



**MINUTES OF THE 2019 AGM HELD ON 27TH JANUARY 2020,
AT THE COOPER ASSOCIATES COUNTY GROUND, TAUNTON AT 7.30 P.M.**

Present: The President, Mr Brian Rose was in the Chair and welcomed Members to the meeting, prior to handing control over to the Acting Chair, Mr Richard Brice. 221 Members were present.

ITEM 1. APOLOGIES

Apologies for absence were received in advance of the meeting from Ms. J. Bullock, Mrs P. Russell and Mr & Mrs K. Goodwin.

The Acting Chair also read a list of Members who had passed away since the last AGM, after which a moments silence was observed.

ITEM 2. TO RECEIVE AND APPROVE THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 28th JANUARY 2019.

All those present approved the formal adoption of the Minutes.

ITEM 3. TO RECEIVE AND, IF APPROVED, ADOPT THE ANNUAL REPORT FOR 2019

The Acting Chair, Mr Richard Brice, opened his report by referring to the hardcopy sent to Members in advance. Points of note the Acting Chair wished to reflect upon were as follows:

- 2019 was another successful season, winning the RLODC on a memorable Saturday in May and coming Runners Up in the County Championship. It is testament to the hard work of Tom Abell, Lewis Gregory, the playing squad, Andy Hurry, and his coaching team.
- International Cricket successfully returned to Taunton with three sell out ICC World Cup matches and the England Women's Ashes Test. Feedback from touring teams is always positive and they enjoy playing at Taunton.
- Sadly, Club Chair Charles Clark passed away in the Summer of 2019. Charles was a fantastic servant to the Club for many years and he will be sorely missed.
- Richard Parsons, another fantastic servant to the Club, had his service marked with the unveiling of his portrait by former CEO Peter Anderson. The Acting Chair thanked all involved.
- With a heavy heart, the Club also bid farewell to some familiar faces on and off the field. Sally Donoghue left the Club after 33 years' service and Simon Lee also left the Club after 20 years' service for pastures new at the Ageas Bowl in Hampshire. This is a testament to Simon's hard work and progression as he now moves on to managing International pitches.
- On the field, Peter Trego left the Club at the end of the season. Pete is a fantastic character and an exceptional talent, and the Club wishes him well. Marcus Trescothick sadly retired after 27 years. As Somerset's most successful player to play for England and the Club's second leading run scorer, the Club are delighted to retain his services on the Coaching Team.
- Off the field, the Commercial team have had a busy summer and more recently, Christmas period and the Acting Chair wished to record his thanks for their hard work throughout the year.
- The Acting Chair also wished to record his thanks to all Members and Supporters for their tireless support this Summer. With such a strong and together squad, the team will learn and move forward, and further success will follow.

- With regards to the Chair's position, the General Committee approved a Nominations Committee to manage the recruitment. This group chaired by Member and Box Holder Chris Bishop have led and held interviews over the last few months. Gordon Baird has been deemed the best fit for the Club, he is an exceptional person who will bring a wealth of knowledge and experience. Gordon looks forward to meeting you all over the course of the Summer.
- The CEO recruitment is underway and initial interviews have taken place. 135 expressions of interest were received for this role. The former CEO is on gardening leave until the end of February 2020 and no further comments will be made.

The Acting Chair invited questions from the floor (non-raised) before handing over to Director of Cricket, Mr Andy Hurry.

The Director of Cricket, Mr Andy Hurry opened his report by welcoming and thanking all Members for their support during the 2019 Season, both on and off the field.

