

Dons Trust Board (DTB)

Minutes of board meeting held at 7.30pm on 17 June 2020
Meeting was held virtually and recorded via Microsoft Teams

DTB members

Mark Davis (Chair)
Alastair Brown (Co-opted)
Tim Hillyer
Anna Kingsley
Hannah Kitcher
Edward Leek
Jane Lonsdale
Luke Mackenzie
Graham Stacey
Anne Williams

In attendance

David Grows (Secretary)
Ivor Heller (Commercial Director)
Joe Palmer (Club CEO)
Tom Rawcliffe (Club Fin Controller)
Anita Auch (Club Head of HR)
Graeme Price (Observer)
Roger Edmonds-Brown (Minutes)

1. Introduction and apologies

Alastair Brown was formally ratified onto the DTB as a co-opted member by a unanimous vote.

Anita Auch (Club Head of HR) joined the meeting for part of the meeting. Graeme Price joined the meeting for the draft budget discussion.

PART 1 – WITH FCB REPRESENTATIVES

2. 2020/21 Budget

There followed a detailed discussion of the club's resourcing issues and proposals around staffing and the Corona virus

Anita Auch left the meeting.
Graeme Price joined the meeting as observer

Draft 2020/21 budget

Tom explained that the cash flow and budget had been produced assuming the 2020/21 season is to be played behind closed doors. Some items in the cash flow did not appear in the P&L-based budget, such as debentures, which would be spread over ten years in the accounts.

During discussion:

- Tim suggested that as much as possible of the large investment of £300k in 'Overheads IT - Support & other

computer costs' should be capitalised. Tom said this was part of a total operational spend of about £2.2m over years, and he agreed some could go into fixed assets later. Alastair asked what this increase of five times over the previous year was due to, and Tom said this was new hardware and systems for ticketing, stock, CRM and so on. Joe said it was a complete IT make over which would be a necessity for any football club going into a new stadium such as Plough Lane.

- Alastair asked whether there were any items that were particularly uncertain to predict. Tom said commercial sponsorship and the FL solidarity payment (budgeting on £1.2m -75% of last year's figure which was a figure the EFL had suggested earlier in the year when Covid struck) were two such items which were largely unpredictable, whilst on the positive it appeared the EPL would honour the grant money to the Academy in full. Tom agreed that these items would have a major effect on the budget if not realised to any extent.
- Mark said all the overheads associated with the new stadium were also uncertain to predict. Alastair advocated business rates negotiations with the Council should be a priority. Graeme P suggesting getting a rates assessment done from Day 1, as the club could rightly argue that the stadium's value had been reduced due to the actions of the EFL. Joe added that a case could also be made for tax and rates relief due to the Academy's occupation of the stadium.
- The increase in Office costs was due to computer costs.

Mark made the framing point that following the approval of the budget, normally another forecast would be done the following January for the second half of the year, but due to the extraordinary circumstances created by the Coronavirus crisis, the view of the PLC Board was that this year the budget should be reviewed monthly.

- Alastair asked about those amounts of sponsorship committed and in the pipeline, and Ivor was confident of reaching £300k. Alastair said there should be an aggressive plan put in place to push above this figure. As the £300k appeared to be an estimate to Alastair, he requested that these figures for committed and pipeline be given by Ivor on a monthly basis, along with the monthly draft budget. **(Action: Joe to commission a monthly sponsorship report from Ivor.)**
- Alastair said the club's return to Plough Lane would be one of next season's biggest football stories, and the club should continue to try and secure stadium naming rights because of the dividend associated with a first season in a new stadium.
- Luke asked about the £150k in donations, and Tom said so far there was £10k from We Are Wimbledon and £30k expected

from the Blue and Yellow Club, and despite calls on fan's money from debentures, etc., Tom felt that as donations had not dropped much in the last twelve months, this line item would be achievable.

- On questions from Alastair, Joe said the new training kit would probably be launched first and the new playing kit launched later, or maybe all held back till August when home and away kit arrived, and that there was a 40/60 online/offline split of merchandise sales. Alastair advocated an aggressive online marketing plan to capitalise on the new stadium bounce. Jane mentioned there would be a new crest effect as well.

Bearing in mind that it would be reviewed monthly, Mark asked for the Board to give its approval for the Draft 2020/21 budget.

Draft 2020/21 budget approved unanimously, with the provision of a monthly review showing the commercial sponsorship total + amount in pipeline to date.

