

Hibs confirm details of the capitalisation of debt



Following its scheduled Board Meeting yesterday, Hibernian Football Club today confirmed details of the capitalisation of debt owed to the Club's parent company and the new mortgage being provided by it.

At the board meeting the directors gave their final approval to the detailed terms for the mortgage being provided by the holding company. This new mortgage enables the Club to complete the refinancing which was announced on 29 December 2014.

Highlights of the new arrangement are:

- The mortgage is interest free
- The repayments are fixed at £500,000 per year for ten years. Payments to the Bank over the past three years average out at £584,000 and ranged from £494,000 to £755,000
- There is a repayment holiday – the first payment does not fall due until August 2015
- By being bank debt free, repayments of £1.6 million in 2018 and £2.5 million in July 2020 have been addressed

Club Chief Executive Leeann Dempster said: "The terms of the new mortgage provided by the holding company are much more favourable to the Club than the terms of the previous bank mortgages.

"The Club is pleased to have had the support from the holding company to reach a settlement with the Bank and to refinance the balance of the holding company lending through a simple mortgage.

“In doing so, we have also tackled the issue of the future bullet repayments of £1.6m and £2.5m early, and created a smooth level of affordable repayments for the next ten years which should see the Club debt free by the time of its 150th anniversary.”