- Overall, the Director of Cricket was pleased with the development and progression achieved during the season at all levels. Formalising the Club's relationships with Devon, Cornwall and Dorset was very important and will ensure the Club continues to have a wide base of talent to monitor and pull from in years to come.
- Performance wise; the season was successful, and the playing side showed progressions on and off the field. However, the Championship was lost due Somerset being defeated three times in 2019 compared to Essex's one. Work is therefore ongoing this Winter to ensure the team make better decisions when under pressure or on the back foot to ensure they can win more matches.
- With the new playing structure and the Championship bookending the Summer, the wickets being produced are naturally more challenging. Reintroducing the toss this year should see wickets improve but work is ongoing with the Club's top order to build more resilience in this area.
- The quality bowling attack is bolstered further by the signing of Vernon Philander on a short-term contract. With six seam bowlers and two spin bowlers, the depth in quality is important. Workloads, injuries, and form are all inevitable and will need managing but this depth allows the Coaching department to successfully manage this, whilst remaining competitive.
- Craig Overton has been awarded an ECB Fast Bowling Contract which is fantastic. However, this does also mean the Club will need to work with the ECB to manage Craig's bowling loads this year.
- With regards to recruitment, three young players have been signed: Lewis Goldsworthy, Sam Young and Kasey Aldridge. All three have played for England Under 19's and will be given Second XI opportunities with graded exposure to the First team environment this summer.
- Domestic Global Competitions continue to create challenges in terms of managing workloads with some players now playing across a twelve-month period. Lewis Gregory, Tom Abell, Roelof van der Merwe and Max Waller have all been given opportunities this Winter. The Club will continue to work closely with the players and their agents to manage their loads. There are rewards too; expanding their experiences, playing in foreign conditions and with international cricketers does boost their game and they bring those experiences back into the Club's environment.
- Tom Banton has been selected to play in the IPL this year and whilst it causes some issues, it is also a fantastic opportunity for Tom and the Club wishes him well.
- England representation remains strong with Dom Bess, Jack Leach and Craig Overton continuing to feature. Tom Banton and Lewis Gregory also made their debuts. The Club also has five Somerset players in the England Lions squad in Australia which again shows the quality and depth in the squad.
- Two overseas players have been announced so far and a further three overseas players have agreed terms for this Summer. Announcements will be made in due course, but the Director of Cricket could confirm that all Competitions and matches in 2020 will have at least one Overseas player present.
- Pitch Hearing: sadly, the Club were hamstrung on the number of pitches available to play the Championship match versus Essex due to broadcast coverage. Of those available, one was a hybrid pitch, and two had become dry due to overuse (World Cup, Women's Ashes). These were immediately ruled out as they would have caused excessive spin. Of the remaining

options, one pitch had been recently watered but due to damp and cold weather conditions, it had not dried and would therefore cause excessive seam. The one remaining pitch was therefore the Club's only option. The Match Liaison Officer sadly marked this pitch as poor due to inconsistent bounce. Following interviews at the Ground and an independent pitch inspection, this rating was upheld, and the Club therefore charged on two counts; producing a poor pitch and failing to produce the best pitch possible for this fixture.

- Whilst the Director of Cricket and the Club chose not to appeal the poor pitch decision due to its subjective nature, the Club did challenge on the charge of failure to produce the best pitch possible. Evidence was gathered and the Club attended a hearing at the ECB with the Cricket Discipline Commission. Regrettably, the CDC did not uphold the Club's appeal and the sanctions remained as charged.
- In closing, the RLODC in 2019 was a phenomenal journey. The team started well, stuttered in the middle but came back strongly and saved some of their best cricket for the key matches. It was an amazing and emotional day at Lords and is a true reflection of the Club's achievements thus far. The future is bright but also challenging. The Hundred will be challenging. However, it's also much needed to support cricket from grassroots level upwards. It provides a great opportunity for the Club's players and those who are coming through the system. With many current and future England stars on show, there are many more exciting Summers ahead.

Questions

Anonymous noted the fantastic spirit of the team which is truly wonderful but asked why the Club should be punished by the ECB for producing pitches which ultimately produce the quality players they need to be successful at international level. The Director of Cricket responded by saying the ECB are very happy with the players being produced and the coaches work closely with the likes of Ashley Giles on this. The ECB also have a responsibility to ensure the standard of pitches remain high across the country. The Club and players have very much pardoned the decision made and its energies will be focussed on moving forward and overturning the points deduction as quickly as possible.

