June 2025

THE FINANCES OF FOOTBALL & AFC WIMBLEDON

League One & Two Finance Overview

Summary analysis of five years of League One & Two accounts

Prepared for:
Members, Fans and Bondholders

Financial Overview

This is a summary of a full financial analysis of League One and League Two clubs. The report focuses on accounts from the 2023/24 season and reviews five-year trends.

We need to understand the financial world we operate in to help us make big decisions together.

The average loss for a League Two club has increased from £0.37m in 19/20 to £2.17m in 23/24. The average loss has got almost **six times bigger in 5 years.**

The average loss for a League One club in 23/24 was £5.20m, more than three times the 19/20 figure (£1.45m).

These stark numbers show the core challenge faced by Wimbledon and our competitors. League One and Two clubs are losing money at an increasingly growing rate.

AFC Wimbledon faces this challenge with our own unique set of circumstances.

We must also continue to service debt from our Plough Lane Bonds - with interest due every year (approx £400k) and regular repayment windows - **£3.3m due in 2027**.

This summary aims to provide a clear analysis of the financial context in which Wimbledon operates.

The full report will be available on the Dons Trust website.

Summary

The financial picture for L1&2 is stark

Profitability is increasingly rare

In the 2023/24 season, **only 4 clubs** across both leagues reported a profit, a significant decline from 19/20 when 11 clubs were profitable.

Losses are getting bigger - rapidly

The average loss for League One clubs surged from £1.45m in 2019/20 to **£5.20m in 2023/24**, while League Two clubs experienced a bigger relative increase from £0.37m to £2.17m over the same period

Wages are growing quicker than revenue

League One average wage bills increased by **43.6%** over the 5-year period, while average turnover increased by only 22.5%

Wimbledon have bucked the trend - through player sales

Our losses were relatively smaller

We had an **average yearly loss of £0.57m** over the 5-year period, compared to the League Two average loss of £1.04m and the League One average loss of £3.05m.

We are very reliant on player sales

Without player sales, the club's financial position would be significantly weaker, with an average operating loss of nearly **£2m a year over the 5 years.**

The report shows that most lower league clubs cannot financially sustain themselves.

Their survival depends on owners who are willing to take on big losses, and/or the uncertain income from selling players.

Where is the data from?

The report looks at the finances of League One and League Two clubs using data from their statutory accounts. These accounts, filed with Companies House, summarise each club's financial performance over the past 5 seasons (2019/20 to 2023/24). We monitor this information, which is available almost 12 months in arrears after the end of each season.

We've adjusted the financial figures for L1 and L2 clubs, including our own, by removing one-off "exceptional items." This helps us compare their true underlying profitability more accurately. Typically, these exceptional items are owners writing off debt, which can inflate a club's profit for that year. For us, we've excluded a one-off £13 million income from the stadium build in 2019/20 that distorted our profit for that period.

To understand the finances, we focused on three key measures:

Profit/Loss: This is the "bottom line" – it shows whether a club has made money or lost money during the year.

Turnover: This represents how much money a club brings in from all its activities, including ticket sales, broadcast revenue, and commercial deals.

Wages: The is the total cost of paying football and non-football staff.

It's important to note that not all clubs provide the same level of detail in their financial reports. This inconsistency can make it challenging to compare clubs directly. And what is listed as “wages” does not correspond directly to playing budgets.

Some clubs provide only basic financial data, while others, like Wimbledon, are more transparent. Despite these limitations, this data provides valuable insights into the financial state of lower-league football.

