

Minutes of the BCFCSA EGM held on 28th February 2019

Present

Einion Williams, Les Pegler, Richard Williams, Matt Johnson, Dafydd Hughes, Mark Jones, Pete Jones, Geraint Parry, Rhodri Williams, Robert Lewis, Norma Jones, Ifan Jones, Jan Musche, Liam Ellis Jones, Rebecca Evans Jones, Linda Roberts, Jonathan Ervine, Dylan Evans Jones, Phil Burton, Reece Owen, Ryan Murray, Sion Williams, Elizabeth Williams, David Williams, John Gibson, Alwyn Roberts, Steven Lawrence, Peter Davies, Ceri Roberts, Parch Geraint Roberts, Dewi Roberts, Helen Roberts, Dylan Owen, Chris Dogan, Vera Owen, George Parry, Dafydd James, Rob Reid, Alec Thomas, Kevin Dogan, Kevin Owen, Clive Walmsley, Carl Holmes, Kev McSorley-Jones, Richard Jones, Daniel Jones, Pete Banham, John Ellis, Marc Owen, Paul Templer, Dilwyn Jones, Sara Roberts, Kevin Owen, Hugh Jones, Quentin Grimley, Mike Randall, Ben Leggatt, Kevin Williams

1. Apologies

Glynne Roberts, Nick Redfern, Joe Shooman, Anora Rigby, Phil Rigby, Kev Coleman, Stu Kewley, Ianto Parry, Ian Thomas, Glyn Groundsell, Dafydd Llewelyn Evans, Selwyn Jones, Chris O'Neal

2. Reasons for calling an EGM

Einion W outlined the reasons for calling an EGM.

The committee decided to call the EGM a couple of weeks ago because we were presented with two proposals regarding a change in club ownership. At the time both proposals required the attention of our members.

Proposal 1 - Came from a representative of VSM and involved two parts; (a) VSM's debt and/or loans would be offered to the BCFCSA for £1 (b) The BCFCSA would have to nominate a new director. The main drawback with this proposal is that with known debts of at least £107,000 (and potential unknown debts of an unknown magnitude) we were unable to nominate a willing candidate for the position of new director.

Proposal 2 – A proposed takeover by a third party. Aside from a preliminary discussion there has been no further contact.

We requested paperwork from both parties - a letter from VSM confirming their proposal and a business plan from the third party – but we have yet to receive the requested paperwork, therefore we are unable to present either proposal to this meeting in detail.

However, there are other pressing reasons that explain why an EGM is still necessary and these matters will be covered in agenda points 3, 4 and 5

3. The incorporation of BCFCSA

Dafydd H outlined the advice that the committee had received from Supporters Direct (SD).

At the BCFCSA meeting on 25/01/19 it was agreed that the committee should accept legal advice and make the BCFCSA an incorporated body. At the time of that meeting, we felt that a CIC model was the most suitable method of incorporation, but we agreed that we would undertake further research.

Our legal advisor advised the committee against incorporation using a CIC model so we looked at other models and consulted SD. After the fruitful consultation with SD we opted for a CBS model. We saw this as the best option because SD offers support to supporters' groups, particularly those facing difficult situations

Who are Supporters Direct?

- Set-up in 1999 to help to bring supporters of English football club closer to their supporters and their community by setting up Supporters Trusts
- In the UK they have now set up over 200 Supporters Trusts with a combined membership of over 500,000 members
- These groups have collectively raised more than £50 million
- Of these 38 football clubs in England and Wales are now owned by their supporters
- It lobbies for changes to sport that improve governance and benefit their members
- It provides support, training, networking events & publish research for their members
- It is primarily funded by the Football Foundation
- It has a dedicated consultancy for specialist or larger projects
- Now merging with the Football Supporters Federation for one unified supporter voice

What is a Supporters' Trust?

