

Minutes of Hereford United Supporters' Trust held on Thursday 12 October 2017 at Edgar Street, Hereford

The meeting was attended by 27 members including the chairman Richard Tomkins, vice-chairmen Craig Goodall and Russell Cheasley, treasurer Tony Taylor, HUST/HFC director Mike Langford, and co-opted board member Joanie Roberts. Also present were HUST officers David Evans, Peter Davies, Keith Hall, Frank Williams and independent financial inspector Richard Morgan.

1.0 Welcome

The chairman welcomed members to the meeting outlining the programme for the evening that included a live broadcast by Radio Hereford FC of the latest Bulls 500 draw. A moment's silent reflection was held in memory of long-standing supporter and HUST member Eric Nottingham and Club Chaplain Shaun Skinner.

2.00 Apologies

An apology was received from Chis Williams.

3.00 Minutes of the 2016 AGM

Craig Goodall proposed that the minutes of the 2016 AGM were adopted as a true record. The proposal was seconded by Tony Taylor and carried.

4.00 Chairman's Report

Chairman, Richard Tomkins thanked everyone for attending commenting that it was good to see so many active members. He thanked the board and volunteers for their efforts over the past year and reported on the year's activities and achievements stating that:

- Hereford supporters have taken their place once again in the football family. We are members of Supporters Direct (SD) which represents fans. We also have links with other clubs and the Federation of Football Supporters.
- The HFC ownership model represents a unique variation on the community ownership model. The HUST board is committed to doing all in its power to make it succeed.
- The new board has set about putting a Supporters Trust in place for the long term. HUST's perception, from some quarters as still being a protest group, has been changed. The Supporters Trust is moving from perceived opposition to influence.
- We are building 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. A significant milestone was reached when HUST acquired 100,000 shares in HFC. The gate is open for further shares purchase aiming to match privately held shares of 289,000 by 31st March 2020.

- 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.

4.00 Election Results

The chairman read out the report of the Election Management Group stating that it was his intention to strengthen the board and to continue to co-op members with specialist skills.

The following candidates were proposed by Richard Tomkins and seconded by Craig Goodall: Joanie Roberts, Mike Langford, Tony Taylor and Richard Morgan. All candidates were elected resulting in a 7-strong board of elected Trustees: Russell Cheasley, Craig Goodall, Mike Langford, Richard Morgan, Joanie Roberts, Tony Taylor and Richard Tomkins.

5.00 Membership

Membership Secretary, Peter Davies, reported that membership currently stands at 469 members. This compares well to some Championship and Premier League trusts. He anticipated that the target of 500 members by the end of the year, set by the board, was likely to be met if the current rate of applications is maintained.

He pointed out that the female membership number does not represent the female following of the club, commenting that he expected the board to take steps to redress the balance over the next year.

6.00 Approval of 2016 Accounts

Treasurer, Tony Taylor, reported on finances commenting that there was a lot to go through.

He first of all went through the financial statement for the year ending 31 May 2016 which had been subject to audit.

The figures for 2015/16 were as previously stated but include the audit fees.

Turnover increased to £77,994 from £37,704 and the surplus also increased to £42,653.

The cash surplus at the year-end was £34,423.

At the end of the financial year HUST held a shareholding of 17% an increase of 6% from the previous year. He stated that this was a good performance and likened HUST to an investment company which raises money to purchase shares in HFC.

Tony Taylor proposed that the 2016 accounts be adopted. The proposal was seconded by Russell Cheasley and was carried.

7.00 Approval of 2017 Accounts

The treasurer then went through the finance statement for the year ending 31 May 2017 pointing out that it had been resolved at the previous AGM that the accounts should be scrutinised by an independent financial inspector rather than being audited.

He thanked Richard Morgan for examining the accounts. He stated that as Richard Morgan was now a director of HUST he would be unable to inspect the 2017/18 accounts and so another independent financial examiner would be needed. He appealed for volunteers.

The treasurer drew the meeting's attention to the fact that turnover, gross profit and operating profit were less than the previous year as there were fewer members resulting in a decrease in membership fees, fewer donations, and proceeds for the 50/50 draw were less as, although there had been an increase in the proportion of the gate at each match buying tickets, there had been fewer matches in the season. Prize Bull Lottery takings had also declined partly due to there being few winners. However with the launch of the Bulls 500 Club which has more small prizes and the Bulls Lotto the Board have begun to turn things around and income from these streams is increasing.

