

United Trust (Carlisle United)

Following a protracted process, the Trust has finally made the purchase of a 25%+ stake in Carlisle United, taking the investment in the club to some £800,00 since the Trust's inception in 2001. Congratulations!



**Brunton Park:
Trust now part-owners**

United Trust (Carlisle United)

The Trust finally completed the purchase of a 25.37% share in Carlisle United. The investment in the club has been some £800,000 since the trust was founded in May 2001. Congratulations to all past and present members, this is a great achievement and was only made possible by the hard work and diligence of all of you.

As a result of that commitment the United Trust now owns outright 25.37% of shares in CUFC Holdings, the parent company of Carlisle United AFC (1921) Limited.

Trust are Part owners of Carlisle United

You are part of the Trust that has a meaningful shareholding in the Football Club. With the shareholding, however, comes responsibility. We are merely custodians of this asset for future generations of United fans and we owe a duty. The advantage of the Trust having a minority share of 25.37% is that it is able to block special resolutions which tend to involve the most important decisions. Therefore if attempts are made to do things which are not in the best interests of the club we can stop them.

The percentage cannot be diluted and any future owner has to enter into a Deed of Adherence so that the Trust will always be able to maintain the current shareholding. The Trust has the right to elect one person to act as a director of the club, that person is currently Norman Steel who has to attend board meetings representing the Trust and meet all that the law requires of company directors.

The Newsletter

This is the first newsletter for some time, we apologise for that, we hope in future to produce this on a quarterly basis. We hope you have enjoyed this issue and feel more informed about what is happening on your behalf.

Congratulations to Fred Story

Fred has brought into the club a lot of business expertise that was lacking and put in place an infrastructure that has given us all a club we can be tremendously proud of. When you come into Brunton Park it looks and feels like a very successful and professionally run football club, the results on the pitch bear this out with successive promotions and maintaining our place in League One. The new training pitch and the facilities around the ground are superb.

The financial performance in the last two years has been tremendous with profits made in both years, the latest figures showing a rise in turnover of 14% to £4.7m and the profit after tax was £277,063. The clubs debt is now down to £1.1m and the Trust has played no small part in lowering this figure (in the last 17 months the Trust has given CUFC £638,500 in final payment for the 25.37% shareholding). John Nixon stated at a meeting that the Trust money had secured the long term future of Carlisle United. Fred said that the Trust money had gone to pay off some of the debt to Story Construction. (News and Star January 2007).

Oddly, Fred is quoted as saying that the Trust "are a nuisance". We really do not want to be, but on occa-

sions to protect the assets of the Football Club we have been pushed into taking action that we would rather avoid. In any case, are there any other nuisances around who £800,000 club in a lit-6 years. This is one of the largest contributions ever made in CUFC history.

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would put into the title under This is

But credit where credits due John Courtenay stopped the rot after the Knighton years, Fred Story has brought about a transformation that few of us would have ever thought possible. Remember Scarborough? There but for the grace of God etc etc. All we need from Fred now is a bit of recognition and a bit of respect. Without the Trust money the Club might still be languishing under a notorious previous owner and, according to a leading club official, could well have gone under.

Note from the Chair

As the current Chair of the Society (Trust) I would like to take this opportunity to thank two people who at the last elections stood down from their positions on the Trust Board I appreciate all their hard work and support whilst on the Board. Mike Cheshire has been involved from the start in 2001 and as our Secretary proved himself invaluable with his vast knowledge of Supporters Direct procedures and rules and Chris Fuller who for work related reasons has decided to take a break from the board after a three year period. Chris was a great help and support to me personally during the time of the mediation process which secured the shares in CUFC Holdings for the Trust. Both gentlemen remain keen supporters of the United Trust and the Trust movement in general.

Supporters Direct now has some 160 clubs under their wing ranging from Manchester United with some 32,000 members to the various trusts at non league level with a few dozen members. The common bond between them all is the desire to participate, even in a small way in the running of their respective clubs, each with their different challenges.

The United Trust like many other Trusts has had to address a number of issues in acquiring shares, but we can now proudly say that the Trust through its members own more than a quarter of the shares in CUFC Holdings not just for this generation but for generations of supporters to come.

I sincerely hope that you find this newsletter interesting and informative and I can assure you that you will be receiving more Trust information in the near future.

