

Minutes of the AGM, 24th October 2015
The Phoenix Centre, Gandy Street, EXETER

Trustees Present:

Laurence Overend (LO)(Chair), Richard Clutterbuck (RC), Elaine Davis (ED), Paul Farley (PF), Peter Holding (PH), John Kanefsky (JK), Neil Le Milliere (NM), Pete Martin (PM), Martin Weiler (MW)

Trust Members:

61 members, including those listed above, attended the meeting.

Exeter City AFC Ltd. Representative:

Julian Tagg (JT), Club Board Chairman

Also Present: Steve Bright (Auditor)

Apologies:

Nick Hawker (Secretary), Andy Beer, Lynden Bray, Catherine Jowitt, Keith Mason, David Morgan

1. Welcome

LO welcomed members to the Exeter City Supporters Trust Annual General Meeting. He explained that Keith Mason, Club Finance Director and Nick Hawker, Trust Secretary, were unable to attend. He thanked the staff of the Phoenix Centre for again hosting the meeting and the Trust Board for entrusting him with the office of Chair since 2012.

2. Apologies

Apologies were received as noted above.

3. Approval of Previous AGM Minutes

It was noted that the date of the previous Minutes should read 2014 not 2013.

Member David Thompson asked that the following text be added to the Minutes:

“David Thompson raised concerns about the apparent lack of financial transparency on the part of the Club. He referred to the earlier years of the Trust, when David Treharne was Club Chairman and Ian Huxham Club Managing Director, and made specific reference to a match day programme in which was set out an Income and Expenditure Account detailing the profit for each match.”

“In reply, Julian Tagg, in his capacity of Club Vice Chairman, advised the meeting that he saw no reason why such information should not be made available to supporters through the match day Programme and undertook to take the matter as an action point for further consideration.”

This addition was accepted; JT said the matter had been overlooked, but he would review urgently what information could be made available. Subject to these amendments, the Minutes were proposed for acceptance

Proposed by: Roger Bibby; Seconded by: Hazel #####.

Carried

4. Matters Arising**a. Rule Changes**

LO explained that the FCA had not accepted the changes to the Trust's Rules approved by the previous AGM, as these did not bring them up-to-date for legislative changes, especially the Co-operative and Community Benefit Societies Act 2014. He would therefore later in the Meeting put forward a Resolution on behalf of the Trust Board to make the necessary changes to the Interpretations section of the Rules to make them compliant. The Trust Board were also proposing other, more substantive changes, which he would outline at the appropriate point.

5. Club Chairman's Report

LO welcomed the Club Board Chair, Julian Tagg, who reported on the Clubs performance during 2014/15. He presented two pie chart and tables summarizing the Club's financial results for the year to 31st May and the Budget for the current year 2015/16. He apologised that that Club's Finance Director was unable to be present to discuss these slides but undertook to publish them in an appropriate match day programme and on the Club and Trust websites.

JT said Members would be aware that the Club had had a difficult start to 2014/15, with a PFA loan and a transfer embargo inhibiting player recruitment and putting into sharp focus the Club's weak balance sheet. After the loan was repaid and the embargo was lifted, however, the Club's season had got back on an even keel. The televised FA Cup game at Warrington had also made a significant improvement to the financial outlook and trading position. The Trust's "Light up the Park" fundraising initiative led by ED and through the generosity of Southampton had enabled the Club to improve the floodlights at a saving of £30K.

He explained that the expenditure of £100K on legal fees relating to the redevelopment was regarded as an investment as the new facilities would reduce costs and increase revenue in the long term.

JT noted that the transfer of Matt Grimes to Swansea had produced a very substantial fee for the Club, which was being paid in four six monthly instalments. After paying a number of overdue small debts, the balance of the fee was being applied to three key areas:

- Increasing the Club's working capital
- Improvements at the club's training facilities
- A modest and phased enhancement of the paying budget

He reported that the Clubs full accounts were currently being audited, and should be signed off by the end of 2015.

JT continued that the focus for the year had been on stability and improving governance; the fact that the Club had been close to the playoffs after a bad start was in his view a substantial achievement. The new FD, Keith Mason, was improving financial controls and the changes to the Board structure with four Directors nominated by the Trust was working very well; he was confident that with continuity of approach this was delivering real improvements in the management and strategic direction of the Club.

