

AFCW PLC
Minutes of Board meeting held at 7.30pm
On Wednesday 6th May 2020
(online meeting)

Board Members

Iain McNay (Chair)
Mick Buckley
Mark Davis
Ed Leek
Jane Lonsdale
Joe Palmer

In attendance

David Charles (Company Secretary)
David Grows (DT Secretary)
Tom Rawcliffe (Financial Controller)

Introduction and apologies

- Apologies received from Anna Kingsley

Minutes of the meeting 6th February 2020

- The minutes were approved.

Matters Arising

- None.

Planning Ahead for the Covid environment

- JP provided an update on the COVID situation.
 - EFL awaiting government document
 - Restarting would not be ideal for us, other clubs are struggling, no idea when we might see any income again
 - JP starting to think 2019/20 may be cancelled for League 1/2, there's no sporting integrity in continuing, it's disorganised and players may still contract the disease and even infect each other
 - The government has a desire to get sport up and running again
 - Focusing on next season is the bigger issue
 - The Club completed the information needed in the salary cap questionnaire. JP thinks it's a good thing that clubs are being forced to address sustainability and that through Deloitte the players will understand the serious situation that clubs are in
- Practicalities are that we have to have a degree of planning for all scenarios – season finishing; next season whole or in part with no spectators; next season not happening at all. Worst case scenario is the whole of next season behind closed doors. We will have a good idea of which scenarios we will need to plan against in the next month
- There was a discussion about what financial choices/expenditure cuts can be made to fit with each scenario. The non-playing budget is about £800K.

- MD noted there need to be decisions on redundancy, 100% to 80% furlough, debentures, playing budget, stadium, refunds, sponsorship, season tickets 20/21. Each awaits a recommendation from the FCB on the way forward on each of these and a date by which we need to decide/implement and which of the scenarios the recommendations are addressing to promote sustainability. MD asked that the plc board have sight of the recommendations and provide advice to the DTB
- MB observed that it's the debentures that keep the club afloat. MD thought that fans would help the club using money they might otherwise have spent on season tickets

Stadium and Stadium Financing

- MD introduced the strategy for financing – Seedrs, Loan, PLB, HNWI's and the status of the MSP loan application.
- JP updated on his discussion with Buckingham apprising them of our current status. Buckingham have done some value-engineering and may be able to offer a lower cost JCT that allows us to release funds without needing a loan. More information will be provided by Buckingham on Thursday.
- MD noted that we should be looking at equity refinancing options as well as debt refinancing and the DTB will do the work in preparation for such a course of action.
- IM asked if JP/TR were confident that the budgets were accurate

The board had received and considered the stadium committee board papers that set out the facts, risks and recommendations.

- The board considered the 4 cashflow forecasts and noted that commercial (approx. £xxxk was not included), and noted that some ringfenced money from the capital budget for playing at an alternative venue could be available depending on when the season started. The Board thanked Tom for his work in producing the forecasts.
- JL noted that there were some unique opportunities that the club could exploit e.g. a new badge, new kit and new ground.

Having considered the reasonable worst case put in front of it, the board formed the conclusion that the club could meet its obligations for the next 12 months and therefore it was appropriate to approve the recommendation from the stadium committee that TWIOF should enter into the loan agreement with MSP which would be guaranteed by AFCW plc; and then to enter into the construction contract with Buckingham; and then to enter into the agreement with Seedrs and with the Plough Lane Bond to draw down their respective monies; and therefore to enter into the three resolutions appended to the papers of the meeting.

The Board noted the funding gap after drawdown of the Seedrs, loan and Plough Lane Bond funding but considered that it was a manageable funding gap given that it was 10% of the cost of the project and formed the view that we would be able, if necessary, to reduce that funding gap by cutting back or deferring expenditures within the funding gap – up to half of it.

After due consideration of all the circumstances and on being satisfied that it is for the benefit of the Company and in the interests of the Company for the purpose of carrying on its business to enter into a Loan Agreement in the form now produced (the "Loan Agreement") in connection with monies to be advanced by MSP Capital Ltd.

It was resolved that the Loan Agreement be executed as a Deed by the Company.

It was resolved to hold two further board meetings immediately following the conclusion of the agenda for the present meeting to approve the Seedrs share issue and to agree the security in favour MSP Capital Ltd.

Governance

- MD reported on his discussions with IM re: preparing a plan for bringing in additional equity, as an alternative to debt refinancing. MD was able to commit to that preparatory work although it would be a decision for the DTB as to whether and when to take that forward with members.
- MD stated we have a commitment to look at how our boards are structured and how they work together. There is a window of opportunity to reorganise over the next few months. The FCB is becoming more of a senior management team. The FCB have engaged Imperial College Business School in an independent review of governance whilst retaining fan ownership which will be published in July.
- DTB needs to lead the production of a plan to decide what the structure should be, how boards inter-relate, how the structure is reorganised and to implement change.

AOB

- IM asked about the move out of Kingsmeadow. JP explained the current status and principles.

Date of next meeting

Thursday 25th June at 7.30pm.

The meeting concluded at 22.15.