Mr Tony Burton asked how the Club can avoid the pitch issue from happening again. The Director of Cricket responded that he was very confident that this is a non-issue. Most of the pitches were marked as very good in 2019 and this pitch was the result of extenuating circumstances, the likes of which we are unlikely to experience again for some time. (International scheduling etc.)

Mr Chris Powell challenged the batting averages of the Club's top three with an over-reliance on the middle to lower order to perform. The Club is well supported but other venues which have seen a drop in attendance need to consider why and could cost be a factor. How is Jack Leach as we understand he has been poorly? The Director of Cricket answered agreeing it had been a difficult time for Jack, although he has now returned to good health and is back in full training. The Club hope he will be available for selection for the Sri Lanka tour. Pricing wise; noted and the Club will take the comments on board. Batting averages have been impacted on by the scheduling of Championship cricket in early and late summer which results in difficult surfaces. The Coaching team continue to work with the players, and they must continue to evolve and adapt their skills to be successful and win matches.

Ms. Annie Chave asked whether losing seven players to the Hundred would impact the dressing room and how would the Club manage the expectations of those earning additional money during this period? The Director of Cricket responded by explaining that the Club will receive additional funds from the ECB for those selected which ultimately will be reinvested back into the Club. The Hundred will provide new challenges and demands and the Club, coaches and players will need to adapt to these expectations. For those not picked, it is a motivational tool to improve which will ultimately create a competition for places. Somerset is fortunate to have a supportive dressing room environment.

Mr Mark Rainey asked for an update on Jack Brooks fitness levels and a comment on James Hildreth batting at three or four. The Director of Cricket responded by stating Jack Brooks continues to recover well and is under review by his Consultant. The view is he will travel on the pre-season tour and be available for selection for the start of the season. Further updates will be published on the Club website. James Hildreth had the aspiration to play for England and also wanted to support the team. With hindsight, the Club will make different decisions.

There being no further questions, the Acting Chairman proposed the formal adoption of the 2019 Report – seconded and approved unanimously.

ITEM 4. TO RECEIVE AND, IF APPROVED, ADOPT THE STATEMENT OF ACCOUNTS FOR 2019.

Hon. Treasurer, Mr Nick Farrant opened his report by once again welcoming and thanking Members for their attendance and sharing what an honour it was to be offered the role. The Hon. Treasurer took the report as read but wished to further touch upon some key headlines:

- Surplus before Tax of £301k which was in line with 2018.
- EBITDA of £593k, an improvement of 12.5% on 2018.
- Income (gross) of £7.45million which was 19% up on 2018.
- Expenditure (excluding tax) of £7.15million which was 20% up on 2018.
- Cash outflow for year of £666k but net debt continues to fall to £2.7m (2018: £2.8m)
- The Club was clearly not performing to the recently reported budget of £600k and the accounts were therefore re-forecast in May 2019, allowing for less income in the other income areas such as retail, car parking and reflecting the increase in costs.
- The outlook for 2020 remains positive and detailed planning is well underway.

The Hon. Treasurer then delved deeper into the Income and Expenditure lines as follows:

- Income - £1.2million (19%) ahead of last year
 - ECB income up by £319k (14%) on last year
 - Gate receipts and membership up by £186k (11%)
 - Catering and commercial income up by £30k (2%)
 - Other income streams (excl. CWC) down by £103k (28%)
- Expenditure - £1.2million (20%) ahead of last year
 - Cricket costs of £3million supports commitment to the continued investment (14% increase) in playing costs (both professional and academy)
 - Significant increases in ground maintenance costs (16%), commercial (18%), administration (26%) following additional investment in the venue, club staff and systems.
- Cricket World Cup: Income £766k, direct expenditure £272k – with more income to come in 2020.

