9 March 2006

Dear Member,

I attach the Notice and Agenda for a Special General Meeting to be held on Thursday 30th March 2006 (7.30pm, Kingsmeadow).

You should also find attached the following additional documents:

- Draft minutes of the AGM held on 1st December 2005;
- The first Quarterly Report for 2006;
- A paper describing two resolutions proposed by the Board;
- A proxy form for use by those who are unable to attend the meeting.

You will note that there are two resolutions to be voted upon at the meeting, both relating to the proposed commercial bank loan to be taken on to replace our loan from Mr Khosla. The Board recommends that members vote in favour of both resolutions. If you are unable to attend the meeting in person, you are encouraged to return the attached proxy form indicating how you wish to vote.

The Dons Trust SGM is being held immediately prior to an Extraordinary General Meeting of AFCW PLC, which is also being held at Kingsmeadow on the same evening. This sequence will allow Dons Trust members to instruct the Board, at the DT SGM, on how to vote at the AFCW PLC EGM on the subject of the bank loan. We understand that all Dons Trust members will be able to attend the proceedings of the AFCW EGM, although only AFCW shareholders will be eligible to vote at that meeting.

This letter is being posted to all members for whom we have not received confirmation that they are willing to accept e-mail confirmations. We are aware that there may be reasons why you are unable to receive notices by e-mail and wish to continue to receive them by post. However, if you are able to receive notifications by e-mail this will help to reduce the overall costs of the administration of the Society. If you would like to receive notices and reports electronically in the future and have not already given us your e-mail address please e-mail membership@thedonstrust.org.

I look forward to seeing as many of you as possible at the meeting.

Yours faithfully,

Mark Davis

pp Tom Adam
Chair of the Dons Trust Board

Wimbledon Football Club Supporters' Society Limited
The Dons Trust, The Fans' Stadium - Kingsmeadow, Jack Goodchild Way, 422a Kingston Road,
Kingston upon Thames, KT1 3PB
T: 020 8974 5809 E: info@thedonstrust.org Website:www.afcwimbledon.co.uk
Registered Number: 29337R Registered Office: as above.

Notice is hereby given of a <u>Special General Meeting</u> of the members of the Wimbledon Football Club Supporters' Society Ltd to be held at The Fans Stadium – Kingsmeadow, Jack Goodchild Way, 422a Kingston Road, Kingston-upon-Thames, KT1 3PB on Thursday 30th March 2006 at 7.30pm

SPECIAL GENERAL MEETING

AGENDA

1. Minutes of the 2005 Annual General Meeting

2. First Quarterly Report of 2006 (QR 01/06)

3. Resolutions proposed by the Board:

   - Resolution 1: "That the Society should exercise its voting rights in AFCW PLC in favour of a special resolution to be tabled at an Extraordinary General Meeting of AFCW PLC on 30th March 2006, authorising AFCW PLC and/or its subsidiaries to enter into, and/or guarantee, a loan facility with Barclays Bank PLC secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans' Stadium – Kingsmeadow, as more particularly described in the agenda for the EGM dated 7th March 2006."

   - Resolution 2: "That the Society Board should be authorised, at its discretion and on such terms and conditions as it considers prudent and appropriate, to enter into arrangements for the Society to guarantee the loan facility contemplated by Resolution 1."

4. Questions and answers

5. Any other business

By order of the Board

Mark Davis

……………………….
Secretary

Wimbledon Football Club Supporters' Society Limited
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Wimbledon Football Club Supporters' Society Limited
Minutes of the Annual General Meeting held on 1st December, 2005 at 7.30pm

The Fans' Stadium - Kingsmeadow, Jack Goodchild Way, Kingston Road, Kingston-upon-Thames, KT1 3PB

0. **Introduction and Apologies for Absence**. Tom Adam (TA) welcomed members to the AGM. He conveyed apologies from Steve Butterick and Chris Philips.

1. Previous Meeting Report

1.1 TA reported on various matters arising from the notes of the previous meeting:

- Follow-up to the letters to Supporters Direct regarding membership by franchised clubs. A response had not been received to the DT's letter; however, the DT understood that SD had included in their new membership policy wording which accommodated the DT's wishes[1];
- The Board had undertaken to follow up on what it means for the DT and AFCW to be part of the same group. This had not yet been published; however, relationships between the DT and AFCW were being examined and this was work in progress to be reported on in the future;
- The revised Rule 61 of the DT Constitution had been registered with the FSA following the SGM;
- Incorporation of AFCW Ladies. The Memorandum & Articles of Association had been sent to the FA for approval. The FA had requested some changes and these were being made;
- The DT had nominated Lou Carton-Kelly for election to the Board of Supporters Direct and had exercised its vote in these elections. Lou had not been voted in at the SD election.

1.2 Erik Samuelson (ES) reported on progress with the commercial bank loan. The AFCW PLC Board had considered the terms offered and, after debate, had recommended that acceptance of the loan should be put to the DT membership. It was considered that member approval would be appropriate because there were conditions which members needed to be comfortable with, in particular the requirement for (in simplified terms) profits to be at least 150% of principal plus interest payments. If not complied with, these conditions could potentially result in the bank foreclosing on the loan. The DT Board had requested more information before putting the matter to members. This information had now been received and would be passed onto the DTB for discussion at the next DTB meeting. The AFCW PLC Articles of Association required the loan to be voted on by its shareholders (necessitating an EGM) and the DT would likely also wish to put the matter to its members (necessitating an SGM). This was therefore a slow process; however, it was important to get it right.

1.3 TA asked whether there were any further comments on the notes of the previous meeting; there were none and they were taken as accepted.

2. Annual Report and Annual Accounts.

2.1 TA asked whether there were any requests for clarification on the Annual report; there were none.

2.2 John Owen (JO) reported that since taking over as Treasurer he had made available quarterly figures to members. There should therefore be few surprises in the audited accounts for the year to June 2005. The DT had made a surplus of £99K after nine months and £124K for the full year. The last quarter was somewhat weaker than the previous quarters, since it included two months of close season when there was little fundraising activity. TA then invited questions on the accounts.

- Ray Downham asked whether there was no Sports Interactive sponsorship for 2005. JO replied that £10K had been received but that this had been transferred to AFCW in view of the costs of the youth academy met by AFCW.
- Peter Young (PY) asked what was the gross cost of the Ladies and Youth set-up. JO replied that the figures did not net out the sponsorship, so the £12K figure for the Ladies was a gross figure.
- PY noted that the costs appeared to be climbing upwards and again asked what the total costs were. Knowing this would allow members to form a judgement as to whether so much money should be spent on Ladies and youth football. TA said that the DTB would try to give a fuller reply to PY's question subsequent to the meeting.

[1] Secretary's note: The Supporters Direct Membership Policy referred to by TA includes the following wording: "The Board can also refuse a group on the basis that they have, in the Board's view, brought the Trust movement or Supporters Direct into disrepute in the previous year of membership. The Board shall also have regard to the unity of the trust movement in considering applications for membership."

- Ron Trayhorn noted that he had portrayed the net cost of the Ladies team at the last SGM as being less than the £12,000 shown in the accounts because a 50/50 allocation of Sports Interactive sponsorship between Ladies and Youth had been assumed. Having not been at the DTB meeting where this was discussed, he did not understand why none of the sponsorship was allocated to the Ladies. JO replied that there were VAT considerations as to how sponsorship was allocated and that, since AFCW had absorbed certain of the costs of the Youth teams, it had been considered appropriate to transfer the sponsorship to AFCW.
- PY asked whether the total cost of the Ladies plus Youth was in the order of £60K. Nigel Higgs (NH) said that, taking account of pitch hire and kits, this figure sounded about right but that it would need to be confirmed.
- PY asked whether a contribution was made to costs by the youth players and/or their families. NH replied that no direct contribution was made to costs by players or their families. AFCW was attempting to create a centre of excellence for youth football, so was having to provide a different offer than other leading local clubs and therefore did not ask for subscriptions. However, players were asked to join the DT and to buy season tickets, and this brought in some revenue which was not netted against the costs.
- PY asked what as to the cost of the NESCOT tie-up. NH replied that the combined net budget for the Youth & Community Football Scheme for the season was £22k, versus around £33K for the previous season.
- Martin Drake gave feedback that that he would like to see the income and expenditure for the Ladies and Youth in one place in the future and in more detail.
- RT asked whether a share of the sponsorship income would be allocated to the Ladies in the future. JO replied that it was the gross figure that mattered and that sponsorship could be allocated in different ways. Given the relative levels of costs of the Youth and the Ladies, the previous 50/50 split did not seem fair and it was fairer to allocate the majority to the Youth. RT responded that there had been questions about the costs of the Ladies throughout the year and that, if no credit were given for sponsorship, the Ladies costs appeared to be too high and that some credit should be given for sponsorship income.
- A member asked if the sponsors were concerned as to how the sponsorship income was allocated. Kris Stewart replied that they were not.

