



MINUTES OF THE ANNUAL GENERAL MEETING HELD TO CONSIDER, DISCUSS AND IF THOUGHT FIT, PASS TWO RESOLUTIONS AND TRANSACT ANY OTHER BUSINESS

THURSDAY 28TH DECEMBER 2023 7.00 PM BY ZOOM CONFERENCE

PRESENTERS: PHIL YOUNG (PY) AND ROD PETERS (RP)

RP opened the meeting and welcomed everyone to the Annual General Meeting.

RP reminded attendees of the resolutions subject to a vote

1. To receive and adopt the Society and its subsidiaries' accounts to 30th June 2023;
2. To approve the appointment or re-appointment of our auditors;

RP invited PY to announce the results of the vote

PY confirmed that all the resolutions were comfortably approved:

Shakers Community Society Ltd Accounts to 30.06.2023

97% of the vote
505 in favour
16 against
26 abstentions

Bury Football Club (2019) Ltd Accounts to 30.06.2023

97% of the vote
501 in favour
15 against
31 abstentions

Bury Football Club Supporters' Society Accounts to 31.03.2023

96% of the vote
479 in favour
18 against
50 abstentions

Re-appointment of Sedulo as our financial auditors

Approved subject to a fair value assessment of cost

97% of the vote

503 in favour

15 against

29 abstentions

RP then invited PY to respond to the following questions asked in advance of the AGM by members

Why such a short time frame and at this time of year?

PY said it was a very good question but confirmed that the accounts need to be filed by the end of the year and there has been significant pressure on timescales to deliver the accounts in that timeframe. We received the accounts on 22nd and issued them immediately so we've done as much as we could but accept a longer lead in time would have preferable, not least to the volunteers and board members who have been dealing with an audit right up to and over the Christmas period. That said, PY felt it's hard to control the exact timings given they are dependent on our auditors scheduling the work in, so we have always held AGMs late in the year to allow for the work to be done. The approval of the audited accounts is a core, standing agenda item of the AGM so it's unavoidable.

Why is there 2 sundries in the accounts. 1 Sundries 2 Sundry Expenses?

PY said that was just a minor error which we will correct before filing but it doesn't change the numbers.

Have any other auditors been interviewed or checked out for service and cost?

PY confirmed we will do this in the New Year, however we undertook a full tender process in 2020 and when the costs in auditing rose significantly in 2022 we undertook a cost review at the beginning of this year, rather than a full formal tender. This involved a cost comparison with those who were most competitive in 2020. We found Sedulo were still cheaper although we could look at smaller firms with less experience of football clubs and community benefit societies. They may be cheaper but less credible. Sedulo came highly recommended to us because of their experience with both football and CBS' which is a hard combination to find.

We do have the option to exempt ourselves from an audit but this can only be done by member vote. Given what went on with the previous club we don't think that's the right thing to do right now (i.e. to move away from audited accounts). It is an option to consider in the future.

The costs, which are close to £20k, cover all businesses not just the CBS, including the football club and the stadium company as they are all subsidiaries so fall under the audit requirement . The CBS audit cost on its own is a very small percentage of the total costs.

PY advised that there are few people in the market interested in taking on this type of work with even fewer willing to tender for it.

If we wanted to do away with the need for an audit altogether it would be a constitutional change and require members' approval.

What are the software costs for the football club?

PY confirmed it's just over £6k and a combination of online hosting fees, Office365 licenses, email marketing systems, and software our media and finance teams use such as Xero.

Why are the insurance costs for the football club so low?

PY said they include contents insurance and player insurance. Player insurance is cheap as it is covered in our league fees and bought in bulk by all clubs. PY informed that if players confirm, when signing on, that football is their primary source of income, then they/we are required to take out separate insurance for this and put it in place.

The most expensive insurance is on the stadium which falls under The Bury Football Club Company Limited accounts which we haven't released yet.

Who are the creditors for the football club?

PY explained that these are all from payments for the following season which were made in the previous financial year/season. For example, season tickets bought before 30th June and sponsorship packages paid before 30th June. We accrue these payments into the new season as people have paid for the services in the new season. You will see from our management accounts that we release that accrual each month as games are played. Season ticket revenue for example, is only recognised as revenue in the management accounts as each of the home league games are played. So, November and December show as fairly light months for ticket revenue including season tickets, not just single tickets due to the lower number of home games played. We also accrue costs in the same way. We don't have any form of debt as most people would understand it in the football club, we have on occasion pushed money into the football club and called it a loan in the short term and then converted the loan into equity at the end of the financial year. But this is all our own money moving around within the group not from third parties. There is no debt in there.

