

Falkirk FC Fan Ownership - Q&A

Q. What is the proposed Fan Ownership scheme?

A. It is an initiative which will inject significant new income into the Club - income which will supplement the playing budget to improve performances on the pitch, with the goal of reaching and remaining in the Premiership. It will also broaden and better balance the shareholder base, allowing fans more ownership and a greater say in how the club is run.

Q. How will it work?

A. 2.4 million new shares in Falkirk FC will be issued*, doubling the total number of shares to 4.8 million. All new shares will be priced at 33p, raising £800,000 in new income. All £800,000 will be retained within the club. There will be two types of share – ‘A’ and ‘B’*.

‘A’ shares will be sold to ‘Patrons’ for a lump sum investment of no less than £5000 or £10,000 and no more than £100,000. Patrons voting rights will be individual and in accordance with shareholding. No Patron may own more than 6.25% of total shares.

‘B’ shares will be sold to ‘Supporters’ for a monthly payment of no less than £5 or £10 over 2 years. Supporters will vote as a collective. There is no limit to how many shares Supporters can own.

* Subject to shareholder approval at an EGM

Q. What about current shareholders?

A. Current shareholders with 20,000 or more shares will become ‘Patrons’ and their shares will convert to ‘A’ shares*. Current shareholders with less than 20,000 shares will become ‘Supporters’ and their shares will convert to ‘B’ shares*.

* Subject to shareholder approval at an EGM.

Q. Does the proposed scheme have the support of current shareholders?

A. Yes it has the support of the Major Shareholders Group and of other shareholders, subject to further work being completed on the share issue and on future governance under the new ownership structure. Once this work has been completed we hope to gain full and final shareholder approval via an EGM, probably in April.

Q. How much do you expect will come from Patrons and Supporters?

A. Our hope is to raise £560,000 from Patrons and £240,000 from Supporters over 2 years, but in truth it’s impossible to say at this stage. That’s why we’re asking for pledges by the end of January 2019, so we can understand both the appetite for this initiative and the likely mix between Patrons and Supporters. If the mix is different to above, it’s no problem.

Q. What if we don’t reach £800,000 in pledges?

A. If pledges fall well short of the goal, the next phase of work won’t be conducted and the scheme won’t be launched. That’s why it’s crucial that every fan who is likely to invest makes a pledge.

Pledges are indicative-only and not a firm financial commitment at this stage. However it's important that pledges do closely match reality if the scheme goes ahead. Fans should therefore pledge as much as they are willing and comfortably able to contribute.

Q. How much of the club will 'fans' own?

A. The new share issue will dilute the current Major Shareholders Group holding from 62% to 31%, meaning that 69% will be owned outwith the MSG. It is envisaged that around 25% of the club will be owned by Supporters who will become by far the largest shareholder. The rest will be held by Patrons, with no individual Patron holding more than 6.25% of shares and an average shareholding of around 1.5% per Patron.

Q. Will the club be run by 'fans'?

A. The future governance structure has yet to be finalized but, like any business, the Board will ultimately be determined by the owners of the business – the shareholders. We'll have new owners so there will be new governance. However it's also essential that those running the club have the skills, experience and time to do so, to the required standards. The new structures will therefore be democratic and robust, allowing shareholders to ensure that the right people are in the right roles, so that the club is always well run. Fans with the requisite skills and experience will be able to apply but it won't be possible for someone without the appropriate skills to simply be 'voted' onto the Board. Nor will it be possible for anyone to 'buy' a seat on the Board.

Q. When will we know about the future governance?

A. This will be finalized as part of the next phase of work in February and March. Everything will be concluded by April at which point the whole plan will be communicated to shareholders and fans. At that stage both Patrons and Supporters can decide whether or not to honour their pledges.

Q. Can I pledge if I'm already a shareholder?

A. Yes of course. We hope that most current shareholders will also support the new share issue. Subject to the Patrons 'cap' of 300,000 shares (£100,000), there are no barriers to current shareholders increasing their shareholding. Patrons may also, if they wish, also make a monthly contribution to the Supporters 'sharesave' scheme.