A short discussion followed about whether the club should accept donations, in particular to add to the playing budget. Precedents of the club accepting additions to the playing budget were given, and the issue as to whether the club would be considered living beyond its means if it accepted donations was also raised. Tom said that any donation should have 'no strings' and should not be spent until the money was banked – a lesson learned from Bury.

3. FCB Report and Management Accounts

FCB report

Joe said that pressure of club matters had prevented him from completing an FCB report, but thanked Jane for her report of last week's Football Club board which covered most of the key points he would have raised. Joe added the following details:

- With a possible opening of the new stadium on 25 October, test events would have to be scheduled prior to completion. Covid crowd restrictions could have a bearing on when these events could take place, and also on whether temporary ground sharing may be needed.

Following the decision to finish the 2020/21 League 1 season, Glyn Hodges was formally thanked for keeping the club up in League 1

The DTB offered its commiserations to Tranmere FC for its relegation from League 1.

Management accounts to May 2020

Tom said that the accounts appeared very robust. They had been helped by the sale of Leo Castledine, a donation of £50k in January, better attendance figures during the season, and no ramp up costs yet for the new stadium, all of which more than compensated for the last four home games' loss of income. The loss was now somewhat down from the budgeted £1m.

There were the following points arising:

- On a question from Alastair, Tom said that the 'Covid factor' had been applied to the bar, commercial and season ticket items in the accounts.
- Tim asked about the future of the football club programme, and Joe said that it was planned to run it for at least one more season in the new stadium, as it would generate interest both within the club and the wider footballing community.
- There was some concern about overdue amounts from Fansbet.

4. Stadium Update

Build Update

Mark said that the seating layout design would be published shortly. Joe added that the pitch had now been seeded.

Equity paper

The recommendation of the equity paper (3a) was to raise a further £2.1m of equity without going below 75% voting control of AFCW PLC. The more equity raised, the less interest would be paid under the loan, and the easier it would become to refinance the loan in c 18 month's time.

Luke asked that if the £2.1m consisted of an A and A Ordinary shares blend what the Trust's ownership would then be, and Edward calculated it would be 75.01% voting rights and 65% ownership.

The Board agreed to be receptive to expressions of further interest for additional equity, up to £2.1m.

Some of the potential sources of equity were the local HNWI's from last year's gatherings and other individuals both within and outside our fanbase. Two individuals were interested in providing £250k each. Mark proposed that they be offered the honorary title of Lifetime Vice President and that it should be subject to the code of conduct for Vice Presidents that was being drafted. Jane asked whether the Vice Presidents would all have access to away boardrooms and the impact that would have on a Dons Trust Board rep going into those boardrooms to represent fan ownership. It was noted that the benefits

of the position would have to be detailed. On this basis the Board were content to proceed.

The Board agreed to offer the honorary title of Lifetime Vice President to the two people interested in providing £250k each, in return for the equity contributions that they were each proposing.

A and A Ordinary Shares

Members discussed at what amount of equity contribution investors should receive a blend of A Ordinary and Ordinary shares. A figure of £250k or more was suggested by Mark, but this was considered too low and the individuals referred to above should therefore be offered A Ordinary shares alone.

Graeme P thought that there should be a simplification of the 'worth' of A and A Ordinary shares, and that both should have one vote each. As members were unclear as to the implications of Graeme P's proposal, Tom suggested a spreadsheet exercise, and Edward said he would initially look into the details on behalf of the Board.

Graeme P agreed to send over an example to Edward for his consideration

Undertaking re: EGM voting

Mark noted for the record that, ahead of the EGM of AFCW PLC on 29 June, the DTB had signed an undertaking to vote in favour of the resolution at the EGM. It had previously been agreed to accept the Nick Robertson offer.

5. Debenture/Season Tickets

Update on debentures

The debenture scheme was aimed at replacing the club's essential match-day income next season that would be lost because of the likely crowd restrictions imposed by the EFL due to the coronavirus crisis. Joe said that there was now the added option of non-refundable Season Tickets, which some may find a better alternative to the debenture scheme. The consultation would be very much a proposal of the scheme, and it would be seeking the views of fans as to its suitability. It was agreed to publish it soon, and in advance of the announcement of the seating layout design for the NPL.

Action: Joe to send out debenture consultation as soon as practical.

Should DT membership be compulsory?

