

# 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.

A takeover by Starks Park Properties Ltd (previously a minority shareholder, and owner of the stadium) was concluded on 16th August 2017. Full details of the takeover transactions are still to be confirmed, but this infographic shows our current understanding of the club's ownership.

## Starks Park Properties Ltd

Starks Park Properties Ltd (formerly known as West City) owns "the stadium" – the club's only physical asset of significant value – and the majority (76%) of the shares in the football club itself.

John Sim owns 73% of Starks Park Properties Ltd through his investment company, NRR Investments Ltd, with the remaining 27% owned by New Raith Rovers Ltd.

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

## New Raith Rovers Ltd

New Raith Rovers Ltd was formed in 2005 as a result of the "Reclaim The Rovers" takeover. Until the 2017 takeover, rules were in place to ensure it could not be owned by a single majority shareholder. This was designed to encourage consensus and cooperation rather than outright control.

In May 2017, John Sim purchased Mario Caira's shareholding in New Raith Rovers Ltd, and now owns 46% of this company (again, through NRR Investments Ltd).

New Raith Rovers Ltd is the company where the Raith Supporters Trust holds shares on behalf of all the official supporters groups at the club.

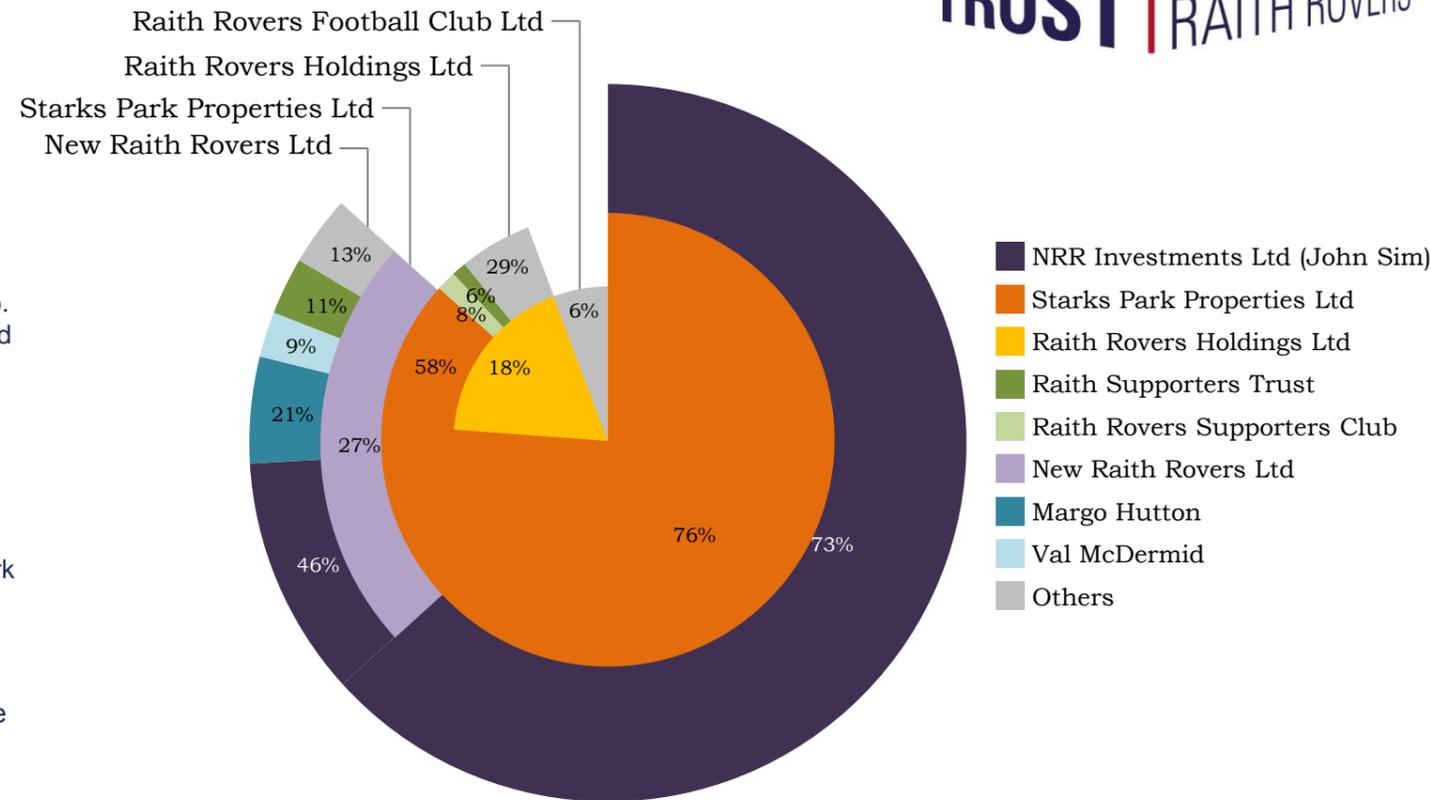
