

**Minutes of the AGM of the Wimbledon Football Club Supporters' Society
Limited (The Dons Trust) held on Wednesday 29 January 2020 at
7.30pm at
The Cherry Red Records Stadium**

Chair of the Dons Trust, Mark Davis, opened the meeting and welcomed everyone present. Apologies were received from DTB member Anna Kingsley, and DT Members Jackie Ann, David Hanly, Paul Jeater, Graham Kelly, Laurence Lowne and Ian Pollock.

Mark said that as the audit of the Dons Trust accounts was not ready on time, one or two of the agenda items would have to be adjourned to a later date to coincide with the AFCW PLC AGM.

The newly appointed DTB Vice Chair, Jane Lonsdale, would chair part of the meeting.

1. Approval of 9 September 2019 SGM minutes (Paper 1)

The minutes of the 9 September 2019 SGM were approved unanimously.

The minutes of the December SGM were not yet completed as the Secretariat had been very busy, so would be carried forward for approval at the next meeting.

2. Dons Trust 2018/19 Annual Report and Accounts (Paper 2)

Approval Process

Mark outlined the **process** for this item, by saying that to approve the accounts, an audited version had to be put forward to the AGM. This had not been done due to the deadlines for holding the AGM and the date for filing of the annual return with the FCA, so the meeting was being provided with unaudited accounts. Approval was being sought on the basis that further approval would be sought if there were any material changes as a consequence of the audit, and the annual return would not be filed with the FCA till the audit was completed.

If the meeting was content with this process, then approval would be sought, and if not, the formal approval would have to be adjourned to a later date, which would mean that the annual return would be late.

Kris Stewart acknowledged that unaudited accounts had been presented at a previous AGM in 2003 or 2004. Kris asked what would happen if the accounts were not signed off before the submission deadline. Mark noted the precedent and apologised that the accounts were still unaudited.

Laurent Ghibaut wondered why the club could not sort out the accounts from the previous June for the last two years. Mark said last year it was due to waiting for the land transaction to be completed, and this year the auditors were asking about next season as we were about to leave our current home. However the 'numbers' had been finalised some time previously, and the auditors being busy elsewhere recently had slowed the process.

By a show of hands, the majority were content with the proposed process for signing off the DT accounts.

Accounts approval

Kris Stewart queried the shares being shown at cost, and whether this was the right value, and the club's Treasurer, Mukesh Desai, said that it was an accounting convention for an investment to be valued at the original cost.

Mark then read out the first Resolution:

Resolution 1: To approve the Society's annual report and accounts for the year ended 30 June 2019, subject to final clearance having been obtained from the auditors.

The resolution was passed in favour, with seven objections

Reappointment of the auditors BDO LLP for the Dons Trust

A member asked how long this firm had been our auditors, and Mark said ten to eleven years, although we had recently changed the office, so it was like a fresh pair of eyes.

Geoff Seal asked how often we re-tender, and Tom Rawcliffe (Club Financial Controller), said it was a local and strong firm with a good reputation, and with a fresh pair of eyes as Mark had mentioned, and the club was not intending to put the auditing out to re-tender before the next set of accounts unless something adverse occurred.

Resolution 2: To reappoint BDO LLP as auditors of the Society for the year to 30 June 2020.

The resolution was passed in favour, with one objection

3. Resolutions to be taken by the Board for the AFCW PLC Meeting

Mark said that as the draft AFCW PLC accounts had been published the day before, the meeting would not be asked to authorise the Dons Trust to approve them, and it was proposed to adjourn to a later date, which would coincide with the AFC PLC AGM.

Although Resolution 3 therefore would not now take place, Mark asked Tom to give an **overview of the draft AFCW PLC accounts**. There was an overall £3.8m profit, due to £4m from the sale of Kingsmeadow, plus other unusual

income: £1m from Section 106 funds recognised as income, £0.3m of grant income for moving out of Kingsmeadow.

There was an operating loss of approximately £1.4m - against a budgeted loss of £1m- due to some large termination payments (football manager, first team coach and reserve team coach), new assistant manager, £70k depreciation, and extra works on the stadium of £100k, all of which were unexpected. Although we gained £1m from the FA Cup run, unbudgeted costs for team bonuses, stewarding and LED signage, left us with £450k income. Budgetary targets for attendances, merchandise, commercial and donations had also not been met.

