

To help members to make an informed decision in the forthcoming SGM vote on 22nd March, the Trust recently invited fans to submit any questions they may have. This document provides answers from both the Supporters Trust and Jason McGill as appropriate. Happy reading!

Q1. Does anyone have an up to date valuation of Bootham Crescent? I imagine the value has gone up substantially since the financial crisis.

Supporters' Trust: The latest valuation of Bootham Crescent reported to the Trust Board dates from 2012 and was completed by City of York Council. The value is understood to have been calculated at £4.5 million. This figure appears not to have changed since first agreed with Persimmon Homes in 2002. Although the Trust recognises that there are several influencing factors, given the significant increases in property prices in York since 2002 (and since the 2012 valuation), this does appear to be a conservative figure. The Trust have requested that the Club Board supply a more up to date valuation but have been advised that the club does not believe the financial outlay is justified. Please also see Q2 below.

Jason McGill: The last valuation was undertaken by the City of York Council in February 2012. Market value was c. £4.5 million, less the 10% Persimmon option. I have confirmed that I will sign a legally binding document to state that should there be any excess monies, once all commitments have been met, from the sale of Bootham Crescent, the said monies will go to YCFC. It is therefore in the best interests of both J M Packaging and YCFC to negotiate the best deal possible from the sale of Bootham Crescent. Be reminded that the value of Bootham Crescent is dependent on many factors, such as the amount of affordable housing, these have not been agreed yet and are unlikely to be known for some time.

Q2. At the last meeting (AGM) I suggested that the trust crowd fund a valuation of Bootham Crescent. It seemed to be well received by Trust members and the board. Was this discussed at board level in any way and why wasn't it progressed.

Supporters Trust: The Supporters Trust board have consulted with a suitably qualified and highly regarded chartered surveyor with experience of similar developments in the York area. They have provided a quote of £7,500 for a valuation and planning review with City of York Council. However, they advised that there was insufficient time for the valuation to be reliably completed before the SGM vote on 22nd March. The valuation has therefore postponed for the time being. The Trust does have a crowd-funding platform ready to launch when the valuation project is progressed.

Q3. Who decided to offer Jason 20%. Is it likely that another offer will be made in the future? Also when will BC be valued?

Supporters Trust: The Trust put forward a 'Compromise Offer' which was discussed with Steven Kilmartin (the club's auditor) and Jason McGill immediately prior to the Trust AGM in February 2018. The proposal would have given Jason McGill a 95% shareholding. The Trust Board would have been prepared to put this proposal to a members' vote in March, but on the eve of the AGM Jason McGill and Steven Kilpatrick felt unable to agree terms. Please see the answer above regarding the valuation of Bootham Crescent.

Q4. Is the Trust in a position to fund and administer the club if Jason 'walks away'?

Supporters Trust: Whatever the outcome of the SGM ballot on March 22nd, and whatever decision Jason McGill makes subsequently, the Trust Board is committed to gathering together the people and the resources to meet whatever demands face the club and its supporters. Both at board level and throughout the membership, fans with appropriate qualifications, experience and commitment may need to 'step up to the plate'. We shall all need to dedicate time, money and practical help if we are to meet whatever challenges arise, whether the Trust is working in partnership with Jason McGill or without him. The Trust board have been exploring contingency plans for various scenarios.

Q5. Are the Trust board ready to take on the role of having a big say in YCFC and what help is there on offer from professional football bodies.

Supporters Trust: Please see Q4 above. But to add a little more: we shall need help from every York City fan in the future. We shall also need help from outside. Back in 2002/3 the fans did get a lot of assistance from organisations like Supporters Direct and The Football Supporters Federation. The Trust Board has already received invaluable support and guidance from several experienced officers within these national groups. Other football clubs have faced similar problems to York City and have survived and, eventually, prospered. The Supporters Trust saved York City in 2002/3. We believe we can do it again if needs be.

Q6. Jason McGill has consistently taken out loans against the value of Bootham Crescent. Why has he not sought Trust consent to do so as required by the 2006 legal agreements?

Supporters Trust: It is deeply regrettable that Jason McGill seems to have found it difficult to maintain the close, co-operative and consultative relationship with the Trust as was envisaged in the legal agreements of 2007. There are several legal agreements that the Trust, YCFC, Jason McGill and JM Packaging committed to 11 years ago. These were intended to guard against serious overspending, avoid escalation of debt and to alert the Trust to any fundraising need. Sadly, the necessary Trust consent has not been sought in respect of some of JM Packaging's contributions to the football club's cashflow. Please see additional questions for more information.

Jason McGill: A meeting was held between the board of the Supporters' Trust and JM Packaging in January 2010 when it was agreed and approved by the Trust board that further loans were required from J M Packaging to YCFC and that they were subject to 5.5% interest above bank base rate.

Q7. Who owns York City?

Supporters Trust: Currently JM Packaging Ltd owns 75% and York City Supporters' Society Ltd owns 25% of the 550,000 shares in issue.

Q8. Why does Jason McGill want the Supporters Trust shares? Could JM sell his 75% shareholding to someone else?