3. Resolutions proposed by the Board.

3.1 TA asked members if any comments or clarifications were required on Resolution One, to approve the annual report and accounts. There were none. TA called for a show of hands. There was near-unanimous support for the resolution (there were no votes against and one abstention) and the resolution was duly passed.

3.2 TA asked members if any comments or clarifications were required on Resolution Two, to reappoint Proto & Co as the Society's auditor. There were none. TA called for a show of hands. The large majority of members supported the resolution (there were two votes against and four abstentions) and the resolution was duly passed.

3.3 TA asked the Dons Trust Secretary to summarise Resolutions Three, Four and Five before these were put to the vote. Mark Davis (MD) reminded members of the background to the WISA offer to purchase shares in 2004, the review of selling shares to parties other than the DT (as discussed at the June SGM) and the recent issue of shares by AFCW to capitalise outstanding loans from the DT. AFCW wished to have shareholders' authorisation to carry out a further capitalisation issue for the year ahead and, taking into account feedback from members at the June SGM, it seemed appropriate this year to widen the parties who could purchase newly issues shares in AFCW rather than for the DT to be the only such party. Therefore:

- Resolution Three was a proposed share policy which was essentially the outcome of the discussion with members at the June SGM. MD highlighted the main provisions of the policy and pointed out that this policy could be changed at a later date if appropriate;
- Resolution Four would permit the DT to exercise its vote on Resolution 6 at the AFCW AGM in relation to authorising AFCW to issues further shares during the year ahead;
- Resolution Five would permit the DT to exercise its vote on Resolution 7 at the AFCW AGM in relation to authorising AFCW to disapply pre-emption rights on share issues (up to a certain number of shares) during the year ahead. If passed, this meant that AFCW would be authorised to sell shares to parties such as the DT or individual purchasers without having to offer shares to all of its existing shareholders (which would entail the costs of preparing a prospectus etc.).

3.4 Sean Fox said that the policy was welcome but questioned why the sale price was not stipulated in the policy and why there was not a firmer policy on the minimum transaction value reflecting members' wishes to keep this low. On the former point, JO said that people would be aware that there was no appetite on the Board's price to sell at a price other than 60 pence per share but that to set a price might be seen as tantamount to offering shares, which for regulatory reasons AFCW could not do, and that AFCW could only react to unsolicited offers received. On the other point, JO said that the answer depended on how many offers were received, since there were administrative costs in issuing shares. Again, AFCW could only react to unsolicited approaches; however, JO's feeling was that a minimum transaction value of £100 might be about right.

3.5 Chris Gibbs asked what the benefits of buying shares were and why individuals should want to. TA replied that this was more about showing support for AFC Wimbledon than financial benefits. JO reminded members that share prices can go up and down and said out that at previous meetings members had said that they would like to buy further shares – for example, to donate to others such as their children – and perhaps in the expectation of possible dividends at a later date. A member observed that shares in AFC Wimbledon were good value as souvenirs.

3.6 Martin Drake asked the rationale for the amounts set out in Resolutions Four and Five. JO replied that the amount set out in Resolution Three was the total authorised but unissued share capital of AFCW PLC and that there were guidelines on how much should be offered by way of disapplying pre-emption rights at a time, so not all of the shares were being authorised for sale via this route. Martin then asked whether there was a policy on the DT buying back shares in AFCW. JO replied that the DT would be happy to receive AFCW shares as donations but that there was not much benefit to the DT in purchasing shares in AFCW from third parties.

3.7 Chris Gibbs asked whether issuing shares was the preferred method of raising funding for the club. JO replied that all money raised by AFCW from its day to day activities was spent within the club and that the main mechanism for raising money to pay off the Khosla loan was the DT's fundraising activities. ES added that there had previously been a debate about the relative merits of shares and loans. Unlike shares, loans have to be repaid. Depending on individuals' circumstances, shares were therefore preferable from AFCW's perspective. AFCW was currently investigating whether there might be tax relief on loans but this was for the future.

3.8 Kevin Watson asked whether passing these resolutions would affect the ability to advertise the availability of shares, including by WISA. JO replied that advice had been received that the DT and AFCW should not advertise but that the DT was not in a position to dictate what WISA should do in this regard.

3.9 TA called for a show of hands on Resolution Three. There was unanimous support for the resolution and it was duly passed.

3.10 TA called for a show of hands on Resolution Four. There was unanimous support for the resolution and it was duly passed.

3.11 TA called for a show of hands on Resolution Five. There was unanimous support for the resolution and it was duly passed.

4. Outcome of 2005 elections to the Society Board

4.1 MD reported on the process that had been undertaken to recruit candidates for the DTB elections. By the closing date for nominations, only five candidates had come forward. The DT Constitution did not clearly provide for this eventuality, although Rule 64 provided some indication. It had been considered that extending the deadline for nominations would set a poor precedent for future elections. Acting on the advice of the Secretary and the Election Steering Group, those members of the DTB who were not standing for election had decided to consider the five candidates duly elected. They were Tom Adam, Bert Dale, Marc Jones, Sandy Lawrence and Erik Samuelson.

4.2 MD added that it was disappointing that so few candidates had stepped forward. The DTB had asked the Constitution Review Group to consider further the implications for the DT Constitution, taking into account the ambiguities in the rules and the need to think about preserving a sustainable pipeline of candidates for future Boards. MD thanked the ESG, namely Stephen Godfrey, Tim Hillyer and Matt West, for their assistance.

4.3 TA endorsed MD's thanks to the ESG and there was a round of applause for the ESG. TA noted that an issue for the coming year would be how to encourage DT members to participate in the business of the DT and how to devolve more work to involve members. Chris Gibbs asked when and how these matters would be addressed. TA said that it was part of the Constitution Review Group's work and would no doubt be reported on at the subsequent SGM. TA asked the new DTB members, Bert Dale and Sandy Lawrence, to identify themselves and there was a round of applause.

4.4 Ray Downham noted the requirement for to preserve a majority of DT Board members on the Boards of each of the subsidiaries. David Cox (DC) noted that this would be discussed at the next DTB meeting. Geoff Seal asked whether this would allow the Boards to continue to operate in the meantime. DC replied in the affirmative.

5. Questions and Answers.

5.1 PY asked whether, rather than using the youth system to grow an elite of players for the senior team, consideration had been given to using the youth system to grow AFC Wimbledon's base of supporters, e.g. by issuing free tickets to players and their families or having a league for AFC Wimbledon supporters who were prepared to pay in order to play. He noted that the benefits of the youth system as a feeder to the senior teams needed to be weighed against the costs. NH noted that there were two separate systems within the Youth & Community Football set-up – an elite system to feed the senior teams and community football for those who are willing to play. He did not see this as an "either/or" situation. NH added that about 70 youngsters would be coming to the Leyton game as a result of vouchers handed out to CFS participants. As for the elite system, this was a medium term goal – U16 players were beginning to enter the Reserves and last year's U18 players were now entering the squad. Because these players were at college, they tended not to cost much as players.

