

## **Minutes of the CFU AGM held on 17th January 2011 at the Cambridge United Supporters Club, Newmarket Road, Cambridge.**

The "top table" consisted of the following:

Dave Matthew-Jones (CFU Chairman)  
Colin Proctor (Fans Elected Director)  
Terry Wilby (CFU Secretary)  
Derek Wick (CFU Treasurer)  
Kevin Rye (Supporters Direct (SD))

There were approximately 70 CFU members in the audience; guests in attendance included Renford Sargent and Jez George. There were also members of the media (Cambridge News, Radio Cambridgeshire) present.

### **CFU ANNUAL GENERAL MEETING**

Dave opened the 11<sup>th</sup> CFU AGM at 7:35pm.

#### **Part 1 – CFU AGM**

- 1) Chairman's welcome and report. (Dave Matthew-Jones)
  - a) Dave began with a brief review:
    - i) Relations with the club were better, CFU had regular meetings with Renford Sargent and Jez George
    - ii) The Area of Remembrance is almost complete thanks to help from Colin and money from the Bricks and Pavoirs.
    - iii) Ground Re-location: CFU have regular meetings with Grosvenor, there is an open meeting on 24<sup>th</sup> January in the Supporters Club.
    - iv) CFU are matchday sponsors of CRC. CFU believe young players are the future for the club, those players want to play for the club.
    - v) Last year was the 10<sup>th</sup> Anniversary of CFU.
- 2) Secretary's report. (Terry Wilby)
  - a) Apologies:
    - i) From William Arnold, Geoff Cross, Carol Scullion, Mike Parsley
  - b) Minutes/Matters arising from the 10th AGM on 11th January 2010:
    - i) There were no matters arising.
    - ii) A show of hands agreed that the Minutes were a true reflection of the meeting.
  - c) Membership information:
    - i) Current membership stands at a little over 300, which is slightly down on last year.
    - ii) To reduce postage costs CFU would like to use email to contact members, however many email addresses seem not to be correct. Emails are sent roughly once a week, members were asked to contact Terry if they were not receiving the emails.
- 3) Treasurer's report. (Derek Wick)
  - a) A copy of the CFU annual financial statement at August 2010 was available for members at the door:
    - i) Notes to the financial statement:
      - (a) Page 3: Income from membership of £9,178
      - (b) Page 4: Expenditure of £7,493 of which £670 was legal costs when looking at purchasing of the ground, a donation of £1,500 to CRC, and CFU sponsored a match
      - (c) Assets include £104,655 as the current value of CUFC shares although the cost to purchase the shares was higher at ££340,648.
      - (d) Debtors include up-front costs for the Cambridge 'til I Die book, profit will show in the 2011 accounts.
      - (e) Cash in the bank at the time was £6,537.
    - b) Derek asked for approval of the accounts, this was agreed unanimously by a show of hands.
    - c) Derek asked that Clifford Towers be re-appointed as Independent Examining Accountants, this was agreed unanimously by a show of hands.
    - d) Derek put the following Full Audit Exemption resolution to the meeting:

"It is hereby resolved that subject to the provisions of section 4A of the 1968 Friendly and Industrial and Provident Societies Act, the members of the Society shall not require an audit for the Accounts covering the current financial year ending on 31<sup>st</sup> August 2011 when they are presented to the next AGM. The members of the Society agree that the Accounts for the financial year ending on 31<sup>st</sup> August 2011 and for which reports will be laid before the following AGM do not require a full Audit provided that an Independent Examination is carried out in place of the full audit, the Independent Examination is carried out in line with best practice and a report from the Independent Examiner is included within the Accounts and circulated to members".

e) The resolution was passed unanimously by a show of hands.

f) Question from the floor: Should CFU invest more in the club?

Answer: CFU had ~£6,500 in the bank (at August 2010), shares are purchased when the club has needs for CFU help. £10,000 worth of shares were purchased after CFU loaned the money to the club in 2009 accounts, shares issued in 2010 accounts . Currently CFU has around £20,000 in the bank, much due to profit from the book.

#### 4) Election of Trust Board members

a) Three Trust Board members were standing down by rotation and were available for re-election:

- Dave Matthews-Jones
- Derek Wick
- Joy Childs

b) There were 3 nominations for election to the Trust Board during the year:

- James Taylor
- Tom Taylor
- John Bilboa

c) All 6 were elected unanimously by a show of hands.

#### 5) Fans Elected Director Report (Colin Proctor)

a) Colin thanked the CFU members for their support, and hoped that CFU would join with the club to move forward in 2011

10 minute break at 8:00pm

#### Part 2 – Moving Forward

Kris Stewart had apologised for being unable to attend due to illness

#### 6) Benefits of Trust ownership.

Dave began by outlining the current situation:

a) CUFC is for sale.

