

Argyle Fans' Trust AGM

MINUTES

24TH NOVEMBER 11AM

CITYBUS SOCIAL CLUB FUNCTION ROOM

MEETING CALLED BY	Argyle Fans' Trust Board
TYPE OF MEETING	Annual General Meeting
CHAIRPERSON	Tim Chown (selected by the Board to chair this meeting)
NOTE TAKER	Linda Fleming
TRUST BOARD ATTENDEES	Current Board members: Tim Chown, Richard Blight, John Demellweek, Ed Shillabeer and co-opted members Paul Bartolini and John Petrie New Board members: Jon Sparkes and Andy Symons
TRUST MEMBERS	26 members maximum

Agenda

1. Chair's welcome
2. Financial report
3. Membership report
4. Trust election – presentation of new board members
5. PASB update; selection of Trust supporter group representatives
6. PAFC share offer consultation; discussion
7. Plymouth Foodbank appeal; future events
8. AOB

1. Chair's Welcome

The Chair opened the meeting by thanking the members attending despite the inclement weather. This AGM follows the one held in June and it was confirmed that the next will be in November 2013 and that this cycle will be maintained.

The AFT is maturing as a body and wants to maintain and strengthen its role as a 'critical friend' to PAFC. As an example, the recent redundancies at the club were a cause for concern and the Trust would like to find out further facts surrounding those job losses.

This is an important time for the Trust and its members with the consultation currently taking place regarding the share offer. The Trust has sought advice from Supporters Direct on this matter and other Trusts that have invested in their club.

The Trust's recent election has been held and this meeting will see the departure of some board members and the inauguration of others. At this point the Election Management Group was thanked for diligently conducting the election according to the Trust's rules and Election Policies. It was disappointing that more candidates did not come forward. The key priority of the new board is to stabilise and increase memberships and use various methods to publicise the Trust and its activities more widely, including production of a new fanzine.

The departure of Margaret Carn as treasurer was noted and thanks were given to her for her considerable contribution during her time in the role.

The Trust was open in its concern of the way that the recent PASB election was managed. This meeting will give the opportunity for the Board to ask the membership how to move forward and fill the three PASB supporter group seats that are allocated to the Trust

The period since the last AGM has seen several events held – most recently the Safe Standing Roadshow which

was a great success with MPs and James Brent in attendance, and which attracted the attention of the media. On 8th December the Trust is co-ordinating a Christmas Foodbank Appeal which looks to break the previous collection record thanks to sponsorship by Tesco Express stores.

To manage these activities, the Trust needs help from volunteers, and thus all offers of help are welcomed.

2. Financial Report

<p>BOARD PRESENTATION</p>	<p>Two sets of financial information were presented in this meeting for discussion:</p> <ul style="list-style-type: none"> • Financials for the year ending 31 May 2012 • Income and Expenditure breakdown for the financial year to date <p>The year ended 31/5/12 saw an operating loss of £7,138. The main contributing factors to this loss were related to the writing off of a £5,000 loan made to the Green Taverners during the administration period, in addition to running elections both in August and January with associated printing and postage costs, and paying the public meeting costs during the administration (in particular hire of the Pavilions). It is not expected that such costs will be repeated in the current financial year. The year to date sees expenditure lower, the election having cost less than budgeted due to the fact that there was no need for a postal ballot. The bank balance at the time of the AGM is £7,980.44.</p> <p>The Board consulted the members at the meeting regarding the financial check that must be performed each year. The Trust turnover is under the threshold that allows an independent financial examination rather than a full audit. Due to the cost of a full audit (£2,000 against £500 for an independent examination) the Trust Board asked the members present to agree to again disapply the need for a full audit and to continue with an independent financial check for year end May 2013 (subject to the Trust turnover remaining under the threshold).</p> <p>27 agree 1 abstention</p>
<p>MEMBER QUESTION</p>	<p>Postage and printing costs are very high – why can't we use email?</p>
<p>BOARD RESPONSE</p>	<p>We have c. 1300 active members, 300 of which do not have an email address and so we cannot avoid some postage cost if we are to keep all our members up to date with what is happening. According to our rules, some communications have to be sent by post (e.g. election ballot papers), so you may see emails for some communications and post for others. We encourage all members to keep us updated with their postal and email addresses if these change.</p>