5.2 PY asked about the cost of this approach and why a more inclusive approach was not taken towards the youth teams. NH welcomed this debate. He said that an objective for the current year would be to manage the costs of the youth system carefully. PY asked NH to publish reformatted costs for the past year and the budget for the coming year. NH said that he would be happy to do so once a few outstanding items on the budget were reconciled. He noted that, under the auspices of the DT's Community activities, Marc Jones (MJ) was looking at football provision for disabled people. ES also welcomed the debate. He noted that John Moules, the Chief Operating Officer of the Conference, had visited the club. When asked about the relative merits of growing talent from versus recruiting talent from elsewhere, Moules had answered that the most successful clubs tend to do both.

5.3 Gail Moss noted the reference to "Cabinet posts" in the Annual Report and asked whether this implied a new approach to roles on the DTB. MJ clarified that this was simply a colloquial way of referring to DTB member roles and not a new approach.

5.4 Ronan Warde noted from the October DTB minutes that there was a discussion about the extent to which DTB members were given access to the detailed worksheets underpinning the AFCW budget. TA replied that the question was over the extent of information that a Board should need and was an ongoing area of discussion. Ronan then asked whether, if a DTB member wished to see all of the detail of AFCW's finances, they were able to have access to this information. Various DTB members responded to this:

- JO noted that ES was on both Boards and so was able to explain any questions on AFCW finances to DTB members. However, there was a balance to be struck on the level of information provision as not all DTB members were financially aware. The situation that Ronan was asking about had not arisen to date and was therefore a hypothetical question;
- TA noted that if the DTB had areas of concern, then they would be able to seek this information;
- ES echoed that DTB members could have this level of access to AFCW financial information but noted that exercising such a right would suggest a serious deterioration in the relationship between the DT and AFCW.

5.5 Kevin Watson asked about the relationship between the DT and AFCW – in particular, which was the senior party in control of the other. MD explained that the DT and AFCW PLC were separate legal entities and it was necessary to observe certain formalities in the way they operated. Formally, the DT was able to exercise control of AFCW via a number of mechanisms, namely: influencing decisions via majority DTB member representation on the AFCW Boards; and the ability to requisition EGMs of AFCW and thereby bring forward resolutions, including resolutions to appoint and dismiss AFCW Directors[2]. In practice, the mere fact that the DT had these levers available to it meant that it was not necessary to operate them – there was a process of ongoing dialogue and AFCW would be unlikely to

[2] Secretary's note: The Secretary could have added that the Articles of Association prevent the AFCW Board from undertaking certain actions without the consent of the shareholders and that the DT has a sufficient voting interest in AFCW to approve or prevent all such matters as are put to shareholders.

go against the wishes of the DT when the DT could then exercise the levers formally available to it. This was at the essence of what it meant for the DT and AFCW to be part of the same group, the question raised by Geoff Seal at the previous SGM.

5.6 Jacki Harvie asked whether there was any progress on reviewing the £25 membership subscription. JO said that a reduction in the subscription would affect the activities that the DT could undertake. He noted that there had been no increase since the DT was first established, so the cost had declined in real terms. Jacki added that the £25 might be a reason for the membership level declining. JO pointed out that there had been an increase in the number of members following the year-end. MJ noted that a member of the new DTB would be responsible for membership and would look at the implications of membership subscription fees.

5.7 Geoff Seal asked for clarification of the reference in the Annual Report to a reduced number of SGMs. MD replied that there were two factors to be considered. One was that, in the DTB's view, SGM's were not a particularly successful way of engaging the membership – they were very formal and attracted a small number of members. The other was that discussion of general meetings takes up a significant proportion of the limited time available for DTB meetings. The Board had noted that one of the most successful discussions it had had with the membership this year had been the discussion at the June SGM on share ownership which had been conducted in more of an "open meeting" format. The view of the Board was that it would therefore be preferable to have fewer general meetings, say two per year, but to supplement these with other meetings such as open meetings, perhaps even themed meetings. The slot available for these could be replaced with a general meeting if there was formal business necessitating a general meeting. These were, however, only the Board's views and it would be up to the membership since the requirement for four general meetings was currently set out in the Constitution. A member observed that time was wasted at general meetings on questions and answers, which could be better addressed at open meetings before or after matches.

6. **Any Other Business**.

6.1 TA noted that Roger Dennis was stepping down from his Community Events activities, and would be succeeded in this role by Barrie Scott. There was a round of applause for Roger. It was noted that Roger was continuing in his Golden Goals role.

6.2 TA also thanked everyone who had volunteered during the year and asked them to identify themselves. There was a round of applause.

6.3 TA noted that Ivor Heller and Ron Trayhorn were stepping down from the DTB, having served on the Board since the DT's inception, and thanked them for their work. There was a round of applause.

6.4 TA noted that the AFCW AGM would start shortly and that it was open to all present, although only AFCW shareholders could vote. The next DT SGM would be held in the first quarter of 2006. He closed the meeting, thanking members for attending and wishing a Happy Christmas to all.

6.5 The meeting closed at 9.15 pm.

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Tom Adam, Dons Trust Chair

DONS TRUST QUARTERLY REPORT

QR01/06 March 2006

Quarterly Report to the Members of Wimbledon Football Club Supporters' Society Limited

Introduction — Tom Adam

This SGM report provides a summary of the work undertaken by the Dons Trust Board over the first quarter of 2006 in pursuing the Dons Trust Aims.

As in previous years, Board members participated in a workshop during January, where work areas for the year were confirmed and responsibilities assigned to individual board members. As part of this exercise, I am pleased to report that some rebalancing of individual work loads took place including back-up support arrangements, more decisions can now be made by e-mail due to the introduction of a more formalised approach for such decision making and acceptance of more devolved responsibilities with less frequent regular DT Board reporting. This has meant DT board meetings can now become more focussed and individual work loads more directed thereby tending to make DT board member tasks less onerous and perhaps encourage more members to seek election to the Dons Trust Board.

Furthermore, at the workshop, emphasis was placed on the importance of sustaining and increasing Dons Trust membership because without it, we risk losing everything we have created. It is incumbent on us all to encourage new members and to pursue old members who have yet to renew their membership. In recognition of this we now have a DT Board member devoted to this task and a number of initiatives are being pursued to strengthen our membership.

A liaison meeting also took place at the end of January between DT Board members and AFCW plc Board members to clarify working arrangements. Particular focus was placed on the DT Board establishing strategic direction for AFCW plc as well as overseeing key risk management issues and the continued monitoring of financial performance. Although financial monitoring has always been a key DT Board task and continues to be reviewed in the light of AFCW plc business development, risk management and strategic direction are major new areas of work for the DT Board which they intend to actively pursue. Furthermore, it was agreed that the role of Non-Executive Directors representing the DT Board on the AFCW plc Board needed to be reviewed and this is in hand.

Of course our single biggest priority remains the reduction of our stadium debt and it is pleasing to note that our fundraising team continues to make significant in-roads into reducing our Khosla debt to now under £500,000, which is tremendous. However, to reduce interest payments on the outstanding loan we need to continue to rely heavily on the Dons Trust Bond Scheme. You may recall, I mentioned in an earlier report consideration was being given to other funding arrangements to supplement the DT Bond Scheme although not so competitive interest rate wise, but more competitive than the Khosla loan. I am now pleased to report that an offer of a commercial loan has been made, acceptance of which is on the agenda for the forthcoming SGM. Whilst the bank loan will have a modest impact on the interest paid on AFCW's borrowings, the loan does need to be repaid. It is therefore important to stress that it remains incumbent upon us all to see that the capital loan is reduced. So fundraising remains paramount.

Progress made and expected during the year for the DT working areas including the Club is given in subsequent paragraphs.

AFC Wimbledon — Kris Stewart

The Youth Development Programme is now established as an integrated section covering teams from the under-8 to under-19 age groups. The most visible success story is the involvement of players from both the under-16 and the under-19 squad with the reserves. Most members will be well aware of the current status of the first team, currently two points off a playoff place. We are, therefore, on course and believe that Dave and the team have a great chance of qualifying for the playoffs. There are a few projects and initiatives that need highlighting.

Many of you will be aware that we have secured a deal with the Centre Court shopping centre, whereby we have an information point in the centre every Sunday. This needs manning by volunteers. We are looking for at least one volunteer to be a team leader for one Sunday every four weeks. This opportunity is priceless as it gives us a chance to market the club and the Community Football Scheme to the population that we represent in Wimbledon.