- Legally known as a Community Benefit Society (CBS)
- Registered with the Financial Conduct Authority
- Does what it says on the tin: exists for the benefit of the community
- Not for profit: money reinvested to meet objects or kept as reserves
- One member, one vote
- Majority elected board
- Annual affordable membership fee
- Limited liability for members, providing shareholder protection like that of companies
- Ability to raise money in a cost-effective way through community shares if necessary.
- Benefit of model rules used by 200 other groups all with similar aims, with various protections, and additional policies available
- Flexibility to either be a supporters' organisation or a vehicle to own and run a club

The Committee's view

The committee proposes that BCFCSA members vote on the creation of Supporters Trust. This vote will be a preliminary expression of the members' views, we can clarify matters at a subsequent EGM.

Supporters Direct recommends that the way forward is the creation of a Supporters' Trust (or CBS).

The committee therefore recommends that members vote to accept in principle the proposal to establish a CBS.

We will conduct a vote during agenda point 4 of this EGM. The result will create two scenarios;

Scenario a - A majority vote in favour of CBS status.

In this case the incorporated body will trade as such and all assets and liabilities will be transferred across (including membership on same terms, club shareholding, bank reserves etc).

Scenario b - A majority vote against CBS status.

In this case the BCFCSA will remain as an unincorporated entity.

If the meeting votes for **Scenario a** it is recommended that;

- The committee is authorised to prepare draft legal documentation relating to the running of a CBS for presentation, and consideration at an EGM to be called within 21 days.
- The committee is authorised to take the necessary legal advice.
- Representatives of Supporters Direct be invited to the next EGM to provide further information on the way forward.

4. Vote on the Incorporation of BCFCSA

Jonathan E proposed a vote, Vera O seconded the proposal.

The vote was unanimous in support of **Scenario a**.

Consequently, the BCFCSA will begin the process of incorporation as a Community Benefit Society.

Thoughts

We need to take small steps first.

How do we finance the club if we take it on?

We need the CIC and club to work together. Incorporation is the first step on this road.

SD will provide a support network.

We should write an open letter to VSM regarding the position of the club.

We should establish ourselves as a Supporters Trust before any other action.

Meeting Proposal 1 – “The SA should contact VSM to ascertain the general situation” was proposed and seconded.

The majority of the meeting agreed with this proposal.

Meeting Proposal 2 – “The BCFCSA should send an open letter to VSM” was proposed & seconded.

The majority of the meeting agreed with this proposal.

5. Nantporth Statement

The committee have received a statement from Nantporth CIC. This was useful because a number of questions and misconceptions have arisen recently about Nantporth CIC's exact relationship with the club.

Dafydd H read out the following statement.

Historical background to the establishment of Nantporth CIC

- Bangor City Football Club originally held a licence from to play at Farrar Road. This was not a lease and was a simple licence with an annual fee payable.
- During the early inception of the FAW Playing Licence such an agreement was acceptable. The FAW also allowed an element of dispensation during the last two years at Farrar Road due to the condition of the stadium and the lack of compliance with legal requirements.
- As part of the move to Nantporth, which is under the ownership of Bangor City Council, elements were agreed to meet the licensing requirements.
- However, the Council were not prepared to issue a lease for the stadium, the Club's entitlement was a licence of similar standing to what existed at Farrar Road.

- Following discussions with the then Town Clerk, the Council eventually consented to the formation of an intermediate company (for the protection of the Council's interests) to be granted a lease.
- Nantporth CIC was therefore formed and also provided some level of comfort to the Football Club.