Questions on the draft AFCW PLC accounts.

John Dolan wondered why there was a gap between Erik retiring in April and Joe being appointed to the Board in July. Tom explained that the date registered in Companies House had to be shown.

John Dolan also questioned if salaries figure covered pensions or were some self-employed. Tom said all including the players were employed by the club, but the players were under the PFA pension scheme.

Gary Scott clarified with Tom that the £1.4m was an operating loss. Gary also noticed that the club had employed an extra 23 people, an increase of about 30%, and Tom said that bar and hospitality staff accounted for most of this increase.

Peter Young said that a shortfall on capital expenditure to complete the stadium of c£11m had been announced by the club, and if members were being asked to buy a bond based on continuing success, would there be more annual losses. Tom said that £1m had been set aside this season for the playing budget to help us stay in League 1, but the club would want to show in future that we were a sustainable football club and didn't intend to run at a loss in the future.

Peter Young then asked what steps would be taken to ensure no future losses. Tom said that the new stadium would run 365 days a year rather than 23-25 at Kingsmeadow, there would be increased attendances, secondary spend through food and drink, etc., all of which would boost profits. Peter thought as an investor, there was an expectation of a prospectus, and the club should be more open as it may be putting off people investing. Mark said that the high level figures provided by the club for the seedrs campaign were not untypical for a crowd funding, but Peter pointed out that less than the expected amount was raised through seedrs, and he was concerned the same would occur with the bond due to lack of financial information. Mark said the Plough Lane Bond (PLB) team could talk about this later in the meeting.

Ron Griffin asked if the £1m payment to Kingstonian was a fixed sum, to which Mark said yes. Ron also asked was there a financial settlement when Wally went, and Mark said the club had reached an agreement with Wally, but this would show in the current year.

Chris Cornell was concerned wheter, with operating losses being shown going forward, the club would be successful in getting commercial loans, and Mark said

it had been a strategic decision to run at a loss to support the playing budget to try and ensure League 1 football when we started at the new stadium.

Peter Godfrey asked that, if we had not got £450k from the cup run, would the loss have been c£1.85m, to which Tom said yes. On a further question on Toby Sibbick's transfer fee, Tom said that would appear in the current year's accounts.

Dennis Lowndes felt that at the time of the seedrs pitch, the club must have known about the £11m shortfall and believed he had been sold a pup. Could he now get his money back and put it into bonds. Mark believed at the time of seedrs launch, the financial situation had been laid out accurately, and he believed Dennis had not been sold a pup, and taking money out of seedrs would put the club in a very difficult position as the club needed equity over debt.

Martin Westland asked why the club had paid Kingstonian an extra £70k, and Mark said that this was due to a late payment of the ex gratia goodwill £1m, which had been contractually agreed.

Dan Curran thought, with the overall losses and the increased player's wages, that the cup run should have benefited the club rather than the players.

Dan Curran also questioned that the club seemed to be signing higher paid players who were less successful, and Joe said that in fact we were bringing in younger players for which the club was not paying big transfer fees.

Kevin Johnson was also unhappy about the extra £100k paid to Kingstonian, although Mark said this was due to the lateness the overall stadium project date by 2-3 years, which had delayed the Kingsmeadow sale.

Some members questioned the £1m that had been given to Kingstonian in the first place, and which had not been put to the membership at the time. Mark said that it had been mutually agreed between the DTB and FCB that Kingstonian should be privately provided with this sum so that they could negotiate their future.

Andy Ramsden asked, specifically in relation to the £70k to Kingstonian and more generally, what lessons from the NPL project had been learnt, Mark said that his main lesson was not to build another stadium in his lifetime! When Andy said that despite some heated debates, the members were really appreciative of the efforts that he had been put in, a spontaneous round of applause ensued.

John Dolan asked why in note 11:- Intangible Assets, player registrations had changed radically between 2018 and 2019, and Tom said these were transfer and agent fees, and amortisations- in other words what we pay to get players into the club and then writing off those amounts over the contract period.

