

	<b>City Fans United</b> <b>2020 AGM Minutes</b>	
	<b>Meeting date:</b>	<b>Thursday 12th November 2020</b>
	<b>Location:</b>	<b>By Virtual Conference through Zoom</b>
<b>Attendees:</b>	<b>Chair: Andrew Morris</b>  <b>Directors: Mike Day</b> <b>David Williams</b> <b>Jeff Banks</b> <b>Chris Robertson</b> <b>Adam Langan</b> <b>Mark Jones</b>  <b>Non-Executive Directors: Nick Phillipson</b>  <b>Attending: Jim Green</b>  <b>Independent Scrutineer: Lindsay Jones</b> <b>(taken ill on the day). All paperwork</b> <b>received and verified through post in</b> <b>time for meeting.</b>  <b>Secretary: Christine Robson</b>  <b>93 CFU members registered online</b> <b>through Zoom and 18 CFU members</b> <b>voted by proxy</b>	
<b>Apologies:</b>	<b>Directors: Kieron Shiel</b> <b>Richard Lynes</b> <b>Paul Bodman</b>	
	<b>MINUTES</b>	
<b>20/1</b>	<b><u>Resolution 1 – Adoption of the minutes of the AGM held in 2019.</u></b>  Minutes from the previous AGM held on 21 <sup>st</sup> November 2019 were distributed to members with the AGM meeting papers and there were no matters arising.  <b>Resolved that the minutes be approved by 18 proxy votes and the majority on the zoom meeting.</b>	

20/2

Chair's Report

Before Andrew commenced the Chair's Report, he wanted to start by thanking all of those who had supported the Club in the last 12 months either financially or through their own time. It would not be possible to thank you all individually but a few he particularly wanted to mention.

- Our main principal sponsors MBNA alongside Swettenham's Chemist who have continued to support the club and Youth Sections this season.
- Our Supporters Groups such as the Exiles and Senior Blues who have not only provided financial assistance.
- Our match day and mid-week Volunteers who give up their free time to support the Club in a range of roles.
- Volunteers supporting our COVID response to enable us to play games behind closed doors.
- Our paid employees who have shown commitment to the Club throughout uncertain times going above and beyond to fulfil their duties on a part time basis during furlough.
- The Board of Directors for undertaking weekly zoom calls, with our customary 7.30pm-10pm slot every Monday.
- This year we have had volunteers of a different sort. Our playing and coaching staff who worked without pay, giving up bonuses to participate in the play offs and many continue to do so or on significantly reduced wages.

**Football Activity** – For the purposes of the AGM we are reviewing the last 12 calendar months which does not necessarily align well to the footballing calendar with most season starting in August, not October. The commencement of the footballing season is something we are concerned about only at a time when it is safe and secure to do so. As a Club what we have endeavoured to do from a football perspective is to continually improve our performance both on and off the pitch to reach the ultimate of promotion and sporting success.

As such it was brilliant that we were able to secure Bern and Jonno to a new contract until the end of 21/22 season. It was also important that we secured early our brighter prospects into new deals. This is a task that has been made more difficult given the impact of COVID on the footballing landscape, the withdrawal of key sponsors and a challenging commercial landscape to attract and retain existing partners. It was because of this we sadly saw the departure of last season's top scorer Akwasi Asante to Gloucester. However, it is with great credit what the Managers have been able to achieve signing up nearly most of last season's playing staff alongside some impressive additions such as Declan Weeks.

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*Item 20/2 continued*

The development of younger players, either through our own youth system, or players released from other academy systems, has always been part of our club philosophy. As such it was important that we continued the Hybrid model which was introduced in 19/20 season, using the funds raised from Boost the Budget allowing us to train Tuesday, Thursday evenings along with Friday mornings. It is important that the players are given the right footballing education through training with us whilst gaining first team experience; as such, we have Marsh-Hughes, Crilly and Hayes at Runcorn Linnets, Goodun at Clitheroe, Goodwin at Stalybridge and Ethan Cartwright at City of Liverpool.

On the pitch we saw last season conclude with what may be our first very competitive game in July following a narrow play off defeat to Altrincham alongside some very questionable refereeing decisions. This season has seen a difficult start with away trips to Kidderminster, Spennymoor and Gloucester in our opening three away games before a difficult trip to York fell victim to a COVID outbreak in the squad.