Supporters Trust: This obviously is a key question. In obedience to its rule book and constitution, the Supporters Trust is forever bound, on behalf of its members, to perform due diligence in seeking the fullest answers possible to questions related to its shareholding in YCFC. Without in any way casting aspersions on Jason McGill's intentions or integrity in his demands for the Trust's shares, the Trust Board has asked repeatedly for information and clarification which will help us better understand Jason's urgent need for the Supporters shareholding in our football club. Mr McGill's answer to our financial and governance questions has included little more substance than "I believe it only equitable and reasonable that J M Packaging receives the Trust's 25% shares for the £1 million plus needed from my company to fund the club from June 2016 to June 2019".

Regarding any future sale of JM Packaging's shares, the Trust currently has a 'pre-emption' right to purchase any shares JMP might offer for sale, although it is not obliged to do so. This right would be retained under the new proposal, but the Trust's ability to purchase any shares offered would be dependent on the amount JMP wanted and the funds available to the Trust at the time. We believe Jason McGill may actively seek to bring in new investment or sell to someone else.

Jason McGill: In early 2016 I made it clear to the Trust board that YCFC needed significant funding to finance the Club until occupation of the new Community Stadium. All monies up to the end of June 2016 were, more or less, covered by the value of Bootham Crescent. Any monies required thereafter would likely be lost.

I offered to fund the Club until access into the new Stadium in return for the Trust's 25% shares. In 2016 it was calculated that the Club would need c. £1 million to keep the Club going until June 2018. Now that the Stadium has been delayed until 2019, further funding is required, taking the total needed from the end of June 2016 to the end of June 2019 to c.£1.5 million.

In answer to the question there are various reasons why I feel it is correct for J M Packaging to secure the Trust's shares including.

1. The Trust Shareholding and associated legal documentation at the time was agreed primarily to ensure what had occurred in respect of the Football Ground whilst under the control of Craig would not occur again.

By virtue of the "Golden Share" that has been offered to the Supporters Trust their Board and Membership know that the Football Club will complete a move to the new Community Stadium which is currently under construction as if for any reason this should not occur their 25% Shareholding would be returned.

2. There is also a symbolic/emotional reason as I feel because I have continued to fund YCFC for 7 years longer than the original agreement, which was due to be completed in 2011 when it was intended the Club would move to a new Stadium, and agreed to take the Club into the new Community facility, subject to the outcome of the vote on 22 March 2018, then JM Packaging merits the Trust's 25%

3. A yes vote would, in effect, send a vote of confidence to me indicating that although things have in recent seasons been poor on the pitch, the Trust membership recognise the Club is financially stable at present and appreciate the work undertaken in numerous other areas, such as investment in YCFC facilities, the YCFC Academy, the YCFC Foundation and for helping to secure a new Stadium some 16 years after Craig, Swallow and Webb threatened to close the Club down.

This would give me the encouragement to commit further time, effort and finances to take YCFC into the new Stadium. A no vote would tell me that the Trust membership does not agree with the

direction and leadership of the Club and that they consider changes are needed. I do not believe that in these circumstances JM Packaging should continue to fund the Football Club.

J M Packaging could potentially subsequently sell their 75% shareholding if a willing purchaser was identified and who accepted the Trust's 25% Shareholding although the amount payable would include the share purchase together with monies owed at the time of sale.

Q9. What is the connection between York City FC and Jason McGill's business?

Supporters Trust: York City Football Club Ltd is a limited company that is currently operated as a subsidiary of JM Packaging Ltd, of which Jason McGill is majority shareholder. In turn, Bootham Crescent Holdings Ltd is a subsidiary of the football club. The group of companies is operated under this model primarily for efficient accounting and taxation purposes.

Q10. I believe the share issue is pretty irrelevant, JM has the majority and so can technically do what he wants now so 75% or 100% makes no difference. What I think is more important is pushing for supporter representatives to be on the board, to be the go-between, talk about the worries and the problems. Feedback the good and the bad so why not focus on something that can make a difference rather than on something that is purely symbolic?

Supporters Trust: Under the legal agreements entered into in 2007, the Trust has the right to appoint a minimum of two representatives to the football club board. This was primarily to ensure fans representation and oversight of the financial affairs of the company. Following Steve Beck's resignation from the football club board in 2009, the Supporters Trust has had no representation. The Supporters' Trust appointed two individuals to the club board in 2012, but these appointments were not ratified by the football club board. The reason given was that the two individuals were not prepared to commit an 'equitable amount of time' to operational duties. This is entirely false. Both individuals were highly experienced and willing to commit significant time, resources and skills to the football club. There was no constitutional or contractual right for the football club board to block these appointments. Under the new proposal, Jason McGill has agreed to meet the Trust board every 6 months. The Trust board do not feel this will provide sufficient fans representation or protections for the future of the football club.

Jason McGill: I have agreed to meet the Trust board every 6 months to discuss any proposals, initiative or concerns they may have about YCFC.

Q11. Was Jason initially happy with "just" 75% of YCFC because he thought that the Trust would be contributing financially to a much greater extent than has actually happened? If so, why didn't he bring up the need for extra funding from the Trust once he began to feel the unfairness and inequity of the arrangement (thereby giving the fans much more time to rally and fundraise)?

Supporters Trust: The original agreement for a 75%/25% split was negotiated in recognition of the substantial financial contribution of over £600k made by the fans in 2003 and JM Packaging's commitment to provide loans of £1.1million. Whilst the agreements did include a reference to the Trust aiming to contribute £50k/year, this was not a binding commitment.

