



**Minutes of HEREFORD United Supporters Trust**  
**Special General Meeting held at Edgar Street on**  
**Thursday 9 June 2016 at 7.00pm**

**Present:** 29 members including the chairman Richard Tomkins and 6 Board members.

*The chairman welcomed everyone to the meeting and distributed copies of the minutes of the Special General Meeting held in February and papers about changes in the Constitution, election procedure, and Crawford share issue.*

<b>1.00</b>	<b>Apologies</b>
1.01	Apologies were received from Nigel Marx, Mark Nottingham and Board members Chris Williams and Tristan Edwards.
<b>2.00</b>	<b>Minutes of the February Special General Meeting</b>
2.01	Craig Goodall proposed that the minutes of the Special General Meeting held on 18 February 2016 be adopted as a true record. The motion was seconded by Frank Williams and passed unanimously.
<b>3.00</b>	<b>Changes to the Constitution</b>
3.01	Craig Goodall, vice-chairman responsible for governance, was introduced by the chairman. He explained that, as formal minutes of Board meetings had not been made prior to May 2015, it was impossible to accurately verify which governance documents had been officially adopted and in consequence this necessitated the HUST Governance Working Group, the composition of which was agreed at the March Board meeting, in effect starting from scratch.
3.02	Craig Goodall stated that it was the intention to review all policies and procedures before the 2016 AGM but prior to that a short-term fix was required to attach the society to "Hereford FC" as it is currently affixed to "Hereford United".
3.03	Andy Carr proposed that Hereford Supporters Trust Constitution be amended under the names and definitions in paragraph 1 with the words "Herford United Football Club Limited" replaced by "Hereford FC Limited". The motion was seconded by Andy Swift and passed unanimously.
<b>3.04</b>	<b>RESOLVED: That Hereford Supporters Trust Constitution be amended under the names and definitions in paragraph 1 with the words "Herford United Football Club Limited" replaced by "Hereford FC Limited".</b>
<b>4.00</b>	<b>Election Policy</b>
4.01	Craig Goodall stated that in order for an election to take place before the 2016 AGM it was necessary to formally approve an election policy and proposed that the Supporters Direct model election policy was adopted.
4.02	In answer to a query from Keith Hall it was confirmed that the current version of the policy be adopted.

4.03	Russell Cheasley proposed and Peter Davies seconded a motion to adopt the current version of the Supporters Direct model election policy. The motion was carried unanimously.
4.04	<b>RESOLVED: That HUST adopt the current version of the Supporters Direct model election policy for future elections and that the Constitution be amended accordingly.</b>
4.05	Keith Hall queried whether any safeguards would be put in place to prevent bogus applicants applying for places on the HUST Board using fictitious postal and email addresses, reporting that this had occurred during the lead up to the aborted election in 2015.
4.06	Craig Goodall stated that procedures would be adopted e.g. submission of a utility bill or passport to prevent a repeat of this abuse with Richard Tomkins commenting that any embers attempting to subvert the election process would be disciplined.
5.00	<b>Crawford Shares Issue</b>
5.01	Richard Tomkins outlined the events that are now culminating in a vote by the membership to determine whether the Supporters Trust accepts or rejects a proposal to increase the share capital in the club. He stated that it was not long since the club came into existence and, although many improvements had been made to the ground, much more needs to be done. The club had had a successful year gaining promotion into the Southern League South West Division but with a stadium and support more akin to a Football League club running and maintenance costs are higher than would be expected for a club at this level in the football pyramid.  <i>Full background details are included in the paper "Crawford Shares-The 5<sup>th</sup> Investor" appended to these minutes.</i>
5.02	The chairman requested the two vice-chairman, Russell Cheasley and Craig Goodall, to summarise the cases for accepting or rejecting the proposal prior to a debate.
5.03	Russell Cheasley explained that HUST would have to raise another £50,000 but that this would be over a 5 year period which in his opinion, given the current rate of fundraising principally from the 50/50 draw and Bulls Lottery, was more likely to be achieved than a smaller sum over a 3 year period.
5.04	Other advantages of accepting the proposal were stated including maintaining the spirit of co-operation between the club and the Trust and releasing additional capital for investing in Edgar Street.
5.05	Russell Cheasley then outlined the perceived disadvantages: Dilution of the shareholding and influence of smaller independent shareholders and further concentration of the control of the club in the hands of a smaller number of people, dilution of HUST's holding to under 25%, Increase in the total fundraising by HUST to achieve a 50% share in the club.  <i>Full details are included in the paper "Crawford Shares-The 5<sup>th</sup> Investor" appended to these minutes.</i>
5.06	Craig Goodall presented the case for rejecting the offer stating that HUST intends to purchase another 30,000 shares which will bring its holding to over 25% at which point it gains some important shareholder rights. As HUST will never be allowed to own more than 50% of the share capital he queried whether there would be any benefit to owning more