We are working closely with away clubs that we visit to provide a secure environment for our fans to watch football, encouraged by the Ryman League and the FA. We hope the information that we publish is useful and will help more of you to travel in knowledge that where you are travelling to is prepared and safe.

The smoking issue is one we would be interested to hear your opinions on. Given the recent House of Commons vote, should we wait for the legislation to come into force, or should we move more quickly to protect those who work in and visit our stadium bars? Please let us know what you think - email your opinions and thoughts to the usual address info@afcwimbledon.co.uk.

We are preparing for next season; there are some obvious items that need looking at. Playing budget is the most pressing, we have to try and judge what level our crowds will be and how much they will spend when attending our matches. We will not budget for any kind of cup run, the same system as this season will be used. That is budgeting to lose in the first round of all cups and being drawn away. If we could manage to go up then that would make this process very interesting indeed. The question then would be: what level of resources would we have to commit to stay in the league above, and could we afford to do that? I am sure that most of us would like to have that little problem to work out.

The Community Football Scheme continues to provide the primary community focus for the club. On average we deliver 50 sessions of coaching per week including curriculum time, after school clubs, mini soccer, match day academy and the advanced player centre – which has produced three kids who have subsequently gone on play for AFC Wimbledon youth teams.

All in all the club has continued to press forward with its all-round development. The appointment of a new Commercial Executive Keith McGuinness is already having a great effect. He has only been with us since the end of November so we need to give him time, but the early signs are extremely positive. We are sure that this appointment is one of many steps that will help to carry us on up the leagues.

AFC Wimbledon Ladies — Bert Dale

The senior ladies team has been hit hard by injuries and suspensions since the last report, and this has been reflected by inconsistent results on the pitch, beating the League leaders one week and losing to the team second from bottom the following.

The new management team of Lance Patey and Andrea McGrady has stayed positive and the return of England U21 international, Rachael Axon, after her short stay at Bristol, has helped settle the boat. The return of Rachael from the National Division side is a good indicator of the bonhomie at the club and bodes well for the future as we try and attract more quality players to join.

The reserve team, also under new management, has had a difficult season. New players took time to gel and the withdrawal of several clubs' reserve teams has meant big gaps between competitive fixtures. With home matches now played at Raynes Park Vale, it's hoped we can attract more local players to the team, and managers Andrew Mander and Cath Young have been instrumental in forging links with local clubs.

The success story this season has been the two new youth teams. The under 12s, managed by Nick Flinders and Terry Slate, and the under 14s, managed by Toby Crisp and Mick Whelan, were placed in the highest division of the County league and have both done extremely well for scratch squads. The under 14s in particular have attracted several players over the season and reached the quarter final of the County Cup, only losing in extra time - despite the goalkeeper breaking her wrist the previous week and a forward dislocating her shoulder during normal time!

Several functions have bonded both teams together and the hard work of the committee, particularly Teen Fraser, has enabled the youth section to run at zero cost to the Dons Trust. Work is also almost complete on achieving Charter status for the youth section. It's intended to run at least one team from under 12 to under 15 age groups next year.

A new activities working group has also been set-up, with the joint aims of raising both funds and awareness in the local community and fostering a "club image" for the players, parents and supporters.

Finally, the long running saga of attempting to merge the ladies section directly into the Dons Trust structure continues, with Supporters Direct adding their expertise to the efforts.

Fundraising — Geraldine Messenbird

The challenge for the fundraising team remains simple for this year: we aim to raise £100,000 towards repayment of Ground Fund debts. We continue to work towards this aim through one-off events large and small – focussing on AFC and non-AFC Fans; as well as ongoing fundraising activities.

The work is done by the Fundraising Working Group, which is led by Fazal Ahmad. We have 8-12 volunteers running events, promoting activities and other business. If you have good ideas, but more importantly would like to run an event please contact us via fundraising@thedonstrust.org or come to the back bar on a match day.

The FRWG meets monthly (approx) at Kingsmeadow on an evening or before a match. We are looking for more people to join the team as well as specifically looking for a secretary to take notes of our meetings – please help.

After the success of our Dinner with Dave Bassett, we are currently working on a Masters event and another Silent Auction – as well as planning some other activities linked to the World Cup. Further to this both the Dons Draw and Golden Goals continue to raise magnificent amounts of money. Thank you to everyone involved in fundraising.

Please continue to contribute wherever possible to fundraising – by reducing the debt we are able to invest more money into the club, the stadium and community events.

Stadium Working Group — Tom Adam

Stadium Working Group (SWG) members continue to be deployed across a number of Planning/Development/Maintenance areas. Progress achieved and planned for the year across these activity areas is as follows.

Planning – The two revised planning period extension applications taking the capacity to 6,000 at Kingsmeadow, were submitted to the Royal Borough of Kingston in January of this year. Determination of these two applications is due to take eight and thirteen weeks respectively since they vary considerably in the amount of building work involved. Ongoing work for the year will vary depending on the outcome of the determinations

Stadium Maintenance – Resurfacing work at the athletics end of the stadium is nearing completion, although some outstanding snagging issues remain to be resolved. A scheduled maintenance programme is in the course of preparation so that maintenance can be managed more effectively.

Stadium Improvements – Emphasis is being directed at extending the main stand roof out to provide a measure of cover for the first two rows, a make-over of the middle bar area and an upgrade of toilet facilities.

Facilities for Training, Youth Football and Community Football Scheme - In response to a London Bough of Merton (LBM) invitation for the Club/Trust to submit a proposal by early May, SWG members are actively assisting in the preparation of a submission for the development of Morden Park as an outdoor sports facility.

LBM Local Development Framework (LDF) – SWG members have been in liaison with LBM planners concerning possible longer term opportunities for the Club in the London Borough of Merton. This has been reflected in a LDF submission to LBM by the Dons Trust. The LDF process is subject to continuous iterations as part of the annual LDF review cycle where, over time, longer terms aspirations move towards reality.

Communications — Stephen Butterick & Bert Dale

Comms continues to make available as much as possible of the DT Board's work on the DT's section of the club's website. For example, abridged minutes of DT Board meetings are posted, and working groups can now publish the minutes and agendas of their meetings, which all helps to enhance and improve the flow of information to the membership.

We are also hoping to improve the DT pages in the programme – it is not fair to assume that most fans/members spend time poring over the DT details on the website. The programme offers a regular platform for the DT Board to explain in more detail what it does.

We hope to liaise more with the different working groups, and try to increase the flow of information to the membership.

Comms is also ready to aid or assist other DTB colleagues, in areas such as fundraising, and community initiatives, when they are promoting or working on one-off events.

Community — Marc Jones

Despite having apparently started the "Community" role at least before the previous report there still remains much work to be done until we can see any form of movement. That may well sound rather despondent - it isn't, I prefer to think of it as realistic.

Work carried out since the previous report has involved looking to other clubs and Trusts and how they work both within and for their defined communities (those of you able to recall previous reports will be aware that our first issue was defining our community – the answer was to recognise we have more than one – think birthplace/stadium location for an easy example of how this works). Unfortunately most of the work studied elsewhere involved usage of facilities – something that is a luxury we do not really have, despite owning our stadium. By that I refer to the fact that the likes of AFC Telford have built new areas that are used as classrooms etc. It should be noted that following an approach from local police officers the club offered the back bar to a community-based event free of charge and also assisted with food etc.

Speaking of police officers, a relationship is being forged and despite being in its infancy I believe it is safe to say the fact that the club/Trust were keen to work on this partnership was very well received by two police officers that clearly care about the community surrounding the stadium and work very hard with the members of it. A local street party is to be held in May and again both the club (in the main by way of use of tables etc) and the Trust (possible funding etc) are again working with the police and community. It is hoped this go someway to addressing any potential resentment to AFC Wimbledon caused by obvious interruption to daily life!