- the income is not meeting expenditure,
- running costs are high,
- Need to stabilise the club financially
- Paul Barry, Adrian Hanauer and Renford Sargent are unable to maintain financial support any longer.

b) Options:

i) Plan A: Find a private investor

- May not be the best option

ii) Plan B: Community Club via CFU

- Current ownership model is not working, many clubs (Kettering, Histon) are in similar trouble
- Expenses are going up
- Times are hard for business

iii) Plan C: Do nothing

- Club is not sustainable

iv) Plan D: Administration and Liquidation

- Relegation
- Pay 100% of debt

c) Funding of Community Club

- i) Fundraising is harder
- ii) Government rules are changing

- iii) Need to do Due Diligence (with help from SD) to find out what is not shown in the club accounts
- iv) Find out costs to run the club, how much does it cost to be ambitious?
- v) Youth Development is a positive, covers it's playing costs. The club looks after young players, and hopes that those players will help the club when they are older.
- d) If there is no Plan A then Plan B has to be made to work.
- e) CFU is asking people to help to move the club forward. It is not a lack of ambition; it is to make a difference. The model at Exeter, AFC Wimbledon, Newport, Telford works.

Kevin Rye:

- a) Kevin joined SD about 7 years ago, and now works all over Europe (Belgium, Russia, Spain, Scandinavia), other clubs are jealous of what can be done by fans. Football club management in Belgium is in a much worse state.
- b) AFC Wimbledon was formed in 2002; Kris Stewart was Chairman/CEO for many years. It took a lot of hard work, many thousands of volunteer hours and a lot of money had to be raised. They have now purchased their ground, and have a commitment to the supporters and the community. They prevented the purchase by a "so-called" millionaire.
- c) Kevin remembered being at the CFU AGM 7 years ago when Brian Attmore was elected as Fans Director. CFU has an impressive history; the major decision is just around the corner. Of the options, which is best? Or which is least worse?
- d) The best is for the club to be owned by people making decisions for the good of the club, not for an individual's tax avoidance as in another club.
- e) It must be done for 1 reason: the future of CUFC. It is in your hands, the fans of the club.

7) Q & A session.

Q: If the fans should take over, by investing or buying shares, what are the liabilities for an individual?

A: A Community buy-out is collective ownership in a Trust. The risk is covered by law, liability is £1. Any profit made is re-invested.

Q: How much will it cost to buy the club?

A: No price has been given by the club. There are 2 issues, 1 is How much to buy the club?, 2 is How much to run the club? A Trust cannot be run to lose money. Merthyr had to keep the business alive which meant some difficult decisions and make cut backs. It must be recognised how to run a business. CFU are looking to find anyone who wants to invest, and approach people who may be looking to invest.

Q: Shouldn't the first thing be to secure the ownership of the ground?

A: The business needs bodies through the gates, marketing and sales, with people constantly buying stuff. The club is without an asset, and it is difficult to compete. Talking to the landlords is critical. AFC bought their ground for £3m, which gave the owner a profit of £2.5m. This was raised by bond issues, and there is some debt through an overdraft. Banks will lend money, but it takes lots of work to show repayments can be made, and can be very scary. Owning the club does soften the blow of a defeat.

Q: How about Ebbsfleet?

A: Ebbsfleet were purchased by My Football Club as an experiment (against the advice of SD). They are currently owned by around 2,500 members, it falls each year. Non-CUFC fans will not be interested in buying CUFC.

Q: How is AFC run day to day, and how is the investment safeguarded?

A: There is a marketing man who is paid a basic wage + commission, the Marketing manager is unpaid. Of the Director positions, some are paid, many are not paid. The Trust Board has a supervisory position. There is a risk to investment, money to buy the club came from shareholders and other debts, then there is money needed to run the club.

Q: Who are people responsible to?

A: There is a structure in place with clear lines of management to execute a prepared business plan, and the team has a good manager. Volunteers are acknowledged, and the club thanks them.

Q: What is the timescale to buy the club?

A: Don't know. There is apathy as to whether there is a crisis or not, CFU have to get ready to make an offer. The club is at a crossroads, it could continue in the current manner for a few years. It is getting harder to get out of the Conference. Managers like to know where the money is coming from, and to work to a budget. You have to be in it for the long term, and there is excitement at running your own club.

A long term plan with stability is needed. The Youth system nurtures a 7-year old for perhaps 20 years, which produces a strong bond to the club. Unless there is a lottery winner such as at Crawley, why would anyone put money in the club? They may want to get rid of the Youth Development system.

Q: Clarify what is needed to buy the club?

A: A cost is needed. It may be difficult, but do a deal with the Directors for the long term good of the club. "Short term pain for long term gain".

A rich investor buying the shares from shareholders means money not going into the club. Fans buying means money goes into the club. Currently Paul Barry owns 46% of the issued shares. He may decide to cut his losses, CFU are talking to him.

AFC turnover is around £1.6m, any borrowing is for capital investment. An IPS is not allowed to lose money, it needs to generate money. The best efforts of the Directors are not enough. The Trust has to be prepared to make decisions, and play a part in the decisions.

CFU are putting together a working board to prepare a business plan to take to the club. There are big local companies that are likely to be interested in investing in a Community Club. Sponsorship could probably be increased by 30%. The local community benefits when a club is run by the fans, for the fans. Money would be required for 3/4/5 years, and would need the fans support.

Q: Why not sell unissued shares?

A: Shares are available, no-one has come in to buy shares.

Q: What is the current structure of the club?

A: Paul Barry owns 25% of the shares, the shares are currently worthless.

Dave asked for an indicative vote by those present that CFU has the support of the fans to make a Community Trust work. There was unanimous agreement.

Dave then commented that CFU has to sell the idea to other fans, and educate those who do may not understand.

The meeting closed at 9:30pm.

The raffle raised £134.