**Streaming and Digital** – Streaming figures 800-1000 viewers, predominantly season ticket holders, despite playing games with modest away support to increase figures.

Incremental improvement – introduced adverts, sponsors etc.

Seals Live Away Games 600 unique visitors at Gloucester, 700 at Kidderminster. Since its launch in 2017, 291,000 listens.

Website in the month of October 170,000 impressions and 10,000 clicks on the page.

Twitter – 5.5 million twitter impressions in October 2020 alone, with 210,000 profile views and 43,000 followers.

Facebook – 15, 500 followers

You Tube – 1760 subscribers, however our match highlights average over 2000 views per game once uploaded.

Instagram – 6,400 followers, rapid increase in followers with highest level of engagement with posts so something we continue to look to expand on.

**COVID Related**

Appointment of COVID officer and COVID Medical Officer

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*Item 20/2 continued*

Creation of COVID Safety Group

COVID risk assessments put in place for stadium officers and set up of offices to allow safe return of staff and volunteers.

COVID set up of classroom to allow safe return of scholars.

Creation of Stadium COVID risk assessment, COVID Operations Plan, Spectators Code of Conduct, Medical Plan and various other documents.

Liaison with CWAC, St John's Ambulance, Cheshire Police and SAG regarding COVID requirements.

Successful application for new Stadium Safety Certificate to allow play behind closed doors.

Set up of stadium (Track and Trace, signage, sanitizer stations, seating arrangements etc.) to comply with COVID operating plan.

Andrew wanted to say a large thank you to Steve Povey and his team for all their efforts and support. We have had various annual safety inspections successfully completed by CWAC and FA under the Safety of Sports Ground Act.

We have had annual visits completed relating to structural inspection of stadium (John Noone), Stallard. Kane Safety Audit, Fire Alarm/ Fire extinguisher servicing, PAT testing, legionella testing, emergency lighting survey. We have reviewed the Club Shop commercial arrangements with Outlanda (Governance). We have also offered support to Wrexham Supporters Trust for their AGM election process.

**Commercial** – Paul's position as Commercial Director has been a rollercoaster ride from highs to lows. The positives have been:

- Last season before its early finish, we had full match day sponsorship for all matches. We had full hospitality for most of the remaining home games.
- We had stadium sponsorship, main stand, west stand and south stand. All was going very well and we were on course to at least match probably beat our budget forecast for the season.

**Challenges** – COVID 19 arrived and the season was stopped in its tracks. This has had a major impact on everything we wanted to do this season. As it stands now we do not yet have a stadium sponsor or main stand, with south stand and west stand sponsors.

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*Item 20/2 continued*

We cannot have supporters in the ground, so no hospitality or match, no programme or ball sponsors and we cannot sell 50/50 draw tickets.

It all sounds very negative but every cloud has a silver lining and things are not always as bad as they seem.

**New Positives** – When the COVID 19 restrictions are lifted and we can have supporters back in the ground, this will help us commercially get back on track. With this in mind, I would like to mention the positives for the future.

Opened in partnership with Aaron Poole (the Blues Café) for which the club receive a significant profit share. Whilst the launch has been difficult, Aaron wanted to go with a full launch once the industrial units are fully operational post lockdown.

New contracts for match day hospitality – Jaspers and for the Blues Bar through Aaron who is landlord of the Chichester in the Garden Quarter

Outdoor. Open air cinema in partnership with Story House with well-publicised international boundaries being an issue to overcome, but something we hope to continue.

A few bookings are being taken for use of the Legends Lounge including a successful Auction prior to lockdown 2.

Digital Matchday Sponsorship

Young Drivers Training have booked training sessions every month until the end of May 2021. They have agreed to add extra dates each month until May. They have yet to finalise their summer programme and next winter will be booked when the fixtures are out.

The Ride Academy have renewed their contract for another year for motorbike training. Many thanks for their continued support

I am pleased to announce our shirt sleeve and back of shirt sponsors. Local company Precision Facades are our sponsors. They are keen to work with us on other sponsorships with the club in the future.

Masters of Brands have again sponsored the shorts and various match sponsorships this season. This is the second year and very much appreciated.