Here's where I hand over to you, the members. Many of you speak about wanting to be a community club. Some of you may not care either way, but I believe a responsible club that wishes to be thought of as doing good things the right way needs to address what so far has been a missing aspect to our work. So, what am I after? Primarily I am looking for pilot schemes to trial where possible. If you work with a youth club, have involvement in boys/girls football or even a local church/mosque (for example) and believe the Trust could offer you assistance with funding/football coaching etc then please get in touch with me. As much preparatory work as you can offer would be fantastic help.

If you have an appetite to get involved at any level please grab hold of me/e-mail me. This is a fledgling arm of the Trust that requires as much involvement as possible in order to make sure it gets not only the attention it deserves but also a wave of enthusiasm to ensure when I next report progress is sufficient to make us all believe we are moving in the right direction.

Community Events — Barrie Scott

The Community Events Group organised the third Junior Dons Christmas party on 11 December, once again mainly organised by Nina Smith. It proved to be one of the most successful, with over 120 Junior Dons and their friends attending. One of our fans John Kelly (Rocking Paddy) volunteered to be the DJ for the afternoon and proved a great favourite with the children - especially with the games he organised, the most notable of which was the 'Egyptian Mummy Game', which involved wrapping toilet paper around a person so that in the end they looked like an 'Egyptian mummy'. Four of the players kindly volunteered to be the 'mummies' and the game, as can be imagined caused great amusement, and I'm sure that the players who took part all gained a new legion of adoring young fans. Father Christmas arrived later on in the afternoon and was ably assisted by Dave Anderson and many players in handing out the presents to the children. Thanks must go to all those volunteers who helped on the day in making this event so enjoyable.

The next main event will be the fourth Family Fun Day, on Sunday 14 May. Most of the activities are planned to take place on the pitch although it is hoped that once again we can make use of the all-weather 5 a side pitches at the athletics stadium. We are still investigating the 'main attraction' but we know that our very own football speed game which measures the speed of the shot will be there along with many other attractions including stalls run by outside organisations. Once again we are hoping that a number of players will be available to enable supporters to have the opportunity of chatting with them and having their photographs taken. We also anticipate that the Merchandise group will have another successful day. Leaflet printing and distribution, advertisements etc will all start to be organised once the date is confirmed.

We are also planning to attend the Wimbledon and Mitcham Carnivals as well as a number of school fairs. To date we have applied for two stalls at the Wimbledon Carnival and have been invited to attend one school fair following the success of last year. These events proved an excellent method last year of promoting the Trust and the club in the surrounding communities, reminding them of the Trust's work and the existence of a very successful football club in their area. One school, due to our visit, dispensed with the services of Fulham F.C. in favour of our own Community Football courses.

We have also discussed trying to organise some help from the group with the on-going tie up with Centre Court Shopping Centre, Wimbledon to promote the Club and the Trust in and around the Wimbledon community. Unfortunately Sunday is a difficult day to commit for most of the group but various suggestions such as a rota system, as well as specified tasks will need to be addressed with the club.

Finance Working Group — Erik Samuelson

The work of the Finance Working Group in organising a loan from a commercial bank to replace the loan from Mr. Khosla is covered in a separate paper circulated with the papers for the 30 March Special General Meeting.

Treasurer — John Owen

Unaudited financial statements as of 31 December 2005 are appended to this report.

The surplus for the six-month period to 31 December 2005 came to a total of £41,953 which, whilst down on the £66,948 achieved in the comparative six-month period to 31 December 2004, was closely in line with our budget estimations.

Turnover from membership income increased during the period to £17,765 from a comparative total in the six-month period to 31 December 2004 of £15,555. This 14.2% increase in turnover was achieved by 934 senior and junior members joining, or renewing, their membership, in comparison with a total of only 805 members joining or renewing in the comparative period to 31 December 2004, an increase of 129 members joining or renewing. This increase can be identified due to efforts made in respect of lapsed members of which 141 senior lapsed members and 33 junior lapsed members rejoined the Dons Trust during the six month period to 31 December 2005.

There was no sponsorship income taken in the six-month period to 31 December 2005 in comparison to a total of £10,500 received in the comparative period. In that the AFC Youth Academy has been transferred to AFC Wimbledon, including all costs, it was thought appropriate for the sponsorship income, largely received to cover such costs, to "follow the costs" and be received directly by AFC Wimbledon.

Costs were by and large similar in the period under review in comparison to the comparative period. However, during the six-month period to 31 December 2005 only £5,000 was paid over to AFC Wimbledon Ladies in comparison to £10,000 that was paid out in the comparative period. The additional balance of £5,000 required to fund the Ladies was subsequently paid over in January 2006 and will be reflected in the unaudited results to 31 March 2006.

The principal reason why the surplus for the six month period to 31 December 2005 declined in comparison to the comparative period to 31 December 2004 was due to a decline in fundraising profits. Whilst the Dons Draw and Golden Goals, between them, achieved a total surplus in excess of £31,000, the absence of any other major fund-raising event in the period meant that total surpluses from fundraising declined to £37,371, from a total of £54,884 in the comparative period to 31 December 2004. However, on the positive side, the Dons Draw and Golden Goals are budgeted to achieve between them a total of £60,000 for the full year to 30 June 2006, and with various fund raising events budgeted, and now programmed, to take place in the second half of the current year, the full year fundraising profits are still expected to come close to our £98,000 budget figure.

Turning to the balance sheet, as previously reported, in August 2005 the Dons Trust sold 6,700 A Ordinary shares in AFCW PLC to WISA for £4,020, whilst in November 2005 the Dons Trust subscribed to a further 300,000 A Ordinary shares in AFCW PLC at a cost of £180,000.

In respect of the Khosla debt, during the six-month period to 31 December 2005, a total of £80,000 funding was transferred to AFCW PLC who in turn reduced the Khosla debt by £100,000 from £540,000 to £440,000. The additional £20,000 payment made by AFCW PLC was due to "timing differences" in the transmission of funds to Mr Khosla, and this additional payment effectively "balances the books".

The £80,000 transferred to AFCW PLC by the Dons Trust came from £28,965 in new lump and monthly Dons Trust bonds as well as £51,035 from funds generated by the Dons Trust itself. Further progress on reducing the Khosla debt is anticipated in the second half of the current financial year

Membership — Sandy Lawrence

The overall membership continues to remain strong at around 2,000 (including juniors). However, there is no room for complacency here, as a strong membership is vital in order to safeguard the club.

Consequently, it is important that we continue to look for ways to recruit new members, and to persuade lapsed members to rejoin.

I know that some people feel that the cost of membership of £25 is too high. However, this is an area which has been looked at recently, and the current view is that the existing level should be maintained at least for this year's subscriptions. However, it is intended to keep this under review, with a view to seeing if it is feasible to change the subscription rates for 2007.

Other initiatives this year will include:

- considering longer term memberships (such as five or ten years, or possibly life membership) for possible future implementation. Naturally, this will not be implemented until after the review of membership cost is completed;
- reviewing the collection method, with a view to implementing a system of collection by Direct Debit;
- considering the implementation of fewer renewal dates (perhaps one or two per year).

In addition to the above, we intend to continue to promote DT membership through existing communication channels (e.g. matchday programme, matchday DT Desk, website, regional coordinators) and as appropriate, identify new communications channels for the purpose of such promotion.

Finally, I would like to add a word of thanks to the Membership Secretary, John Stembridge, who does a lot of work behind the scenes to ensure that the whole membership system works efficiently.

Volunteers — Chris Philips

This item will be covered in a future Report.

Legal & Constitution — David Cox

When we launched the Constitutional Review last year we published a route map on the website that set out the process we hoped to adopt. As with all complex journeys of this type the path has proved more time consuming than first considered and, whilst we are making progress, we have slipped behind schedule. I apologise for the delay but would like to reassure the membership we are planning to deliver a significant discussion document before long.

The Constitutional Review Group continues its work in three significant areas. Whilst these are being dealt with separately they are intrinsically linked and as a consequence work is consistently cross-referenced to ensure thinking is joined up.

