At this point, NH asked for more detail on how the search for bank borrowing is progressing. *[This section has been redacted]*

In answer to the question whether it would be preferable to have two lenders, ES noted that whichever institution lends us money will want a first legal charge over our lease of the new stadium, so it will be necessary to have a single lender for the whole amount.

ES said that the cash flow spreadsheet has been sent to the auditors who have been asked if there is anything more they need. ES will call them tomorrow (Friday 20 November).

[This section has been redacted]

6. Restricted Actions process update

a) The 16 November AGM had confirmed that all necessary DT restricted action votes had been passed with the necessary majorities having comfortably been reached.

b) MD summarised his paper, and asked the Board to make the suggested resolutions. Accordingly, the Dons Trust Board formally adopted the 2 resolutions set out below:

Resolution 1

“The Dons Trust Board hereby resolves that it has no objection to AFCW Stadium Limited signing a contract with Chelsea PLC for the sale of Kingsmeadow Stadium provided that AFCW Stadium Limited:

- (i) reports to the Dons Trust Board on a monthly basis on progress in fulfilling the conditions precedent;
- (ii) refers all conditions precedent whose fulfilment is subject to the discretion or judgment (or similar) of the Seller to the Dons Trust Board for agreement before confirming to the Buyer that such condition precedent has been satisfied
- (iii) does not waive any conditions precedent to the sale which the Seller is permitted to waive without the agreement of the Dons Trust Board

The requirement to report to the Dons Trust Board (and agree with the Dons Trust Board) on fulfilment/waiver of conditions shall remain in place until the sale is concluded or abandoned,

notwithstanding any authorisation provided by a Special Resolution of AFCW PLC's shareholders authorising the sale of Kingsmeadow."

Resolution 2

"The Dons Trust Board hereby resolves (without prejudice to Resolution 1 above) to vote in favour of the Special Resolution to be put to the AFCW PLC AGM on 10 December authorising the sale of Kingsmeadow. Matthew Breach (or, in his absence, any other board member or officer of the Trust present at the AGM) is authorised to cast the Dons Trust's vote (whether on a show of hands or poll) in favour of the Resolution and, if the resolution is not passed on a show of hands, to demand a poll so as to ensure that the resolution is passed."

It was agreed that a poll should not be demanded unless the prior show of hands warrants it.

The DTB accorded a vote of thanks to MD and his team for all they have done in connection with the Restricted Actions issue.

ES noted that depending on what is or is not raised by BDO, it is possible that the AFCW PLC AGM might need to be delayed, although there are time limits. He also noted that Iain McNay (IMcN) might not be able to chair the meeting.

ES commented that the borrowing on the new stadium could be regarded as if it were a Restricted Action, notwithstanding that in the constitution defines Restricted Actions by reference to KM, with the result that the DT AGM should seek a two thirds majority, not just a 51% majority. MD disagreed with the idea of creating surrogate Restricted Actions.

DG noted that the constitution will need to be amended to alter the RA definition once KM has been disposed of and the new stadium acquired.

Action: MB to brief IMcN's replacement as chair of meeting if necessary.

7. AGM preparation, including change of date to 17 December

MB/DH reported that three possible venues have been lined up, being Trinity URC Mansel Road, Antoinette Hotel, and Wimbledon Brewery, in that order. A decision needs to be made by Monday 23 November. ZL volunteered to visit WB, which might be appropriate for some future meetings.

a) The AFCW PLC accounts were approved subject to an amendment to reflect change to governing legislation. Resolution to follow the format of previous years.

b) DT accounts were approved. Resolution to follow previous years.

Action: decision to be taken by 23 November on venue for AGM.

c) DT election – DH said that the election has started and is due to close on 7 December and the Election Steering Group was deciding on the timing of the announcement given the deferral of the AGM.

d) Other items/resolutions/minutes - A further discussion took place about the resolution on the borrowing for the new stadium (see item 6 above). The Board decided to consider it as an ordinary

resolution – albeit that the board would need to think carefully how to proceed if it was not passed by a very convincing majority.*

e) Despatch arrangements – DH was organising this with the Club office.

Action: DH to draft appropriate resolutions in conjunction with MD / ES.

8. Webjam update

JL was concerned that yet again this has not been given the necessary time, for which MB apologised, but being inevitable due to the other matters on the agenda being so pressing. In order to give it the attention it deserves, MB will organise a teleconference via Doodle with the Webjam paper being the sole item for discussion. Apologies were made to DR who had attended the meeting without his agenda item being discussed.

Action: MB to organise conference call to discuss JL paper on webjam (subsequently agreed for 29 November at 3pm)

9. AOB

a) CRM – this was deferred

b) SD Invitation to launch of Community Owned Sports Club 7 December: MB said that he was talking to ZL about attending this.

c) New Year DT meeting dates - the revised dates were noted

c) Other - JL appealed for DT Members to attend the JD party, already oversubscribed.

Action: DTB members to respond to JL.

A vote of thanks was recorded to DH for all his hard work as outgoing DT Secretary over the past few years.

A vote of thanks was also tendered to ZL who is also standing down from the Board after 4 years.

Next DTB meetings Sunday 10 January (time tbc) and Thursday 14 January 7.30 at CRRS.

*The wording of this resolution and the explanatory paper for the DT AGM was subsequently agreed via email between 22 and 23 November.

DTB MEMBER ACTIVITY SINCE BOARD MEETING ON 19 OCTOBER

Matt Breach

- Back in Two Ticks: Chaired the SGMs, manned the DT kiosk on match days and undertook press interviews regarding BITT.
- Attended formal FCB meeting at the Club.
- Worked with We Are Wimbledon Fund on accounting and enabling the group to open their own banking facilities.

Mark Davis

- Active on the second leg of the Back In 2 Ticks campaign and associated comms
- Working on Special Resolution voting mechanics for AGM

David Growns

- Assisting with member details updates and emails for the Back In Two Ticks campaign
- Continuing dialogue with Kingstonian
- Assisted Jane Lonsdale with the Webjam project
- Attending FCB monthly meeting

Jane Lonsdale

- Webjam: meetings with webjam (30 Oct) and project team, writing and submitting DTB paper, liaising with test user network
- JD Xmas party: organizing and advertising party (6 Dec)
- BITT campaign / Dons Trust kiosk: manned kiosk at home games 31 Oct, 7 Nov (holiday 19 – 23 Oct)