As with all League clubs, finances would always be critical, even with the benefit of the Grimes transfer fee. The continued success of the Academy was pleasing; the new 25 year lease of, and investment in facilities at, the Cliff Hill Training Ground would support this as well as the first team. He was meeting EDDC shortly to discuss future developments.

Turning to the redevelopment of the Old Grandstand at St James Park, JT said that while no contracts had yet been signed all was proceeding as previously outlined. A further consultation meeting was to be held on 30th / 31st October with a view to making a planning application in November; he urged all supporters who had not yet done so to support the project through the website www.thestjamesparkdevelopment.com. It was as yet unclear whether there would be sufficient funding to improve the away end.

Attendances so far in 2015/16 had been broadly in line with forecast, but he remained concerned that other competitor clubs such as Plymouth, Bristol, Luton and Portsmouth had larger fan bases allowing them greater financial muscle. ECFC had to devote even greater attention to growing our supporter numbers, especially but not limited to improving home results.

In reply to a question from #####, he was not convinced about the team warming up at the away end but Paul Tisdale though it was helpful and worth trying.

Two members (##### who?) were concerned at the projected £50K loss; JT said he was not able to explain this in detail and apologised for the absence of KM; he would ensure this matter was addressed in the commentary which would be published.

Roger Bibby said it appeared that without the contribution to the P&L from the Grimes transfer, the loss would have been £470K. This was most worrying. PH explained that the budget for 2015/16 included expenditure which would not have been programmed without the Grimes transfer, so it was not the case that there would have been a loss of this magnitude otherwise. Roger Bibby said more detail drilling down into the 2015/16 budget would need to be provided to satisfy the membership that all was well.

Nigel Banks asked what would happen after the last tranche of the Grimes fee was spent. JT said a great deal of work was ongoing to manage this transition, and it had been made clear to Paul Tisdale that he must plan for this.

David Thompson believed the wages figure of £2.783m was a matter of great concern. A breakdown of this figure was essential.

He also asked whether the revenue projections for the new stand were robust; recent events at Northampton showed how easy it was for such projects to go wrong. Would the Club survive another financial crisis? JT said he took these points on board and the Club were very aware of events at Northampton.

In reply to ###, he stressed that none of the Grimes transfer fee was being put into the redevelopment, in fact none of the Club's funds were at risk beyond the fees already discussed.

6. Trust Report

The Chair presented his report; the document was included in the meeting pack and is available on the Trust Website.

He agreed with JT that having four Trust Board members (himself, ED, PF and PH) on the Club Board was working well. The TB would decide at their next meeting whether to continue with these four representatives. Improvements to the Club's governance were also progressing well, with new Articles of Association and a written agreement between Trust and Club in advanced preparation. The Trust benefited greatly from the expertise of former Trustees and other members on its three Working Groups, and these were always looking to involve the wider Membership.

LO was disappointed that there had been no contested election, but said Paul West brought a wealth of commercial and business experience to the Trust Board. Pete Holding would now step down from the TB as he had served for 6 years but would still be involved on a non-voting basis in the work of the Trust. Lynden Bray was also stepping down as a co-opted Trustee to pursue his education.

Trust member numbers were holding up but reaching out the wider membership was as ever challenging.

7. Audited Accounts

PH summarised the accounts, which were largely uncontroversial. The cost of producing income related mainly to the Brazil book and play, which had generated a profit. The balance sheet showed an investment of £100 in the St James Forum, the community group for the area, and that the £60K short term loan to the Club had been repaid to the Trust.

Neil Le Milliere proposed that the accounts be approved, seconded by David Thompson.

Carried

8. Appointment of Auditor

Steve Bright explained that it was considered good practice where an Auditor had been in place for many years for the body concerned to re-evaluate whether this was appropriate. He explained that he was not a Trust Member and saw no conflicts. The meeting agreed that there were no threats to his independence.

David Treharne proposed and Nigel Banks seconded the reappointment of Mr. Bright for a further year.

