

**Scarborough Athletic FC AGM
Ambassador Hotel, Esplanade, Scarborough
Friday September 19 2008**

Welcome

Chairman Simon Cope welcomed those present (roughly 70 people) and introduced the top table, either side of an unscheduled fire alarm:

Natalie Davies (ND)
Chris Rooke (CR)
James Hunter (JH)
Sandra Troughton (ST)
Kevin Smith (KS)
Simon Cope (SC)
Ben Courtney (BC)
Andrew Troughton (AT)
Tony Brown (AB)
John Clarke (JC)
Wendy Danby (WD)
Richard Adamson (RA)

Item One

Apologies

None

Item Two

Chairman's Report – Overall report on club activities

SC: Welcome to the first AGM of Scarborough FC Supporters Society Ltd. Although the Society was first registered with the Financial Services Authority back in the autumn of 2006, we have to wait for our first full accounting period to end, and then for our accounts to be audited, before we could hold an AGM. From here on in AGMs will actually live up to their name.

The history of the Society thus far can be neatly divided into two halves. When we initially formed we were known as Seadog Trust, a Supporters Trust aiming in the long term to gain a shareholding in Scarborough FC, and also to gain fan representation on the board of the club. Our immediate aims were to communicate to fans the idea of collective share ownership under the umbrella of a Supporters Trust, and also of course to gain members. I believe that we were successful on both counts, quickly gaining around 150 members, and also prompting a wider discussion among the fans of Scarborough FC regarding the issue of ownership of the club.

As the 2006/7 season developed the financial problems at Scarborough FC reached crisis point. Seadog Trust turned its attention to the financial situation at the club, attempting to get a true picture of the problems. Regular meetings were held with the club directors, and advice was also sought from the likes of the Football Association and Supporters Direct. With the club debts nearing the £2m mark, and no concrete proposals on the table for clearing them, it became increasingly apparent to the board of Seadog Trust that there was a high probability of Scarborough FC going into liquidation at some point in the near future. Consequently the board took the difficult decision to start planning for a successor club, should the worst-case scenario at Scarborough FC actually happen.

From around March 2007 an incredible amount of hard work was put into forming what came to be known as 'Plan B'. Every single person who was involved in that process, board members and ordinary Trust members alike can be rightly proud of the plans that were prudently put into place. The process also taught us that crises such as the one we were facing helps bring football fans around the country together. We had invaluable assistance from fan-owned clubs such as Exeter City, AFC Wimbledon, FC United and AFC Telford United, along with countless messages of support from other Supporters' Trusts up and down the country.

The liquidation of Scarborough FC in June 2007 meant that Seadog Trust had to put Plan B into action. The Trust's purpose had fundamentally shifted; it would now itself be a football club less than a year after being created. Again this put an enormous amount of pressure on the board members, none of whom of course had any experience of running a senior football club. I don't think any of us envisaged being in that position when we first got involved in setting up a Supporters Trust. I am immensely proud of the sheer amount of tenacity and hard work that was shown by everyone involved in the creation of Scarborough Athletic FC. Without those countless hours of volunteer work we would not be where we are today.

Scarborough Athletic FC had a successful first season in existence. Mistakes were made, but the club as a whole has learnt from them and we have developed into a stronger organisation because of them. Our financial position is good as you will hear in the next report, and of course the performances on the pitch speak for themselves. To finish 5th in our inaugural season having started building our squad so late in the day is testament to the skills of the management team. We have taken another big step this season with the creation of a reserve side, providing a valuable test bed for new players and also for existing players returning from injury. The set-up of the club, the management team, the playing squad – all of these combined are more than capable of gaining promotion and winning trophies.

Off the pitch, the primary focus of the club must remain on finding us a suitable permanent home back in Scarborough. The Athletic Ground on Seamer Road is still in the hands of Begbies Traynor, the appointed liquidators of Scarborough FC Ltd. Negotiations between Scarborough Borough Council and Begbies Traynor regarding the purchase of the ground continue, and it seems likely that an announcement will be made by the Council in the coming weeks. The board of Scarborough Athletic FC will continue to work closely with the Council to make the requirements of the club known, with a view to us having use of sporting facility that can benefit the wider community in Scarborough. This may or may not be at the site on Seamer Road; no decisions have been made yet.

