

Minutes of Hereford United Supporters' Trust AGM

held on Thursday 10 October 2018 at Radfords, Edgar Street, Hereford

7pm – Richard Tomkins in the Chair

The meeting was attended by 27 members including the Chairman Richard Tomkins, Vice-Chairman Craig Goodall, Treasurer/HFC Director Tony Taylor, Promotions Director Joanie Roberts, HUST/HFC Directors Andrew Graham & Mick Merrick. Also present were HUST officers Sarah Hudd, Keith Hall and Frank Williams

1.0 Welcome

The chairman welcomed members to the meeting outlining the programme for the evening, including an introduction of the HNDs to members.

2.00 Apologies

An apology was received from David Evans, HUST Independent Secretary.

3.00 Minutes of the 2017 AGM

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

4.00 Chairman's Report

Chairman, Richard Tomkins thanked everyone for attending in, particular Keith Hall and Frank Williams for their additional support.

He welcomed Sarah Hudd, recently taking on the role of HUST Membership Secretary and advised that Russell Cheasley was standing down and the HUST board would be going forward with 5 Directors.

Richard Tomkins reported on the year's activities and achievements stating that:

The Trust has made significant progress during the past 12 months. My thanks to our serving Trust directors, our network members who have been of great assistance, and to our membership for supporting our endeavours. Sadly, I must report the loss of Peter Davies, our membership secretary, who died over the Summer. We will miss his advice and guidance, and that inimitable 'Scouse' sense of humour!

We are transitioning from a start-up Trust to one with foundations for the long-term future as a partner of our football club. Hereford FC's structure, which includes supporter directors and supporter share purchase, represents a unique variation on the community ownership model that organisations like Supporters Direct (SD) and the Football Supporters Federation (FSF) are campaigning for throughout football. This model is the envy of several other supporters' trusts whom I met at the recent SD AGM.

We have completed the first iteration of HUST Nominated Directors (HNDs) onto the football club board. My thanks to our previously serving directors, Chris Williams, Mike Langford and Martin Watson, who held post since club foundation. Our 3 new HNDs have been appointed via the process

agreed by the HUST membership. We had more candidates than vacancies and I thank everybody who expressed an interest.

We are delighted with the contribution our new HNDs, Mick Merrick, Andrew Graham and Tony Taylor are already making to the club. Their enthusiasm is boundless and will be a great help to the ongoing development of the football club.

Our membership has grown since last year, and the time of writing we have over 702 members (590 adult, 110 juniors and 2 corporate) compared to 452 (375 adult, 72 junior and 5 corporate), reported at last years AGM.

The Trust has also stepped up our drive on fundraising. We now have a portfolio of fundraising methods that allow supporters and followers from near and far to contribute. These funding sources have been used to drive the ongoing purchase of Trust shares in HFC. During the period, further stake-holding milestones were achieved. At the end of the Financial Year the Trust owned 152,000 shares which is 34% of the issue. An additional 10,000 shares were purchased on August 2018 taking the holding to 36% of the issue. The Trust is determined that we will match privately held shares of 289,000 by 31st March 2020.

Since its foundation, the Supporters Trust has moved from opposition to influence. We aim to work with the club going forward as a constructive partner to the cause.

HUST continues to meet with the HFC board and other Trust Chairs such as Telford, who we are meeting with shortly.

Members were thanked for their continued faith in HUST and we look forward to further success through the season as we go forward.

Proposed: Craig Goodall Seconded: Peter Drinkwater

5.00 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-opt members with specialist skills.

Russell Cheasley and Richard Tomkins stepped down from the HUST board in the required rotation. Russell, as already advised was not re-joining the board and Richard was re-standing. The jobs within the board would be reappointed at the next monthly meeting.

6.00 Approval of 2018 Accounts

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

He began by introducing the Independent Examiner Gerry Harrison and that there were 3 legacies that we are aware of and members should speak with Tony if there is a possibility of future legacies.

He then went on to explain the difference between using the name HUST as a trading name of Hereford United Supporters Society.

Membership Fees are currently only £10 for an adult but are quite significant to the Trust, as alongside Donations, they go straight into share purchase.

Match day draws are averaging sales of 80% of the home gate with fans understanding that purchasing 2 tickets will equal 1 share purchase. There are an additional 1500 online sales scattered around the world.

The Bulls Lotto is about to be moved to a new platform and will be announced in due course.

The 500 Club Draw will have a Christmas Draw 2018 of £1500 in prizes

£29,000 has been awarded in matchday draw prizes which is very close to the 50%. There being a small expenditure of paypal fees for online sales.

At the end of May 2018 HUST had purchased £152,000 in shares with net current assets of over £10,000 in the Bank. HUST requires £13/14,000 working capital to release a further £10,000 for share purchase. Currently 34% of HFC is owned by members of HUST.

HUST are still working towards the required £289,000 required by 2020

The Financial Statement & Independent Examiner Report was formally adopted with all in favour.

7.00 Resolutions

7.01. 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 2018-19 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 2019 when they are presented to the next AGM held in 2019.

The members of the society agree that the accounts for the financial year ending on 31 May 2019 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 and seconded by Simon Wright with all in favour

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

Background:

HUST generated a surplus of £46,173 in the financial year ending May 2018. These funds were allocated to the purchases of "A" ordinary shares in Hereford Football Club allowing HUST to purchase £42k of shares, the balance being carried forward for the purchase of shares in the next financial year.

In addition to this £48 was paid to HFC for the costs of the Volunteers Evening. 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 2019 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 2019 be allocated to the purchase of A ordinary shares in Hereford Football Club. The Board further propose funds may also be 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 and seconded by Jerry Harrison with all in favour

7.03 Proposed amendment of Rule 22.1 of the Trust Constitution.

Background:

As a society registered under the Co-operatives and Community Benefits Act 2014 HUST is required to maintain accurate records of member numbers. Rule 22.1 currently states that a member ceases to be a member" if they fail after written demand to pay their annual subscription". This creates an administrative requirement on the Trust to a) write to all members who have not paid and b) retain records in order to be able to demonstrate that written demands for payments have been sent. Currently all members with a working registered email address will receive membership renewal requests, but a small number who either have no registered email, or whose email address has changed or is not working may not receive any renewal request or reminder.

The board propose that membership of the Trust should cease if/when membership falls two months in arrears regardless of whether a written demand for payment has been sent.

Resolution:

It is hereby resolved that Rule 22.1 of the HUST constitution be amended to read as follows:

22. A member shall cease to be a member if they:

22.1 fail after written demand to pay their annual subscription and/or their subscription falls two months in arrears;

Previously:

22. A member shall cease to be a member if they:

22.1 fail after written demand to pay their annual subscription;

Proposed by: HUST Board and seconded by Simon Wright with all in favour

This closed the formal part of the meeting at 7.45pm