Carried

9. Trustee Election Results

LO said that regrettably there had only been two nominations for three posts as Trust Board member, Elaine Davies and Paul West. John Street, the Returning Officer had confirmed that their nominations were valid and LO therefore proposed that the two nominees were formally appointed to the Trust Board for a term of three years.

Proposed by Hazel ###. Seconded Phil Rowe.

Carried

10. Resolutions

LO explained that the Trust Board were submitting three Resolutions for changes to the Trust Rules. These did not need to be proposed and seconded in the usual way.

Resolution A related to the decision of the FCA referred to earlier in the meeting that the definitions in the "Interpretations" section of the Rules needed updating. The Trust Board were also proposing some minor changes in definitions to make the main text clearer. There were no objections and Resolution A was:

Carried

Resolution B was also, he hoped, unobjectionable. It reinstated the change to 16 years as the minimum age for Trust Board members, which had fallen with the FCA rejection of last year's changes, and removed the anomaly whereby a Co-opted Trustee who had served one or two years was precluded from standing for election twice, as this would take them over the maximum continuous term. It also clarified the status of the Trust's officers, so that to safeguard their independence the Finance Officer must be a Member but not a Trustee. There were no objections and Resolution B was:

Carried

Resolution C related to the maximum term a member of the Trust could serve continuously on the Trust Board. LO noted that a Resolution to remove the current 6 year limit entirely had not been carried at the previous AGM. The TB had discussed the way forward intensively over the intervening year and had concluded that a compromise of 9 years gave more continuity of experience and expertise but allowed appropriate turnover; and break of at least a year remained appropriate.

In discussion DH noted that now there were 4 TB members on the CB continuity was even more valuable than hitherto. Paul Sussex and Damien Mills thought that it was better to stick with 6 years, as they feared a longer term might inhibit others from standing. David Treharne noted that one member of the Club Board had served 13 years; the 9 year compromise made sense. Tom Farley noted that the 6 year rule had not led to a flood of nominations, 9 years would not make this worse. Keith ### asked how the TB had voted; LO said one had supported 6 years, 3 no limit and the others 9 or 12. NM said that we were the only Trust in Supporters Direct with a 6 year limit; only 3 had any limit and the rest had none. PM believed from extensive discussions with supporters that what inhibited members from standing for the TB was the commitment involved, not the longevity of existing members.

After further discussion the resolution was:

Carried

11. Any Other Business

a) Club Shareholding

Roger Bibby asked what progress had been made with increasing the Trust's shareholding in the Club to the 75% target in its strategic plan? David Treharne said nothing definite had been achieved, but it was now easier to make progress and the TB were pursuing this with some vigour. PF said he had been most disappointed that the Club had allowed the transfer of a large parcel of shares to Ivor Doble without consulting the Trust. The share register was however now much more up-to-date than hitherto, although more work was needed to ensure all steps had been made to contact those in the Suspense account. The TB was determined to make progress, and would force this through if necessary.

In response to the floor, LO explained that 75% would give the Trust complete control over the articles and constitution of the Company. JK added that if the proposed Community Owned Sports Club proposals were adopted ownership or control of 90% of the shares would bring significant taxation and business rates advantages.

Nigel Banks explained that the shares in the Suspense Account could be reissued to the Trust at no cost; others would have to be purchased at Auditor's valuation, though the value was probably only £1 a share.

LO explained that the Trust invested in the Club through providing the bulk of its Members' subscriptions to the Club; any more formal commercial or investment vehicles had risk factors and would need a change in the TB's cautious approach.

b) Reappointment of Club Board Directors

asked about the reappointment of the TB's four CB Directors. LO explained that PH had indicated his willingness to serve, and the TB did not consider it right to restrict this to current TB members if others, such as PH, had specific skills and attributes to contribute, but they would vote on this at their next meeting.

Keith ### asked who elects the Club Board Chair; he would prefer this to be a TB Member. LO said he was not worried about this; the Club's Articles of Association did not give the Chair a casting vote (or even mention a Chairman).

12. The Meeting Closed at 12:45.

LO thanked all for attending and the Phoenix Centre for once again allowing the Trust to hold its AGM at the venue.