3. Membership Report

<p>BOARD PRESENTATION</p>	<p>The Chair thanked Richard Blight and John Demellweek for their great efforts in setting up and maintaining the membership database over the past two years. Their standing down will leave a gap in the Trust's day-to-day operations and they will be missed. One volunteer has come forward to assist with membership administration but more will be needed. The current status is as follows:</p> <p>Total members registered in the database is 1692 Total lapsed is 375 Total live members is 1317 Total live adult members 1170 Total live junior members 147</p> <p>There is a two month lapse rule although some people do renew after lapsing and their records are retained to enable this to be done more efficiently.</p> <p>The levels of lapsing are a concern plus the fact that the level of new members signing up has slowed. The Trust membership is down overall by 67 since the June AGM.</p>
<p>MEMBER QUESTION</p>	<p>Were any junior members issued a voting form in the recent consultation mailing?</p>
<p>BOARD RESPONSE</p>	<p>We can easily identify junior members as their date of birth is captured, however there are 30 records in the database which are for juniors with no date of birth and these are being contacted for the information. However, none of these would have received the mailing.</p>
<p>MEMBER COMMENT</p>	<p>The Trust membership has stood up well and this is partly due to the fact that the Board does not involve itself in internet forums etc. and keeps out of 'politics'. The member congratulated the Board in the stance that it takes.</p>
<p>MEMBER QUESTION</p>	<p>What can we do to improve the levels of membership? What impact did the information booths have on member recruitment?</p>
<p>BOARD RESPONSE</p>	<p>We need the help of more volunteers. The information booths themselves did not increase the levels of new recruitment a great deal, however having these staffed raises awareness of the Trust and the Board would like to reinstate these.</p> <p>There may also be some apathy due amongst the fans due to the fact that the club's position is now viewed as safe.</p> <p>The Board feels that it is incumbent on the members to help the recruitment drive and it welcomes volunteers to help and for suggestions on how to improve membership levels.</p>
<p>MEMBER QUESTION</p>	<p>What happens when members are lapsed?</p>
<p>BOARD RESPONSE</p>	<p>The member details stay on the system and the shares revert back to the Trust. It may be possible to use these records to perform a campaign to reinstate lapsed members.</p> <p>Members interested in volunteering should contact secretary@argylefanstrust.com.</p>

4. Trust Election

<p>BOARD PRESENTATION</p>	<p>Due to the number of candidates applying to stand (three) being less than the number of vacancies (four, to take the board to six, which is the minimum required, and five which was desired), the Electoral Management Group (EMG) formally declared the three candidates elected.</p> <p>Standing down</p> <ul style="list-style-type: none"> • Richard Blight (elected) • John Demellweek (elected) • Paul Bartolini (co-opted) <p>New Board members</p> <ul style="list-style-type: none"> • John Petrie (previously co-opted) • Andy Symons • Jon Sparkes <p>Those standing down were thanked for their help and support, and those joining the Board were welcomed by the Chair. Each new Board member introduced themselves to the members present.</p> <p>The Trust will be seeking to appoint at least one additional co-opted member of the Board asap. Members wishing to put themselves forward should contact the Secretary.</p> <p>Paul Bartolini could not stand due to personal reasons but will remain as involved as he can.</p>
<p>MEMBER QUESTION</p>	<p>The Trust has operated on a collective leadership model with no permanent Chair in place, will this continue?</p>
<p>BOARD RESPONSE</p>	<p>This is a good question and not discussed or decided as yet and will be one of the first agenda items for the new Board. There were some issues with previous individuals that took the position of Chair being attacked via internet media etc. and avoiding repeats of this was one of the reasons for the collective leadership approach.</p> <p>The Chair of the AGM asked for a show of hands for those in favour of a re-introducing a permanent Trust Chair:</p> <p>4 - agree 24 - disagree</p>

5. PASB

<p>BOARD PRESENTATION</p>	<p>The process to elect the PASB was fraught with problems; however the twelve members of the board are now in place and comprise six elected individuals plus six supporter group representatives, three of which represent the Trust, and three from other supporter groups. We believe the number of Trust members on the PASB is eight or nine. The Trust Board has co-opted representatives as a holding pattern and these are Tim Chown, Richard Blight and Linda Fleming. However, members wishing to be considered to represent the Trust on the PASB need to put themselves forward by November 30th, so the Trust Board can name its longer-term supporter group representatives.</p> <p>There has been an inaugural meeting between the PAFC Board and PASB where James Brent presented draft rules of engagement for PASB to consider. Two options were presented which was firstly where confidential information would be disclosed and PASB members would be required to sign non-disclosure agreements.(NDAs) or the second option where only information suitable for the public domain would be shared. There is a third option which was put to the PAFC Board by the members of the PASB which was a</p>
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	<p>combination of both, with NDAs being invoked for certain confidential matters.</p> <p>The PASB is due to meet internally on 8th December to discuss how it moves forward.</p> <p>To achieve James Brent's stated goal of a top 5% governance status, the Trust is firmly of the belief that full disclosure is required, including updates on P&L to allow the PASB to challenge the PAFC Board as appropriate.</p>
MEMBER COMMENT	The way that the PASB conducts itself is important. Diffidence is not an option and it's up to every member to push the PAFC Board and ask for information on anything that affects the Club and its future. The PASB is a real opportunity for the Trust to get into the Club and must not be lost and as far as financial information there is a definite obligation to report and achieve transparency.
BOARD RESPONSE	The Trust Board's view is that we should be pressing for transparency of information wherever possible.
MEMBER QUESTION	How would the PASB deal with the situation where there was information revealed about the club that indicated that there were fundamental problems that put its future in doubt? At what point would the whistle be blown even if NDAs had been signed?
BOARD RESPONSE	A constitution will be set up by which the PASB will be governed and any NDAs signed would mean that confidentiality would need to be maintained by Board members. Whistle blowing would need to be discussed by the PASB.
MEMBER QUESTION	When the PAFC Board was asked about the shortfall in projected gate numbers during the budget setting process what was the response?
BOARD RESPONSE	The budgetary process was well explained and also the fact that James Brent is underwriting significant losses.
MEMBER COMMENT	The budget had to be justified to secure the Golden Share and for that reason the budget was set optimistically. It was known at this time that shortfalls were likely and that losses would have to be underwritten. There is a legacy of higher player wages which will reduce next season when contracts come to an end.
BOARD QUESTION	There is an open call for members that wish to represent the Trust on the PASB to come forward.
MEMBER COMMENT	The Trust members standing made an agreement when standing for the PASB that the collective view must be taken to the PASB. Those wishing to represent the Trust in this way must also sign up to the agreement that the collective view is always presented.