The Hon. Treasurer showed a comparative table which highlights the Club's financial performance in relation to its counterparts and with four other Club's not reporting a surplus' again in 2019, it does show the fantastic work being done by a small team which means the Club is well placed.

The Hon. Treasurer further delved into the Balance Sheet and Cashflows in 2019, the key headlines are as follows:

- Balance Sheet continue to grow in 2019.
 - No audit qualification
 - Net debt reduced by circa £100k– cash, loan repayments.
 - Cash of £860k reflects £666k outflow.
 - Primary loan providers – Barclays (£2.6m) and TDBC (£0.7m).
 - Capital spends of £1.65 million shows the impact of the floodlights.
- Net cash out flow for the year of £666k (2018: inflow of £425k).
- Operating cash remains strong with £1.9m inflow from operations (2018: £0.8m).
- Net cash from investing in fixed assets: outflow of £1.6m (2018: £0.5m).
- Net cash from funding/financing: outflow of £940k (2018: net inflow of £168k).
- Cash flow becomes increasingly important as we continue to service debt.

In closing the Hon. Treasurer reiterated that the early financial indications for 2020 and beyond are positive, The Hundred provides a five-year window of opportunity to develop better financial sustainability and that the Club must continue to operate within its covenants through strong financial controls, management, and ongoing debt management before inviting questions from the floor.

Questions

Anonymous, I am not convinced by The Hundred, but with the £1.3m payments, could the Club become debt free within two years? The Hon. Treasurer responded by agreeing this was possible although the

projected timeline would be longer as this funding is invested elsewhere too. Its certainly within the longer-term strategy.

Andrew Frampton asked by what year did the Club envisage it would be debt free. The Hon. Treasurer highlighted the five-year timetable of scheduled payments which allows the Club to become financial sustainable. There is no great harm in carrying some debt and any repayments will be part of a phased approach.

Paul Baker asked whether due to the £1.3m ECB payments lasting for the next five years, do Somerset need to be concerned beyond this period, particularly if player salary caps increase due to this additional funding? The Hon. Treasurer agreed this was a great question and that the Club had five years to devise ways to "stand on its own two feet." Maximising other revenue streams such as the venue and commercial would support this. If the ECB tap were to be reduced or turned off, the Club must remain sustainable. Interim CEO, Mr Malcolm Derry further added that the ECB and counties operate within strict salary caps and further guidelines have been issued on how the £1.3m may be invested so the Club do not foresee this as an issue.

Andy Nash wished to make an observation; the threat of The Hundred is not the format, it's the eight new teams it has developed, hosted at test match venues. This is the threat to non-test match grounds. If the Hundred is changed to a T20 format in the future, Club's such as Somerset are in trouble as the Blast as we know it will not be sustained. Andy Nash therefore urged the Acting Chair, President and incoming Chair and CEO to seek legally binding paperwork from the ECB to ensure the format cannot be changed and reverted to T20.

Tony Caisley questioned the Balance Sheet and whether his interpretation was correct; the Club are showing a £300k profit of which £500k came from the World Cup, without this, the Club would have made a £200k loss? The Hon. Treasurer responded with yes.

Malcolm Baker asked whether the £1.3m ECB money is in addition to previous ECB income or in place of? The Hon. Treasurer explained it was additional money.

Anonymous asked with the budget revised in May, what were the changes? The Hon. Treasurer further explained the need to re-forecast some of the other income areas such as retail, car parking and other elements which clearly would not improve.

There being no further questions the Hon Treasurer proposed the formal adoption of the Accounts; seconded and approved unanimously.

ITEM 5. TO ELECT AN HONORARY TREASURER FOR 2020.

Mr Nick Farrant was proposed as Honorary Treasurer for 2020; seconded and agreed unanimously.

ITEM 6. TO APPOINT AUDITORS FOR 2020.