Administrative costs for the year had reduced significantly as there was no need for an audit and no "start-up" costs.

By the end of the year HUST's shareholding in the club had increased to 110,000 which is 28%.

The treasurer described the financial performance in the last two years as "stonking".

Tony Taylor proposed that the accounts for 2016/17 and independent examiner's report be adopted. The proposal was seconded by Craig Goodall and carried.

8.00 Resolutions

8.01 Audit Requirement

The treasurer tabled a resolution that members shall not require an audit of the accounts for the year ending 31 May 2018 which would instead be subject to an independent examination. The resolution was seconded by Frank Williams and carried.

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 to be presented to the next AGM held in 2018.

The members of the society agree that the accounts for the financial year ending 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.

8.02 HFC Share Purchase and Allocation of Surplus Funds

Tony Taylor then explained the reasoning behind a resolution on HFC share purchase and allocation of surplus funds. He stated that the board was trying to buy a 50% holding in HFC as soon as possible and had agreed to buy shares in tranches of 10,000 in order to keep HFC's costs down. The purchase of shares enables the club to put income from equity investment in the budget. The purchase of shares was, however, subject to the board being satisfied that HFC was being run prudently. Also a small amount of income would be used to fund small donations to for example UITC.

Before the proposal was put to the meeting there were some questions from the floor questioning what would happen if HUST if not meet the 2020 deadline for share purchase and if a 50% holding was secured by the due date. There followed a discussion during which the treasurer stated that it was a matter for HFC to decide but he could see no reason why HUST should not hold more than a 50% holding.

Following the discussion Tony Taylor proposed and Craig Goodall seconded the resolution 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 proposes that funds may also be donated to causes in keeping with the objectives of the Trust at the discretion of the HUST Board.

The resolution was carried.

8.03 HUST Nominated Director Policy

Vice-Chairman Craig Goodall briefly explained the policy for nominating HUST members to the HFC Board, copies of which had been circulated to members. He pointed out that the policy title had changed from HUST elected directors and thanked Phil Eynon for his assistance and input in formulating the policy.

He proposed that the Society adopt the HUST Nominated Directors Policy. The proposal was seconded by Richard Tomkins and carried.

RESOLVED: That the Society will adopt the HUST Nominated Directors Policy.

8.04 Officer Appointment and Conduct Policy, Board Membership and Conduct Policy, Appointment Objection Policy

The meeting considered the officer appointment policy that had been adopted by the Board in May 2017. Craig Goodall proposed that the policy be approved by the meeting. This was seconded by Tony Taylor and carried.

Craig Goodall then proposed that members approve the Board Membership and Conduct Policy. This was seconded by Russell Cheasley and carried.

Craig Goodall proposed and Richard Morgan seconded that members approve the Appointment Objection Policy. This motion was carried.

RESOLVED: That the Society adopt the Officer Appointment and Conduct Policy, the Board Membership and Conduct Policy and the Appointment Objection Policy.

8.05 Proposal for HUST member Ballot Regarding HFC Articles of Association 3.1 and 3.4

The chairman introduced Graham Johnson who had tabled the proposal and asked him to explain his reasoning.

Graham Johnson stated that at present the Articles of Association only enabled HUST to have 3 directors on the 7 strong board of HFC even if the 50% share ownership target is met. When HUST achieves a 50% stake in the club it is only right that it gets parity in the

boardroom. If the articles are changed to enable this then it might encourage previous HUST members to renew their membership and boost fundraising.

Following a discussion it was established that the purpose of the motion was to canvass the opinions of HUST members as to whether this should become HUST policy. If the membership was in favour then HUST, as the major shareholder, would table a proposal at the AM of HFC.

Frank Williams, who seconded the proposal, stated that it would be important to word any ballot in such a way that members were clear on what was being voted upon.

The proposal was put to the meeting and carried.

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.

8.06 Proposal for HUST Members Ballot regarding Hereford Football Club Articles of Association 16.2

Graham Johnson explained that he thought changes were needed as, at present, changes can be made to the location, name and home strip of Hereford FC by an ordinary resolution rather than a special resolution. As things stand five people can decide on where the club plays, what it is called and in what strip it plays.

