

Raith Rovers: Who owns what?

Raith Rovers has a complex structure, which has developed over many years. This complexity makes it difficult to understand who owns the club, where decisions are taken, and where to take action to positively influence and support its future direction.



Raith Rovers FC Ltd

Raith Rovers FC Ltd is "the club" (i.e. it holds SFA and league membership), but all day-to-day decisions are made in New Raith Rovers Ltd, which owns 73% of the Raith Rovers FC Ltd shares.

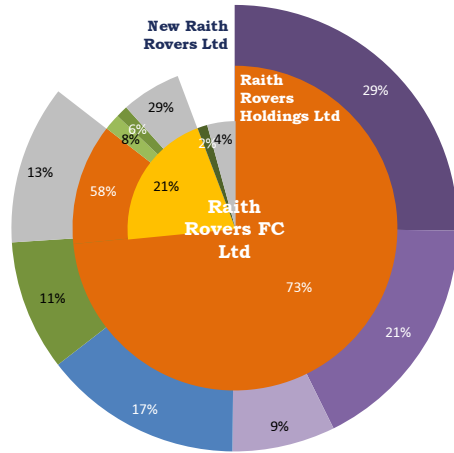
There are lots of marginal, mostly historical, shareholdings with little decision-making power or influence.

Raith Rovers Holdings Ltd

Formed in 1994 in order to enable new investment in the club, Raith Rovers Holdings Ltd owns 21% of Raith Rovers FC Ltd.

Until the creation of the 'Members Club' in 2012, and the conversion of inter-company loans to shares in 2013/14, Raith Rovers Holdings Ltd had majority voting rights in Raith Rovers FC Ltd.

The Football Club



New Raith Rovers Ltd

New Raith Rovers Ltd was formed in 2005 as a result of the "Reclaim The Rovers" takeover.

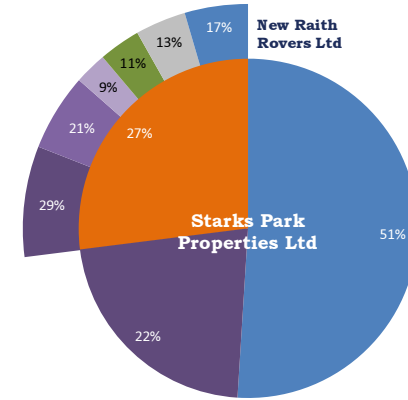
It is the most evenly owned company in Raith Rovers, with rules in place to ensure it cannot be owned by a single majority shareholder. This is designed to encourage consensus and cooperation rather than outright control.

New Raith Rovers owns the **majority shareholding** in both Raith Rovers Holdings Ltd and Raith Rovers Football Club Ltd.

New Raith Rovers is a **minority shareholder** in Starks Park Properties Ltd, the company which owns the stadium.



The Stadium



Starks Park Properties Ltd

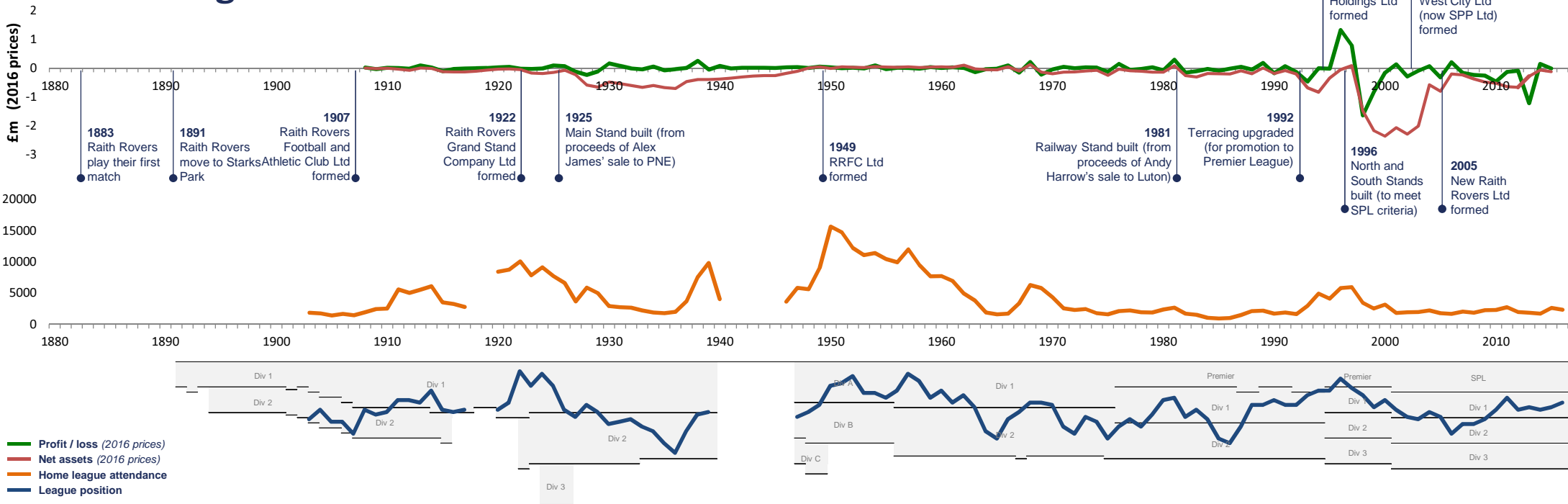
Starks Park Properties Ltd (formerly known as West City) owns "the stadium" – the club's only asset of significant value.