Norman Steel

Working Group

At a recent meeting of the Trust board the decision was taken for a small working group to look at the Model Rules of a Football Trust, as supplied, by Supporters Direct the governing body for Football Trusts.

The working group are to examine, update and revise, where appropriate, the aims, objectives, policy and procedures of the United Trust. The procedures that cover the Annual General Meeting will be scrutinised, in particular, the avenue for motions for that meeting. We hope that this review will produce a timetable for a meaningful and transparent process for proposed motions and resolutions prior to the AGM that will enable the whole of the membership to be informed prior to debate at the AGM.

Life Member

It is with great pleasure that the United Trusts latest Life Member is Ivor Broadis who joins Hughie McIlmoyle, Helen Ross, Brooks Mileson and David Nicholson as only the 5th life member.

Ivor was born on the 18th December 1922 on the Isle of Dogs, London but is now very much a Cumbrian having lived here since the 50's.

Ivor played for Carlisle United and still remains their youngest manager (23 years old) he played for Sunderland, Manchester City, Newcastle and earned 14 caps for England scoring 8 goals which included 2 against Belgium in the 1954 FIFA World cup. Ivor played inside forward and dazzled the crowds of Tyne & Wear and is still fondly remembered there as a very tricky player.

In 1949 Ivor sold himself for £18,000 (quite a sum in those days) to Sunderland to save Carlisle United from debt. He could have chosen Blackburn, Manchester City or Preston but east he went. What a team Sunderland had in those days Len Shackleton, Dickie Davis, Trevor Ford, Willie Watson, Arthur Hudgell, Johnny Mapson and Tommy Wright.

Ivor can still be seen at Brunton Park and is a successful sports journalist – I am sure there are many of us who will remember the chant “Give the ball to Ivor, Ivor wants the ball”.

Thank you Ivor for all your support to Carlisle United and its a great tribute to the trust movement to have you as a member.

The Trust has to date disputed the transfer of 110 acres of land adjacent to Brunton Park to a previous owner for nothing. We will attempt to give you here an account of all that has happened and the reasons for the action being taken. It has not been easy, but we are obliged to act in the best interests of CUFC and have always done so. We believe in the success of the Football Club both on and off the pitch, nothing more, nothing less.

In July 2004 John Courtenay sold CUFC to Fred Story. It was confirmed later that the area of land in question, 110 acres owned by CUFC, formed part of this deal (2006/2007).

10th August 2004 During a Forum at Brunton Park Fred Story was asked a question about the land and he denied CUFC land had been part of any agreement between John Courtenay and himself.

November 2005. The accounts of CUFC 1921 Limited indicate a provision of £250,000 in respect of the land transfer. It has since been claimed that land could have a value as low as £220,000 and that this represents the true value to the club. All the evidence that we have points to a much, much higher value and the question has to be asked. 'Why would anyone other than a local farmer want low-value agricultural land, and particularly when it is in a different country and several hundred miles away from where he lives?' The recent announcement that a group of local businessmen including the Club's M.D. have recommended to the Council that the population of Carlisle should grow by 40,000 must have a bearing on the value of land near the city centre.

November 2006 The AGM of CUFC 1921 Limited – shareholders were sent AGM literature which made mention of a Special Resolution to transfer to another party approximately 110 acres of CUFC Land.

Prior to this meeting a shareholder (not the Trust) had expressed concerns that this land transferred **The resolution to transfer the land was withdrawn by the club.** was to be for "nil tion" (no that part of that land could be a valuable asset to CUFC.

During the AGM the resolution to transfer the land was **WITHDRAWN BY THE CLUB** after legal advice from its solicitor. The shareholder had threatened to sue the Carlisle Directors for any loss suffered by the Club as a result of the land being given away, and referred in particular to some 4 acres of the 110 acres which already had development on it.

2nd April 2007 the Board of CUFC was provided by the Trust with professionally-prepared indicative prices for the land which the trust had obtained from a valuation it had commissioned from leading land valuers, Matthews and Goodman. This valuation had been conducted with diligence and had involved them in discussions with all of the relevant local authorities including the planning department.

3rd May 2007 An Extraordinary General Meeting was called by the Club and EGM document packs were sent to shareholders of CUFC 1921 Limited. The Special resolution put before the AGM had been changed to an Ordinary resolution for this EGM. Could this have been because the Trust had a blocking share and the club was attempting to act without the support of the second largest shareholder?

