

HEREFORD UNITED SUPPORTERS TRUST

ANNUAL GENERAL MEETING

12th October 2017

7pm, Radfords, Edgar Street Athletic Ground, Hereford HR4 9JU.

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1. Chairman's Statement

Hereford United United Supporters Trust (HUST) has come a long way in a short period of time. HUST was established initially as a group of supporters who were intent on safeguarding the continuance of professional football in Herefordshire. Following the collapse of Hereford United the Trust and some private individual supporters established a new club to play at Edgar Street - Hereford FC (HFC).

Crucially, with Herefordshire Council support, they secured Edgar Street as the ground on which Hereford FC would play. The rules of the new club allow HUST to nominate three individuals to the club board and provide the Trust with the opportunity to gain shares in equal measure to the individual fans. The Hereford FC structure represents a unique variation on the community ownership model that organisations like Supporters Direct and the Football Supporters Federation are campaigning for throughout football. HUST think it is a very exciting model and the HUST board are committed to doing all in its power to make it succeed.

The formation of Hereford FC did have an initial impact for the ongoing running of the Trust. Having absorbed three directors from HUST onto the board of HFC, one of which was HUST's own chairman, the Trust found itself stalling due to subsequent governance issues. This was rectified at the elections of February 2016, and the new board set about putting a Supporters Trust in place for the long term. Governance issues have been addressed and HUST's perception, from some quarters as still being a protest group, has been changed. The Supporters Trust is moving from opposition to influence.

Throughout the financial period 2016-17 HUST has made every effort to show itself as a constructive organisation that supports its football club. There has been a steady recruitment bringing in co-opted board members and other supporters to form a network of fans now working hard to develop new funding sources.

These funding sources have been used to drive the ongoing purchase of Trust shares in HFC. During the period, a significant milestone was reached, HUST having acquired 100,000 shares in HFC. This figure currently stands at 110,000. The gate is open for further shares purchase aiming to match privately held shares of 289,000 by 31st March 2020.

There are some exciting developments upcoming. HUST has been kept informed by HFC on smaller projects such as refreshment kiosk and toilet refurbishments. The re-development of the Blackfriars Street end of the ground is a large-scale project that now appears to be gaining momentum. HUST offers itself as the supporters' voice for this programme of works.

Richard Tomkins

2. AGM AGENDA

1. WELCOME

2. APOLOGIES

3. MINUTES FROM 2016 AGM

4. CHAIRMANS REPORT

5. ELECTION RESULTS

6. MEMBERSHIP REPORT

7. APPROVAL OF ACCOUNTS 2016 and 2017

8. RESOLUTIONS

- Audit requirement
- HFC share purchase and allocation of surplus Society funds.
- HUST Nominated Director policy
- Board Membership and Conduct Policy, Officer Appointment and Conduct Policy, Appointment Objection Process
- Proposal for HUST member ballot regarding HFC Articles of Association 3.1 and 3.4
- Proposal for HUST member ballot regarding HFC Articles of Association 16.2

9. AOB

After the AGM there will be a break for drinks followed by presentations from the HUST Board and an opportunity for further discussion.

3. Resolutions

1. Audit Requirement

Background:

Under the Co-operative and Community Benefit Society Act 2014 organisations like HUST are required to make returns on their financial performance to the Financial Conduct Authority.

The default position is that an audit of each year's accounts should take place unless the requirement has been disapplied at the previous year's AGM. If the audit requirement is disapplied the society will still be obliged to commission an independent examination of accounts. The primary benefit of an independent examination is that it does not need to be carried out by a qualified auditor so would be a significantly cheaper option. If an independent examination is chosen over an audit this would allow monies raised by the society to be spent on other priorities.

An independent examination must follow Supporters Direct guidelines which are based on procedures set out by the Charity Commission. With the above issues in mind the society board are recommending that the audit requirement is disapplied for the financial year 2017-18 with an independent examination carried out instead.

Resolution:

It is hereby resolved that subject to the provisions of the Co-operative and Community Benefit Societies Act 2014, the Members of the society shall not require an audit for the accounts covering the current financial year ending on 31 May 2018 when they are presented to the next AGM held in 2018.

The members of the society agree that the accounts for the financial year ending on 31 May 2018 and for which reports will be laid before the following AGM do not require a full audit provided that:

- **The total income for that year does not exceed the threshold laid down by Supporters Direct for audit exemption (currently £100,000);**
- **An independent examination of those accounts is carried out in place of the full audit;**
- **The independent examination is carried out in line with the best practice of Supporters Direct;**
- **A report from the independent examination is included within the accounts circulated to members.**

The society notes that:

- The independent examination does not carry the same weight as a full audit;
- The members of the trust instruct the Board to identify a suitably qualified practitioner to undertake the review;
- The Board shall agree the appointment of the examiner and shall agree the terms of that appointment in writing;
- Supporters Direct has no liability in respect of any trust accounts;
- Supporters Direct will use the report of an independent examiner when considering the Trusts eligibility for membership against criteria in its membership policy.

