

Proposal to Sell 24% Stake of York City Football Club to Julie-Anne Uggla

Written by the York City Supporters Trust





Introduction

Dear Members,

We are thrilled to unveil the SGM Pack, a roadmap for a pivotal motion that will define the future of York City Football Club.

The Trust Board is requesting members vote on the sale of an additional 24% of York City Football Club. The deal is presented in three documents,

- The Share Purchase Agreement – the contract selling an additional 24% of B Shares in York City Football Club to majority shareholders Julie-Anne & Matt Uggla.
- The Partnership Agreement – a formal agreement clearly defining the roles and responsibilities in the partnership between York City Supporters' Trust and Julie-Anne & Matt Uggla as well as defining operating principles and procedures for the Football Club.
- York City Football Club Articles of Association – A refreshed version of the football club's articles that allow for investment and future growth whilst cementing and enhancing the Supporters' Trust rights.

The SGM Pack provides summaries of each of the three documents, as well as full copies in the appendices. It clearly outlines the SGM details, the motion members are being asked to vote on, how to attend both in person and virtually as well as details of how to vote.

This is not merely a transaction; it is a strategic move towards growth and future investment that enshrines and enhances the Supporters Trust valuable rights. Your vote is not just a choice; it is an endorsement of collaboration, shared objectives and footballing ambition that will guide our club for years to come.

Your role as a member is paramount – you're not just casting a vote; you're a key player steering the direction of York City Football Club.

Keep The Faith,

York City Supporters Trust Board



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SGM Announcement

The Trust board formally announces its intentions to hold a Special General Meeting of the York City Supporters Trust on 30th November 2023 to vote on the following motion.

“For the Trust to sell 132,000 ‘B’ shares in York City Football Club Limited (24% of the total shares) to Julie-Anne Uggla and to make the accompanying changes to the Club's Articles of Association and to the Partnership Agreement with the majority owners.”

The SGM shall be held in the LNER Lounge at the LNER Community Stadium, Kathryn Avenue, York. The doors will open at 19:00 and the meeting will start promptly at 19:30.

Eligibility to Attend

In accordance with the Trusts rules, the SGM is strictly for Supporters Trust Members only and both in person and virtual attendance are organised on this premise.

Fans have until the 12:00 Monday 27th of November to join the Trust and be eligible to participate in the SGM. To join the trust, visit our website [here](#).

How to Attend the SGM

In Person

The Trust Board is expecting significant interest in attending the SGM in person. Free tickets will be made available to members only via Eventbrite. A link will be emailed to members at 18:00 on 24th November 2023, tickets will be strictly 1 per member and members must use the email address used for their membership. Should any person reserve a ticket using an email that is not associated to a Trust membership that ticket will be rescinded, and entry will not be granted.

To update your membership details please visit our website [here](#). Any fan that joins the trust between 24th and 27th of November will be provided with the ticket link however it cannot be guaranteed tickets remain available.

Virtual

The virtual meeting will also be ticketed via Eventbrite, in line with the in-person tickets they will be made available to members at 18:00 on 24th November 2023. Tickets will be strictly 1 per member and members must use the email address used for their membership. If tickets for the virtual event are reserved using an email address not associated with a membership they will be rescinded.

The meeting will be hosted on Zoom and the Trust board will monitor that anyone attempting to join the meeting is using a membership affiliated email address. Details of how to join the meeting will be shared with all members who have reserved tickets via Eventbrite.

To update your membership details please visit our website [here](#). Any fan that joins the trust between 24th and 27th of November will be provided with the ticket link so they are able to reserve a virtual meeting ticket.



How Voting will work

Voting will take place on the secure online voting platform ElectionBuddy. Unique links will be sent to each member via email on Tuesday 28th of November giving members a multi-day window in which to vote. The vote will close at 8pm on Thursday 30th of November, or at the end of the Q&A section of the SGM (whichever is later). Members attending the SGM in person who are unable to vote online will be provided an alternative voting method. Members not attending the SGM in person who are unable to vote online are encouraged to contact the Trust board for assistance by emailing info@ycst.org.uk. Trust board members will also be attendance at the Club's Fan Forum on Tuesday 28th of November and able to assist.