The agreements included a commitment from JM Packaging that they would only receive interest payments on the agreed loan amount. It was agreed that upon the sale of Bootham Crescent, JMP would waive £1million in loan capital. In other words, it was never agreed that JM Packaging would get all of their money back.

Jason McGill has committed to waiving the loan interest via several public statements. As the agreement to leave £1million in equity in the football club is still binding, this effectively means he's committed to writing off both the original loan amount and interest. Some of the subsequent loans from JM Packaging have not been authorised by the Trust as required under the 2007 agreements. No Trust consent has been requested or given since October 2011 (in respect of 2011/12 season).

The Trust board is of the view that even at a modest valuation of £4.5million, there is sufficient equity in Bootham Crescent to repay JM Packaging what they are entitled to according to the agreements and commitments they have made. Regarding any additional funding required by the football club to July 2019, the Trust's preference would be for the club board to review the budget for the 2018/19 season and seek to reduce the deficit through cost-cutting and/or price increases. If there was any projected shortfall after such an exercise, the Trust would of course explore fundraising options to assist the football club.

Jason McGill: I was happy with the initial 75%/25% split until I raised the issue of additional funding with the Trust board in early 2016 when it became clear that there was not enough equity left in Bootham Crescent to cover any further monies from J M Packaging.

Q12. Just what does McGill want the shares for? I know what he says in public but how can the trust be certain he will keep any promises if he gets the shares?

Supporters Trust: Regarding Jason McGill's motivations for wanting the shares, please see Q8. The Trust is disappointed that Jason McGill / JM Packaging have failed to honour numerous terms of the legal agreements and promises he committed to in 2007. Only Jason McGill knows if he would honour the terms of any new agreement. Depending on the circumstances, the Supporters Trust has numerous remedies available to it if this was not the case.

Jason McGill: Any promises will be enshrined in legal agreements signed by both parties and any commitments from both the Trust and J M Packaging, are of course, subject to media and therefore public scrutiny.

Q13. How many shares exist, and therefore what percentage of the total shares in existence does the so-called Golden Share represent?

Supporters Trust: Jason McGill's response below accurately describes the shareholding split under the proposal. Please also see Q12 above.

Jason McGill: There are 550,000 shares in issue and therefore 1 share is 0.00018%. However, the crucial point of the Golden share, is not about the percentage it represents, but the fact that the Trust has 1 share means that, as a shareholder, it can have certain rights as detailed in the SGM documentation.

Q14. Who owns the shares - is it just Jason/JMP and YCST? And if others also own, what percentage is owned by others, which others, and will they get a share of the proceeds of selling the ground?

Supporters Trust: All the shares in York City Football Club are owned by York City Supporters Society Ltd (25%) and JM Packaging Ltd (75%). As described in Jason McGill's answer below, there are several minority shareholders who own 14.6% of Bootham Crescent Holdings Ltd and would be entitled to payments.

Most of the minority shareholders are York City fans who never invested for monetary gain. Should there be any windfall, we would encourage them to make a donation to the football club or Supporters Trust, although they would not be obliged to do so.

Jason McGill: The shares are held 75% by J M Packaging and 25% by York City Supporters' Society Ltd (The Trust). There are no other shareholders in YCFC. There are some minority shareholders, around 14.6%, of Bootham Crescent Holdings Ltd, the company set up by Craig, Swallow and Webb, who will be entitled to their share of the proceeds on the sale of Bootham Crescent.

Q15. Has a current valuation of the ground been made? Persimmon must surely know exactly what it's worth!

Supporters Trust: Please see the answer to Q1 & Q2 above. We are not aware of any recent valuations carried out by Persimmon Homes.

Jason McGill: Please see the answer to Q1 above.

Q16. What amount comes out of the proceeds (loans etc) before the balance is divvied up among the Shareholders?

Supporters Trust: Please see Jason McGill's answer below. The Trust broadly agrees with this explanation and the order of priority of the different interested parties.

Jason McGill: In order:

1. £2 million goes to City of York Council for the Football Club contribution to the new Stadium. The original £2 million Football Stadia Improvement loan used to buy back Bootham Crescent from Craig, Swallow and Webb, becomes a Football Foundation Grant. This is the £2 million Club contribution to the new Community Stadium.
2. Interest of c.£400k goes to the Football Stadia Improvement Fund as interest on the above £2 million loan taken out in 2004 to buy Bootham Crescent back from Craig, Swallow and Webb.
3. Craig, Swallow and Webb some £125k from Bootham Crescent Holdings shares.
4. Minority Bootham Crescent Holdings shareholders some £80k.
5. J M Packaging loans.
6. If there is any surplus, that will go to YCFC.

Q17. Why can't we wait till the ground has been sold before a decision is made on the proposal and what percentage to transfer to Jason? We could base our percentage on any shortfall should his 75% not cover his outlay. We would then retain some say and influence beyond JMP!

Supporters Trust: As outlined in Jason McGill's response below, JM Packaging have committed to returning the Trust's shares to them if the club does not move to the new stadium. Should the members vote in favour of the proposal, to avoid any ambiguity the Trust would seek to agree a specific date at which it could invoke this clause.

Jason McGill: If the Club does not move to the new Community Stadium, the 25% shareholding will be transferred back to the Trust without charge. This would be a legal requirement and therefore should the Club not move to the new Community Stadium, the Trust would be in the same position as it is now. One of the original reasons for the Trust's shareholding was to protect the assets of the Football Club. On the move to the new ground, the major asset Bootham Crescent, will no longer be held and therefore this protection is unnecessary.