- Technical Areas – These are essentially areas of the Constitution that require tidying up and or re-drafting without being particularly controversial. A first draft has been released to the DT Board and it is hoped will be available for the broader membership to view shortly. As with all changes to the Constitution the work will eventually be presented as recommendations and will require membership approval.
- Matters of Principle – This refers to areas of concern that may have a bearing on the future of the DT or its stewardship of AFCW PLC and subsidiaries. It is a case of building in safeguards whilst allowing the business to continue to thrive.
- Further issues, such as insufficient people wishing to become Board Members and the potential implications of a significant drop in DT membership.

We will be looking to involve the wider membership where possible before the revised constitution is brought to General Meeting for approval. We have a number of ideas for doing this but are proposing to produce a short consultation document to be distributed to members indicating the key issues on which we would like input. Workshops would then be held to discuss ideas and contributions would be invited in writing too.

We are actively seeking a dialogue with the membership. We want to understand the issues that you feel need reviewing and receive input on the topics under review. I would encourage anyone wishing to provide input to e-mail me on david.cox@thedonstrust.org.

Secretariat & AGM/SGM Management — Mark Davis

The main focus over the past quarter has been to support the new Board in getting up and running. Although there are only two new faces, the handover to a new Board provides an opportunity to review the way the Board works. A few changes have been made since December, including revising the Board agenda, implementing arrangements for decision-making by e-mail, revising the Board rules so as to redefine the way collective responsibility operates and arranging for the selection of a new DT Board nominee to the AFCW Board, namely David Cox.

The new agenda and e-mail decision-making procedures are intended to create more space for strategic discussion in Board meetings, leaving more of the day-to-day management issues to be resolved outside meetings. The revised approach to collective responsibility maintains the framework of Board cohesion in implementing agreed policy but reinforces the democratic basis of the Society by making decision-making more transparent. The effectiveness of these innovations will be kept under review. The e-mail decision-making procedures and revised Board rules can be found in the DT publications section of the website.

Secretarial priorities for 2006 were agreed at the Board's workshop in January as follows:

Priorities for 2006

- To involve a wider team in the Secretarial work, including improved co-ordination with the AFCW Secretary.
- To take account of corporate governance procedures rolled out by Supporters Direct.
- To refresh our understanding of the Data Protection Act.
- To set and implement document retention procedures.
- To make SGM & AGM papers more accessible to members via the website.
- To devise a new approach to SGMs, acceptable to members and the Board.
- To support the Constitution Review, including any new policies to be specified by the revised Constitution.
- Succession planning – managing the process of transition to a new DT Secretary by end 2006.

Attention has now turned to taking forward these priorities. In particular, recent adverts for Secretarial support have elicited a number of responses which will be actively pursued.

The first SGM of 2006 takes place at Kingsmeadow on 30 March at 7.30pm, immediately followed by an EGM of AFCW PLC. If you have a Members' Resolution that you wish to put forward for future SGMs, please contact secretary@thedonstrust.org.

Conclusion Tom Adam

I am sure Dons Trust members will agree from this first report of the year, the Dons Trust Board has got off to another good start with Board members taking forward their assigned responsibilities with enthusiasm and directed at meeting our Dons Trust Aims. The introduction of further board management initiatives, mentioned in this report, should ease the load on individual board members and make the tasks of DT Board members less onerous. Furthermore, it is encouraging to note from the prompt response already received from those offering administrative support to the Board Secretariat, illustrates that members remain committed to help where they can.

The importance of volunteers cannot be overstressed since it is their contribution that is critical to the success of the Dons Trust. Thus any voluntary contribution members can offer against the various work areas given in the report, would be greatly appreciated and if you can see your way clear to undertaking such work, please make yourself known to DT Board Members or the DT Secretariat.

It is great to note that our fundraising initiatives are going off at a pace this year and are on target to continue to make a considerable dent in our stadium debt. I thank the fundraising team who make the initiatives a reality and to every one else who contributed financially. Although I do not usually single out events, I feel the “Evening with Harry” is worthy of mention since the income exceeded all expectation, partially as a result of the auction and the high level of collaboration between the Trust and the Club. Whilst some of you may feel our debt is under control, it still needs to be cleared and therefore remains top priority. Thus support from all Trust members in our fundraising initiatives remains paramount.

With the commercial loan available to replace the Khosla Loan we are effectively preparing ourselves for raising capital for future investments. For example, members will remember from the Share Offer Prospectus the mention of the perimeter lease, needed for implementation of the Planning Permissions and the required purchase at the right time and on authority from the Dons Trust membership. The Commercial Loan will provide the vehicle for securing the capital for such a purchase.

On the football side, the year has seen the Club move towards their target of the Ryman Premier plays-offs and the prospect of achieving this remains high. The Don Trust Board on behalf of the membership, wishes to extend its appreciation to the Club, in particular the playing staff, for their hard work and looks forward to one of the play-off places being secured by the Club. Furthermore, it is great to note that Youth football is going from strength to strength, the ladies are consolidating their league position and Community football is gaining recognition.

I would like to take this opportunity to thank everyone who has made the work of the Dons Trust a success so far this year and to confirm that the Dons Trust Board remains fully committed to full transparency and accountability.

*Know your Board**

Tom Adam	Dons Trust Chair; Stadium Working Group	tom.adam@thedonstrust.org
Stephen Butterick	Communications	stephen.butterick@thedonstrust.org
David Cox	Dons Trust Vice Chair; AFCW Non-Executive Director; Legal & Constitution	david.cox@thedonstrust.org
Bert Dale	AFCW Ladies; Communications	rob.dale@thedonstrust.org
Ivor Heller (co-opted)*	AFCW Executive Director (Commercial)	ivor.heller@thedonstrust.org
Nigel Higgs	AFCW Executive Director (Youth & Community Football)	nigel.higgs@thedonstrust.org
Marc Jones	Community; AFCW Non-Executive Director	marc.jones@thedonstrust.org
Sandy Lawrence	Membership	sandy.lawrence@thedonstrust.org
Geraldine Messenbird	Fundraising	geraldine.messenbird@thedonstrust.org
John Owen	Treasurer	john.owen@thedonstrust.org
Chris Philips	Volunteers	Chris.philips@thedonstrust.org
Erik Samuelson	AFCW Executive Director (Finance); Finance Working Group	erik.samuelson@thedonstrust.org

* *Ivor Heller was co-opted to the DT Board for a limited period in December 2005 pending resolution of the arrangements for cross-representation between the DT and AFCW Boards.*

Dates for your diary

Thursday 30 March	Dons Trust SGM and AFCW PLC EGM (7.30pm, Kingsmeadow)
Sunday 14 May	Family Fun Day

Wimbledon Football Club Supporters' Society Limited

INCOME & EXPENDITURE ACCOUNT	**2005/2006 Unaudited**	***2004/2005 Unaudited***	**2004/2005 Audited**
	6 months to 31/12/05	***6 months to 31/12/04***	**12 months to 30/06/05**
	£	***£***	**£**
Turnover			
Membership Income - Adults	15,725	*13,900*	39,646
Membership Income - Juniors	2,040	*1,755*	2,620
Sponsorship Income	0	*10,500*	1,500
Donations	2,225	*3,410*	6,252
Bond Interest Receivable	2,400	*0*	3,990
Other	157	*193*	4,123
	22,547	*29,758*	**58,131**
Administrative expenses			
AFC Ladies	(5,000)	*(10,000)*	(12,060)
Membership Expenses	(562)	*(4,386)*	(8,425)
SGM Expenses	(604)	*0*	0
AGM & Election Costs	(1,000)	*(1,699)*	(1,699)
Legal & Professional Fees	(2,263)	*0*	0
Junior Dons	(1,733)	*0*	0
AFC Wimbledon Youth Academy Sponsorship	(2,500)	*0*	(10,758)
Community Football Sponsorship	0	*(1,577)*	(2,844)
Community Chest	(1,000)	*0*	(2,000)
Communications	(1,000)	*0*	0
Bond Interest Payable	(2,400)	*0*	(3,990)
Other	97	*(32)*	(270)
	(17,965)	*(17,694)*	**(42,046)**
Fund Raising			
Dons Draw	21,647	*6,693*	25,042
Golden Goals	9,682	*6,747*	15,402
Silent Auction	1,750	*0*	0
Loose Change	1,206	*0*	0
Donations	937	*4,071*	6,380
Sponsor A Seat	100	*6,626*	8,066
Weird & Wonderful Rematch	0	*18,915*	19,025
Walk for Wimbledon II	0	*(3)*	9,694
Evening with Ossie	0	*0*	9,170
Boxing Night II	0	*9,170*	2,180
Other events less than £2,000	2,049	*2,665*	12,681
	37,371	*54,884*	**107,640**
Excess of Income over expenditure	**41,953**	*66,948*	**123,725**

