

## Report on Annual General Meeting held on 15 December 2017

Chairman John Berylson joined fellow directors at Millwall's December AGM, held at The Den on Friday.

Resolutions considered at the meeting included acceptance of the accounts, re-election of four directors (John Berylson, Demos Kouvaris, Trevor Keyse and Peter Garston) plus re-appointment of auditors to the company, BDO LLP. As Special Business shareholders were asked to approve an increase in the authorised share capital by £20million and permit the Board to issue additional B shares in future. These resolutions were all voted on by attending shareholders and proxy voters with over 99 per cent in favour.

### Millwall chairman John Berylson then addressed the attendees and provided the following update on the Regeneration issue:

I am sure that most of you are by now fully aware of the background to the bitter disputes over the land adjoining The Den. The opposing arguments are between Lewisham Council and Renewal on the one hand and Millwall Football Club and the Millwall Community Trust on the other.

I am very grateful to all our supporters and friends in the community who have spoken up for us and made this a true community issue. I have come to love this community and I am intent on doing what I can to make it a better place for its current residents and businesses. Lewisham and Renewal seem happy to eject them without proper compensation or a viable alternative.

The Council has always said that it puts the football club at the heart of its core strategy. We welcome the redevelopment and regeneration of New Bermondsey; why wouldn't we want our neighbourhood to be improved and made safer; why wouldn't we want the new transport links? But we want to play our full part.

We want to be able to develop our own land within the wider scheme for the benefit of the Club and its fans and neighbours. We want to be able to build facilities that are complementary to The Den and enable us to use all the amenities fully on both match and non-match days. We want to build apartments, a hotel, retail outlets and more that will produce long-term income for the Club. We want to provide free accommodation for our community scheme. We want to find space for those friends and neighbours who will be displaced by Renewal's development.

We started 2017 with the threat of compulsory purchase orders hanging firmly over us. Lewisham's Mayor and Cabinet had resolved to use CPOs against us back in September 2016. Their decision was challenged by their own Overview and Scrutiny Committee and then became mired in a range of other issues including the clear threat to the Millwall Academy and the Millwall Community Trust.

A number of articles in the media that were supportive to our cause finally drove the Council to decide that there should be an independent investigation into the decision making processes and some of the more controversial events of the previous five years. During that time, Millwall was initially counted in as a participant in the regeneration scheme and then rudely excluded without any proper discussion by Lewisham Council which decided to work exclusively with Renewal.

Lord Dyson was appointed by Lewisham Council to oversee the inquiry and Lewisham Council set its terms of reference. Lord Dyson published his report a couple of weeks ago. We read it thoroughly – unlike some people who were far too quick to comment – and we carefully considered our conclusions and range of options. We decided in the first instance that I should write directly to Lord Dyson to highlight some factual errors and a number of omissions from his report. At his own request, we had provided a large amount of evidence and I attended an oral hearing in person with a number of colleagues and consultants to assist Lord Dyson in his investigations.

Surprisingly, he chose to ignore some of our evidence while including information about us that came from other parties and which we never had any opportunity to comment on or amend.

In my letter to Lord Dyson, I pointed out that:

- We had not bid for our land because Lewisham told us that they would not be selling the freeholds and, when they changed their mind, they gave us just three days' notice that they intended to sell to Renewal.
- Funding claims by the Surrey Canal Sports Foundation – Renewal's charity that was established to raise £40 million to build a new sports centre – were one of the principal reasons for the Council appointing Lord Dyson. He only investigated the funding claims relating to Sport England, although other inaccurate claims were also made. He even published Renewal's apology for continuing to make inaccurate funding claims about Sport England for some time after Sport England had asked Renewal to cease. In other words, he established that misleading funding claims **were made** – but he concluded that they amounted to nothing more than "an unfortunate oversight" and "regrettable".
- Meanwhile, the New Bermondsey site had been offered for sale in the early months of 2015 and Lord Dyson even referred in his report to a letter approved by one of Renewal's shareholders which stated that they would consider an outright acquisition. Lord Dyson explains some of this by concluding that Renewal's two shareholders were not communicating with each other about their activities at that time. That is an extraordinary indictment of the property company and its structure, and Lewisham Council should be extremely concerned about the stability and reliability of its chosen development partner.