Starks Park Properties Ltd is the only company in Raith Rovers with a single controlling interest – John Sim is the only director of the company.

In addition to his majority shareholding, John Sim provides a £450K personal guarantee to the bank.

How did we get here?

Historical financial data sourced with permission from "Always Next Season" by John Litster, and adjusted to 2016 prices. Post-2004 financial data sourced from accounts of RRFC Ltd, Holdings Ltd, NRR Ltd and SPP Ltd, excluding intercompany transactions.



Zooming in: What about the modern era?

There are close correlations between league position, attendance and financial performance.

The football club has made a profit 7 times since 1990, with the two most profitable years being 1996 and 1997 (due to Premier Division football, the UEFA Cup run, and the sale of Steven McAnespie to Bolton Wanderers).

Since the late 1990s, losses have been modest (with the exception of 2012/13 where intercompany debts were converted to equity), as have profits in the 4 years that the club has been profitable.

Since 2000, attendances have been relatively steady (between 1700 and 2300) other than 2010/11's head-to-head title challenge with Dunfermline Athletic and 2014/15 when Rangers,

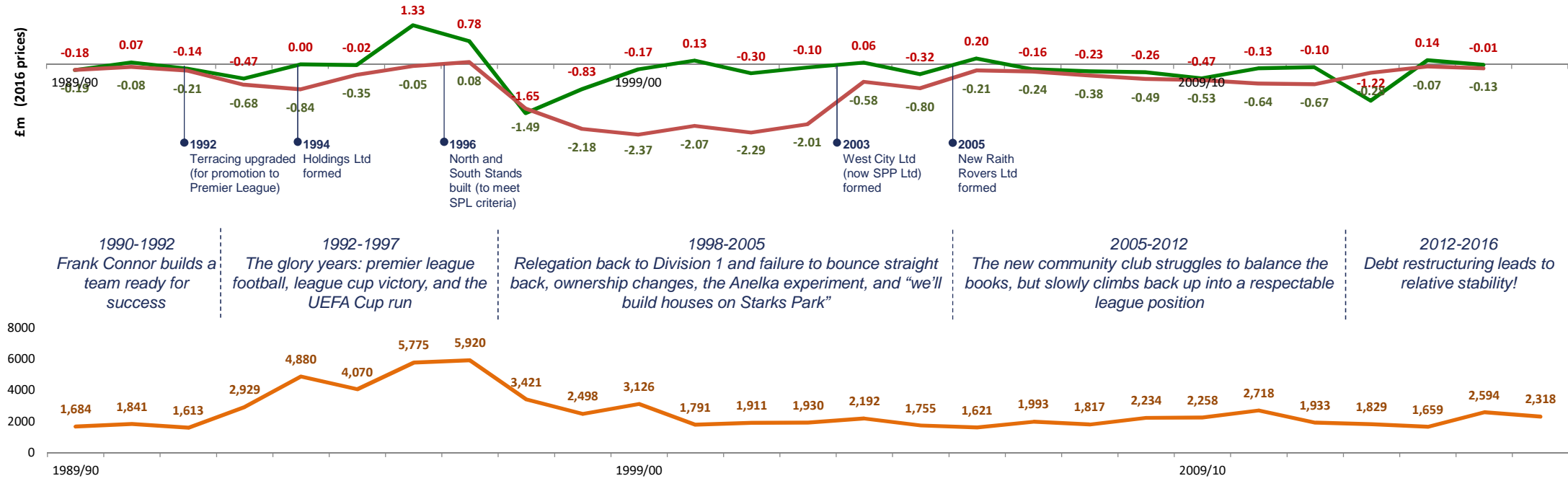
Hearts and Hibs were all in our division – the same level as attendances in the late 1980s before the “glory years”.

The 2005 takeover successfully stabilised the club, but did not solve all of our problems. The takeover was under-capitalised, raising enough money to effect a change in ownership but insufficient to put the club in the black. Small losses in all but one of the years since the takeover have seen the financial position steadily worsen, with the gap being filled by ongoing investment and loans from directors.

In 2012 a process of restructuring began, with intercompany debt between between the Raith Rovers companies being converted into equity in Raith Rovers FC Ltd. This simplified the governance of the football club, formalising New Raith Rovers

Ltd's control of the football club's activities. It is possible that there could be further changes to the company structure in future, and that the football club and its two holding companies could be merged into a single legal entity.

Following the collapse of Rangers in 2012, the SPL and SFL were merged and became the SPFL, with a new financial distribution model. This had a positive impact on the club's finances over the following seasons, although it was neither the apocalypse or the panacea that various commentators had predicted! League reconstruction has been a recurring theme throughout the history of Scottish football, and this most recent set of changes was no more transformational than those preceding it.



— Profit / loss (2016 prices)
— Net assets (2016 prices)
— Home league attendance

What next? What should the Trust's priority be? Prepare for another crisis? Buy back Starks Park? Something else?