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*Item 20/2 continued*

To all our sponsors from last season. Match day, programme advertising, ground board, advertising, player sponsorship. On behalf of the club thank you for your fantastic support.

We have sponsorship opportunities with some major companies which will include Stadium sponsorship, main and south stand sponsorship. The companies concerned are major international companies which will be well known to everyone. Once we get back to something like normal these and other sponsorship will come into the club.

We need to all work together to get through this very difficult period, and with your help I am sure that future is bright.

**Academy** – The relationship with education providers Warrington & Vale Royal College continues to flourish. Following excellent academic results for the scholars last year, WVRC have been supportive with recent recruitment issues due to the COVID situation and have also been able to help us by bringing forward one of the payments due to the club. 2019/20 was another successful season for the Youth section, however one that was blighted by the early curtailment of the season due to the COVID 19 pandemic.

For the first time, we achieved National League Licensed Academy status having met a wide array of criteria in relation to facilities and standards. This was a real marker on the work that has gone on to both establish our full-time scholarship programme but then ensure it becomes regarded at the level we all aspired for it to be.

One thing that came from the National League's auditing process was the necessity for another full-time member of staff to work with the club's scholars. This was actioned with the appointment of Mike Allcock in September 2020.

Our scholars were crowned inaugural National League Academies Division North Champions as a result of the league table being settled on PPG. We felt this was the right decision. Particularly given that our fixtures had seen us play all bar one opponent away from home and play the vast majority of the top four home and away. We were pleased with the group and their development and as a result Will Goodwin was offered a senior contract earlier this year. Two more players were offered the opportunity to return to the club during pre-season training to potentially earn a deal but declined the opportunity.

At the time of writing, there is still a desire from the National League to play the 2019/20 National League Cup final against Eastleigh. However, this is dependent on the national situation in relation to the pandemic.

Recruitment (although this was uniquely difficult in 2020) is a constant task for the

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*Item 20/2 continued*

upcoming cohorts, as well as ensuring we are meeting the requirements for the individuals as well as the team. It is worth remembering that a vast majority of boys that come through the scholarship programme will not represent Chester FC at first team level and the exit routes we provide these young players both within the football environment and academically are important. We are always improving our links with other clubs, universities and ensuring we are monitoring and advising of progress better than before.

This takes significant time to be done properly and there is not always the time to invest in the younger age groups. Much discussion has taken place regarding this and a further update will be provided as there is more clarity as to how things move forwards within the country. It is always a challenging task overseeing the Youth section at Chester FC. As much as it is spoken about, very few know the actualities of the challenges we face in terms of resources and the disparity in terms of clubs at our own level. We rely enormously on the availability of external facilities and a move to our own facility is what would allow us to expand and improve our programme further. The achievements of the Youth section are immensely pleasing but must also be measured within a context of what we are able to fund and resource ourselves, with this.

In mind, the achievements are simply enormous. We are operating on a budget that is dwarfed by a majority of clubs at our level but continue to deliver success both in the production of players and in producing successful teams to represent Chester FC.

**Fundraising** – Boost the Budget £116,728 from 724 pledges.

In It Together - £18,485 from 702 pledges.

Squad Builder - brought in £7,000 during the 2019/20 season.

Red Lion in Handbridge – Their Question of Sport and Race Night evenings last November/December raised over £500 in total.

Sponsor a Goal – Over £3,000 pledged in 2019/20 and we are running the scheme again this year – follow the Twitter account @chesterfcgoals.

In February, the fans raised circa £800 for George Waring's face mask (a protective one not COVID).

We had been considering "Sports United" where we would offer local sports clubs packaged fundraising events at the Deva such as Fire Walk/Eggheads, Casino Night, but due to COVID these plans have been suspended.

The Scratch cards that Grenville Millington was selling to local sports clubs are expected to raise £1,500 to £1,700.

Social distancing paid havoc with selling Easter Raffle Tickets and we were unable to do the draw until October, but we still managed to sell over 3,000 tickets. Many thanks to everyone who supported the raffle.

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*Item 20/2 continued*

Due to the office being closed, we have suspended new applications to the Seals Lottery as we currently have an entirely paper-based system for new players. We have been looking to switch to a different system which has numerous benefits, one of which is the facility to accept entries online.