- PricewaterhouseCoopers explicitly stated that they had only been able to carry out due diligence on Renewal at a desktop level. The Council officers had confirmed that full financial due diligence on Renewal would be required before a CPO could be implemented. Desktop financial due diligence is a long way from full financial due diligence. Nevertheless, Lord Dyson concluded that all of the preconditions for a CPO had been met. The offshore status of Renewal's two shareholders and the anonymity of its beneficial owners were not addressed either.

That gives you a flavour of why we were dismayed by much of Lord Dyson's report but I won't go on any further because my letter to Lord Dyson has been published on our website and you are all welcome to read it in its entirety.

Lord Dyson stated that it was not within his remit to consider politics or morality, neither did he address the wisdom of Lewisham Council entering into exclusive arrangements with Renewal. Nor did he assess the wisdom of resorting to compulsory purchase orders, and he made no assessment of Renewal's ability to carry out a major development, even though it has no track record of undertaking anything of this size and scope. Yet these were the issues that had so concerned us and many people in and around the community.

It is therefore no wonder that the report changes very little and satisfies very few outside the offices of Lewisham Council and Renewal.

Finally – and very disappointingly – Lord Dyson relied in part on the recent judgement of the Freedom of Information Tribunal. That Tribunal considered whether Lewisham Council should be obliged to disclose the price at which it is currently selling the Millwall land to Renewal and whether the report it commissioned from PwC on Renewal should be disclosed. The Tribunal reached a number of conclusions that were based on factually incorrect information and we therefore lodged an appeal earlier this week. Lord Dyson should not have relied on a legal process that is far from complete.

### **Looking ahead, where do we go from here?**

We will robustly defend our interests and resist any attempts to seize our land. We are considering how we might assemble alternative proposals for the New Bermondsey site. Proposals which might offer Lewisham Council viable options for making this development happen in a way that is good for the community and good for the Football Club and its community scheme.

If Lewisham Council is unwilling to listen and has eyes only for Renewal, then we will be reluctantly forced to consider options for relocating the Club outside the Borough.

That is not our preferred route, but it would be irresponsible of us not to explore appropriate backup plans to ensure a bright future for this Football Club.

On a more positive note, there are local council elections coming up in May 2018. Mayor Steve Bullock and some of his close associates are standing down. Labour's mayoral candidate is Damien Egan. He has publicly stated his opposition to the use of compulsory purchase orders and has called for a full review of the New Bermondsey scheme. We welcome that. The Conservatives and Liberal Democrats of Lewisham are equally opposed. Next week our Chief Executive, Steve Kavanagh, will be meeting Damien Egan and I hope that they are able to establish a positive working relationship that may help get things done for the benefit of this vibrant community.

### **A General Meeting followed the AGM, as required by the Companies Act 2006, as the net assets of the Company continue to be less than 50% of the share capital. This meeting was chaired by Constantine Gonticas who made the following statement to shareholders.**

The position of the Company improved once again in the year to 30 June 2017 with the deficiency of assets reducing by a further £2m. The operating loss for this year reduced from £5.8m to £4.8m and has been offset by the issue of 3.1m B ordinary shares of £1 each during the year and 2.7m subsequently to both Chestnut Hill Ventures and directors.

Chestnut Hill Ventures continues to fund the Company on a day to day basis, so that it can continue to trade, with facilities in place until at least 1 July 2019, and Chestnut Hill Ventures has today applied for a further 1.7m B ordinary shares of £1 each.

Further, the increased authorised share capital approved by shareholders today facilitates the opportunity for the Company to raise equity investment over the next few years.

Your directors continue to take steps aimed at improving the performance of the Company and will continue to monitor both the balance sheet position and the EFL requirements during 2018 and take steps to ensure the continued viability of the Company.

Your directors do not consider any other action is required at this stage and no resolution is to be put before this general meeting.