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|  | City Fans United 2014 AGM Minutes | |
| | Meeting date: | 11th September 2014 |
| | Location: | Blues Bar, Swansway Chester Stadium |
| Attendees: | Chairman: Tony Durkin (TD) Directors: Mike Day (MD) Jim Keegan (JK) Secretary: Marion Needham (MN) 96 CFU members | |
| Apologies: | David Evans (DE) David Foster (DF) Ben Hughes (BH) 4 CFU members | |
| MINUTES | | |
| 14/1 | <u>Resolution 1 – Adoption of the minutes of the AGM held in 2013</u> Minutes from the previous AGM held 28 th November 2013 were distributed to members with the AGM meeting papers. Matters arising: <ul style="list-style-type: none"> • CFU membership – in response to a question raised relating to lapsed membership, TD said it was expected that one of the new Directors would take on initiatives towards increasing membership and MD was already working on the database. • Dave Riche gave an update on marketing initiatives and increasing revenue streams, more volunteers to work in this area would be welcome. JK also highlighted the increase in major sponsorships • Noted that whilst minutes were taken at board meetings a sanitised version had not been published and this is one of a number of areas of communication that need to be addressed. Resolved that the minutes be approved by 71 proxy votes and a majority in the room | |
| 14/2 | Chairman’s report – TD said that it had been a challenging but rewarding year both on and off the pitch and that we were in a better position than a year ago; the reprieve from relegation would enable the club to consolidate its position in the Conference Premier. He said that he continued to be amazed by the support from volunteers who now numbered about 150 and without their support the club could not function and he thanked them all. TD thanked board members who have a 24/7 job which is sometimes difficult and challenging but has its rewards. He acknowledged the contribution of directors who were standing down: <ul style="list-style-type: none"> • Steve Ashton who had acted as deputy and this had been particularly important during TD’s period of illness. • Jeff Banks who had stood down due to job and family commitments but continued to act as a volunteer in respect of media issues. <p style="text-align: right;"><i>Minute 14/2 continued</i></p> | |

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| | <p><i>Minute 14/2 continued</i></p> <ul style="list-style-type: none"> • David Evans who had been a long serving director and was really sorry not to be able to attend to present the findings from the Big City Survey. • David Foster who is now looking to work with the Community Trust. • Ben Hughes who had to stand down due to work commitments. <p>TD also thanked Laurence Kirby (LK), JK and MD for their work on the Operations Board/ CFU Board. Thanks were also expressed to Calvin Hughes (CH) and MN for their respective secretary roles and also the work CH had taken on with the Youth Section when Mark Howell and Bernard Concannon stood down. Additionally CH had taken on the role of RESPECT Director which related to matters both on the field and off the field and was equally important for the playing staff and directors.</p> <p>TD reported that the Operations Board is now up and running and that he and JK were the representatives from the CFU board with other members being LK and Steve Harvey from our law firm (Hillyer McKeown.) The Operations Board meet weekly and only discuss operational matters relating to the business with Tracey Wainwright, Dave Riche and Andy Cummins joining the meeting for a debrief after each home game. TD expressed the hope that when new members are elected to the CFU Board they will bring fresh ideas and take on responsibility for a specific portfolio of work and drive forward the strategic agenda.</p> <p>In respect of key groups TD made the following comments:</p> <ul style="list-style-type: none"> • Governance and fundraising continued with their great work and Richard Lynes and Brian Burns were thanked for this. • Senior Blues grow and prosper with membership now standing at 140. • Inclusive Blues work is underway to improve the match day experience and to look at ground improvements. • Former players continue to support and promote the club and have recently undertaken a big redecoration project headed up by Denis Reeves and Gary Talbot and paid for by former players who also act as match day ambassadors. • Exiles group operates for those living more than 25 miles away and TD and Steve Burr will be meeting with them prior to the Dover game. • Junior Blues a lot of work is being done to encourage this group of members who will be vital to the future of the club. <p>Looking forward TD provided updates on:</p> <ul style="list-style-type: none"> • The lease with the council which it is anticipated will be finalised within the next few weeks and will include the car park. • The link with the College regarding the scholarship academy which will move forward once the education funding authority is able to release funds. • Training ground – the Council had been asked to review the route of the western relief road which would currently run through site; in the event of this not being possible then other alternatives were being considered. In the meantime the club had access to excellent facilities at MBNA and the University of Chester. <p>In conclusion TD thanked the main sponsors for the tremendous amount of money that they invest in the club and also the many fans who sponsor a variety of things.</p> |
| 14/3 | <p><u>Resolution 2 – Receive the audited accounts for the year ended 31st May 2014</u></p> <p>LK referred to the previous AGM when he reported an operating loss of £88k for the 2012/2013 financial year.</p> <p style="text-align: right;"><i>Minute 14/3 continued.....</i></p> |