The Big Picture: Financial Trends in League One and Two

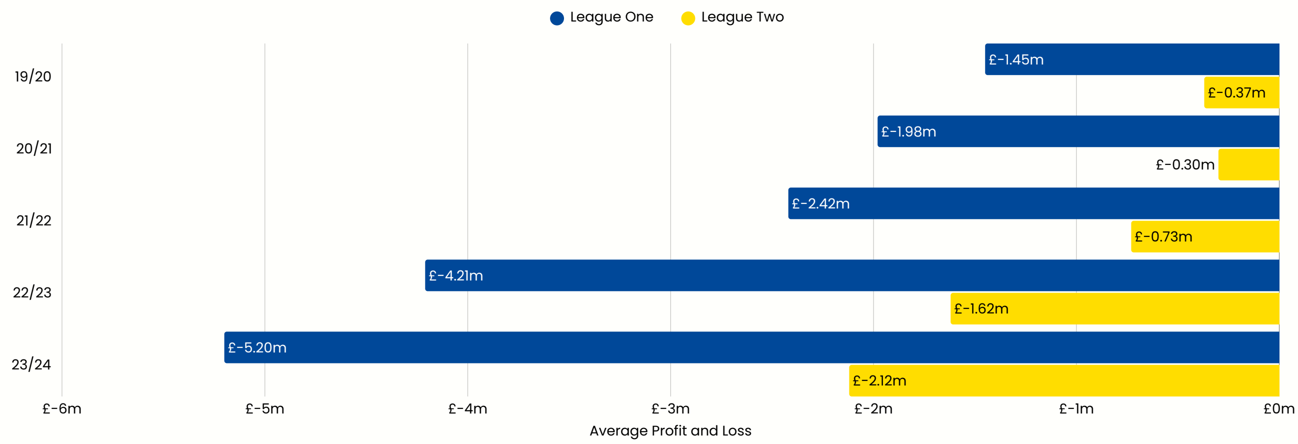
This section provides an overview of the financial trends shaping League One and League Two, highlighting the growing challenges.

Profitability

A fundamental concern is the declining profitability of clubs.

Over the past 5 years, a significant portion of clubs have struggled to make profits, with this struggle getting worse in recent years.

In the 5 years only **21.6%** of clubs managed to report a profit in any given year, out of a total of 236 accounts filed.



In League One, the average loss has increased significantly, from £1.45m in 2019/20 to £5.2m in 2023/24, a 3.6 times increase.

The situation is even more severe in League Two, where the average loss has gone from £0.37m to £2.17m, an almost 6-fold increase.

These growing losses are caused by:

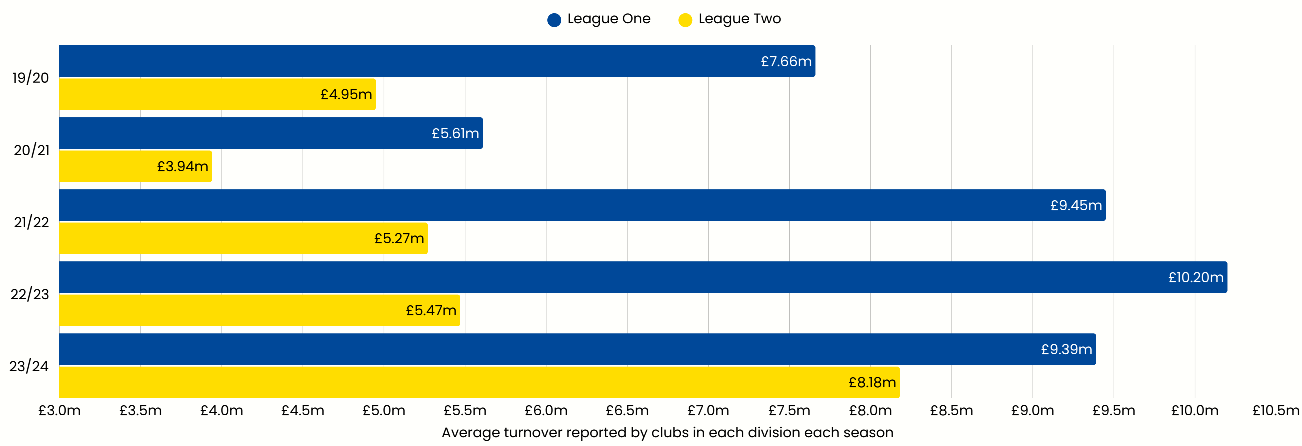
- **Wage inflation:** The increasing cost of players and staff
- **General inflation:** Rising administrative and operational costs
- **Trickle-down effect:** The spending power of larger clubs, particularly in the Premier League and Championship, influencing the financial landscape of the lower leagues.

