

Statement from Leeann Dempster to Hibs' supporters



When Hibernian approached me to take on the job as Chief Executive in the spring of last year, a whole number of things really excited me about the prospect. Truth be told, I did not take the prospect of leaving Motherwell lightly. I'd been there for over six years and had – and still have – real affection for them. I'd had chances to do other things and had always resisted but when Hibernian came calling, it was hard not to listen.

Hibernian is a big, Capital city Club with a large and passionate supporter base. I knew that the supporters would come out to support their team, but what they needed and wanted was to see some sporting change. I was (and still am) confident that I could deliver on that front.

The infrastructure of the Club was in place. What do I mean by that? Pretty straightforward – I knew I would not be worrying about the need to create additional cash to build or rebuild a stadium. The same can be said of the training ground. These are major pieces of capital investment for any Club and they had already been achieved at Hibernian. This would leave me essentially free to concentrate on the major task of sporting change, and driving income to fund our aspirations for the Club.

The Club was already in the process of talking to the Bank to reduce its debt. I knew if we were successful in achieving this, and freeing ourselves from the burden of Bank debt, then it would put us in a strong position for the future. Other clubs had previously done this notably by accessing, as we eventually did, external funding, or unfortunately by entering

a crisis period which eventually ends in administration.

The board of Hibernian had already started on a programme of change. Change in the way the whole Club was to be run, change that included the possibility of widening ownership and a fundamental change in the approach to football and football planning. All of this really appealed to me. All major positives which I knew would help me to deliver the larger Club plan

That was then. Moving on a few months, I'm now in post and happily at the forefront of the Club and driving through the changes we spoke about in the Spring.

I've not been disappointed. The supporters have been fantastic and the infrastructure the Club has in place is even better than I had realised.

We've started to deliver on the football plan. The changes made are now starting to bear fruit with a much more exciting product on the pitch. And we are determined we will get better. I noted above that I don't need to build bricks and mortar. I'm not being flippant here or trying to demoralise others that have that task in front of them. It's just a fact. We don't have to spend on that. Instead we are building our future with supporters, with the people working at the Club, the first team and academy players and everyone else needed to make the Club work.

We've also managed, through the support and importantly the funding of the holding company, to get a deal with the Bank that has seen us massively reduce our overall debt, and be bank debt free – and that's nothing but good news. Simply put, we could not have achieved this on our own, we did not have the money to do it. I've been asked repeatedly to release the detail of the deal. The deal is commercially confidential, which is completely normal in transactions such as these. Suffice to say, if it was not in the best interest

of the Club i.e. significantly reducing what we owe, removing the bank entirely, removing scheduled large single repayments and releasing bank security on the stadium, we wouldn't have done it. We are fiscally bound to work in the best interests of the football Club.

So good news – the removal of bank debt was absolutely pivotal in taking the next steps.

We've engaged in a massive consultation exercise with supporters, listened to what was being said, and used that to help shape our plan for the future. That plan is quite simple – to give supporters the opportunity to own up to 51%, a controlling interest. We also heard the desire for greater supporter representation, and we will announce the new Non-executive Directors elected by fans in the very near future. Good news again.

Changes to legislation meant the practicalities of achieving wider supporter ownership were not as straightforward as they used to be, but we believe we've come up with a variety of ways for supporters to get involved – once again, good news.

Shareholders can buy new shares in a straightforward way; supporters on our database who are not shareholders have been sent information on the process they can go through to buy their shares directly; and for those who are not concerned about buying directly, and so owning a share certificate, they can donate to broadening supporter ownership through a vehicle established to buy and hold shares on behalf of supporters, Hibernian Supporters Ltd.

We have initiated a set of circumstances whereby our Club can grow, and grow at pace. It is now down to the support at large to determine how quickly this happens.

We are fully committed to supporter ownership and involvement and if that means we eventually achieve the 51% we all want to, then terrific. If not it will still mean that supporters

have an increased involvement and greater ownership, and have had the opportunity to get involved and the ability to take control – we can't do any more than open the door and to make the whole proposition as affordable as possible.

I understand that supporters felt deeply hurt, angry and upset that the Club was relegated. I get that, I honestly do. I understand that relegation, following on from a few years of poor on pitch performance, has damaged the relationship between Club and supporters. But at some stage we need to stop looking back, we have already started the hard work to get better and we will keep on this path.

Much of what we do comes down to the result on a Saturday and the performance on the pitch. It is all about football at the end of the day and my job here is not only to deliver a sound football and Club plan, but to feed football and that means all the associated costs.

We've had questions about the money that widening ownership will raise. . Assertions are being made that there is some uncertainty about will happen to the money the process generates.

So, for the record: The Club has said from the outset that funds raised through supporters buying shares in the Club will not be paid to any existing shareholders, including the Holding Company. Instead, the monies will benefit the Club –actually strengthening the Club as supporters are seeking to buy a controlling interest.

We are a Club that pays our bills, we meet our obligations from our revenues. A huge part of that is feeding the football operation and the people that make it work – players and all. We had a mortgage to the Bank for the last 16 years and up until very recently we've been repaying that mortgage, but as you know, the bank is now out of the picture and we have a new mortgage with the Holding Company that is better

and more affordable, and that allows us to plan cash flow with more certainty. That means with your support, importantly I'll say that again, with the support of the fan base at large, we can deliver our football plan and grow the Club.

Paying our debts is the right thing to do – restructuring and refinancing was the smart thing to do.

To summarise, thanks to the support of the holding company we now have a total debt of £5m as opposed to £9.3m and are free of bank debt. We don't have large payments just a few years away on the horizon and we feel confident about the future ahead.

The net result of buying out bank debt is that we have significantly less debt and the bank has released its securities on Easter Road and the training centre, and we are now able to widen ownership of the Club and all of its assets – as I said earlier, all good, positive news.

It is really important to remember that the cash raised by the sale of shares to supporters will be new money, money we never had and could not therefore use – and it goes straight into the Club. That is why we have said that this money will help fund the Club's sporting ambition – helping bring improvements to our football performance from first team level down in the short, medium and long-term.

We are in this together now, we really are and if you come out and support us to the level that we know you can, whether that support is purely coming to games, or buying season tickets, getting involved in our community work or indeed buying shares directly or by donating to HSL then you will be contributing to the success we all crave.

Finally to reiterate a point I've made repeatedly above and previously in press, the Club has no plans for significant expenditure on infrastructure – our focus is on improving performances on the pitch. You'll be helping us to fund

football.