Minute 14/3 continued

By contrast the financial position of the Society after a further year is much improved and he said he is now able to report an operating profit before tax of £33k and a balance sheet that now shows positive net current assets. This result being the Society now has adequate liquidity to be able to pay its creditors.

THE ACCOUNTS

The P&L account (page 4) and detailed operating statement show that total Income has increased by £207k to £1,238k. This increase is as a result of:

- transfer income of £102k
- additional Central Funding and Conference Funding
- increased bar and restaurant income of £30k
- increases in commercial revenues – particularly stadium sponsorship and match day packages.

On the negative side, club shop sales are down reflecting a quieter year as there was no change of home kit. It also reflects the difficulty in selling the PUMA brand leisure wear that formed a significant part of the contract with Genesis Sports.

Overall gross profit has increased year on year by £225k to £1053k. Being part of a national league carries an increase in costs and administrative costs have risen by £104k to £1019k.

The playing budget was increased on the back of promotion and further enhanced after the Antoni Sarcevic transfer. There were changes to the management team and contractual matters to be resolved as a result. These are the main factors in the increased staff costs.

Match day costs have also increased by £30k. Elsewhere costs have been generally tightly controlled with overall savings.

Making a loss last year meant it was possible to reduce our deferred tax liability by £6k. This therefore increases our after tax profit to £39k.

In respect of the **BALANCE SHEET** (Page 7)

Fixed assets are carried at a net book value of £61k. Additions were £13k being new EPOS tills for the retail areas and ground equipment – hand mower and linesman runs largely covered by donations from the away travel and individual supporters.

net current assets are now £19k positive compared with £23k negative last time. The provision for deferred tax has been reduced by £6k to £5k. This is a technical and timing item. The result is members' value in the business of £75k. This is made up of 1189 members' shares of £1, loan notes of £36k and accumulated profits over the four years of £38k.

NET CURRENT ASSETS

Net current assets are the day to day working capital of the business. It changes its make-up constantly as bills are paid, cash is received and stocks are purchased and sold. This now stands at positive £19k whereas at May 2013 it was negative 23k. This indicated a potential cash problem in that it would be unable to pay our creditors if required to do so immediately. Now that pressure has been relieved, however it is important to remember that the size of the bank balance is largely attributable to our main sponsors having advanced to us sponsor money for the new season. In addition there are still VAT and PAYE liabilities that are not payable until June and July.

Minute 3/14 continued

Minute 3/14 continued

2014/2015 Budget

An income budget of £1.13M has been set and with a matching expenditure budget. Significant changes are:

- no income from player transfers
- no England U19 game
- only one BT TV home game.

It is expected there will be increased commercial income and it is widely known the playing budget has been reduced. If income does increase for example by progress in cup competitions it will be possible to look at increases in expenditure.