Wimbledon Football Club Supporters' Society Limited

BALANCE SHEET	2005/2006 Unaudited At 31/12/05	2004/2005 Audited At 30/06/05
	£	£
Investments		
Shares in AFCW PLC	355,603	179,623
Current Assets		
Amounts due from AFCW PLC (net)	306,625	385,631
Sundry debtors	2,125	9,305
Cash at bank and in hand	20,134	41,505
	328,884	**436,441**
Current Liabilities		
Creditors falling due within one year	(11,282)	(13,777)
Net Current Assets	**317,602**	**422,664**
Total assets less current liabilities	673,205	602,287
Other Creditors		
Creditors falling due after more than one year	(268,945)	(239,980)
Net Assets	**404,260**	**362,307**
Share Capital		
Opening balance	1,593	1,751
Shares issued in the period	0	179
Less: Forfeitures	0	(337)
Closing balance	**1,593**	**1,593**
Reserve Fund		
Opening	360,714	236,989
Surplus for the period	41,953	123,725
Closing	**402,667**	**360,714**
Members Funds	**404,260**	**362,307**

<u>**Agenda item 3: Resolutions proposed by the Board**</u>

<u>**Wimbledon Football Club Supporters' Society Limited ("The Dons Trust")**</u>

The Board proposes the following Resolutions to be presented to the Annual General Meeting of the Dons Trust on 30th March 2006.

<u>Resolution 1</u>

"That the Society should exercise its voting rights in AFCW PLC in favour of a special resolution to be tabled at an Extraordinary General Meeting of AFCW PLC on 30th March 2006, authorising AFCW PLC and/or its subsidiaries to enter into, and/or guarantee, a loan facility with Barclays Bank PLC secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans' Stadium – Kingsmeadow, as more particularly described in the agenda for the EGM dated 7th March 2006."

<u>Resolution 2</u>

"That the Society Board should be authorised, at its discretion and on such terms and conditions as it considers prudent and appropriate, to enter into arrangements for the Society to guarantee the loan facility contemplated by Resolution 1."

The above Resolutions require a simple majority of votes cast to be passed at the meeting. Please find attached a Proxy Form for your use if you are unable to attend the meeting.

The remainder of this paper sets out the background and the Board's reasoning in relation to its recommendations in favour of the above Resolutions.

<u>**Resolution 1**</u>

Members will be aware that AFC Wimbledon and the Finance Working Group have been working for some time to arrange a bank loan facility for the refinancing of the loan provided by Mr. Khosla as part of the transaction to acquire the lease over The Fans' Stadium – Kingsmeadow in 2003.

After approaching a number of banks, an offer has been received from Barclays Bank PLC to provide a loan facility of £600,000. The bank requires all three companies within the AFCW Group, i.e. AFCW PLC, AFCW Stadium Limited and AFC Wimbledon Limited to cross-guarantee the facility and also requires a fixed charge security interest over the leasehold interest in The Fans' Stadium - Kingsmeadow. The terms and conditions of the facility are further described in a paper prepared by AFCW PLC and attached as an Appendix.

AFCW PLC is seeking shareholder approval for the loan facility and has called an Extraordinary General Meeting on 30th March 2006 for this purpose. In recent weeks, the Dons Trust Board has decided: (i) to give Dons Trust members the opportunity to decide, by way of a resolution in General Meeting, whether the Dons Trust should vote in favour of the bank loan facility at the EGM and (ii) to recommend to members that they should vote in favour of the resolution. This recommendation was arrived at through a majority decision, with nine Board members voting in favour, one voting against and the remainder abstaining or not voting.

In arriving at this decision, the Board took account of the opportunity to create a track record of borrowing that could be useful for financing future investments (such as the opportunity to acquire the perimeter lease at Kingsmeadow) as well as the lower interest rate offered by Barclays as compared with the Khosla loan. Although there are some disadvantages compared with the Khosla loan (e.g. the fixed repayment profile, the need to maintain certain debt service cover ratios and – although this might have arisen anyway - the need to ask Dons Trust Bond investors to agree to postpone repayment of their loans), the Board was of the view that the advantages of refinancing with Barclays outweighed the disadvantages.

The Board's decision to recommend the loan to members was subject to the conditions that: (i) Dons Trust Bond holders should approve postponing repayment of the bonds; (ii) the overall repayment profile of AFCW's indebtedness would need to be acceptable, taking account of such postponements; and (iii) any drawdowns under the facility would be subject to prior Dons Trust Board approval. This third condition provides a mechanism for the Board to be satisfied that the first two conditions have been met. It also provides a procedure through which the Board and AFCW would reach agreement on how responsibility for servicing incremental borrowings (i.e. over and above the £400,000 required to repay Mr. Khosla) would be shared between DT fundraising activities and AFCW's own operating cash flow.

The Dons Trust Board has informally contacted a number of Dons Trust Bond holders regarding their willingness to agree to postpone repayment of amounts due under the Bond. These contacts will be followed up more formally in due course, assuming that the Barclays loan is approved by DT members and AFCW shareholders.

The Board recommends that members vote in favour of Resolution 1.

Assuming that Resolution 1 is approved by members, then the Dons Trust will vote in favour of the resolution to be tabled at the AFCW PLC EGM. Since the Dons Trust has a controlling stake in AFCW PLC, an affirmative vote by the Dons Trust will ensure that AFCW PLC receives shareholder approval to proceed with the Barclays loan.

In the event that Resolution 1 is rejected by members, then the Dons Trust Board will listen to the views of members expressed at the SGM on 30th March and will decide, in light of that feedback, whether to abstain from exercising the Dons Trust's votes at the AFCW PLC EGM or to vote against the proposed loan.

Resolution 2

The Board understands that the documentation received to date from Barclays Bank does not at this stage call for the Dons Trust to guarantee AFCW PLC's (and/or its subsidiaries') obligations under the loan facility (although cross-guarantees between AFCW PLC, AFCW Stadium Limited and AFC Wimbledon Limited are required).

However, based upon the discussions between AFCW and Barclays to date, the Board considers that there is a reasonable likelihood that the bank will ask for a guarantee from the Dons Trust in support of the facility. In order to avoid the need to call a further SGM in the very near future, should this become a requirement, the Board is seeking authorisation from members for the Dons Trust to guarantee the loan. This recommendation was arrived at through a majority decision, with eight Board members voting in favour, one voting against and the remainder abstaining or not voting.

Since it would be desirable to establish a track record for AFCW PLC and its subsidiaries as borrowers in their own right, the Dons Trust Board has no intention of offering a guarantee from the Dons Trust unless this is a stated requirement of the bank. Any such request would be considered by the Board on its merits, taking into account the terms and conditions of the guarantee and any advantages that might be gained in the overall terms and conditions available under the facility.

It should be noted that the consequence of providing a guarantee would be that, if the borrower defaulted in its obligations under the loan facility, then the bank would not only have the options of foreclosing on its security interest in the Fans' Stadium – Kingsmeadow and/or seeking repayment from other companies within the AFCW Group (as guarantors) but could also seek to enforce the guarantee from the Dons Trust by requiring the Dons Trust to repay the facility. Such a situation could potentially jeopardise the financial solvency of the Dons Trust.

Whilst the Board is therefore not seeking to offer the bank a Dons Trust guarantee of the loan facility, it is asking members to give the Board authority to do so, should the need arise. For the avoidance of doubt, if Resolution 1 is rejected and the bank loan therefore does not proceed, there would be no need for the Dons Trust to provide a guarantee to the bank.

The Board recommends that members vote in favour of Resolution 2.