E Bay auctions were paused in Summer because the gentleman who handles the stock was in a high-risk category for COVID but have restarted in recent months. Since the last AGM they have raised over £2,000 with a highlight being the five paintings of Chester FC players that Richard Evans donated. The Club undertook many fundraising activities. The virtual matches in March and April raised £3,000 to £4,000.

**Fan Engagement** – We currently have 1200+ active members. We have raised £27,000 in the last membership period (June 2019-May 2020). Current period (June-today) we have raised £8,000 compared to £11,000 (June 2019-Nov 2019), so tracking is behind at present.

Responsible Season Ticket, Matchday Admission planning and implementation. Organised Matchday themes and competitions last season and planned for return. Attended Freshers Event in September 2019 at Chester University.

Schools Season Passes initiative for season 2019-2020 which was due to be followed up this season. However, given BCD this is not possible. The Online Ticketing Platform was implemented with Kaizen.

A successful first season (up to March) for our new initiative run in conjunction with the Community Trust, that saw over 60 schools in the local area receive a season pass, that enabled up to four people to visit the Deva Stadium with post-match surveys sent out. Refurbished the Blues Bar as part of the revised hospitality contract with Aaron Poole who is actively exploring the use of a marquee on match days.

**Community Engagement** – The Football Club have worked exceptionally hard to align closer with the Community Trust vision. Without the Community there is no point of the Club being in existence.

- Holding Soccer Schools at the Stadium.
- Players supporting Community activities such as the Soccer Schools.
- Working with the CT to use the stadiums as Location for Foodbank donation station.
- Contacting CFU members during lockdown to help avoid social isolation.

The potential KGV planning application which is a project that the Community Trust have worked tirelessly on, would potentially mean the Club and youth section to utilise the site and reduce costs whilst supporting a community present.

**COVID** – The impact of COVID has been well covered in the previous sections and will be further covered in the financial report. However, to update on the issue of funding received from the National Lottery. Our stance as a Club was clearly set out in a statement. We welcomed the grant but would challenge the allocation and the lack of transparency from the NL and we were in the process of a collaboration with other

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	<p><i>Item 20/2 continued</i></p> <p>clubs such as Notts County, Yeovil, Wrexham, Hereford asking for an independent enquiry. We are hopeful of continuing support.</p> <p><b>Stuart Murphy</b> – On 3<sup>rd</sup> April 2020, the Club received an email from Stuart Murphy asking the Board members, to support him in putting forward a proposal to CFU members, which they could weigh up against being fan owned. Upon receipt of this approach, the Board adopted a position of Neutrality as we had no mandate to discuss the sale of the Club, however, asked for information which would support a meaningful period of due diligence with our members. What followed was well publicised. Subsequently, Stuart Murphy withdrew his interest in acquiring the Club publicly.</p> <p>In conjunction with this on 16<sup>th</sup> June 2020 Paul McDermott resigned from his role as a Non-Executive Director on the Board of City Fans United.</p> <p>Following a thorough review, we can confirm that no commitments remain outstanding, and that matters have now been resolved to the satisfaction of both parties. We again thank Mr Murphy for all his considerable financial assistance over the last two years and wish him well with his 1885 Sporting Village project.</p> <p>The Board have now commissioned an independent review to be led by CFU member Mr. Richard Birchett, on the relationship between Stuart Murphy and the Club to identify any lessons learnt and future learning should we be in such a position again.</p>
<p><b>20/3</b></p>	<p><b><u>Resolution 2(i), 2(ii), 2(iii), 2(iv) and 2(v)- Election of candidates to the Board - Affirmative vote that Adam Langan, Alex Owen, Mike Vickers, Jim Green and Andrew Morris be elected to the Board.</u></b></p> <p>Christine Robson thanked Nick Phillipson and Lyndsay Jones (Independent Scrutineer) from Wrexham Supporters Trust for the work they had undertaken as members of the Election Management Group to ensure that the process had complied with the Election Policy. Christine Robson also thanked the volunteers in the ticket office who had helped with the preparation of the AGM mail shots; she also reminded everyone present on zoom that if they had already used a proxy vote, they could not vote again. To be elected to the board the requirement is that candidates must secure the support of more than half of those present at the meeting and those who have expressed their preference by proxy vote. The result was as follows:</p> <p>Adam Langan received 100% support of the 18 proxy votes and the majority on the zoom meeting.</p> <p>Alex Owen received 100% support of the 18 proxy votes and the majority on the zoom meeting.</p> <p>Mike Vickers received 100% support of the 18 proxy votes and the majority on the zoom meeting.</p> <p style="text-align: right;"><i>Item 20/3 continued</i></p>