CASHFLOW

The planned budget and spend reflect a balanced budget, but as reported previously the timings of the flows of cash in and cash out are very different. Cash is accumulated in pre-season and Q1 and Q2 but in Q3 and Q4 spend is more than income. The inherent uncertainty in the business affects our ability to forecast income to a far greater extent than forecasting spend. Gates are unpredictable but expenditures are largely set once contracts are given to players and other staff. Any shortfall against income projections will result directly in an inability to meet our budget. If a business has reserves to fall back on it is able to absorb these stresses. An important outcome of our return to profit is the ability to build a small reserve to meet unexpected shortfalls in income or essential emergency expenditures.

Page 2 reflects a decision made by the Board to adopt a reserves policy to build and maintain a special reserve of £100k. This is an essential requirement so there is confidence that arrangements are in place to demonstrate that the business is sustainable and capable of withstanding the inevitable knocks that happen; 12 months ago we were not in that position.

Over the course of 2013/2014 great progress has been made in putting in place stronger financial controls across all areas of the business. LK thanked Stephen Baker our Accountant for his work and professionalism and also thanked Barbara Rogers, Roy Edwards and Alan Menkin who work within the finance team as volunteers. They are all CFU members and have a wealth of highly relevant experience to bring on board to ensure that the Club's finances are properly cared for.

In response to questions LK said:

- The budget had been based on 1250 people paying on the gate, the figure in the previous years had been 1340, also season ticket sales had topped 1200.
- The club will receive further payment in the event that Antoni Sarcevic is sold details could not be shared as the information is commercially confidential.
- It is not possible to benchmark ourselves with other clubs as there is no model that is exactly the same.
- The biggest reason for the increase in match day costs is being part of a national league and the cost of travel, overnight stays, medical costs and match day officials.
- It is purely the referee's decision as to when the flood lights are switched on.

Resolved that the accounts be approved by 71 proxy votes and a majority decision in the room.

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| 14/4 | <p><u>Resolution 3 Arrangements for the accounts for the year ending 31st May 2015</u></p> <p>LK put this motion to the members that the Society continues with the arrangement to undertake an independent examination of the accounts in place of a full audit.</p> <p>Resolved that an independent examination of the accounts in place of a full audit for the year ending 31st May 2015 be approved by 72 proxy votes and a majority decision in the room.</p> | | | | | | | | | | | | | | | | | | | | |
| 14/5 | <p><u>Resolution 4 Reappoint Hargreaves and Woods as auditors</u></p> <p>LK put this motion to members.</p> <p>Resolved that Hargreaves and Woods be reappointed by 71 proxy votes and a majority in the room.</p> | | | | | | | | | | | | | | | | | | | | |
| 14/6 | <p><u>Resolution 5 To approve a change in the constitution in relation to Clause 10.4</u></p> <p>TD explained the background to the motion which had been requested by a member of the exiles who was concerned about the current wording and his inability and that of other exiles to attend meetings. Following the resolution that had been circulated with the AGM papers a further amendment had been proposed so that the new resolution relating to clause 10.4 would read:</p> <p>‘agrees to attend General Meetings whenever possible and to take an active interest in the operation and development of the Club and its business.’</p> <p>The motion was proposed and seconded.</p> <p>Resolved that clause 10.4 of the constitution be amended as detailed above, this was agreed unanimously by members in the room. Proxy votes were discounted as they did not relate to the motion put before the meeting.</p> | | | | | | | | | | | | | | | | | | | | |
| 14/7 | <p><u>Resolution 6 Election of candidates to the Board</u></p> <p>MN thanked Jim Betts and Geraint Parry for the support in managing the election process as members of the Election Management Group and GP for acting as external scrutineer. She asked GP to read out the votes for the candidates in the order that they appeared on the ballot paper and to then identify the eight candidates with the most votes:</p> <table data-bbox="459 1556 869 1910"> <tr><td>Jonathan Freeman</td><td>116</td></tr> <tr><td>Michael Poole</td><td>103</td></tr> <tr><td>Neil Bellis</td><td>111</td></tr> <tr><td>Betty Fisher</td><td>85</td></tr> <tr><td>Grenville Millington</td><td>149</td></tr> <tr><td>John Reddy</td><td>103</td></tr> <tr><td>Brian Burns</td><td>162</td></tr> <tr><td>Malcolm Powell</td><td>78</td></tr> <tr><td>John Martin</td><td>139</td></tr> <tr><td>Michael Day</td><td>135</td></tr> </table> <p style="text-align: right;"><i>Minute 14/7 continued</i></p> | Jonathan Freeman | 116 | Michael Poole | 103 | Neil Bellis | 111 | Betty Fisher | 85 | Grenville Millington | 149 | John Reddy | 103 | Brian Burns | 162 | Malcolm Powell | 78 | John Martin | 139 | Michael Day | 135 |
| Jonathan Freeman | 116 | | | | | | | | | | | | | | | | | | | | |
| Michael Poole | 103 | | | | | | | | | | | | | | | | | | | | |
| Neil Bellis | 111 | | | | | | | | | | | | | | | | | | | | |
| Betty Fisher | 85 | | | | | | | | | | | | | | | | | | | | |
| Grenville Millington | 149 | | | | | | | | | | | | | | | | | | | | |
| John Reddy | 103 | | | | | | | | | | | | | | | | | | | | |
| Brian Burns | 162 | | | | | | | | | | | | | | | | | | | | |
| Malcolm Powell | 78 | | | | | | | | | | | | | | | | | | | | |
| John Martin | 139 | | | | | | | | | | | | | | | | | | | | |
| Michael Day | 135 | | | | | | | | | | | | | | | | | | | | |