Reappointment of the auditors BDO LLP for AFCW PLC

Resolution 4: That the Dons Trust Board should be authorised to cast the Dons Trust's vote at this year's AGM of AFCW PLC in favour of approving the

reappointment of BDO LLP as auditors of the PLC for the year to 30 June 2020 and authorising the directors to agree the auditors' remuneration.

The resolution was passed in favour, with one objection.

Appointment of Directors to AFCW PLC Board

Resolution 5: That the Dons Trust Board should be authorised to cast the Dons Trust's vote at this year's AGM of AFCW PLC in favour of re-electing Michael Buckley, Anna Kingsley, Jane Lonsdale, Edward Leek and Joseph Palmer following their co-option to the board since the last AGM.

Mark apologised that the resolution was worded wrongly, as it had also been at last year's AGM, as a single resolution, rather than enabling voting on each candidate in turn. Mark said it could be handled by a show of hands for and against each director in turn. The meeting had a right, as with all resolutions, to ask for a poll if 10% were in agreement, in which case the resolution would be deferred to another meeting.

Kris Stewart said that although historically the AFCW PLC Board had not really been that influential, the illuminating joint board minutes from October 2019 showed its recent growing importance, and with more regular meetings and its business and commercial oversight, he therefore felt that the appointment of directors to the AFCW PLC Board should be taken more seriously. Kris said that it would be very useful for members to therefore hear from each of the directors as to how they felt about the football club. Mark agreed with the comments Kris had made, saying that the recent change was prompted partly by the increase of shareholders who were not fans or DT members.

Geoff Seal asked how many proxies there were for Resolution 5, and how they would have voted, as this may influence whether to go ahead now with this resolution. Mark announced that there were 44 at least in favour, and up to 35 against.

Hannah Kitcher asked if there were any implications of delaying Resolution 5 for the following week's AFCW PLC board meeting, and Mark said there were none.

Geoff Seal asked if there would be a problem for the AFCW PLC AGM if a DTB member got voted down. Mark said there would be a temporary problem if the DTB majority was lost, but at some stage another DTB member would be proposed.

As a result of a show of hands, Mark said that the meeting had agreed to put the **Resolution 5 to a poll, which would be on each person individually and that it would take place at the General Meeting before the AFCW PLC AGM.**

In the meantime, Mark invited questions to the four out of the five proposed directors named in the resolution who were present.

Tom Brown said he would like to know of any potential conflicts of interest with any of the, still unnamed, three external investors, or any relationships with them outside of the club.

Mick Buckley responded that he had no conflicts of interest, he had met one of them 25 years ago, and then again recently in the stadium financing process.

Edward Leek had no conflicts of interest, and had met all of them in the course of the efforts to try to fund the stadium.

Jane Lonsdale had no conflicts of interest, and had met two of them at the 18 December 2019 DTB meeting.

Joe Palmer had no conflicts of interest and hadn't met them until shortly before the seedrs campaign.

Mark said that the fifth potential director, Anna Kingsley had tendered her apologies, as he had mentioned at the beginning of the meeting.

4. Update on stadium and stadium financing

Jane Lonsdale introduced this agenda item saying it would be in three parts:

1. Update on Stadium construction

Joe Palmer showed the latest drone video, which had recently appeared on the OS website, and then highlighted recent progress: the SW corner conference area, precast terracing, player's tunnel, dugouts and the start of the roof structure, along with some of the cladding and fireproofing paint on the steelwork.

Joe was very pleased to announce a completion date of 27 August 2020. Pending EFL approval, Joe planned to have the first few games away, and then we would start playing at the new stadium. It was very important to maintain the schedule, particularly getting the finance in place. Joe said that Buckingham (the stadium contractor), at their own risk, would now give us to the end of February to secure the remaining finance, despite the current fourth letter of intent due to run out in mid-February. Thus, by the end of February, we would need the security of the funding in place, but Joe said that these couple of extra weeks would make a big difference.

The S96A non material amendment to the planning permission had been approved by the council, which enabled the stadium to be lowered and moved across slightly, and the contractor could now move on with the build with all planning agreed.