MHA Monahans were proposed as Auditors for 2020, seconded and agreed unanimously.

ITEM 7. TO ANNOUNCE THE RESULTS OF BALLOTS FOR ELECTION OF MEMBERS TO SERVE ON THE COMMITTEE.

In the four Areas that were due for re-election, the following were elected unopposed except for North Somerset which is a new nomination following the retirement of Mr Martin Parker:

- Bath & Wiltshire: Mr David Pope
- Devon & Cornwall: Mr Eddie Dymond
- North Somerset: Mr Geoff Vian
- Taunton: Mr Richard Brice

The Acting Chair, Mr Richard Brice welcomed Interim CEO, Mr Malcolm Derry to provide an update on Governance.

Interim CEO, Mr Malcolm Derry thanked Members for their attendance and wished to briefly touch upon the upcoming Governance Review, hopefully allaying any potential fears that the Club would change from being a Members organisation.

Mr Malcolm Derry went onto discuss the importance of good governance:

- Drives high performance and protects against risk.
- Its key to managing successful organisations and seeks to support existing structures (Inc. membership)
- Its consistent with ECB and Sport England guidelines
- Affects all FCC's, National Counties and Recreational Boards with an implementation deadline of 2022.

Mr Malcolm Derry also expanded on the key reasons why the Club needed to adopt this change:

- Funding
 - Enabling access to funds from:
 - ECB
 - Sport England
 - Lottery
 - Other financial institutions
- Structure and Board
 - Legal entity (already a Ltd Company)
 - Professional and skills based.
 - Maximum of twelve Board Members (recommended is eight, current structure is sixteen)
 - Non-Executive, Executive and Membership representatives (At least a quarter will be drawn from the Membership)
 - Term limits
 - Sub-Committees e.g., cricket, membership remuneration, safeguard etc. feeding into main board.
 - Clear roles and responsibilities
 - Aid strategic planning.
- Inclusive and Diverse
 - Transparent recruitment process through an independent Nominations Committee
 - Membership representation through agreed process
 - Adopt realistic diversity targets.
- Best Practice
- Transparency, Accountability and Engagement
- Risk management, financial management and controls
- Legal and regulatory compliance

In closing, Mr Malcolm Derry discussed the proposed timeline and reiterated that this will be completed with full member consultation over the coming twelve to eighteen months:

1. Outline proposal to General Committee
2. Ratification of approach and case for change from General Committee
3. Special General Meeting to discuss proposals in outline.
4. Initial written feedback from Members'
5. Members forums with further questions
6. Proposals updated to reflect Members' feedback.
7. Formal proposal and ballot papers sent to Members.
8. SGM to effect rule changes approved by Members.

Whilst we have made some progress, work is ongoing in the background and further information will be shared with Members in due course.

Questions

Mr Richard Cummings approved the proposals and asked whether the Club would be in a position to vote on these changes and implement them following the 2020 AGM. Mr Malcolm Derry confirmed this was

the proposal, unfortunately off the field activities have delayed the Club slightly but the view is to continue forward with this now and in readiness for the 2020 AGM.

Mr Michael Sallis asked for clarity on whether the plan was to hold two Special General Meetings prior to next year's main AGM? Mr Malcolm Derry confirmed this is the case as the Club want to ensure Members are fully consulted throughout.

Mr Richard Tomlinson raised concerns over the proposals. Whilst Richard has no problems with good governance, he felt the proposal represented the first step in Somerset moving away from being a Members Club. Two Members on a board of eight or twelve is not a large enough representation. Mr Malcolm Derry responded by strongly denying that this was the view of the Committee and all involved are clear that it will remain a Members' Club. Members' safeguards will feature throughout. Sub Committee's also ensure Members remain involved, feeding into the main Board.

In closing, Acting Chair, Mr Richard Brice thanks Members for their attendance and wished them a safe journey home.

Meeting Closed: 21:03