There followed a discussion during which Nigel Edmondson queried what exactly were the boundaries of the city of Hereford. It was also noted that as the club's tenure of Edgar Street was subject to a 10 year lease from the Council. Keith Hall proposed an amendment that the wording "City of Hereford" in the relevant article be changed to "Edgar Street". The amendment was seconded by Frank Williams and carried.

The main proposal was then put to the meeting and carried.

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

16.2.1 to read : The Football Club shall remain based at Edgar Street, Hereford.

9.00 Any Other Business

The chairman informed the meeting that the HUST Board had voted in favour of purchasing another 10,000 shares in HFC. A presentation cheque was handed to HFC chairman Ken Kinnersley.

Ken Kinnersley accepted the cheque with gratitude and, as he was unable to stay for the presentations that were to follow a break in the proceedings, updated the meeting on progress in obtaining an extended lease on the ground.

He stated that lease negotiations had dragged on longer than anticipated partly due to the cautious approach being taken by the Council's solicitors. However, he anticipated that the lease would be signed within the next 3 weeks.

Discussions on the development of the Blackfriars end had taken place and the club's aspirations forwarded to the Council and their development partner. The timescale when the development may commence is, as yet, unknown.

In answer to a query from the floor Ken Kinnersley stated that the capacity of the new stand would be between 1,200 and 1,500. He also informed the meeting that the club had approached the Safety Advisory Committee about increasing the capacity of the Merton stand. He confirmed that the new stand when constructed would be included in the lease and would be "future proof".

In answer to a query from Frank Williams, the treasurer stated that the Bulls 500 Club has so far distributed prizes totalling £1,330.

The chairman adjourned the meeting for a drinks break.

Following the break there were presentations by HUST Board members.

Presentation by Craig Goodall

Craig Goodall gave a PowerPoint presentation (copy appended to these minutes) on HUST's mission, vision, and priorities. The assumptions required to achieve these, achievements to date, and fundraising.

He emphasised that HUST was no longer a protest group. The role of the Trust had been redefined and clarified over the past year.

He encouraged members to join the Bulls 500 Club and to support other fundraising initiatives as, at present, the funds raised for achieving a 50% shareholding in the club by March 2020 were behind target.

Presentation by Richard Tomkins

Richard Tomkins gave a PowerPoint presentation (copy attached) on the results of the 2017 Fans' Survey.

He stated that 515 fans had responded to the survey which was a good return although he noted that few female fans had responded.

The geographical spread of respondents mirrored the membership of HUST and other regional clubs whose fan-base reflects the fact that many supporters move away from the area for work and study.

Comments on toilet facilities and catering had been noted and were already being acted upon.

The number of people who walk to matches, use facilities in the city, and bring others with them demonstrates the advantage to local traders and businesses of having a city centre stadium.

The information gathered during the survey was of use to HUST and HFC and the intention is to continue to hold an annual survey. Richard Tomkins thanked Cardiff City FC for providing the template on which the survey was based.

Presentation by Russell Cheasley

Russell Cheasley gave a PowerPoint presentation on various comments and trends in the fans' survey.

Various aspects were discussed including whether offering more benefits to members would increase renewals and enthruse fans to join HUST. Nigel Edmondson queried whether share purchase was the prime motivation for joining the Trust. Tristan Edwards commented that he thought that if there were parity on the HFC board then fans may be more inclined to join HUST and contribute to fundraising. Richard Morgan considered that supporters participated in the 50/50 draw as they knew that money raised would be used to buy shares and this in turn will help the club.

Frank Williams queried whether the negative comments that Russell Cheasley had highlighted in his presentation were representative of the respondents as a whole. Russell Cheasley replied that they were not and that in fact one comment had been made by only one person. He stated that he had drawn out some of the comments to illustrate that no matter what the club did there would always be detractors.

Russell Cheasley stated that it was apparent that more detail was required on a number of issues that some supporters had highlighted including travel to away matches that Richard Morgan thought could be included in next year's survey.

The use of the stadium for other purposes other than football was also discussed it being noted that this was a commercial decision for the club to take.

The need to raise HUST's profile, increased member benefits and closer working with UITC and HFC were also topics briefly discussed.

The meeting closed at 10.15pm with the chairman thanking everyone for attending.