Joe was extremely thankful to the PLB team who had taken such a decisive initiative to make the stadium a reality.

Two test events would have to take place before the opening, and the pitch would start to be laid in March, and be ready to play on at the end of July.

It may be that the first games at the new stadium would not have all the facilities, but the stadium would be in a viable state.

2. Plough Lane Bond (PLB)

Jane introduced Xavier Wiggins and Charlie Talbot, who responded to the call from the floor at the December 2019 SGM for a club bond, which they and 'an amazing group' turned into the Plough Lane Bond (PLB) over Christmas and the New Year holiday. Xavier gave an updated figure of £1.35m for the Plough Lane Bond (PLB), with an external PR initiative for non-AFC Wimbledon fans about to start, a press event on the 5 February, and the leafleting campaign which had begun the previous day.

Charlie Talbot thanked all those who had given to the Bond so far. Charlie then gave a PowerPoint presentation:

A) How does it work?

It was a loan and not a donation, but with a full expectation of getting your money back at the end of the term. The more money raised meant less of a commercial loan, as there was a preference to lend from fans than a bank.

There was a variable interest rate between 0% and 4% chosen by the purchaser, a choice of a 5, 10 or 20 year term, and a £1,000 minimum. There would be other schemes, such as the *We are Wimbledon Fund* that would have a lower entry loan amount.

There was a redemption clause in case the DT lost control of the club. Redemption was at full term. Capital was at risk, and full conditions were on the PLB website.

B) How does it help in the short term?

In the short term the more raised the less of the £11m shortfall had to be raised commercially. If the £3.5m as pledged in the pre-launch survey was raised, a probably do-able £7.5m commercial loan would then be needed, with any higher PLB total being a financial win-win for the club.

There was a 14 February end date so as to focus on the need to raise money now, and to highlight the need to sign the final contract with Buckingham so that there was no jeopardy on the stadium's completion.

People should contact the PLB if they couldn't pay in February.

C) How does it help in the medium to long term?

Refinance options would be created once the stadium was built, and longer term planning became easier after the short term issues were resolved. There would be clear visibility of cash flow and redemption liabilities for the club and the DT, and as previously mentioned, the PLB was also a better and cheaper source of debt financing than commercially. Finally, it gave the DT space to calmly debate the club's structure and the question of outside, albeit minority, investment.

D) How's it going?

With £100k each day, it was reasonable to expect £3m. There had been 315 purchasers and a lot hadn't bought in yet. The average amount was over £4,000, the average interest rate below 2% with an average term length of about 8 years. Half of the purchasers were of 10 or 20 years, which helped with the long term financial planning.

E) Targets

1,000 purchases at the current rate would take the PLB over £4m. 1,100 in the pre-launch survey 'pledged' £3.5m, and the current take-up amount was above that 'pledge' level. There were still 700 from the survey yet to purchase, and the £5m target would make the remaining £6m much easier to source.

F) Ongoing campaign

There would be continued club promotion of the PLB, to the extent legally permissible. Fan media channels were being used, as well as on line campaigns with a video for the 31 January- transfer deadline day. On the 5 February there was a wider press and PR event, and the local leafleting was spearheaded by Xavier for which a lot of volunteers had come forward.

Glynn Hodges and Ian Cooke chaired a special event after the last home game, which provided a continued reinforcement of the key PLB messages (it's a loan; you'll get your money back; here's how it works) to fans.

There would be a follow up with those from the survey who hadn't yet responded.

Further points

- Purchases on behalf of children, and international payments, would be available shortly.
- Seedrs was an equity stake in the future of the club in perpetuity, whilst the PLB was a short term debt instrument.
- PLB interest payments were now included in the club's business plan.
- The PLB has enabled the club to remain fan-owned, and for a debate to take place through the DT and the club as to how this might change.

Xavier asked for leaflet volunteers for Wimbledon Centre Court on Saturday and for train stations in the next 7 days. He also thanked the DTB and the Football Club Board for their accessibility and support, and for creating a spirit in which everyone was pulling in the same direction.

Xavier added that a quarter of purchasers had not completed the survey.

Jane thanked Xavier and Charlie, and the bigger group behind them working on the PLB.