Summary of Share Purchase Agreement

The Share Purchase Agreement (SPA) details the sale of 24% of York City Football Club from York City Supporters' Trust to Julie-Anne Ugglá in the form of 132,000 B shares for the sum of £112,000.

The importance of selling the shares as B Shares is critical as the A Shares are used in the clubs Articles of Association to define the Supporters' Trust rights. By only selling B Shares the Supporters Trust does not relinquish any rights held by its remaining 137,500 A Shares which represents a 25% ownership stake in the football club. The rights held by the Supporters' Trust's A Shares are outlined in the Summary of Articles of Association.

The sum proposed for the purchase, £112,000, is a strategic value prioritising investment in the future of YCFC. Raising the price to a point that the Trust incurs an additional tax bill makes no sense for YCFC or YCST.

Conditions within the SPA tie all parties to honouring the Trust rights under the Articles of Association, endeavouring to enshrine the new Articles of Association of York City, and operating the football club under the terms of the updated Partnership Agreement.

To read the full Share Purchase Agreement click [here](#).

Summary of Partnership Agreement

The Partnership Agreement is structured to cement agreements between the Supporters' Trust, 394 Sports and Matt and Julie-Anne Ugglá. It formalises the following:

- All parties will honour the rights held by the Trust detailed in the clubs Articles, and nothing in the Partnership Agreement shall override the Club's Articles.
- 394 Sports are committed to providing the necessary funding for YCFC operate as a going concern, funds are to be paid as per the funding figure set out in the annual budget agreed by the YCFC Board. If the Club makes a profit this can be rolled forward and treated as funding for the following year.
- Requires prior Trust consent for any budget proposed by the Club Board if its provisions (e.g. Loans) would require consent by the Trust under the Club's Articles.
- Agrees that the Memorial Garden at Bootham Crescent will pass to the guardianship of the Trust at the completion of Bootham Crescent development for the sum of £1.

Although the Partnership Agreement does not supersede the Clubs Articles it does provide assurances that 394 Sports will abide by the articles and provide funding for the future of our football club. In addition to the conditions the Partnership Agreement outlines the agreed principles and procedures for running the football club within its Appendices. It outlines:

- Details how the Football club Board should be picked, how often it will meet, what a constitutes a formal meeting of the Club Board, the Club Board's responsibilities and how the club should report to the board in line with the Articles.
- Details how Management Meetings are defined, their purpose and frequency.
- Details the definition, frequency, and purpose of Shareholder Meetings.
- How the Football Club will report to the Supporters Trust.

Detailing the operating procedures for the Football Club formalises best practise as agreed by its shareholders. It is the first time such an action has been taken and is considerable progress towards the club functioning with best practise in mind.

To read the full Partnership Agreement click [here](#)

Summary of Changes to Articles of Association

The Articles of Association for York City Football Club are the club's rulebook. This document outlines how the club is run, including details about decision-making processes and the roles and powers of different share types as well as details on the roles or lack of potential roles for certain individuals.

The Articles hold the following rights for the Supporters Trust and its A shares,

- A Shares maintain pre-exemption rights ensuring its involvement in deciding any future owner of the Football Club.
- The Football Club is still required to seek approval from the Supporters Trust to approve Loans over a certain value, this value has increased to £200,000.
- If the Football Club liquidates the ownership of all heritage items (Club name, Badge etc) will fall to the Supporters Trust.

As a part of reviewing the articles two separate approaches have been taken. There has been a considerable tidying of the Articles, they have not been updated for some time and there were several points that needed refreshing. Updates have then been made to modernise and strengthen the Trust's rights whilst increasing the potential of investment from the majority shareholders.