## Raith Rovers Holdings Ltd

Formed in 1994 in order to enable new investment in the club. Until 2013/14, when historic intercompany debt was converted into equity, Raith Rovers Holdings Ltd had majority voting rights in Raith Rovers FC Ltd, but now owns 18% of Raith Rovers FC Ltd. The equity issued to New Raith Rovers Ltd in 2013/14 was purchased by Starks Park Properties Ltd in August 2017.

Together with its 76% shareholding in Raith Rovers FC Ltd, this 58% share in Raith Rovers Holdings Ltd gives Starks Park Properties Ltd an effective shareholding of 86% in "the club".

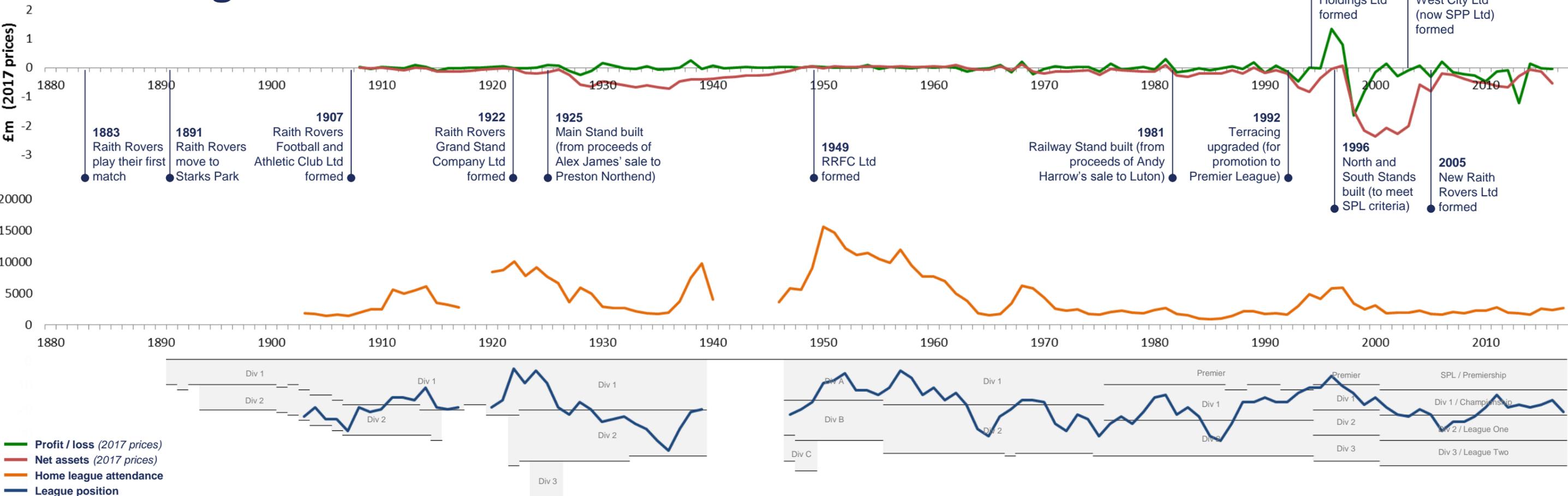
## Raith Rovers FC Ltd

Raith Rovers FC Ltd is "the club" (i.e. it holds SFA and league membership). There are lots of marginal, mostly historical, shareholdings with little decision-making power or influence.



# How did we get here?

Historical financial data sourced with permission from "Always Next Season" by John Litster, and adjusted to 2017 prices. Post-2004 financial data sourced from accounts of RRFCLtd, 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 at the same level (between 1700 and 2300) as in the late 1980s before “the glory years”. The exceptions have been in 2010/11’s head-to-head title challenge with Dunfermline Athletic, and between 2014 and 2017 when Rangers, Hearts,

Hibs and Dundee United all spent time in the second tier.

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.

The managerial appointments, and the decisions those managers made, in 2016/17 saw the club return to the third tier, hopefully for only a brief period.