The Big Picture: Financial Trends in League One and Two

Turnover: Revenue Growth vs. Rising Costs

While turnover, or revenue, has generally increased in League One and League Two over the past 5 years, the growth has been relatively small compared to rising costs.

Turnover is increasing, but not sufficiently to offset rising costs



- From 2019/20 to 2023/24, the average turnover for a League One club increased by £1.72m, or 22.5%
- League Two clubs showed a larger increase of £3.24m, or 65.5%.

In League Two, Wrexham's significant turnover skews the average. Excluding Wrexham, the average turnover growth in League Two is a more modest **£1.38m**, or 28%.

The Impact of Wrexham

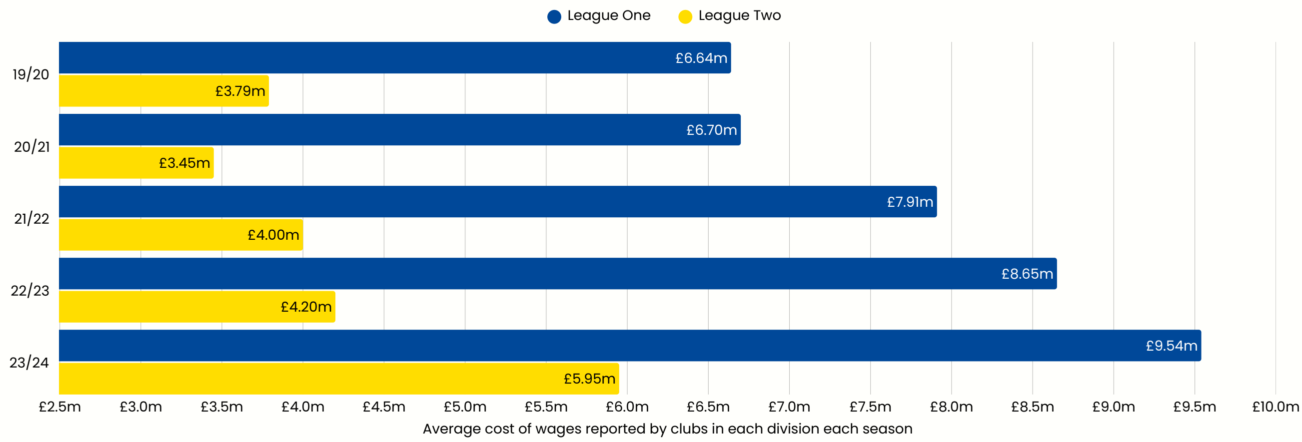
Wrexham's exceptional turnover (£26.7m) and wage bill (£11.0m) in 2023/24 significantly inflates the average turnover and wage data for League Two clubs.

The Big Picture: Financial Trends in League One and Two

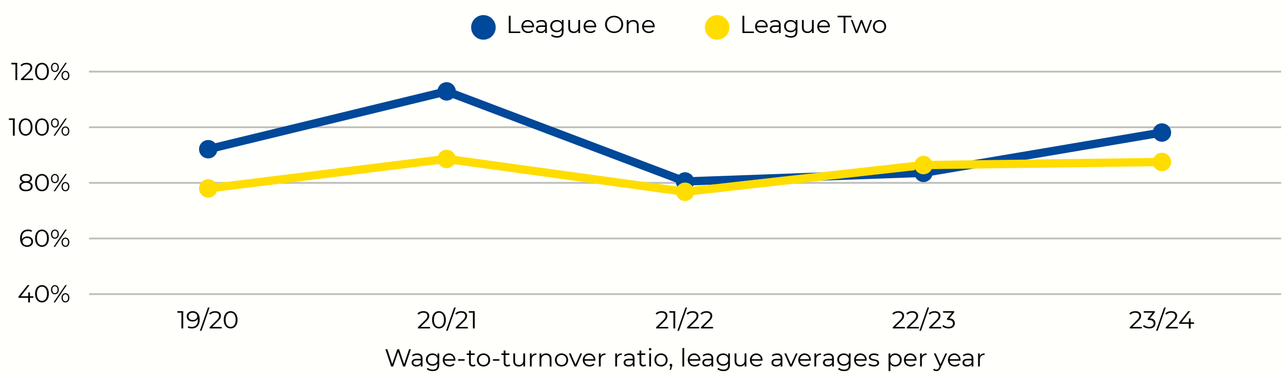
Wages: The Relentless Rise

Wage costs represent a substantial financial burden for football clubs. The report highlights a concerning trend of wage growth outpacing revenue growth, further contributing to the financial strain on clubs

