

Falkirk FC

Ownership and Operating Model

# Background

- Various clubs consulted & fan ownership models looked at
- Meetings not very well attended
- Recent consortium approach
- Project since November....
  - Revisited models
  - Consulted Supporters Direct
  - Reviewed current state of play

# Key Issues 2018/19

- 9<sup>th</sup> consecutive season in Championship
- Financially stable but stagnant
- Heavily reliant on small number of major shareholders
- Change is needed

# Objectives

- Unite all stakeholders
- Re-energize the Club via new £
- Broaden & better balance shareholder base
- Increase democracy & safeguard future of Club

# Approach

- Create a skeleton proposal
- Seek support of stakeholders
- Only with sufficient support, move forward to develop the right delivery 'vehicle'
- Proposal has support of MSG, shareholders & new investors

# Proposal

- Double # shares (2.4 to 4.8m)
- Reduces MSG 62% to 31%
- 2.4m new shares @ 33p = £800,000
- 100% of new £ retained in Club & focused on team

# Proposal

- 'A' and 'B' shares
- 'A' shares sold to Patrons for lump sums of £5k or £10k plus
- Maximum of £100k per investor = 6.25% cap
- Voting rights as per s/holding

# Proposal

- 'B' shares sold to Supporters for monthly £5 or £10 plus
- No cap on Supporters shareholding
- Supporters voting rights collective = biggest s/holder



# New Investment Scenario

- 40 Patrons @ average £14k = £560k (range £5/10k-£100k)
- 1000 Supporters @ £10pm = £240k (over two years)
- Patrons 1.68m shares
- Supporters 0.72m shares

# New Shareholding Scenario

- Current shareholders with >20k shares become Patrons
- Current shareholders with <20k & BT become Supporters
- 54 Patrons 3.6m shares (75%)
- Supporters 1.2m shares (25%)

# Governance

- Board(s) appointed by owners
- New owners = new governance
- Detailed transition plan to be negotiated in next phase
- 2 new (Patron) Board members at payment of first £200k
- MR standing down at end of season
- Potential to reinstate 'Supporters Rep'

# Share Issue

- Either create a new company (CIC?) or direct issue via Falkirk FC
- Changes to A of A/Constitution, including special resolutions
- Work will only be done if proposal has sufficient pledges from stakeholders
- Final plan for approval to EGM by April

# What Happens Next ?

- Stakeholder engagement to request pledges by end January
- Subject to pledges, further work February & March
- EGM April 2019
- Subject to agreement on final plan, up and running by May in time for next season

To pledge as a Supporter visit

<http://backthebairns.com/>