

# Carlisle United Official Supporters Club



## Local Investment Consortium – Carlisle United

26<sup>th</sup> February 2016 Foxy's Restaurant, Brunton Park

## Meeting Plan:

- 7pm Introduction CUOSC – Nigel Davidson
- 7.10pm Introduction Business Investors – Robin Brown
- 7.15pm Q&A's with Chair & Microphone – Frank Beattie



## The Background

- The Lapping Proposal
- A firm investment proposal was developed, supported wholeheartedly by CUOSC, which would have led to a dilution to 10%
- Proposal derailed



## CUFC Local Investment Proposals to CUOSC:

1. Asking CUOSC to simply dilute shareholding to 18%

Or

2. Asking CUOSC to raise £108k to retain our current shareholding

- CUOSC rejected this proposal - the CUOSC Board felt the ideas did not go anywhere near far enough towards achieving the required long term financial security and stability of the club



- We suggested to Andrew Jenkins & John Nixon that we should look for alternative and more financially beneficial investment ideas
- We then made contact with members of the local business community and this was the catalyst which led to the current proposal
- The current Investment Proposal - An outline proposal for substantial local investment in the Club was developed during December 2015



# The Investment Proposal

Aims are to:

- put CUFC firmly in the ownership of the local community - supporters and businesses via an investor-consortium model
- raise £2m of new investment to act as a catalyst for further investment (£1.5m from the major local business community and £500k via CUOSC)
- help to safeguard the future financial stability and solvency of the football club



- protect the asset of the football ground for future generations of supporters
- make CUFC an attractive investment opportunity and provide a platform for future investment
- set out and achieve ambitious targets relating to investment and revenue generation
- build upon the momentum of current success on the playing side to create success across the Club



## For example:

- Appointment of new MD to develop an operational plan and drive back office and commercial success
- Improve supporter engagement
- Revenue increase
- Many other more specific examples which will come on board as the proposal develops



## The Consortium

- Consists of CUOSC and around 12 - 15 major local business investors
- Who are the investors – currently CUOSC, Robin Brown and Graham Mossop
- Key players in the local business world to raise £1.5m
- CUOSC to raise £500k from a mix of members, other supporters and smaller businesses



- Shareholding is planned to be 25% CUOSC for the supporters and 75% the major local business community
- The club would operate as two boards:
  1. The Newco Board (Directors from Consortium & CUOSC)
  2. Operational Board – Led by an MD (reporting to the Newco Board) involving the Manager, Commercial, Finance, CUOSC, Operations



## The Club's Response to the Proposal

- Disappointingly, Andrew Jenkins and John Nixon have made it clear that they do not wish to pursue the current proposal at this stage and have as such rejected this substantial, local investment proposal, which the Consortium feel is fully viable

### The Proposal:

- follows agreement with the Club that CUOSC would seek to identify new local investment ideas



- would result in a financial contribution to the Club of roughly ten times the Club's own November '15 proposals
- would eliminate the Club's over-reliance on Andrew Jenkins
- is felt by the consortium to be in the best interests of the community's football club, it is in keeping with the on-pitch improvement this season and the team manager's ambitions for further progress



- This is the optimum time for such a proposal to go through and would see people's personal circumstances being addressed whilst the club is relatively 'cash rich' on the back of a financially relatively successful season thus far, before the inevitable revenue drought of the summer months
- would safeguard the short and medium term financial security of the football club



## What Next?

- The proposal is still on the table
- Those involved in the consortium are genuine supporters of the Club and, like all supporters, want to see it progress and to be in a better financial place for the long term
- If CUFC Holdings Co Directors would look at the proposal again and agree to go forward with it then at the appropriate time there would need to be a formal members vote on the proposal and any potential dilution of the CUOSC shareholding



## Q&A

- Let's hear your views
- We'll answer as many questions as we can via Robin, Graham, Norman, Jim & others



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