Development of the 3G Pitch

- The development of the 3G pitch was the first project supported by the FAW as part of their Community and Grass Roots programme.
- The total cost of the project was £569,166, made up of the following contributions:
 - Grant by FAW £362,678 Contribution by Nantporth CIC £206,488
- The Nantporth CIC contribution was financed by advance charges, by agreement with Bangor University, and a loan of £76,000 by the WCVA
- The project is subject to a number of agreements between the parties, which include the FAW (terms and conditions relating to the 3G pitch) tied to the Football Club and Nantporth CIC
- The loan from the WCVA is subject to terms and conditions solely with Nantporth CIC, and subject to a debenture over the pitch. This was agreed by the FAW.
- The contribution to the cost of development by the Football Club is NIL
- The current agreements terminate in 2024 when fresh agreements may be negotiated between all parties involved

Current arrangements between the club and Nantporth CIC

- Currently, the Football Club is required to pay rent to Nantporth CIC of just over £17,000 p/a
- The Football Club is entitled to receive from Nantporth CIC the sum of £13,500 plus VAT as a licence fee.
- In addition, Nantporth CIC historically made a contribution of £4,800 towards electrical costs though this arrangement has recently been changed
- The licence gives the CIC the right to use of the 3G pitch, changing rooms and toilets in the main stadium, and designated parking spaces.

The loan between the club and Nantporth CIC

- This is subject to the various terms and conditions with the FAW grant, the WCVA loan, and accounting procedures.
- Elements of the loan will be written off in time by way of accounting procedures, however this will not take place until the stability of the Football Club is assured.
- It should be borne in mind that Nantporth CIC are still subject to a loan and debenture by the WCVA

6. Questions arising from Points 4 and 5

Meeting – Can the decision from tonight’s vote be changed at a later meeting?

Committee – Yes, any decision can be debated and changed at a later meeting.

Meeting – Will the BCFCSA be held accountable if the club goes belly up?

Dilwyn J - The SA are not responsible for the debt. If VSM offer was taken on, the SA would have to take on the debt and nominate a director.

Meeting – As we already stated earlier one of the main reasons for holding this meeting was to vote on takeover proposals but without the relevant paperwork we cannot vote. There may be no alternative to the club going belly up. The only genuine way forward is a new start

Meeting – Are there disadvantages of running a Supporters Trust?

Committee – We feel that there are more positives than negatives. We were advised that we should become incorporated, as noted earlier our legal advisor advised us against incorporation as a CIC so after consulting SD we opted for a CBS model. SD are fully behind us. The link with SD gives the SA, and potentially the club, more solidity, especially when dealing with bodies like the FAW. This is why we’re putting a CBS model forward.

We also need to bear in mind that we face pressing issues presented by the Tier 2 Licensing process and the registration deadline for a potential new club (June 1). In other words we need Nantporth to be a viable venue and adoption of CBS status could help to achieve this.

Meeting – How will the situation affect the license?

Dilwyn J - The licensing situation is key. The Tier 1 license application has been pulled but the Tier 2 license application is going ahead. Sadly there are problems with the ground that could lead to demotion to Tier 3, e.g. Gwynedd council have closed the ground on health and safety grounds because the outer wall needs repairing and both the electricity and water have been cut off.

Meeting – Who is the club?

Committee – At present there is only one named director, William Adamson. The problem with removing the director is the management of subsequent debts.

Meeting – Would a CVA work?

Committee – Our legal advisors state that we could try that approach, but we would need to persuade the creditors.

Meeting – Has the council been contacted about lessening the financial burden so the community of Bangor can use the facility?

Dilwyn J- Contact has been made between the Council and CIC but without much joy.

Meeting – What needs to be done to get a Tier 2 license?

Dilwyn J – There's a dangerous structure notice on the ground at the moment but we need to fix the outer wall and reconnect the electricity and water. Basically speaking Nantporth needs to be a working ground. Volunteers can help put all this right.

7. Resolutions from the EGM

- The BCFCSA will begin the process of incorporation as a CBS.
- The BCFCSA will contact SD for help with the production of draft documents of incorporation.
- The BCFCSA will schedule another EGM to discuss the draft documents.
- The BCFCSA will Invite a representative from SD to the next EGM.
- The BCFCSA will take legal advice regarding contact with VSM with a view to sending an open letter to VSM / Billy Adamson.

Meeting closed at 8:21pm

Date of Next Meeting; TBC (Members will be notified via e-mail or social media)