Wages are increasing at a faster rate than revenue, squeezing club finances.



- From 2019/20 to 2023/24, League One average wage bills increased by 43.6%, while average turnover increased by only 22.5%
- In League Two, wages increased by 57.0%, and turnover by 65.5%. However, excluding Wrexham, the League Two wage increase was 24.6%, and turnover growth was 28.0%.



Losses are increasing - wages are growing more than revenue

Wage growth is exceeding revenue - clubs are having to rely on external (owner) funding to stay afloat.

Our financial performance

Profitability: Relative Performance and Reliance on Player Sales

Wimbledon's profit and loss performance is relatively strong but that is in the context of all clubs making losses every year.

- The Club has generally performed well, ranking consistently in the top ten for profitability, with an **average five-year loss of £0.57m**, better than the **League One average (£3.05m)** and League Two average (£1.04m)

- Without player sales the club has made a combined 5-year operating **loss of £9.97m,** an average of just under £2m a year.

AFC Wimbledon has relied on player sales to manage losses and debt payments

- Turnover has grown since returning to Plough Lane - although hard to compare like with like because of the impact of Covid.

- As attendances cannot grow much more without expanding the stadium, significant revenue increase is only really available from increased commercial activities and non-match day use of the facilities.

- The club will continue to need to find one-off revenues in order to maintain profitability or mitigate losses - this probably means continuing to achieve significant income through player sales.

- Members will need to consider whether further minority investment is needed and how we should allocate it - whether to bond payments or investing to grow.

Wimbledon's Challenge

1.Bond Debt

Plough Lane Bond debt stands at £8m.

We have debt repayment windows approaching (£3.3m in 2027) and there are year on year interest payments (£400k) which have a direct impact on our budgets and our ability to invest to grow on and off the pitch.

2.Structural losses

Even without our PL Bond debt and interest, we are a loss-making organisation. Like the rest of the EFL.

Even with player sales we have lost on average £0.57m each year for the last 5 years. Smart player trading has so far allowed us to cover bond payments and cover losses.

3.Cash-flow

Both these things create cashflow challenges for the Club.

You might remember the cashflow charts we shared last year which highlighted this.

4.Performance

Our competitors are willing to fund significant and increasing losses which means we are likely to consistently fall behind if we don't take action.

Conclusion

Following the recent financial updates provided by the club and boards, members won't be surprised by this financial summary and update.

Football costs up and down the land are simply not sustainable, and we do not have the appetite, nor are in a financial position, to keep up. But we do need to do everything we can to remain competitive without over-stretching ourselves.

There is light at the end of the tunnel, with the football regulator focused on tighter controls to ensure more sustainable club spending. But that is likely to take time to become a reality.

Collectively we face some big decisions in the coming year or two as we seek to maintain the League 1 status that we've fought so hard to achieve.

Our recent YouTube series has reached new global audiences and contributed to record membership. Club staff are focused on growing commercial revenues and managing costs and have made significant progress in the last 12 months with new improved deals in catering and kit supply. As well as record sales in season tickets, membership, and retail - for which we thank our supporters for their continued commitment.

Keeping a lid on costs remains a significant challenge as the stadium ages, and inflationary pressures.

How can our members help?

Your generosity in the form of bonds and donations over the years is nothing short of remarkable. We couldn't have got this far without you. But as this document outlines, we are reliant on our members - our majority owners - to help plug the gap in our finances.

For those who are able to donate, find out how you can support the club: https://www.afcwimbledon.co.uk/make-a-donation

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