Mark also thanked Xavier and Charlie, and in addition Graeme Price, and gave a special mention to Steve and the team in the 'back office' who had been processing the purchases, etc.

3. The rest of the stadium financing

Mark said the plan was to raise as much as possible from the PLB, and then a loan for the remainder became more manageable. Mark could not stress enough how important it was to raise this money in order to finish the stadium. Mark was able to say that cautious progress was being made on a development loan.

The three external investors were still in contact with the club, but it had been made clear to them that there was very little prospect that the membership would approve the possibility of a dilution below 50%. Mark believed they were not in a rush, but they had not changed their stance on ownership. There were other investors who had shown interest in a minority stake in the club.

Once the money to pay for the stadium has been successfully raised, how to refinance the short term loans and implications on the club's ownership model could be discussed.

Questions

Peter Godfrey asked if any of the three external investors had purchased the PLB. Mark said they were aware of it, and had told them there was more than one way of helping us. Charlie said the more PLB that was purchased the more likely all, including the three external investors, would buy.

Barrie Scott asked if the PLB was transferable, and Charlie said that although not freely so, it could be passed to, for example, a relative.

Barrie Scott also asked if the seedrs total of £2.4m included their fee, and Edward Leek confirmed that this figure was after that fee had been taken out.

A member asked that, to capture more PLB purchasers, could an open forum/seminar be put on, and Charlie agreed that was a good idea.

The same member enquired about the revenue streams that the stadium would create, and Joe said there was a whole range to utilise on a 365 day per year basis, such as conference centre, 500 sit down dining area, 7 day a week pub, boxes/office space, hospitality, media centre, foundation and community events.

Roger Dennis asked about the other three stands, and Joe said they would be semi permanent (similar to Bournemouth) with eleven rows, and in a bowl. The surrounding flats would create an arena feel. The intention would be to gradually build out to the West Stand standard.

A member asked about season tickets and choosing where we could sit, and Joe said a proposal was being put together for the DTB including a new and better IT ticketing system.

Mark Lewis announced to cheers that Tranmere had just lost, recommended a recent podcast that had featured an interview with Joe, and suggested that the Peterborough use of boxes hired out as offices could be copied.

Geoff Seal asked what percentage of PLB subscribers wanted their money back if the fans lost control. Charlie did not have the figure to hand, but suggested the answer to the question was to keep buying more PLB.

Ian Todd (?) had gone for a 5 year term, and wondered what happened if he only lasted another three years, and Charlie said that it would form part of his estate.

Colin Shergold asked about the away end capacity, and Joe said there would be flexible segregation to take up to 2,000 with stewarding needed.

A member asked if in a semi permanent stand what access would they have, and Joe said it would be into the General Access area of the West Stand, but not hospitality. Some members would welcome away fans mixing as at TCRRS, and Joe said that he had only just started safety advisory meetings with Merton Council, for which categorization of football games would be a new concept for them to have to consider.

A member asked about the PLB operational budget. Charlie said this was accounted for by the DTB. The PLB web development and its security were essential items that had to be paid for, but the leaflets were at cost, and much of the design, writing, PR were virtually free. The legal side was handled by the stadium's legal team.

Ian Cooke understood that parking at the new stadium was limited, and wondered about events and dinners. Joe said that on non-match days, there was space for 100 cars behind the East Stand.

Jane thanked Xavier, Charlie, Mark, Edward and Joe for fielding the questions, and reminded everyone of the PLB website address www.ploughlanebond.com

5. General Q&A and discussion with members

There were no further questions or discussion.

6. Any Other Business

1. There would be a brief further General Meeting before the AFCW PLC AGM, which would include carried forward items.
2. A DTB Strategy meeting would take place soon, after which members would then be told what individual DTB members were doing.
3. Webjam would be discontinued at the end of January, and members needed to register with the new engagement tool called Proboards at donstrust.boards.net. Mark asked for members to please use proper names.
4. Luke Mackenzie thanked Charlie and Xavier, both who had given up 'a hell of a lot of time' to ensure the success of the PLB, and to the rest of the PLB team.

Mark Davis then closed the meeting.

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Mark Davis
Chair