Q18. Why does Mr McGill need the 25% share holding back from the supporters trust now? This has not been made clear in my mind.

Supporters Trust: Whilst acknowledging Jason McGill's reasons outlined below, the Trust board understands that there are several commercial reasons why JM Packaging might wish to acquire the Trust's shares. These could include an intention to sell the football club, accessing any surplus equity in Bootham Crescent or simply the desire to gain full control of the company. Despite the Trust board's best endeavours to seek an answer, we are also unclear as to Jason's intentions aside from those he's made in various public statements. Whilst we appreciate the emotional reasons detailed in his response below, we also understand there may be certain financial benefits to JM Packaging.

Jason McGill: Through J M Packaging I have financially supported the Football Club for 7 years longer than the original agreement, which was due to be completed in 2011, when the Club was supposed to move to the new Stadium.

The Club should finally move into the new Stadium in June 2019. These additional years have been financially and emotionally demanding and whilst mistakes have been made in some of the on-field decisions, I feel that overall the Club is in a considerably stronger position compared to the dark days of the post Craig, Swallow, Webb and Batchelor era with the prospect of the new Stadium, finally within sight.

I therefore feel that there is an emotional reason as to why the shares should be transferred and I also feel that it is a way for the Supporters' Trust members to show their confidence in me as Chairman and for what has been achieved, particularly with regard to finally getting the new Stadium under construction.

Q19. Can Jason McGill clarify why he wants 100% of the share ownership outside of his view that it is the 'right and proper' thing to do? What does he want to do with 100% that he cannot do with 75%?

Supporters Trust: Please see various previous answers to similar questions.

Jason McGill: See previous answers.

Q20. Can a copy of the original agreement of the % share of the YCFC Trust be shared with fans? What do the lawyers suggest we do with our share?

Supporters Trust: Some of the written agreements are subject to confidentiality but simply enshrined the information provided to Trust members prior to the 2006 Barbican SGM vote. The original information can be downloaded at http://www.ycst.org.uk/wp-content/uploads/2018/03/ycst_sgm_2006.pdf. In addition, aspects of the agreement were included in the football club's Articles of Association, which are available from the public records at Companies House. This document can be downloaded at <http://www.ycst.org.uk/wp-content/uploads/2018/03/YCFC-Articles-of-Association-2007.pdf>

The Supporters Trust has sought professional advice on the legal implications of the proposed transfer of shares to JM Packaging. In short, the solicitors have confirmed our understanding of how completion of the proposal would affect the Trust's statutory shareholder rights. However, ultimately, they have advised that it is a matter for Trust members to decide upon as required by the Trust's constitutional rules.

Q21. If JMP reduce their financial input until we move to the new stadium should the Trust keep the shares, is their plans to cover the shortfall of monies needed to raise the estimated 1-1.7 million pounds needed?

Supporters Trust: The Trust board have been exploring contingency plans for several different hypothetical scenarios such as this. In such a situation, the Trust's course of action would be subject to a due diligence review of the management accounts and financial forecasts of the football club. Of course, it is also highly dependent on which league the club is playing in next season and what actions the club's board of directors or an administrator might take in an insolvency event.

As York City Football Club's reported operating losses were £300,661 to y/e June 2016, there is no evidence to suggest that there will be a shortfall of £1-1.7million to June 2019, when the new stadium is due for completion. As detailed in the SGM notices, the 'golden share' proposal only makes provision of additional funding from JM Packaging of £500k, which all parties agree should be sufficient to enable the football club to continue trading at current budget levels until June 2019.

Whilst JM Packaging originally expressed the need for additional funding in 2016, it should be noted that Jason McGill placed a moratorium on negotiations for some 12 months due to certain delays with the stadium project. Funding provided by JM Packaging during this time (and considerable sums beforehand) have not been authorised by the Trust as required by the 2007 agreements.

The Trust is disappointed that a shortfall of up to £1.7million to June 2019 was mentioned by the club's auditor at the recent Trust AGM as this is certainly not reflected in the agreed proposal or the club's accounts in recent years.

Q22. Will the vote and the counting of the votes be monitored by an independent group of people? If so, who?

Supporters Trust: The Trust constitution and rule book is very clear on this. A ballot vote on a resolution as serious and controversial as this must be conducted and scrutinised by an independent team. The Trust Board took advice from Supporters Direct on how to set this up in order to ensure complete fairness and legality. All voters can be assured that the whole voting procedure (including proxy/postal voting) is being overseen by a small team of 'counters' overseen by a 'returning officer'.

This arrangement is very similar to the model adopted for the Barbican SGM of 2006 when the members approved the increase of JM Packaging's shareholding to 75%. No member of the independent team is a Trust member or current supporter of York City FC. To preserve their anonymity the Trust is not authorised to reveal names or personal details of the independent team.

Q23. If the vote is NO and Jason stops loaning funds to the club and perhaps leaves, is the Trust duty bound to keep YCFC going and if so how would they do it?

Supporters Trust: As shareholders, the Trust has no legal liability for the funding or operation of the football club. However, the Trust was formed to ensure that YCFC survives and is constitutionally required to protect the club's long-term future. The Trust has been exploring contingency plans for various scenarios where it may need to fund and / or operate the football club. Although these plans would be subject to a review of the finances and a new business plan, we are confident that fans would help the football club through any difficult times as they did in the period 2003-2007. It's important to note that during the Trust's tenure as majority shareholders, the football club was operated on a breakeven budget, thanks to both prudent budgeting and contributions from fans.

