

BIDCO announce details of Hearts' rescue plan



BIDCO today announced details of its rescue package with the Foundation of Hearts for Heart of Midlothian Football Club (Hearts).

This agreement would see the club exit administration, be returned to a position of financial stability and ultimately see majority ownership of the club passed to its supporters. Legal agreements are not yet in place, with the current owners, given the delays that have ensued with regard to completing the share transfer. For this reason, BIDCO is unable to enter into public discussion regarding details of the rescue package or future plans for the club.

However given the supporters essential part in all of this, the time is right to ensure that the major elements of the proposed rescue package are fully understood, in particular the extent of financial support that will be needed to return Hearts to a secure position.

The main components of the proposed rescue package are as follows.

BIDCO will provide the following support:

Fund the upfront capital £2.5m to enable the CVA to be completed and to see Hearts exit administration

As director of BIDCO Ann Budge will take up the position of executive chairman of Hearts, on a no fee basis

It is intended that BIDCO will sign a legally binding agreement with the Foundation on behalf of the fans, to transfer majority ownership of the club on satisfaction of

their contracted commitments, at the earliest opportunity, but certainly within a period not to exceed five years

In preparation for supporter ownership, BIDCO will run the club for at least three years, via a newly appointed board, with representation from the Foundation

BIDCO will seek no repayment of the capital loan, for a period of at least two years. This will enable all funds raised by supporters during this time to be applied as working capital to enable the club to return to a position of financial stability.

It is intended that the Foundation will sign a legally binding agreement on behalf of the supporters, to undertake the following:

On transfer of ownership of the majority shareholding to BIDCO, to transfer £1m to the club to provide working capital

To provide further working capital support to the club for a period of at least two years at a rate not less than £1.4m per annum

To provide financial support to the club to enable the capital loan to be repaid in full

To create an appropriate company structure and suitable constitution to enable supporter ownership to be implemented effectively

To work co-operatively with BIDCO and Hearts during the period of transition to supporter ownership

It is vital that supporters understand that it is likely £6m needs to be raised over a five year period to achieve the objectives of saving the club over the long term and moving into supporter ownership. This period could be accelerated or extended, depending upon the level of continued support from the fans. While this is a large figure, it is also important

to understand that the current levels of contribution are sufficient to see this through. With additional supporter backing, these objectives will be realised even more quickly.