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| | <p><i>Minute 14/7 continued.....</i></p> <p>Resolved that the eight candidates with the highest number of votes be elected to the board by 71 proxy votes and a majority decision in the room, namely:</p> <p>Brian Burns Grenville Millington John Martin Michael Day Jonathan Freeman Neil Bellis Michael Poole John Reddy</p> |
| <p>14/8</p> | <p><u>Big City Survey 2014/15</u></p> <p>JK presented the findings of the survey on behalf of DE, in doing this it was noted that the survey had only been undertaken on an electronic basis on this occasion and with a very short turn round time and this would not happen in the future. As in previous years the survey included a wide range of data both quantitative and qualitative. The CFU board had already looked at the finding very briefly and identified themes emerging. Some of the issues would be taken forward by the Operations Board and some by the CFU board who would look at the document in more detail at their first formal meeting on 16th October. Full details of the survey will be posted on the CFU website.</p> |
| <p>14/9</p> | <p><u>Q and A session</u></p> <ul style="list-style-type: none"> • Concern was expressed about the amount of personal criticism that TD had received on social media and the question was posed – do we need a chairman of the football club as we now have a chairman of each of the two boards. Agreed that this was a matter would need wide debate and will be considered in the first instance by the new board. • Confirmed that fans will get a vote on any future kit changes. • Responsibilities of the new directors will be posted on the website once agreed and photographs displayed around the club. • West stand boxes – these will need to be included in the new lease and plans are in place to use one on match days as a community room. • The planned golf day did not take place due to lack of uptake. • The Operations Board is looking at issues regarding the staffing of the kiosks. • Next year’s Big City Survey will include a question relating to the Wrexham game, Wrexham are consulting their fans and a joint survey may be undertaken. • The Club has to pay Police inside the ground. • Players have had to sign up to a code of conduct aimed at improving the club’s disciplinary record and fines will be deducted from their wages. • There is a video recording of all matches both home and away. • Need to try and secure more individual mascots although good to see the teams of children on the pitch. • The FA charter standard will be pursued. • Although hospitality and sponsorship seems to be on the decline, this follows the same trend for matches early in the season as in previous years. Looking to improve hospitality arrangements and to extend them to the Blues Bar. |

The meeting closed at 10.05pm

Minutes agreed as a true record at the AGM held on

Signed Signed