I wish to end this report by thanking all those fans who have attended Boro matches thus far – both at home and away. Our home support last season exceeded all expectations, and our away following is the envy of many clubs much higher up the pyramid. Having such great support really lifts the players, and can truly be regarded as the 12th man.

Item Three

Finance Report – Audited balance of accounts

KS: Firstly before go any further I just want to say that even though I have the privilege to share with you some good news regarding the clubs finances it is the result of the hard work of all members on the board, and I am merely the messenger.

Firstly I will give a report on last season, then talk a little about the finances this season. The report has a number of components. It includes company information, which is what it says on the tin, there is a list of directors' responsibilities, then reports from independent auditors report which states if the accounts in their opinion give a true and fair view of our financial standings and comply with generally accepted accounting practice. Finally a profit and loss balance sheet which shows the financial performance and position of the company.

At the end of July Sandra and I visited Steven Lloyd of Winn and Co and were given a clean bill of health and that everything we had done was all above board. We are pleased to say that Steven Lloyd passed the accounts and in his opinion they were a true and fair view, and were properly prepared in accordance with the Companies Act 1985.

We have had an excellent season on the field which extended to the figures off the field. The attendance figures were much higher than expected which was at the heart of the positive financial performance. This was reinforced by the support shown in membership numbers, which were consistently over 500, providing a solid backbone of revenue throughout the season.

We had a healthy £88,000 turnover, and £18,000 profit after tax so we had a cash balance of £20,000 with just £3000 outstanding to creditors for things like transport at the end of the year.

We had a slow start to the 07-08 season which could have been met with a knee jerk reaction to release extra money for players. However the board showed faith in the manager and we were rewarded with some great football without having to break the bank. The stance in the first season, and a stance which will continue as long

as there is a club, is that Scarborough Athletic is not a money machine regarding players wages. Brian had said at the fans forum that he will not be paying what he calls silly money for anyone and the fact that he has never spent over budget at any club bodes well for the future.

The club has enjoyed a hugely beneficial relationship with Bridlington Town where we had a very reasonable rent charge helping to keep our overheads low during the first season. We technically lost out on bar and food takings but given the magnitude of work that needed to be done in the first season to get the club off the ground, combined with the very low rent charge, this is without question a win-win relationship.

The accounts for April to June reported that Scarborough Athletic broke even, and I want to reiterate that there is no need to panic as the clubs income streams are less over the summer period whilst still incurring some fixed costs.

I said earlier that we planned to keep profitability on a similar level, and that is down to two things. We expected some costs to rise. For example travel, with the increase in petrol prices. However at the same time we expected revenue to increase, that we were much more attractive in terms of sponsorship and advertising combined with some extra fixtures this year.

Profits have been a little bit less than expected, and revenue has been a little less, but then costs have also been less which compensates.

It is no big secret that the attendances are down. The average league attendance at home is 430, and if you add in the one cup game so far the average is 400. This is less than last year but still far larger than the break even figure of less than 300.

We were also expecting to have more merchandise sales than we have had, the biggest factor being that we haven't got the replica shirts. The good news is that the revenue relating to these will just be delayed, it hasn't disappeared.

The budget also reflected a reduced amount of money coming in from membership, I am pleased to say that this has not come down as much as expected in terms of number and in total value which has been a boost to figures.

We are still not running anywhere near close to our budget level, and our costs are under control. What I am saying here is the clubs financial position is still a healthy one, and unless something significant happens we will be publishing healthy figures in the third quarter. By the end of the year we plan to have increased our already healthy cash balance and have some more good news to deliver at the next AGM.

SC: We have to vote to approve the auditors report. Can someone propose we accept it?

Proposed by Tim Skelton and seconded by Mike Price. All those present voted in favour of accepting report.

Item Four

Secretary's Report - Membership

BC: This will be comparatively shorter than the other two reports. I am merely here to give you an update on the membership.

When the society was first formed back in September 2006 it steadily recruited members with the primary aim of gaining supporter representation on the Board of Scarborough FC. By March 2007 membership figures had reached 155.