	<p><i>Item 20/3 continued</i></p> <p>Jim Green received 100% support of the 18 proxy votes and the majority on the zoom meeting. Andrew Morris received 100% support of the 18 proxy votes and the majority on the zoom meeting.</p> <p><b>Resolved that Adam Langan, Alex Owen, Mike Vickers, Jim Green and Andrew Morris be elected to the Board.</b></p>
<p><b>20/4</b></p>	<p><b><u>Resolution 3 – Receive the unaudited financial statements for the year ended 31<sup>st</sup> May 2020.</u></b> <b><u>Financial Report – Accounts 2019-2020</u></b></p> <p>Chris Robertson, the Club’s Treasurer, presented the Financial Report. It was split into two sections, the first focusing on the statutory accounts for 2019/20 and the second looking at the challenges that the club is facing in 2020/21 due to the Covid-19 pandemic and the withdrawal of Stuart Murphy’s financial support.</p> <p><b><u>2019/20 Statutory Accounts</u></b></p> <p>As everyone knows, the pandemic resulted in the premature end of the season in mid-March 2020 and this inevitably had a major impact on the club’s finances and the 2019/20 accounts. The Club reported a deficit of £12,274 and while this was marginally lower than the £15,266 recorded in 2018/19, the bottom-line figure concealed some major variances in both income and expenditure.</p> <p><b><u>Income</u></b>, at £1,078,454, was actually £219,565 higher than in 2018/19. This was primarily due to increased financial support from Stuart Murphy (£386,522 compared with £180,420 in 2018/19) and £75,066 from the government’s Job Retention (Furlough) Scheme which we used during the final months of the financial year. At the same time, the loss of 6 home fixtures due to the government-imposed lockdown, led to a reduction of £69,376 in Matchday Income (£172,689 compared with £242,065 in 2018/19) together with smaller falls in Commercial Income (down £19,101 to £170,340) and Catering (down £9,299 to £23,006). Income also fell compared with 2018/19 for the Club Shop (gross revenue down by £9,426 to £33,804) and Season Ticket sales (down £7,065 to £153,437).</p> <p><b><u>Expenditure</u></b>, at £1,089,318, was £215,086 higher than in 2018/19. This was primarily due to an increase of £245,366 in Payroll Costs from £503,319 to £748,685. This figure includes both the players and the club’s monthly paid staff, but the increase was almost exclusively in the playing budget and was funded by Stuart Murphy’s donations. There was also an increase of £9,539 in Matchday Costs to £152,342 and the accounts also include £12,126 in provisions for bad debts as some debtors, including many smaller clubs who took our players on loan, came under intense financial pressure due to the pandemic and were unable to pay what they owed. These increases in expenditure were offset, to some degree, by the lower than budgeted cross-subsidy required by the Youth Team and a reduction in spend on Repairs and Renewals, which together accounted for a saving of over £40,000.</p> <p style="text-align: right;"><i>Item 20/4 continued</i></p>

*Item 20/4 continued*

While the 2019/20 deficit was lower than in recent years, running a deficit of any size is clearly not sustainable in the longer term. The Special Reserve fell again to £80,000 and the club needs to prioritise getting it back up to £100,000 and then looking to move towards a more realistic level

### **2020/21 Financial Challenges**

Chris Robertson explained that while all clubs are facing significant financial challenges this year due to the pandemic, at Chester the withdrawal of Stuart Murphy's support has increased their severity. The late start to the season and the last-minute decision requiring clubs to play behind closed doors have dramatically reduced both match day and commercial revenue, but it is the continuing uncertainty about how the rest of the season will unfold and what if any further financial support will be provided that is our most serious problem and makes forward planning extremely difficult.