It was at this time that a High Court injunction was sought by the Trust to prevent this EGM going ahead. The Judge had sympathy with the Trust's position but the time factor and the fact that the Trust's could pursue the case irrespective of the outcome of the EGM, prevented an injunction being served. The Trust's position was therefore not prejudiced by this. Contrary to press reports at the time this action had the full backing of the Trust board.

24th May 2007 Extraordinary General Meeting. The land issue was discussed at a shareholders-only EGM. At this meeting the land acreage to be given away had been reduced to approximately 106 acres, omitting the 4 acres which had given rise to the threat by the shareholder at the AGM. At the EGM mention was made of the approximate 4 acres that had been deducted from the original acreage but no mention was made of the indicative prices given to the directors and the accountant by the Trust.

Since then a lot has been happening but it only produces a lot of unanswered questions. The land was 'put on the market' by H & H Bowe but only after an announcement was made on the Club's website that the land was not really for sale but instead was being offered to the market only to establish its value before it was given away. The club say that there were 20 interested parties but no offer was made – who in their right mind would go to the expense of preparing and making an offer for a piece of land which was not really for sale?

The land was then taken off the market and a valuation belatedly sought from H & H Bowe. Perhaps not surprisingly H & H Bowe came up with the same value as that at which they had initially offered the land to the market.

The Trust's position amongst all of this is clear. It is our duty to protect the interests of the fans in the club and to protect its assets for the future. Our CUFC Board representative has a duty to act in the best interest of the Trust and the Club at all times. The only reason ever given for the gift of the land was that it was part of the deal whereby the current owner acquired the Club from the former owner. We have no gripe against the former owner being properly paid for the Club – it was he who saved us from the excesses of the owner before him – but when one multi-millionaire gets such a bargain from another multi-millionaire he should use his own resources to buy it and not the meagre resources of our Football Club. The land is going up in value every day and we are bound to need it in the future.

Part of the deal whereby the current owner acquired the Club from the former owner

The Trust has itself taken advice on how the land should be used to the maximum advantage of the Club and it is evident that what is being proposed is not for the benefit of the Club but only for the benefit of its current and former majority share holders. The situation is quite simple, the Club's directors are attempting to give away an asset at below market value. To put it another way, if they were giving away Kieren Westwood or Danny Livesey for nothing. Would the Trust be duty bound to stop it?

Concerning legal costs, no loans have been taken out to cover current action and all legal costs have been and will continue to be paid from donations and pledges already made by members without affecting any other part of the Trust's funding. However, the Trust was given a loan from one of its directors to cover the final relatively small (£K60 out of a total payment of £K800) share payment and an increase or renewal of donations would allow this loan to be repaid. We emphasise that, despite

pronouncements to the contrary from the Club's M.D., the Trust's shareholding in Carlisle United Holdings is NOT at risk - the loan is there for as long as we need it.

Membership

Existing members tell your mates what they are missing, we are a well run Trust with the success of Carlisle United AFC both on and off the pitch as our main driving force, nothing more, nothing less. The Trust owns a 25.37% shareholding in Carlisle United, you are part of the success, your mates could be as well. The yearly subscription is now £10 which includes administration costs such as printing, postage and audit fees. Many members contribute to the share fund. Perhaps you would consider making a commitment on a monthly basis or as a one off donation.

To all those who have donated to the share fund over the past 6 years either by monthly contributions or one donations a huge thank you.

Congratulations

Congratulations first of all to the playing staff for a excellent start to the season. 1st place in the league at the time of going to print - well done. Others who deserve praise are David Mitchell and his staff, the playing surface is second to none in the entire football league. The comments from visiting players and managers bear testament to this, thank you.

Date for your diary

Annual General Meeting of the United Trust will take place on **Sunday 27th July 2008.**

Trust Board Members

Norman Steel - Chair

Billy Atkinson

David McNay

Keith Elliott

Tommy Earl

Alan Steel

Helen Fuller

Peter Harrington - Treasurer - non voting, not an elected member of the board

Alistair Woodcock - Secretary

Damien Steel

Lynda Johnston

Kate Rowley

Frank Beattie

Saint & Co are the Society's auditors

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