Q24. Many fans seem concerned that if Jason McGill stops funding the Club we shall probably end up with part-time players, is this inevitable and will the standard of football drop?

Supporters Trust: It's clear that current budgets are unsustainable without extra funding or savings in other expenditure at the football club. Achieving a breakeven budget would require either additional income (i.e. price increases, sponsorship or donations etc) or a £300k reduction in annual expenditure. Going part-time is one way of making savings, but given the Trust's experience of running the club at breakeven 2003-2005* (please see note below), this may not be necessary. As far as the standard of football is concerned, supporters are already watching it. Most visiting teams are part-time and you must judge whether or not you think there is a significant difference in quality. Jason McGill has made it clear to the Trust board that he is not prepared to take the football club part-time.

(* In our original published answer to this question we incorrectly referred to a period of 2004-06. This period was intended to state 2003-05 and this error has now been drawn to our attention. For the purposes of clarity, for the 2003/04 season there was an operating profit of £81,465 and in the 2004/05 season there was an operating loss of £46,168. Thus, as originally stated there was a net operating profit over the two periods. However, the Trust must acknowledge that in the 2005/06 season there was a much higher operating loss of £230,243. Thus, over the period Jun 2003-Jun 2006 there was a net operating loss of £194,946, or an average loss of £64,982 per season. The Trust sincerely apologises for this genuine mistake and any misunderstanding it may have caused. The Trust maintain that this still illustrates that is possible to run the club at considerably smaller losses than in recent seasons.)

Jason McGill: As well as the emotional aspect of the share transfer, I view the vote as an overall opinion on my tenure at the Club. In the event of a No vote, JM Packaging would be unable to continue to support the Club financially and therefore the Club would need to be operated on a "breakeven" basis. Unless additional sources of funding could be identified, it is perhaps inevitable that this would require the Club to make substantial cuts both on and off the field and would be unable to retain its "Football League" infrastructure. It is highly likely that the cuts required to the playing budget would result in the Club only being able to operate on a part-time basis.

Trust Members will therefore need to carefully consider when reviewing their options the immense difficulties associated with attempting to manage a Club on a "breakeven basis" as this should certainly not be underestimated.

Cash flow requirements for any business, and the Club has to be managed as a business regardless of the model adopted, inevitably arise at certain times of the year although YCFC will presumably not be in a position to obtain short-term funding to smooth out any anticipated peaks and troughs in this respect which will therefore necessitate extremely prudent budgeting without any historical evidence being available to provide guidance.

There will also inevitably be a major potential cash impact upon the Club in connection with any strategic decisions that may be made by those responsible for the 2018-19 Budgets in relation to any

termination payments etc. that will be necessary if maintaining the existing infrastructure is not possible

Perhaps the most vital question though facing those responsible for the 2018-19 Budgets has to be the number of spectators who will potentially attend games during 2018-19 assuming part-time football was the intention and the price those attending would be willing to pay at the turnstiles or for Season Tickets.

Clearly Income generation is therefore absolutely crucial as the lifeblood to the Club although, without any historical knowledge of this aspect if a revised business model is adopted, those responsible for the 2018-19 Budget would need to be able to either flex proposed expenditure extremely quickly, which is arguably not realistically feasible, or more likely therefore to operate on a greatly reduced expenditure Budget particularly in relation to Player costs which therefore inevitably limits the quality of those who may be available.

Q25. If the majority of Trust members vote against the deal, is that the end of it or will a watered-down 'compromise' deal then be offered?

Supporters Trust: So far, Jason McGill has been prepared only to consider the present 'Golden Share' proposal. All other alternatives have been rejected - including 'compromise' solutions offered by the Trust. We do not know if Jason McGill is prepared to re-open negotiations in the case of a 'No' vote.

Q26. Has Jason McGill been asked what his reaction will be if we vote not to transfer our shares to him, particularly in terms of a) continuing to provide cash to fund the club's ongoing operating losses, b) completing the sale of Bootham Crescent and moving to the Monks Cross ground and c) constitution of the Board?

Supporters Trust:

a) The Trust understands that JM Packaging will cease funding the club if they do not get the shares. Jason McGill has also indicated that he would seek new investment. When asked to clarify what this meant, he confirmed it meant selling the football club. No information was provided regarding any potential investors.

b) Subject to the timely progress of the stadium build, the Trust is confident that the football club will move to the new stadium in 2019. Following final agreements with Persimmon Homes, Bootham Crescent would then be sold as planned. In the event of JM Packaging's funding coming to an end, subject to a review of the club's finances the Trust is confident that any short-term shortfall could be met. Please see various previous answers as to how this might be achieved.

c) In the event of a No vote, the Trust would seek clarification as to the football club director's intentions and take whatever steps may be necessary to protect the future of the football club.

Jason McGill:

a) Please see Q24 above

b) Construction works on the new Community Stadium are well under way and the Club would endeavour to proceed with the proposed move, subject to the budget restrictions detailed above (Q24).

c) I will view the vote as an overall opinion as my tenure at Club. If there was to be a No vote, due consideration would need to be given to the constitution of the Board at that time.

Q27. What plans does the Trust Board have to secure the future of the Club if we vote against the share transfer?