Anna had brought this proposal to the Board's attention again, as a way by which more money could be raised for the DT. There was divided

opinion as to its advisability, and it was agreed that Anna would draft the options and see if a consensus could be found through correspondence.

Action: Anna to draft options paper and circulate to DTB members.

6. London Living Wage

Should an analysis be published ?

There was a question on this matter at the online meeting, and it was agreed that the aggregated total, as shown on page 9 of the last minutes, could be shown through the unredacted minutes.

It was agreed that the unredacted May Minutes should show the £225k cost.

Joe, Tom and Ivor left the meeting

PART 2 – DTB ONLY

It was agreed that the agenda items Follow up to online meeting; Governance; and Next steps with WiSH/History; be deferred to a reconvened continuation meeting.

7. DTB Minutes

The minutes of the DTB meeting of 20 May were approved, subject to some small changes.

8. Appointment of Treasurer

Mark thanked Edward and Anne on their exemplary handling of the recruitment process.

Michele Little was formally appointed onto the DTB as Treasurer by a unanimous vote, Calum Stewart was formally appointed onto the DTB as Assistant Treasurer by a unanimous vote.

Anne and Edward would inform the candidates accordingly.

Mukesh had agreed to do the year end accounts, and it was suggested that his colleagues/helpers should be asked if they would like to continue.

The DTB formally thanked Mukesh Desai for his work as Treasurer.

Jane felt that the Don Draw notifications could be improved, following some concerns raised by members, and Mark made a note of this.

9. Fan engagement calendar

Graham S said this item was aimed at improving fan engagement and to 'take the fans with us' on the things that mattered, to ensure fan consultation wasn't overlooked or forgotten about, and to commit to publish formalised dates of initiatives through the year on the DTOS. Headed by Luke Mackenzie, Hannah Kitcher and himself, Graham envisaged a Working Group reporting to them including three volunteers. Jane suggested also advertising for volunteers.

Graham said that there had been great fan engagement at the 'Online SGM' meeting of 9 June which had prompted Gary Jordan's suggestion of **Monthly DTB surgeries**, hosted by one or two Board members focussing on their areas. Although there had been a number of

unanswered questions from members on the night, the 9 June was agreed a success and should be repeated.

Graham also suggested **focus groups**, and Tim said focus groups were over and above anything that had been done to date. He said it was important to make sure that the appropriate operational staff members were involved and engaged.

Jane cautioned that the workload should be spread out amongst all Board members, rather than becoming a huge burden to 3 or 4 members of the Board, as had happened in the past.

In addition to the surgeries and surveys, Hannah highlighted the crucial importance of the annual **consultation of long-term aims**. In his paper, Graham suggested that each year the findings would be compared to the previous year's results to see what patterns and shifts in priority emerged. Jane agreed, saying that the strategy – i.e. what the members want their club to be – had to be identified before, and then linked to, governance. This process had been started by the DTB in the previous year but had not really got off the ground. Two former DTB members who had been involved in previous strategy exercises were being considered.

Mark said now the club had achieved league status, was on its way back to Wimbledon and remained fan owned, that many elements of the previous strategy had been fulfilled and therefore a new strategy was needed, and that the Board were all agreed the importance for the club to identify its elements together. As this was such a big piece of work, he believed that more thought should be given as to how it would be organised, and the Board agreed to continue this topic at the reconvened meeting.

It was agreed that this item would be continued at the reconvened continuation meeting.

Any other business

Gameplan: Tim said that the imminent launch of Damian Collins' Game Plan initiative 'A Way Forward for Football' would say that in these uncertain times, reform was needed to create a more level playing field before more clubs failed. Tim believed the initiative, which the FSA had been involved with, should be publicly endorsed by the DTB through a public statement in support.

It was agreed that Tim should draft a statement for agreement and to be the club's liaison point with Damian Collins and his Gameplan.

Data Migration and Age Alignment between the club and Trust:

David voiced his concern of the consequences if these data issues were not resolved shortly.

Peter Miller: To note the Board's formal thanks to Peter Miller for facilitating the introduction of a group of local HNWI's through a series of dinners last year.

The 17 June meeting concluded at 11.00.

Note. Date of the continuation of this meeting was subsequently set for 23 June, and was separately minuted.

The meeting concluded at 11.00.

Signed on behalf of the DT Board

A handwritten signature in black ink, appearing to read "Mark Davis". The signature is written in a cursive style with a large, stylized initial "M".

Signed on behalf of the DT Board