Proposed by HUST board

2. HFC Share Purchase and allocation of surplus Society funds.

Background:

HUST generated a surplus of £37,146 in the financial year ending May 2017. These funds together with the balance sheet balance brought forward at 31st May were allocated to the purchases of A ordinary shares in Hereford Football Club allowing HUST to purchase £60k of shares (£50k paid £10k committed).

In addition to this £75 was paid to HFC for the costs of providing floodlighting for the cup final UITC were playing and £380 was spent on a table at the club's Sportsman's Dinner. This was a thank you to the Trust's Match Day Draw sellers.

Due to the limited time period available to HUST to purchase 289,000 A ordinary shares by March 2020 the Trust Board propose that, subject to the duty of the Trust Board to ensure that the business of the Trust is conducted in accordance with the Trust Rules and in the interests of the community, the majority of surplus Trust funds in the current financial year ending May 2018 be allocated to the purchase of A ordinary shares in Hereford Football Club. The Board further propose funds may also donated to causes in keeping with the objects of the trust at the discretion of the HUST board.

Resolution:

It is hereby resolved that, subject to the duty of the Trust Board to ensure that the business of the Trust is conducted in accordance with the Trust Rules and in the interests of the community, the majority of surplus Trust funds in the current financial year ending May 2018 be allocated to the purchase of A ordinary shares in Hereford Football Club. The Board further propose funds may also donated to causes in keeping with the objects of the trust at the discretion of the HUST board.

The Society notes that:

- The Articles of Association of Hereford Football Club allow HUST to hold up to 50% of the shares in the club.
- There are two classes of shares in Hereford Football Club, Ordinary shares and A Ordinary Shares.
- HUST can hold only A Ordinary shares.
- HUST can nominate 3 club directors to the club board.
- 4 of the 7 club directors are nominated by the holders of the majority of Ordinary shares.

Proposed by: HUST Board

3. HUST Nominated Director Policy

Background:

Following the recommendations of the Supporters Direct Chaired Election Management Group to create a process for the appointment of its football club directors the Board has placed priority on developing a fair, open and transparent process.

Members will recall the 2016 AGM where the Board presented a policy to members regarding the appointment of its football club directors. At the AGM members requested the Board to finalise the policy and consult members for 14 days on the revised policy prior to the 2017 AGM. During the last year the policy has been discussed by both the HUST and HFC Boards prior to its final version being agreed by the HUST Board in August 2017. Following agreement by the HUST Board the policy was made available for consultation with members from 16 – 31 August 2017. No feedback was received.

The principle changes to the policy since the 2016 AGM are:

- Changing the name of the policy from 'Fan Elected Director' to 'Nominated Director' policy to more accurately reflect the provisions on the appointment of HUST directors as set out in the HFC Articles of Association.
- Streamlining of responsibilities to remove repetition.
- Reordering of paragraphs to create an easier to read document.

Resolution:

It is hereby resolved that the Society will adopt the HUST Nominated Director Policy

Proposed by HUST board

4. Officer Appointment and Conduct Policy , Board Membership and Conduct Policy, Appointment Objection Process.

Background:

Over the past 12 months of operation the Trust board have found it useful to create a number of additional appointed officer positions . The reason for this has been to appoint Trust members to specific tasks and roles that are beneficial to the Trust but which the Board does not wish to make the responsibility of Trust Board members.

Appointed officers are able to attend Trust Board meetings but as they are not elected, they do not carry a vote on the Board. They are welcome to participate in our debates and offer advice, but the elected Board has the final say.

Existing Officers supporting the board are:

David Evans – Independent Secretary

Peter Davies – Minute and Membership Secretary

Francis Williams – Press Officer

Keith Hall – Fundraising Officer and Assistant Press Officer

We are seeking to grow a ‘network’ of members who can assist us with the workload of the Board. This fosters a stronger Supporters Trust which can do more work in the areas that members ask us to address.

The Trust board have been very pleased with the outcome of this participation, and the conduct of our appointed officers.

To accommodate these new positions we have drafted a new appointed officer policy to set out the expectations the Trust has of appointed officers. The existing Board Membership and Conduct Policy has also been updated to reflect the creation of these new appointed roles. Both these policies are subject to an Appointment Objection Process which allows HUST members to voice any well founded objections to Board Appointments.

These changes also serve to streamline the appointment process for co-opted board members and the appointed secretary as the board were asked to do by Trust members at the 2016 AGM.

The trust board adopted these policies at a trust board meeting in May 2017.

As a courtesy to HUST members the Board requests your approval for the adoption of these policies.

Resolution:

It is hereby resolved that the Society will adopt the Officer Appointment and Conduct Policy, the Board Membership And Conduct Policy and the Appointment Objection Process.