6. PAFC Share Consultation

BOARD PRESENTATION	<p>A document was prepared for discussion in the meeting which summarised the options for the Trust membership, and the items clarified were:</p> <ul style="list-style-type: none"> - Convertible loan notes that can be changed into shares at various points and possibly to coincide with triggers/events in the Club's lifecycle – such as the Club being sold, grandstand built etc. - If the Trust instead bought shares it is unlikely that dividends would be paid and therefore there is much less opportunity for a revenue stream to be generated - Loan notes would generate revenue (5% of investment) regardless of profitability - James Brent has made it clear that the operation of the Club is not to be restricted and a place on the Board is not on offer - Even the maximum 20% shareholding gives limited influence on the PAFC Board and Supporters Direct advice is that this shareholding could be diluted should further investors be found by PAFC and the Trust cannot find additional investment to maintain its level in percentage terms. - A valuation of the Club as a business would have to be undertaken, and the view is that it would be very difficult to value the Club given that the ground is not owned by the Club and the level of tangible assets is not significant; the value is then
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	<p>largely based on the value of the brand and the right to play in the Football League.</p> <ul style="list-style-type: none"> - Performing the right level of due diligence would be at significant cost to the Trust.
MEMBER COMMENTS	<p>The valuation of the Club at £2m is questionable and the offer is not perceived as being genuine. If the offer does not bring voting rights then it is not worth doing.</p>
MEMBER QUESTION	<p>What would happen if the Trust membership expressed a preference to go ahead with the purchase of 20% of the Club?</p>
BOARD RESPONSE	<p>The new Board would work for its members and investigate options to raise the funds – using other club’s experiences as input. Unfortunately the Portsmouth Football Club community share scheme where members put money in which is ring-fenced to the member is, by the advice we have received, not an option for a minority holding. More traditional fundraising methods would thus be required.</p>
MEMBER QUESTION	<p>Could the Trust borrow the £400k at a rate of interest less than 5% and therefore generate revenue from the interest that would be paid?</p>
BOARD RESPONSE	<p>This would be very risky and finding a lender would be unlikely.</p>
MEMBER COMMENT	<p>The consultation document sent to members should have been directive in terms of the Board’s preferred option. This does not undermine the democratic process and a greater level of leadership would have helped members’ decision making process.</p>
BOARD RESPONSE	<p>The Trust Board is open to these comments. The members in the room were asked whether they thought the consultation document should have been more directive in terms of the outcome that the Board would prefer:</p> <p>Yes – the Board should have been more directive – 11 members No – the Board had the right approach – 9 member Abstained - 2</p>
MEMBER QUESTION	<p>Could the Board members please share with the members present their preference?</p>
BOARD RESPONSE	<p>The Trust Board members that spoke at this part of the meeting declared their preference for the Golden Share option. The concerns of the membership discussed at this, and other meetings, regarding the lack of influence gained by a minority 20% holding are shared by the Trust Board.</p>

7. Trust Events – Foodbank Appeal

BOARD PRESENTATION	<p>The Foodbank Appeal, which is being led by the Trust and supported by the Green Taverners, is being held at the home match on 8th December. The appeal is being sponsored by Tesco Express and collection points are set up in ten stores in Plymouth and Cornwall. In addition there is already a very welcome further donation of £1,000 worth of food, so this event looks set to break last year’s total.</p> <p>The event is being publicised extensively and collection points will be at the Trust gazebo and the GTs suite.</p> <p>A call for volunteers is out and anyone wishing to help out at this, and other events, can contact the Trust via secretary@arglylefanstrust.com</p>
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8. AOB

As the meeting had overrun it was not possible to ask for any other business items and the meeting was closed by the Chair at 1.30pm and all members thanked again for attending.