	than 25%.
5.07	It was pointed out that under the proposed arrangement HUST would only own 21.6% of the shares and would need to buy another 17,000 shares to achieve a 25% holding and that HUST's and small shareholders' influence in the running of the club could be reduced.
5.08	<p>It was noted that fundraising during the past year was below that required to complete share purchase within the currently allotted 3 year period.</p> <p><i>Full details are included in the paper "Crawford Shares-The 5<sup>th</sup> Investor" appended to these minutes.</i></p>
5.09	Following the presentation of the cases for and against accepting the offer the chairman stated that, after discussing the matter in detail, the HUST Board considered it in HUST's best interest to recommend that members accept the offer.
5.10	In answer to a query from the floor he confirmed that the decision to recommend acceptance was passed unanimously at the May Board meeting.
5.11	Craig Goodall informed the meeting that Supporters Direct had been consulted and read out their response.
5.12	Board member Frank Williams referred to the built environment report, copies of which had been issued to members present, and to the meeting between the HUST Board and Board of Hereford FC. He stated that, although attendances and season ticket sales had exceeded expectations, the club was not awash with money as higher crowds led to further expense on stewarding and ground safety. The maintenance of the stadium had been neglected for years leading to further expense citing the condition of the general office. He considered that the increase in share capital would enable the club to have a playing budget that enabled it to challenge for promotion, would enable further improvements to the ground, and reduce the need for further outside investment.
5.13	Mike Langford, HUST treasurer and director on the HFC Board, read out a statement giving his thoughts on the need to increase the share capital. He stated that the club intends the money raised to be use for stadium and ground improvements, improvement of the match-day experience for fans and investment in facilities that will raise money throughout the year and not just during the season pointing out that expenditure does not end at the conclusion of the season.
5.14	The reasons why the HFC Board do not want financial information disclosed were given by Mike Langford who pointed out that in excess of 100 hours per week was spent on club matters by key directors and voluntary staff. He stated that net income per head on match days was only £5. The club had a good first year of trading but there had been good months and bad months especially when there had been a run of away matches which disrupted cash flow.
5.15	In answer to a query from Derek Pritchard it was confirmed that a full first year balance sheet would be presented at the AGM of Hereford FC.
5.16	After Craig Goodall gave the timetable for the ballot (16-23 June) a general discussion took place. It was noted that voting would be mainly by electronic means and that members should check their spam folders if they do not receive a voting email on 16 June.
5.17	Keith Hall asked how long it would take for HUST to raise the additional £17,000 to gain a 25% shareholding if the proposal was accepted. A definitive answer could not be given as

the new Board, having spent the first couple of months dealing with governance issues, was only now considering ways of raising funds. He was informed that the 50/50 draw had raised almost £25,000 in a season.

5.18 Tim Brown queried whether another investor may come forward in the future. There followed a discussion principally between Phil Eynon and Craig Goodall. It was concluded that a special resolution would have to be passed before this could happen.

5.19 A discussion took place on fundraising plans. Richard Tomkins stated that the Board intended holding joint functions with UITC and Junior Bulls. Frank Williams referred to the period of hibernation following the AGM when the Board was not quorate and the necessity for the new Board to deal with governance matters before considering additional fundraising activities. Keith Hall asked whether HUST would have access to HFC facilities for fundraising activities and Phil Eynon confirmed that the club received a percentage of bar takings.

5.20 A member queried whether the Board intended to continue to purchase a 50% shareholding. In answer Frank Williams stated that much would depend on whether members voted yes or no to the Crawford proposal.

5.21 With regard to fundraising members were informed of the proposal to hold a festival of football on 9 July.

#### **6.00 Date of the 2016 AGM**

6.01 The meeting was informed that the proposed date of the 2016 AGM is 20 October. This is later than originally planned so that full accounts can be audited for presentation at the meeting. Richard Tomkins stated that in addition to the AGM he hoped that a supplementary meeting could be held to discuss issues that members may wish to raise.

6.02 It was confirmed that half the Board members would be standing for re-election as required in the Constitution.

*The meeting concluded at 8.43pm*