

RE-APPROVAL OF DONS TRUST ANNUAL REPORT

Resolution 1: To re-approve the Society's annual report and accounts for the year ended 30 June 2019.

Members will recall that unaudited accounts, rather than audited accounts, were presented for approval, and were approved, at the Annual General Meeting held on 29 January 2020.

The reason for this approach was that the AFCW PLC audit had not yet been completed and, consequently, the Dons Trust audit had not yet been signed off. Nonetheless, we were keen to get members' approval so that we could file our annual return with the FCA (the Society's regulatory body). In obtaining members' approval, the board undertook that we would seek fresh approval from members in the event that finalisation of the audit resulted in any material amendments.

The audit was finally completed in April. The changes to the numbers emerging from the audit were, in the board's view, not material. The profit for the year reduced from £44,583 to £44,225 and the share capital increased from £2,648 to £3,006. There were also some minor changes in the format in which the Society's balance sheet is presented and a description of the Plough Lane Bond was added, as a post balance sheet event.

None of the above changes would, in the board's view, necessitate fresh approval by members. However, there were some changes to the text, and to the auditors' report, which are more material, arising from the potential impact of Covid-19 on the Society.

The change is explained in note 2.2 to the accounts (and referred to elsewhere in the report). Essentially, a substantial proportion of the existing Dons Trust Bonds (NB these are debt instruments issued some years ago and are not the same as the recent Plough Lane Bond) had passed their stated maturity dates and were therefore repayable upon demand. If all bondholders were to seek immediate repayment, and the Society were therefore to seek immediate repayment of the corresponding loans from AFC Wimbledon, it would be more difficult for AFC Wimbledon to honour those obligations (and therefore more difficult for the Society to repay the Dons Trust Bonds) at a time when Covid-19 was preventing the club from holding football matches and earning revenues.

As note 2.2 explains, the board considered that on the balance of probabilities, the Society should have sufficient cash flows to enable it to satisfy those liabilities that might crystallise in the following twelve months. We therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements of the Society, notwithstanding these uncertainties.

It should be further noted that good progress has been made in recent months in regularising the maturity dates of outstanding Dons Trust Bonds.

Nonetheless, the board considers it is right to put the accounts to members for fresh approval, in the spirit of the undertaking given in January. The final report and accounts are therefore attached as Paper 4. The board recommends that members vote in favour of Resolution 1.

Resolution 1 is an ordinary resolution, requiring a simple majority of the votes cast in order to be passed.