VERSION 2 27/9/04

AFCW PLC - UNAUDITED DRAFT MANAGEMENT ACCOUNTS as at 30 June 2004

	ACTUALS FOR 12m TO 30/06/004			BUDGET FOR 12m TO 30/06/04			Better/(worse) than budget
	Income	Expenditure	Profit	Budgeted Income	Budgeted Costs	Budgeted Profit	
Football gate & prize money	352,700		352,700	316,825		316,825	35,875
Football Costs		214,249	(214,249)		187,167	(187,167)	(27,082)
FOOTBALL PROFITS			138,451			129,658	8,793
Programme	66,330	73,442	(7,112)	62,598	65,839	(3,241)	(3,871)
Merchandise	89,645	53,916	35,729	61,766	30,883	30,883	4,846
Bar	253,150	143,915	109,235	166,966	120,531	46,435	62,800
Teabar	31,775	20,589	11,186	33,350	20,384	12,966	(1,780)
Functions	46,962	28,412	18,550	18,796		18,796	(246)
Commercial	101,021	16,545	84,476	106,840	18,544	88,296	(3,820)
Donations	29,964		29,964	27,500		27,500	2,464
Sundry income	11,482		11,482	15,800		15,800	(4,318)
Total income	983,029	551,068	431,961	810,441	443,348	367,093	64,868
Overheads & salaries		260,357	(260,357)		230,974	(230,974)	(29,383)
Profit before dep'n and int	**983,029**	**811,425**	**171,604**	**810,441**	**674,322**	**136,119**	**35,485**

AFCW PLC – Draft management accounts for the 12 months ended 30 June 2004.
These accounts are unaudited and are subject to revision following management review

AFCW PLC

UNAUDITED MANAGEMENT ACCOUNTS

12 MONTHS TO 30 JUNE 2004

Status

The attached profit and loss account sets out the results of the PLC for the 12 months to 30 March 2004. They show draft results and comparisons against the budget for:

- the 3 months to 30 June 2004
- the totals for the 12 months to 30 June 2004.

The accounts are not finalised yet and we continue to review the results, account by account, to make sure that no additional adjustments are needed. Our audit is underway and the auditor expects to complete his work in the next couple of weeks. The accounts remain subject to adjustment but I am confident that net profit is unlikely to change by more than +/- £10,000.

Overview of the results

We previously reported that, after 9 months, the profit before depreciation and finance charges was £40k ahead of budget. The last three months of the year have been broadly in line with our plans and we have been able to maintain a £35,000 surplus against budget for the year. This is a strong performance; the budget itself was difficult to achieve and it is easy to forget this when reviewing performance against it. It is also worth noting that the result is close to the forecasts in the prospectus we issued in June 2003.

One reason for the £35k surplus when compared to budget was the team's success in various cups. It is very difficult to assess the exact effects of a good cup run but our initial analysis shows that we achieved our budgeted profit for the year without the additional profit from cup games.

As predicted in our last report, we made a loss in the final quarter, mainly because of normal expenses in May and June when there was little or no income from football in those months. In addition, as previously mentioned, the directors brought forward into June substantial expenditure (mainly repairs) that had been planned for the next financial year, so as to give more time for the work to be completed before the season started.

There are some areas where the accounts are still subject to adjustment. These include:

- The directors are finalising their assessment of merchandise stocks at the year end to see if provisions are necessary to reflect the saleability of some stocks

- The directors are carrying out a review of the depreciation charge on assets bought as part of the acquisition of Kingsmeadow. This may lead to a higher than budgeted charge to profit, although it will have no effect on our cash balances.

Commentary on the management accounts

The following commentary covers major highlights in the accounts. For those DT members and shareholders who wish to understand the results in more depth, there is an open meeting of the Finance Working Group in early October. The date of the meeting will be announced on the Dons Trust and AFC Wimbledon web sites.

Overall, the profit before depreciation, finance charges and tax for the 12 month period is £171,604, which is £35,485 better than budget. The main reason for this surplus is the bar profits which beat budget by over £62,000. We had adverse variances in a number of areas, as described below, the most significant of which was a conscious decision to bring forward repair work amounting to nearly £18,000 into the last quarter of the year.

The principal areas of the accounts are considered in turn, below, focusing mainly on the 3 months to 30 June, unless otherwise stated. Comments focus on areas where the results are different from budget or to explain the basis of calculation of the results.

Football income

Football income for the 3 months was close to budget, which is not surprising given that we had only 3 league games and did not get a share of the PCC Cup Final gate money.

A matter of some concern is that the gate money from league matches in the 12 month period was £13,000 below budget. This is a direct result of average gates being over 100 below budget; this in turn appears to have been caused by the unusual number of midweek games, with attendances about 400 lower than for Saturday matches.

Gate income from Cup matches was £40,000 over budget but there were, of course, additional costs arising from our participation in the cups. Therefore, not all this income went straight to profit.

Football costs

In the 12 month period, total football costs were £27,000 in excess of budget. The main elements of this excess were unbudgeted bonuses, as discussed in previous commentaries, additional coach costs (due to extra costs from cup trips and the cancellation costs for the trip to Bashley), additional ground hire costs relating to the youth teams and additional medical costs. It may be possible to reclaim some of the hire costs from the youth teams but, for the moment, the costs remain in the football club.

Programmes

The budget for programmes takes no account of the advertisements that are offered for composite commercial deals where a sponsor pays a lump sum and, in return, receives benefits including (for example) a hoarding, an advertisement in every league programme and a match sponsorship. For simplicity, all the income from such deals is accounted for as "commercial". As a result, the programme looks less profitable than it really is.

Merchandise

The results for the 12 month period were nearly £5,000 ahead of budget but not as good as they should have been due to the decision to absorb some of the costs of the ladies and youth teams' kit.

Functions

Profits from functions were on budget for the year. Note that functions income does not include profits from bar takings.

Sundry income

This was about £4,000 under budget. The main reason for this was that the club did not charge the Ladies team for their use of Kingsmeadow, although this was in the budget.

Overheads and salaries

Overall, overheads and salaries were over £20,000 over budget for the 3 month period. This was caused by a decision to undertake nearly £18,000 of repair projects that had originally been scheduled for the following year. All other costs in the last 3 months were close to budget with the following exceptions:

- A saving of over £3,000 on utilities and rates. Most of this was due to the budget including an overestimate of the cost of business rates.
- Over £5,000 of additional spending on pitch maintenance. When we budgeted for the 2003/04 season, we included the costs of repair works in July 2003. In practice, the best time to work on the pitch is June and so, for this season only, we incurred two lots of expenses on the pitch in one year. We had not budgeted for this.

Over the 12 month period, there has been an overspend of £29,000. The vast majority of this is accounted for by additional spending on repairs and the one-off cost of the advertisement which has been explained in previous reports.

Dividend

In the light of the projected results for the year and the need to focus our attention on reducing the cost of financing the Khosla loan, the directors continue to consider that

it is not appropriate to make a dividend payment to shareholders in respect of the current financial year.