Who bought the additional 65,000 shares over two accounting periods?

PY confirmed all the shares are all held by the Society. When we occasionally push money down from the society into the football club we have put this into the share premium account so we (the Society) continue to hold 100% of the shares but there are more of

them. If we sold any to anyone that would be something we would consult with members on.

Why are the BFCSS accounts much briefer and not audited?

PY felt there were a few comments on this which are a little unfair. They are independently reviewed and produced by a third-party accountancy practice. They are not subject to the same level of rigour as a full audit but the sums involved are smaller so the risks are also lower, and the accountancy firm's costs are also much lower. The figures were all supplied to the accountant from Xero, our accounting software, and they also had all bank statements so we're able to reconcile the figures against them. There is an outstanding question on whether there is a small amount of corporation tax to pay or not because there was some non-member trading activity within the society, which was mainly ticket sales. This type of activity does not benefit from the same tax exemptions as membership fees and donations.

Going forward the new Society (FSSB) will stick to member trading activity which is simply collecting membership fees and donations. The football club is VAT registered and bears pretty much all the costs. We can pass money to the football club as share capital as and when required.

PY said that we are not able to do the same with The Bury Football Club Company Limited as there are no shares in that company and its articles prevent money being put on as a loan so we have just settled bills on its behalf or used a cross charge between the two to move money between them. Around £70k in stadium costs have been paid, roughly £50k paid to settle bills direct and £20k via a re-charge.

Where does the Pound For The Ground money go and why does it not go to the stadium account?

Firstly, PY explained, the pound for the ground is a competition which requires a small lottery licence and the football club obtained the licence for that scheme some years ago so has always collected the money.

Secondly, all of the money has been used to pay for stadium costs. PY said that as already mentioned, about £20k has been transferred to the stadium and another £50k used to pay for bills directly. This includes expensive items such as the sprinkler system, CCTV cameras, fencing around the ground and the fire safety report, as well as small items such as washing machines and internet connectivity. Financial year to date pound for the ground has brought £12k into the club. Not only has every penny been spent on the ground, the club has spent about six times that much on the ground in total already this year. Ground costs have always been higher than revenue brought in from Pound For The Ground.

Why was the 'Project Gigg' fundraiser moved into the main Treasureline membership and who decided the money should be allocated to progress youth and women's football?

PY explained that Treasureline is a scheme run by a separate registered charity and it's ultimately their decision how this operates. After the merger the decision was made that it would be more effective to work with one scheme under one brand. Treasureline was already connected to the football club and under the objects of the charity putting money into youth and women's football was deemed an appropriate use of funds. This is no change from previous practice and just a continuation of the existing contract terms. It had well over 1000 members at that point. Project Gigg had around 150 members at that point so it was simpler and made sense to fold that into the larger scheme than the other way around. It was a decision that Treasureline took. PY considered it was the right decision.

RP then invited PY to deliver a presentation on future plans and thoughts about where we will be heading in 2024

Financial reporting

PY shared a financial reporting system on screen. PY informed that we already have existing software which consolidates both the old Shakers Community and the football club accounts. Given we have more organisations to report on, they have started to use new the software which imports data from Xero via an API. PY then demonstrated the type of (consolidated) information that will be available each month using this tool and how it can be utilised to manage financial performance. PY hopes to get this type of information out to members on a monthly basis.

FSSB website and membership migration

PY put the new website on screen. It works for people signing up and joining as members. We are also migrating people's data across into the new system so they can log in. At the moment the website is open to everyone but once the migration has been done it will then be locked and accessible only for members. Main problem of late has been BFCSS members where they paid annually through Stripe as it was not set up as a recurring subscription – in the coming months these people will be asked to re-subscribe to pay through the new system. There will be a transition period to manage this. PY said that some reminders have been sent to BFCSS members already to inform them that their subscription was due to end. PY said the new system is good, it captures the right amount of information and has an inbuilt email facility – this should resolve a lot of the problems we have had of emails not reaching members due to people unsubscribing from emails, not receiving bulk emails, or errors when moving data between different systems etc.