The Society notes that:

- The society board may appoint any number of Officers to any roles it may wish to create.
- Appointed Officers may attend all society board meetings and be present for all agenda items.

Proposed by HUST board

5. Proposal for HUST Member Ballot regarding Hereford Football Club Articles of Association 3.1 and 3.4

Background:

This resolution has been proposed by a HUST member. The reasoning behind the resolution as provided by the proposing Society member Graham Johnson is included with the supporting documents of this pack.

Resolution:

It is hereby resolved that HUST ballot its members within the next 3-6 months on the following proposed changes to the Hereford FC Articles of Association. Should the ballot result indicate that the majority of HUST members are in favour of the suggested changes then HUST, as shareholders in HFC to propose these changes at the next AGM of Hereford FC.

3 Appointment and removal of directors

- 3 1** Unless otherwise determined by special resolution, the number of Directors shall not be less than four and the maximum number of Directors shall be seven

3.1 to read

Unless otherwise determined by special resolution, the number of Directors shall not be less than four and the maximum number of Directors shall be seven. Upon completion of the purchase of all the shares allocated to HUST, the maximum number of directors shall be increased to 8.

- 3 4** HUST may, by notice in writing to the Company, appoint up to three people to be Directors and may remove any such person from the office of Director Immediately following the service of such a notice a copy shall be provided by the Company to each Director and the Company Secretary (if any) as well as to the outgoing Director(s) No person shall be appointed as a Director pursuant to this article 3 4 unless he has been approved by a majority of the Directors

3.4 to read

HUST may, by notice in writing to the company, appoint up to three people to be Directors. Upon completion of the purchase of all the shares allocated to HUST, the number of directors appointed by HUST will increase to 4. HUST may remove any such person from the office of director. Immediately following the service of such a notice a copy shall be provided by the company to each director and the company secretary (if any) as well as to the outgoing directors(s). No person shall be appointed as a director pursuant to this article 3.4 unless it has been approve by a majority of directors.

Proposed by Graham Johnson

6. Proposal for HUST Member Ballot regarding Hereford Football Club Articles of Association 16.2

Background:

This resolution has been proposed by a HUST member. The reasoning behind the resolution as provided by the proposing Society member Graham Johnson is included with the supporting documents of this pack.

Resolution:

It is hereby resolved that HUST ballot its members within the next 3-6 months on the following proposed change to the Hereford FC Articles of Association. Should the ballot result indicate that majority of HUST members are in favour of the suggested change then HUST, as shareholders in HFC to propose this change at the next AGM of Hereford FC.

- 16 2 Unless agreed otherwise by the Shareholders by way of ordinary resolution
- 16 2 1 the Football Club shall remain based in the city of Hereford,
- 16 2 2 the name of the Football Club shall be Hereford FC, and
- 16 2 3 the primary colours of the Football Club's home strip shall be black and white

16.2 to read

Unless agreed otherwise by the shareholders by way of special resolution

Proposed by Graham Johnson

4. Proxy Voting Instructions

If you want to vote at our AGM on 12/10/2017 but cannot be there in person you may apply to request that someone who will be present can vote on your behalf. This is called a proxy vote.

To do this you need to fill in a simple application form. You may have received this form already if you receive information from the Trust via normal post or it may be downloaded from the Trust web site <http://www.hufctrust.co.uk/wp-content/uploads/2017/09/hust-agm-proxy-form-2017.pdf>

When you have filled in your application, the ***paper copy*** must be returned to the Trust's registered office, Hereford United Supporters Trust, c/o United in the Community Blackfriars Street Hereford HR4 9HS to arrive not later than 6pm Tuesday 10th October 2017.

Applications received after that time will be rejected.

Your applications will be verified on the following day, and when your proxy arrives for the AGM they should declare that they have been asked to vote on your behalf. If you have asked the Chair to be your proxy, everything will be handled by our admin team.

5. Supporting Documents

2016 AGM Minutes:

<http://www.hufctrust.co.uk/wp-content/uploads/2016/12/HUST-AGM-2016-Minutes.pdf>

Membership Report:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/Membership-Report-for-the-HUST-AGM-2017.pdf>

Report From The Election Management Group:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/EMGREPORT2017.pdf>

2016 Accounts:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/01/Hereford-United-Supporters-Society-signed-accounts-2016.pdf>

2017 Accounts:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/2017accounts.pdf>

HUST Nominated Director Policy:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/HUST-Nominated-Director-Policy.pdf>

Officer Appointment and Conduct policy:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/08/Officer-Appointment-and-Conduct-Policy-2017.pdf>

Board Membership and Conduct Policy:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/08/Board-Membership-and-Conduct-Policy-2017.pdf>

Appointment Objection Process:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/Appointment-Objection-Process.pdf>

Proposals To Ballot HUST members:

<http://www.hufctrust.co.uk/wp-content/uploads/2017/09/GJproposals.pdf>