

Shareholder Fact Sheet

What's been happening?

In April the Bid Team joined together and, along with the Society, made personal loans to the Club which helped it to repay part of the pressing debts – in fact sufficient to stave off any threat of recovery action for a further five months. Since then we have launched a Community Share Offer seeking to raise a minimum of £750,000 which would be sufficient to buy the Board's controlling stake in the Club, clear the urgent debts and make some inroads into longer term debts. If we reach our stretch target of £1.25m we will be able to clear most debts to individuals. Negotiations are ongoing, but any of these settlements will involve Board Members and other key figures writing off some of what is due to them. To date we have raised over £80,000 in share applications.

What does this mean to you as a shareholder?

In order to become a Community Benefit Society (CBS), we need to gain 75% shareholder support for a motion to convert the company. The Supporters Society owns 17.5% and the Supporters Club (who have voted to support the motion) another 2%. The Directors own 50% of the shareholding and along with other key figures are owed a substantial debt for loans they've made to the Club over the years. So in order to succeed, we have to work with them to reach a financial settlement which will see them support the motion to convert. As we laid out above, this requires a very substantial amount of money which we have to raise by public subscription. What we are asking of you is that you commit to supporting the motion and converting your shares to like-for-like value shares in the new CBS Club.

Why should you support the motion to convert to a CBS?

At the moment you own shares in a club that has been running at a loss and has major creditors expecting repayment of loans, with the potential for legal action looming in the background. You will never receive a dividend under the Club's Articles of Association, and are unlikely to be able to sell your shares – and there's a risk of legal action destroying any value in the shares. If we are successful in raising sufficient funds, urgent debts will be repaid in full, others in part and the balance re-scheduled for at least five years, putting the Club on a secure footing. Your shareholding will have the potential to earn interest and there is the possibility of buy-back from three years onwards, if we are able to operate the club profitably. PLUS if you commit to voting for the motion now, we will allocate you any benefits that are currently awarded to new investors in the Community Share Offer – these range from listing on a Roll of Honour at the Club for £500 of shares to three years' Premier Lounge Membership for £10,000. These benefits cannot be allocated to you if you do not pledge and then vote for the motion to convert.

What happens if you don't support the motion?

If we are able to secure a 75% vote to convert, then all shares will automatically convert to CBS shares at par (like-for-like) value, with one member/shareholder, one vote. So, in truth it's well worth your while supporting the motion to both help secure the future of the club and your stake in it, and to reap some of the benefits of the ownership scheme.

What if you want to invest more?

Of course as someone who's already invested in and believes in Bath City Football Club we hope that you will join us in this effort to revitalise and reinvent

the Club. You can top up any shareholding to a higher value of the Personal Share Incentive Scheme. So if you own 300 shares, a further £200 investment will take you to Praetorian level with two years' membership of the CBS and a place on the Honour List; if you own 3,000 shares, another £2,000 will take you to Gladiator level with a year's membership of the Premier Lounge and lifetime membership of the CBS. And don't forget, any new investment is likely to be eligible for 30% EIS tax relief, for which we now have preliminary HMRC approval. (please note conversion of existing shares does not attract any tax benefits)

What do you do now?

There's a form attached to this letter inviting you to pledge to support a motion to convert the Club to a Community Benefit Society. If you agree to support the bid and to convert your shares, then complete sign and send back to us. If you'd like to top up your shareholding with new investment, then please tick the relevant box and fill in the amount, enclosing a cheque for that amount. If you don't want to do either, then you don't need to do anything, but you won't be able to receive any of the enhanced benefits of membership.

We hope this letter gives you a clear idea of the situation and what your options as a shareholder are. We've enclosed a copy of the Prospectus for you so that you can read more about our plans, and also the benefits of membership. There's also a useful FAQ section on the website at www.bigbathcitybid.org.uk/faqs which may address other common queries. But do contact us direct if you have individual questions you'd like to put to us at: info@bigbathcitybid.org.uk