Fan experience

PY said we were encouraged by the size of the crowd at the Boxing Day game and want to develop fan experience over the next year. PY said the Society Board had discussed this opportunity and a considerable amount of work has been done on this with contributions

from volunteers who have expertise in this area. PY said we are hoping to trial something (e.g., a pre-match show) early in the New Year. PY then pointed to a series of events such as the evening event with Dave McNabb and Tim Lees and more quiz nights. PY said the new accounting system will eventually identify which events are working or not from a financial perspective (Starkies for example probably needs to take £1k over the bar for any given event to cover its costs but this is just an estimate at present) but it's not been set up to do that just yet.

Junior Shakers

PY said that on the FSSB website there is only an adult membership option – this was intentional as it makes things easier from a vote perspective. PY considered Junior Shakers sits better as a membership scheme within the football club as we can give something of value back this way, despite it incurring VAT. PY referred to 'Member Trading' and that we cannot sell anything through that scheme or give discounts/benefit in kind away as it compromises the tax exemption. As an alternative, if we put Junior Shakers within the football club we can give small amounts away e.g. discounts on season tickets or the use of Starkies for birthday parties - it would not be tax exempt but the value would be small. PY then explained that the fan experience initiative would encompass the involvement of Junior Shakers. PY said that just handing out free tickets for games does not work for football clubs so needed more than just this.

RP then invited questions from members

Fanzone Area?

PY said this is something that is being worked on but there are a number of issues around how to put the structure together for this. The problem was that Bury Council had an issue with the marquee as it was put up as a semi-permanent structure. We need to pick this up again put a plan in place for it.

Main Stand?

PY said opening up of the main stand is to be progressed with Bury Council again. We needed to address a two main issues to satisfy them that we could open it up a bit further. One issue was around resources and the level of experience we have which has been addressed as we have now brought in a couple of experienced people so we are in a better position on this now. Second issue was the need to produce a fire safety plan and submit these to the council. PY said he was hopeful these two issues will be progressed in the next couple of months.

Status of 4G Pitch?

PY felt that it was a decision we have to make – do we want to try and self-fund it or wait another season for the Football Foundation? PY said that the Football Foundation have told us they can't do it this coming summer - it will have to be the summer after due to delays

that they have. It is more expensive to go through the Football Foundation. It's a fine line decision to make and we will have to discuss it with Bury Council.

How long before the various companies operate as one body?

PY felt it does already. In terms of the societies its messy at the moment due to the transition of membership but it functions as if it were one. It's a data exercise more than anything else.

What is happening with the long-term tenancy agreement?

PY said fundamentally Bury Council are happy to give us the money but want long-term security in place – they have put that in an email as well. We need to pick this up in the New Year. Ultimately this has to go to DLUHC (Levelling up department) who have to approve any legal agreement etc. Their legal team are reviewing it at the moment and we are waiting for DLUHC to come back with a decision.

Any plans for a standing area? Are the Council rejecting it?

PY said the Council have not disagreed with it as far as he is aware but the current safety certificate does not include a standing area. We would probably have to apply for a change to the safety certificate to accommodate standing. This issue is more for the medium term, as other things are higher priority.

Fan Experience – We need to improve food and drink offering and availability?

PY acknowledged this can be a problem especially with bigger crowds – we had some great ideas but were hit with safety issues to deal with. He was hopeful we are through most of this now.

PY raised the issue of stewarding and stewarding costs. It's a cost we have to accept to satisfy the requirements of the safety certificate (20-30 stewards per home game depending on size of crowd), probably costing £3000-4000. Certain games may require more stewards and we will have no choice on this due to security/safety concerns. It is better to overspend on occasion than have to pay police bills if they need to get involved, and we also face fines and the threat of playing behind closed doors from the league if we don't get it right.

Any long-term plans for other community users of the ground? E.g. NHS.

PY said the NHS are renting Starkies at times during the day but this needs to be added to the overall conversation with Bury Council about how this develops going forward.

Will there be any more half-time giveaways in conjunction with sponsors?

PY said we have some good ideas but it's a matter of executing them well so part of the fan experience project.

Food and drink – its not good at all and very under-staffed- is this due to be looked at?

PY accepted it's an area that needs to be regularly reviewed to help improve things going forward. In future seasons we will be able to give more definitive numbers to caterers. We have no real benchmark at the moment so on occasion the crowd has been bigger than expected and that causes congestion and queues.

PY concluded that we are happy to do more of these sessions on a regular basis with different topics covered.

RP closed the meeting and thanked everybody for attending.

The meeting was attended by 61 members of the Football Supporters' Society of Bury Ltd.