APPENDIX

TEXT OF LETTER FROM AFCW PLC TO SHAREHOLDERS

Dear Shareholder

Proposed loan from Barclays Bank PLC

Enclosed with this letter is a notice inviting you to an Extraordinary General Meeting of AFCW PLC, to discuss the following resolution:

That, subject to the receipt of written confirmation from appropriate Dons Trust bond holders in relation to deferring their right to repayment of their bond, and the satisfactory negotiation by the directors of AFCW PLC of acceptable terms and conditions with regard to the proposed loan, the directors of AFCW PLC be hereby authorised, pursuant to article 98.2 of the company's articles of association, to enter into loan facilities with Barclays Bank PLC up to a sum of £600,000, secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans' Stadium - Kingsmeadow.

I write to explain the proposed loan and the issues around it. I hope you are able to make the meeting.

The Proposal

That the board of AFCW PLC be empowered to:

- accept the offer of a credit facility of up to £600,000 with Barclays, secured via a charge on the ground
- draw down on this facility over the coming months as needed to the tune of a total of approximately £400,000 to repay in full the debt owed to Mr Khosla, clearing his charge over the ground
- draw down further amounts up to the £600,000 total to enable further purchases, such as the potential purchase of the perimeter lease, only as approved in advance by the board of The Dons Trust. For the avoidance of doubt, each draw-down would need prior approval from the board of The Dons Trust.

Background

As members know, following our acquisition in 2003, the long leasehold interest in the stadium is owned by AFCW Stadium Ltd and that company owes money to Mr Khosla. Over the time since the acquisition, due to the share issue and the fundraising efforts of The Dons Trust, we have reduced the amount outstanding from £2,400,000 to approximately £400,000.

Interest is charged on the Khosla loan at base rate plus 5% points, currently 9¾%. Since we took on the loan we have been searching for a means of obtaining cheaper finance.

The Offer

We now have an offer of a loan from Barclays. The facility on offer is of up to £600,000 and is available to be drawn down in varying amounts over the year from when we take the first amount.

This loan would be repayable over 10 years at an interest rate of base rate plus 2.5% points, currently 7¼%. Additional repayments may be made at any time without any penalty.

Other conditions apply to the loan. Barclays have already obtained a satisfactory valuation of the stadium to support the loan. They require the security of a charge over the ground, as Mr Khosla currently has. They also require that AFCW PLC, AFC Wimbledon Ltd and AFCW Stadium Ltd provide cross-guarantees – this simply means that all three companies within the AFCW Group would be responsible for the loan.

The other noteworthy condition is in the form of a financial covenant. Under the proposed agreement, we would promise that in each year of the loan, our cash flow would be at least one and a half times our debt service.

Our cash flow in this instance means our profit, adjusted for non-cash items such as depreciation on capital assets, added to the funds raised by The Dons Trust and passed to the PLC. Our debt service is simply the payments to be made to Barclays.

We are confident that we would meet this measure in the first year, according to current forecasts, and we believe that we will be able to manage our finances in future years to ensure that we meet this promise.

The significance of this covenant is that it is a condition of the loan and therefore should we fail to meet this level, Barclays would be entitled to call in the loan. Although it is theoretically possible for this to happen even while we are making all the required repayments, our advice and our belief is that this is very unlikely indeed.

The Issues

Risk to the stadium

The Khosla loan agreement contained no “drop-dead” date, by which the sum borrowed had to be paid back. As long as we pay the interest, the ground is not at risk.

Under the terms of the Barclays loan, the charge over the stadium could be exercised if we fail to make the agreed repayments. It could also be exercised if we fail to meet other obligations under the loan, in particular breach of the financial covenant discussed above.

Although, as stated, the directors believe that the repayments can be met and the covenant can be adhered to, this is a change in the level of risk and shareholders must decide for themselves if they are happy to accept this.

Affordability

Repayments would consist of both capital and interest. Capital repayments due on the existing level of borrowings (i.e. up to £400,000) would continue to be met through the fundraising activities of The Dons Trust, with the interest element being met from the football club. Responsibility for any additional borrowings (i.e. the £200,000 which is not needed for repaying Mr Khosla) would be decided in conjunction with the Dons Trust Board at the time that further drawings were approved. In assessing the affordability of the repayments, the directors have taken into account the current year’s budget for fundraising from The Dons Trust, of just under £100,000, and the commitment of the board of The Dons Trust to maintain fundraising at a similar suitable level in future years to support repayments.

There is a significant issue in future years, in that £202,000 of Dons Trust Bond monies are due for repayment in 2008 and a further £77,000 in 2009. A significant proportion of these repayments would have to be deferred for the Barclays loan to be affordable (indeed, there would be a serious issue about repaying the £202,000 even without the loan).

Informal discussions with holders of a large proportion of these Bonds indicate that such a deferral could be made. This would need to be formalised to our satisfaction before any loan could be taken out.

Note that the proposal – and the resolution – authorises the PLC board but does not commit it to doing so. We will review our situation carefully and if any circumstances have changed we may decide not to proceed.

Cost savings

In the first year, taking into account the up-front loan costs and the interest savings, the overall effect on profit will be negligible.

The cost savings in future years are not substantial. We are saving 2.5% on a reducing balance which is a maximum of £400,000. So annual savings will be less than £10,000 and will reduce over the time of the loan.

Track Record

Finance Director Erik Samuelson, the Finance Working Group and two different firms of intermediaries have been working on this project since July 2003. In that time we have approached 17 institutions and have been turned down at various stages by 16 of them. Many simply will not do any loan business with a football club, after the poor financial record of a number of clubs over recent years.

There will come a time in the future when we are in need of loan finance – required significant building works at the stadium being the most likely situation. When that time comes, as it surely will, we do not want to be back at the beginning of a three year process, with no guarantee of obtaining a loan offer.

Having obtained and repaid a loan from Barclays will establish a track record for us which, we hope, will enable any future applications for finance to be examined on their own merits and not dismissed simply because of our status as a football club.

Conclusion

At its most recent meeting on Thursday 23 February the AFCW PLC board voted unanimously to recommend to shareholders that we go ahead with the Barclays loan, subject to the issue with the holders of DT Bonds being resolved satisfactorily.

We make this recommendation believing that the risks are acceptable and that the loan is affordable. While acknowledging that the cost savings are not significant, we believe the establishment of a credit record will prove invaluable in enabling the progress of our club towards reaching our aim of regaining Wimbledon's place in the Football League.

Wimbledon Football Club Supporters' Society Limited ("The Dons Trust")

FORM OF PROXY

I, ……………………………………………………………………………………..… of

……………………………………………………………………………………..

being a Member of the Society, hereby appoint

…………………………………………………………..……………… (please specify)

or the Chairman of the Meeting

as proxy to vote for me on my behalf at the Special General Meeting of the Society to be held on the 30th March 2006 and at any adjournment thereof.

This form is to be used in accordance with my instructions below:

I instruct my proxy to vote as follows

(Please place an X in one box ONLY in respect of each resolution)

Proposed Board Resolutions	**In Favour**	**Against**	**At my proxy's Discretion**
1. "That the Society should exercise its voting rights in AFCW PLC in favour of a special resolution to be tabled at an Extraordinary General Meeting of AFCW PLC on 30th March 2006, authorising AFCW PLC and/or its subsidiaries to enter into, and/or guarantee, a loan facility with Barclays Bank PLC secured by a fixed charge over the leasehold interest of AFCW Stadium Limited in The Fans' Stadium – Kingsmeadow, as more particularly described in the agenda for the EGM dated 7th March 2006."			
2. "That the Society Board should be authorised, at its discretion and on such terms and conditions as it considers prudent and appropriate, to enter into arrangements for the Society to guarantee the loan facility contemplated by Resolution 1."			

(Unless otherwise instructed above the proxy may vote or abstain as he or she thinks fit.)

Signed ……..………………………… this …..….. day of …………………… 2006

Membership Number …………………. (if known)

Please return by post not less than 2 clear days before the meeting to be held on 30th March 2006 to:

The Secretary
The Dons Trust
The Fans Stadium – Kingsmeadow
Jack Goodchild Way
422a Kingston Road
Kingston-upon-Thames
KT1 3PB