Supporters Trust: Please see previous answers.

Jason McGill: Please see previous answers.

Q28. Do we have a clear answer regarding what Jason will do if he fails to gain the shares. This needs to be made clear in advance of any vote.

Supporters Trust: Please see previous answers.

Jason McGill: Please see previous answers.

Q29. If the vote is a positive one (YES) will the supporters trust 25% shares be offered to YCFC'S CEO Jackie McNamara?

Supporters Trust: The Trust board has no evidence to suggest that any shares in the football club would be sold or transferred to CEO Jackie McNamara.

Jason McGill: If the result is a positive one, the shares will be transferred to J M Packaging Ltd, who will be the sole shareholder in YCFC, apart from the Golden Share. None of the shares will be transferred by J M Packaging Ltd to CEO Jackie McNamara, now or in the future.

Q30. What is the current financial state of affairs at the Club? Is it possible to see the company accounts of YCFC?

Supporters Trust: Under the original 2007 agreements, the club directors were required to provide regular management accounts to the Supporters Trust board (in line with the timing requirements of the football authorities). The provision of the management accounts has been somewhat sporadic over the years. The burden of responsibility is on the club board to provide the figures, but on occasion the Trust has had to specifically request them. The last request was met with a referral to Jason McGill's solicitors. The Trust board have not had sight of any management accounts relating to the 2017/18 season. It only has access to the publicly filed accounts at Companies House up until June 2016. As such, the Trust is not able to comment on the current financial state.

Jason McGill: The Club is fully up to date with all legislative, league and FA requirements. All payments to HMRC are fully up to date and the only long term debt is to J M Packaging Ltd in respect of money paid to the Club to cover trading losses.

The latest accounts, for the year ended 30th June 2016 are available for free to view at www.companieshouse.gov.uk The accounts for the year ended 30th June 2017 will be available to view as soon as the relevant audit procedures have been completed and are sent in to Companies House. Due to the legislative requirements this will be after the vote has been completed.

Q31. A York Press article, dated 27th February 2018, said that the Trust currently has “contractual rights to receive management accounts, to authorise future additional borrowing, and representation on the club’s board.” Is this true? If true has the Trust received management accounts, authorised the additional borrowing or had representation on the club’s board since the contract was signed in 2006? If the Trust has not authorised the additional borrowing are they liable for repaying any of these loans? In other words has JMP borrowed the money against its 75% ownership of York City Football Club Limited or against the whole 100% of the shares in York City Football Club Limited?

Supporters Trust: The York Press statement above is an accurate summary of the Trust’s rights under the 2007 contractual agreements. Some additional funding by JM Packaging has been authorised by the Trust, but this was limited to the 2010/11 and 2011/12 seasons.

The Supporters Trust has no liability in relation to any unauthorised lending made by JM Packaging Ltd. Please see Q30 in relation to the Trust’s access to management accounts.

Jason McGill: Further loans were authorised by the Trust Board in January 2010 and any loans thereafter from J M Packaging were subject to 5.5% interest above base rate. The Trust have had contact with YCFC financial consultant, Peter Rookes to obtain information in connection with the Management Accounts.

Q32. As part of the original purchase of Bootham Crescent Persimmon Homes had an options agreement to buy the Bootham Crescent site which expires in 2026. Is this agreement still in place and if so what are the terms of this agreement?

Supporters Trust: The Trust board understand that the option agreement with Persimmon Homes is still in place and they have publicly committed to completing the acquisition. The agreement provides Persimmon Homes with a 10% discount on market value at the time of the sale. The Trust, JM Packaging, Bootham Crescent Holdings and the Football Club are contractually obliged to seek best value from the sale of Bootham Crescent.

Jason McGill: This agreement is still in place with Persimmon having a 10% discount after the value of Bootham Crescent has been agreed.

Q33. As of 30 June 2016 the total value of the loans secured on Bootham Crescent amount to £9,100,275 (£4,752,152 owed to JMP, £2 million owed to City of York Council, and £2,348,123 owed to the Football Stadia Improvement Fund). The Bootham Crescent site is owned by Bootham Crescent Holdings Limited. York City Football Club Limited own 86% of the shares in Bootham Crescent Holdings Limited. The other 14% of shares are owned by around 146 individuals (including Douglas Craig, Barry Swallow, and Colin Webb). The York City Supporters Trust own 25% of the shares in York City Football Club Limited. If the Trust retains its shares what percentage of the loans secured against Bootham Crescent are they liable for? If the sale of Bootham Crescent does not cover the £9 million plus loans is the Trust responsible for repaying 25% of the money still owed or is this JMPs responsibility?

Supporters Trust: The figures detailed in this question are not entirely accurate. For instance, as far as the Trust is aware there is nothing owed to City of York Council. The Council does have a charge on Bootham Crescent, but we understand that this is simply to protect the £2million grant from the Football Stadia Improvement Fund.

The £4.75million figure shown in the JM Packaging Ltd accounts represents the total amount loaned to the football club (including interest), but the Trust considers that not all of this is secured against Bootham Crescent for various reasons. Firstly, there is a 2007 contractual agreement that £1million will be left in the football club. Secondly, Jason McGill committed to waiving interest in 2012. In addition, certain advances made by JM Packaging have not received the necessary Trust consent.

As enshrined in company law, the Trust has no liability in respect of the football club's debts. The structure of the charges and disbursement of the proceeds of the sale of Bootham Crescent are outlined in Q16.