At the beginning of the year, the club went into its own lockdown and most staff were placed on furlough, but once a start date for the season was announced, expenditure increased rapidly, but with very little matching income. To date, our financial position has been secured by the continuing support of our main sponsors, MBNA, and the generosity of our supporters, both in responding to fundraising initiatives like Boost the Budget and because the majority of season ticket holders have agreed to forgo a refund. Apart from the furlough scheme, the club has also, wherever possible, accessed other Covid-related support schemes. Finally, the club has actively developed alternative sources of revenue, including the live streaming of home matches and innovative ways of generating cash from the stadium's facilities (primarily the car park).

Despite all this support and the club's own efforts to generate additional income and minimise expenditure, playing behind closed doors isn't financially viable. Every club faced the same challenges, so the government agreed to provide additional grant funding to replace lost match day revenue, initially for the period from October until December. Most members will already be aware of the controversy surrounding the allocation of this funding between clubs. Those with a larger fan base, especially those in National Leagues North and South, were the ones who suffered most. We will receive £108,000 which equates to £53.49 per fan (the fourth lowest after York, Dulwich Hamlet and Hereford). At the other end of the spectrum, 11 clubs will receive more than £200 per fan and one of these over £300 per fan.

Despite this imbalance in the allocation of the government's grant funding, the club's financial position will remain secure up until the end of 2020. The problem is what happens from January until the end of the season. Initially we were told that additional support would be provided if we were required to play behind closed doors in 2021, but we still haven't received any confirmation about the availability of further funding.

*Item 20/4 continued*

	<p><i>Item 20/4 continued</i></p> <p>If this doesn't materialise or if we are only offered a loan, the club will need to look seriously at advocating for the season to end prematurely, so that we can place players and staff on furlough and effectively mothball the club until next season when hopefully the pandemic will be less acute. Provided we either receive additional grant funding or are able to end the season early, the Board is confident of being able to manage the financial position for the remainder of the season, but Chris cautioned members about next season (2021/22), which may well prove more challenging.</p> <p>Covid-related funding is likely to reduce drastically or even disappear completely, while match day and commercial revenue is unlikely to recover immediately to pre-pandemic levels and at the same time we will also need to operate without Stuart Murphy's financial support. Prudent budgeting and continuing support from fans and supporters will be essential if we are to navigate this period successfully</p> <p><b><u>Questions</u></b></p> <p>Four members submitted questions related to finance. Three covered the breakdown of the amount received under donations, the basis for allocating the government's financial support to National league clubs and the increase in payroll costs. These issues were covered in the main report presented to the meeting (see above).</p> <p>A fourth question about the reasons for the rise in "Match Costs" required a more detailed analysis after the meeting. This confirmed that the "per capita" matchday costs had indeed fallen after the premature end to the season, but rises in other costs were larger. These included the additional training costs linked to the adoption of the "hybrid" model and two transfer fees, which were funded out of Stuart Murphy's donations.</p> <p><b>Resolved that the unaudited financial statements for the year ended 31st May 2020 be approved by 18 proxy votes and a majority on zoom. These will be submitted to the Financial Conduct Authority.</b></p>
20/5	<p><b><u>Resolution 4 – Arrangements for the financial statements for the year ending 31<sup>st</sup> May 2021.</u></b></p> <p>Andrew Morris put the 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 in accordance with rule 89 of the constitution.</p> <p><b>Resolved that an independent examination of the accounts in place of a full audit for the year ending 31<sup>st</sup> May 2021 in accordance with rule 89 of the constitution be approved by 18 proxy votes and a majority on the zoom meeting.</b></p>

20/6	<p><b><u>Resolution 5 – Re-appoint Hargreaves &amp; Woods as Independent Chartered Accountants</u></b></p> <p>Andrew Morris put this motion to members.</p> <p><b>Resolved that Hargreaves &amp; Woods of Cholmondeley House, Dee Hills Park Chester, be reappointed as Independent Chartered Accountants to report for the members on the unaudited accounts of the society for the year ending 31<sup>st</sup> May 2021 by 18 proxy votes and a majority on the zoom meeting.</b></p>
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The meeting closed at 9.15pm.

Minutes agreed as a true record of the AGM held on .....

Signed ..... Signed .....