In the months that followed leading up to and following the demise of Scarborough FC and then the formation of our club Scarborough Athletic FC, membership swiftly increased, and by October 2007 membership numbers had reached over 500.

Naturally this figure included sympathisers who were not necessarily supporters of Scarborough but supporters of football, and of supporters owned clubs who wanted to see football succeed in the town. By summer of this year membership figures peaked at 571.

As expected the sympathetic vote has been difficult to retain. For example - Paul Robinson, the England goalie had signed up to show his support. I anticipate he feels he has done his bit now and when I send him his renewal

form I may not be hearing back from him!

Membership numbers remain higher than the board anticipated they could be at this stage. Fully paid up membership levels currently stand at 462. However there are a further 55 who have lapsed very recently and are still being chased up.

It is easy to interpret the drop in membership numbers as negative but the drop was inevitable and for Society membership to be over 100 per cent of the average home attendance is almost unprecedented and a great testament to the support of Scarborough Athletic FC. I believe Runcorn Linnets are the only other example, with an average home attendance of 70, and trust membership of 77.

Thank you very much for your support.

Item Five

Appointment of Auditors

SC: Item number five is the appointment of our auditors. As this is our first AGM the board decided to appoint Winn and Co as our auditors and we now propose that they are our auditors again.

Proposed by Dave Holland and seconded by John Fawcett. All those present voted in favour.

Item Six

Business Plan Summary

SC: Item number six is a summary of the business plan, a document that the board produced a couple of months ago which shows how we want to run the club in terms of business. We have decided as the board not to publish the full document as we feel it includes certain aspects which should remain confidential. However we would like to share parts of it with you.

BC: We created a business plan for 2008/09 that started in July of this year, so we have been standing by that, which has provided us with a route map to get where we want to be in 12 months time.

The club has a number of important aims which revolve around finance, communications and marketing, commercial, football, location and the community - especially finance and location. The football club initially has a lot of short term aims and if we achieve them then we can go on to achieve our long term aims.

The board regularly reviews those aims at board meetings, and progress is measured to ensure the objectives are achieved. Excellent progress has been made so far and in many of the areas we have achieved what we set out to achieve, and in just three months.

There is still a lot of work that we want to do and we know where we want to focus our energies. The main port of call is that the fans want to see the football club promoted and we need to support Brian as best we can without interfering in affairs.

But we now do have a lot of work to do in the community particularly as we play 20 miles away from Scarborough. We want to integrate the football club into the community to ensure it helps the community to work together. We have got close links with the Scarborough Ladies Football Club and have sponsored their under 12s. We want to work more with them and move forward that way.

What I want to ensure is that we are looking at the key areas and are making progress. In the past 18 months we didn't seem to have a lot of work in the community going on. That is because we have had a football club to set up, but we are looking to move in that area now and do more work.

Item Seven

Aims and Objectives for the forthcoming year

SC: Item number seven is rolled into the business plan summary which Ben has talked about. I touched upon

earlier that the main aim on the club off the field is to find a base in Scarborough and we are going to work as hard as we can to find a solution that meets our requirements as a club and meets the requirement to provide facilities for the community.

There still isn't anything concrete agreed. All we can is to continue to work with the council as closely as we can. Our only realistic option of getting a stadium to play in is through the council. That remains our main objective but there isn't much more to report at this moment in time.

Item Eight

Constitutional Amendments

a. Resolution 1 – Proposal for rule amendments reflecting the Trust as the Football Club

SC: For those of you who have taken the time to read the constitutional amendments I warmly applaud you for taking the time to do so.

When we first started in the days of Scarborough Football Club we thought that we would be a good model for a supporters trust. When we set up the supporters trust we stuck to strict rules. Within those rules there are various clauses that are specific of a supporters' trust and its relationship to the football club.

Our relationship was with Scarborough Football Club, and as we have moved on the trust itself is now the football club and we have to amend that. We are not going to go through the rules right now because we are trusting that you have had a chance to read them through.

We are proposing to accept all the changes that we outlined on the agenda.

Proposed by Tim Skelton and seconded by Mike Price. All voted in favour.

Item Nine

Any Other Business

SC: We have had no items submitted before the meeting so that is that.

Item Ten

Close of meeting

SC: The closing of the meeting is item number ten so I now declare this meeting closed.