Jason McGill: Any loans secured against Bootham Crescent will be cleared in accordance with any legal charges. The lowest ranked Charge over the ground is for J M Packaging. If the proceeds of the sale of Bootham Crescent do not cover the total amount of the secured loans, then any balance remaining will be used to clear as much of the J M Packaging loan as possible. If there is a shortfall then JM Packaging will not recover all of its money. The Trust would not be responsible for covering any shortfall.

Q34. In David Flett's book, York City Fighting Back, It states that JM Packaging's initial £300,000 loan to the club in 2006 was exchanged for a 75% stake in the club. It was also proposed that "a further £650,000 loan would be provided at a rate of 11% interest but only the interest would be repayable (and not the loaned money) on an assumed future sale of Bootham Crescent." JM Packaging has since changed its stance and is now saying that it will waive the interest payments but wants the loaned money back once Bootham Crescent is sold. It is claimed that their financial support for the club since July 2006 amounts to £4.3million. Are JM Packaging entitled to do this under the terms of the current agreement with the Trust?

Supporters Trust: Following Jason McGill's public announcement of his intention to waive interest of JM Packaging's loans, the Trust called an urgency meeting with the club board. The Trust had not been made aware of his intention to waive interest and were concerned that this was contrary to the 2007 agreements. Jason advised that it would be necessary for all parties (YCFC, JM Packaging and the Trust) to sign a 'deed of variation' to make this contractual change legally binding. No such deed has ever been presented to or agreed by the Trust board.

As part of the 2007 agreements, the football club board are required to seek Trust authorisation for any additional loans from JM Packaging Ltd to YCFC. In 2010, the Trust became aware that additional loans of £450k had been made in previous seasons without the necessary authorisation. In January 2010 and October 2011, the Trust did provide consent for further advances from JM Packaging at a reduced interest rate, but only in respect of the 2010/11 and 2011/12 seasons respectively. In addition to the £450k of unauthorised loans prior to 2010, advances from JM Packaging beyond June 2012 have not been authorised. In fact, no requests for authorisation have been received by the Trust board since October 2011.

Jason McGill: In addition to the agreement mentioned above, once the further loan of £650k had been made, there was a requirement for additional funds for the Club. There was then an additional agreement reached between the Club, J M Packaging and the Trust that additional monies could be loaned to the Club at an interest rate of 5.5% above the bank base rate. This was the meeting referenced earlier that occurred in January 2010. Subsequent to this I have indicated that J M Packaging would only seek to recover any monies paid into the Club and not to profit from involvement with YCFC. It is estimated that by doing this J M Packaging would waive in excess of £2 million interest.

Q35. In the information provided by all parties there is reference to JMP providing funding until the time YCFC move into the new stadium but nothing about there onwards. Who will be funding the club after that as it will not become self sufficient immediately & surely investment will continue to be needed?

Supporters Trust: The Trust has received no assurances about the financial viability of the football club beyond June 2019, when we move to the new stadium.

Jason McGill: There is no legal agreement in place regarding future funding. In the event of a Yes vote, J M Packaging would be the 100% shareholder subject to the Golden Share, and it would be up to J M Packaging at that time as to the amount of funding J M Packaging would commit. I am aware that funding is likely to be needed in the short term at the new Stadium and if the supporters indicate a willingness for me to continue my involvement by a Yes vote, then it is highly likely that I would continue to provide short term funding to allow the Club to flourish in the new Stadium.

Q36. Have you (the Trust) asked Jason about how the club will be financed once we move to the new stadium? Where will income come from? What are likely to be the incoming and outgoing costs? There must be some kind of plan. And if so, how open do you feel Jason McGill has been with his answers? Did his replies satisfy you?

Supporters Trust: The Trust have had limited discussions with Jason McGill and the club's auditor regarding the future financing of the club beyond June 2019. In summary, the response has been that they feel things will be on a more even keel, but there are no guarantees as there's too many commercial variables still to be determined. Please also see Q35.

Q37. It appears to me that Jason is not really spending his own money; it's money he's loaned to the club. Does he have the authority to over-spend to the extent that he has or is there a limit?

Supporters Trust: Authorisation for some additional funding has been granted by the Trust as is required in the 2007 contracts. However, this has been limited to specific seasons up until June 2012. Please see Q34 for further details.

Jason McGill: The Club needs access to regular funding and J M Packaging has historically provided this facility. See previous answer to providing Trust Board agreement to further loans in January 2010 (Q34).

Q38. What is the agreement between YCFC and Jason McGill that was made in 2006?

Supporters Trust: There are 80 pages of them! And they are complicated and very comprehensive. In short, the agreements (signed in 2007) are meant to ensure:

- 1) Consultation and co-operation between the Club Chairman and Directors and the Trust Board. This to be practically demonstrated in the representation on the Club Board of two Trust nominees.
 - 2) Legally agreed safeguards and protections for York City FC and its fans and the local community in the event of serious mismanagement of the football club by reckless or unscrupulous owners such as occurred in 2001-3.
 - 3) Particular safeguards to guarantee a permanent place for YCFC to play football (i.e. to protect and facilitate a move to a new Community Stadium).
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Q39. As a shareholder, does the Supporters Trust have a say in how the club is run and the decisions being made?