The details of key updates in both stages are,

Updates to the Trust's rights

- Added definition of "Partnership Agreement" to ensure working to the Partnership Agreement is enshrined in the clubs Articles.
- The value of loans that require Supporters' Trust approval has been increased from £100,000 to £200,000, this is in line with inflation (since this provision was originally made) and the need to allow ambition for growth.
- In the event of the Football Club going into liquidation the heritage intellectual property (e.g. club name & badge) will transfer to the Trust.
 - Protections have also been added to ensure that no changes to the Club name, nicknames, badge, home colours or the stadium at which it plays without prior written approval of the Trust.
 - The Club will be unable to join competitions not affiliated with FIFA, UEFA, or the FA without prior written consent of the Trust. (e.g. the European Super League.... we can but dream!)
 - These protections are in line with the recommendations of the government white paper on football governance.
- Regarding the Trust's Pre-emption rights should the Uggla's wish to sell their B Shares
 - The pre-emption price has been updated to an independent valuation at the time of the proposal and a change in notice periods to allow this.
 - The period of acceptance has been reduced from 60 days to 30 days.
 - The period for the trust to complete the purchase has been increased from 90 days to 120.
 - Simplification should the Trust decline to exercise its pre-emption rights.



- The transfer of control of B Shareholder (i.e. 394 Sports) to immediate family members without triggering pre-emption.

If you would like to read the full Articles of Association, click [here](#).

Conclusion

Trust Board Recommendation

The Supporters Trust Board have unanimously voted in favour the transfer of 24% in B shares of York City Football Club to Julie-Anne Uggla and making the accompanying changes to the partnership agreement and the Club Articles to members.

The Trust Board believe the transfer of shares represents a sensible distribution of ownership that provides the Uggla's with a better foundation from which to invest in the future of our football club. Critically, given the request from the Uggla's is only for B shares the rights of the Supporters Trust remain.

Changes to the Club Articles protects the Supporters' Trust rights, modernises them to help the club be ambitious, whilst enhancing them in line with government white paper recommendation by protecting the Club's heritage. The changes to the articles have been worked on collaboratively and most impressively to the Trust board the Uggla's representatives have on multiple occasions referenced the need for them to protect the football club now and well into the future. A commitment to protecting the football club is at the heart of the changes and the addition of the heritage clauses are significant as this ensures that fans will always retain vital elements of the club such as its name and badge.

The Partnership Agreement provides a clear commitment to collaborative working and best practise. The Uggla's have committed to continued investment into the football club in line with sound budgetary management this aligns with the Trust's ambition for the club to remain ambitious from a stable financial footing. Additions of best practise for the board, management and shareholder meetings provides real clarity of the roles and responsibilities within the decision-making structure of the football club. Finally, the agreement to give the Trust ownership of the memorial garden at Bootham Crescent shows the Uggla's continued commitment to becoming a part of our club's community.

How to Ask Questions

Wherever possible the Supporters Trust want fans and members to be able to ask questions about this proposal. To submit questions please fill out the question form [here](#). The Trust Board is committed to answering as many questions as possible throughout this process and will periodically publicise answers to questions submitted in via the form between now and the SGM.

Closing Comments & Thanks

This proposal has taken a considerable amount of effort from both sides. The Trust wants to put on record its particular thanks to Matt and Julie-Anne Uggla and their representative Roslyn Taylor. Not just for a continued commitment to getting the deal 'over the line' but their considerable attention to ensure all documents are written with the best interests of the football club being the first consideration



Appendices

Appendix 1 – Share Purchase Agreement

The proposed Share Purchase Agreement can be found on the Trust website [Here](#).

Appendix 2 – Partnership Agreement

The proposed Partnership Agreement can be found on the Trust website [Here](#).

Appendix 3 – Articles of Association

The proposed York City Football Club Articles of Association can be found on the Trust website [Here](#).