Supporters Trust: The Trust regrets the increasingly marginalised role it has been forced to play in the plans for York City and the decisions made concerning its future. The Trust has never expected to 'call the shots' or interfere where it has no authority or relevant expertise. Nor has it ever sought to be party to confidential or commercially sensitive information which may compromise the activities of our major shareholder. It has simply expected, according to the terms of the agreements, to be consulted where appropriate and be treated as an important partner that democratically represents the fans. The provision for the Trust to have two seats on the football club board was intended to enshrine these principles and provide a degree of scrutiny to the financial affairs of the football club.

Q40. Does Jason McGill have any plans to create a 'proper' board of directors and investors in future to help ensure the smooth running and future stability of the club once it has moved to Monks Cross? Surely the current inefficient model involving a Chairman who has little respect FOR his fan base and an anonymous CEO who has little respect FROM the fan base is not the way ahead!?

Supporters Trust: The Trust hopes that our Club Chairman does NOT have "little respect for his fan base" and we believe, as he often assures us, that he is a passionate fan of York City - as are we all. But we regret that, sometimes, he has failed to adequately relate to and communicate with fans. There seem to be growing numbers of complaints expressed along these lines from even the most loyal supporters of Jason McGill. We believe that supporters have a vital role to play in the success of any football club.

Jason McGill: I think that composition of a new Board should be considered when the Club moves to the new Stadium with this consisting of individuals with the right skill sets to help run the Club both on and off the pitch.

Q41. Jason McGill has stated that if it weren't for Jackie McNamara's involvement in the club he would not continue as owner. Why, then, is it appropriate to hand over the remaining shares to someone who offers such a fragile and seemingly arms-length commitment to the club as owner?

Supporters Trust: Whatever the outcome of the vote, it is to be hoped that Jason McGill gets the message which is coming over from so many supporters (even those who may vote to transfer the shares) that he must seek to mend fences with the Trust and the wider fan base. There needs to be more transparency and a greater appreciation of how deeply disappointed York City supporters have become over the last two or three seasons of abject failure.

Jason McGill: I need someone I can trust to run the Club and protect the Club's interests on a day to day basis while I concentrate on running my business. It is vital to understand it is the success of J M Packaging that continues to keep paying salaries and the Club's financial commitments.

Q42. Are fans happy to give their contact details to the Trust via email so we can mobilise the global YCFC fan base via a digital platform?

Supporters Trust: The Trust takes some credit for having upgraded its digital communication with members via a new and interactive website and a Facebook and Twitter presence. This has facilitated better and more frequent communications with supporters. But we have a long way to go yet and outreach to the wider fan base, at home and abroad, is a priority if we want to recruit people to work for a stronger Trust and a business-like board. The Trust board has always maintained a member email database and has plans to streamline this to a more 'self-managed' system for members. It should be noted that in 2003, York City Supporters Trust were heralded by national fans bodies as a leading light in online fundraising, having raised over £100k in the relatively early days of the internet.

Q43. Would YCFC be higher up the league and have a better atmosphere around the club if it was being run by the fans rather than business people?

Supporters Trust: Position in the league depends, in the end, on the ability, commitment and confidence of the players and an element of good luck! To get players with these qualities into the club and motivated to perform to the best of their ability requires talented and gifted coaching staff. To put all this together with a limited budget is a tall order for fans. But it has been done by various fans groups and Supporters Trusts at other clubs.

Q44. Why is Jason so evidently against a) working with the Trust, b) hearing what the Trust have to say and c) having any Trust representatives on the board?

Supporters Trust: When challenged recently by the Trust Board, Jason McGill acknowledged a recent serious deterioration in relations between the Trust and himself. The Board had appealed to the Club against a 'ban' on submitting contributions to 'The Citizen' and a withdrawal of permission for the Trust to put on a Christmas event in the club car park. No response was received to our appeal from the CEO.

The Trust also received evidence that two organisations associated with the football club with whom we had enjoyed good relations previously had been 'warned' not to work with the Trust. Initially, when we made an offer to sponsor a player's kit via 'The Citizen', we were refused. Our appeal against this was later accepted and our sponsorship has gone ahead. Jason has expressed a wish that we acknowledge these past conflicts as 'water under the bridge' and we hope that this heralds an end to attempts to discredit and marginalise the Supporters Trust.

Regarding representation on the club board, the Trust categorically disputes the assertion by Jason McGill that two individuals put forward in 2012 were not prepared to work on an equitable basis with the other club directors. In fact, both individuals were prepared and willing to contribute significant time to the day-to-day running of the football club and full attendance at board meetings. It was felt that the club board simply did not wish to be subject to any kind of involvement or scrutiny by the Trust.

Jason McGill:

a) Not true. There has to be meaningful contributions to promote a professional and healthy working environment between the two parties.

b) Not true. See above.

c) There has to be a commitment to financial undertaking and meeting the fiduciary duties required to be involved with a Limited Company with a significant amount of time being required for management and board meetings. These meetings take place during the day and therefore any board member would be required to be available at short notice and at any time during the week. If these criteria can be met then consideration will be given to the individual.

Q45. Did anyone ever ask the fans if they wanted to move from Bootham Crescent and what would be the implications if we stayed there?

Supporters Trust: Given the current circumstances, remaining at Bootham Crescent is now entirely out of the question. Fans did express views in the past. Some were against the move, but others recognised real economic and geographical difficulties in maintaining an aging stadium on the current restricted site.