



Reading Football Supporters' Society Limited,
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FOOTBALL CLUB OWNERSHIP, FINANCIAL GOVERNANCE AND WEALTH DISTRIBUTION POLICY

Date of Review	Reason for review	Amendments
11/02/2010	New Policy Approved	Not Applicable
13/03/2014	Periodic Review	Minor amendments
19/01/2017	Periodic Review	Revised Format
14/03/2019	Periodic Review	Unified Football Organisation

1. Introduction

This document is drafted in accordance with the Rules of Reading Football Supporters' Society Limited and sets out the Policy towards Reading Football Club Ownership, Financial Governance and Wealth Distribution.

2. Definitions

Definitions of the terms used in this policy are laid out in a separate Definition of Terms document, which should be read in conjunction with this policy.

3. Policy

STAR believes that there should be minimum standards of financial governance and ownership across the whole of English football (at football clubs of all levels including Reading FC).

In particular, it believes that

- (1) football clubs should be run on a sustainable basis, with the minimum of debt; and any such debt to be incurred on capital projects rather than ongoing playing expenses;
- (2) owners and majority shareholders of football clubs must be subject to a rigorous Fit and Proper Persons Test; this Test to be applied before transfer of ownership or control commences and to take account of the general likelihood of an individual bringing the club or game into disrepute. Ideally, all corporate bodies acquiring and owning UK football clubs should be based in the UK and subject to UK company law;
- (3) all club ownership should be fully open and transparent, and should be direct ownership (i.e. not through shadow companies or other non-transparent/tax-exempt companies). If corporate acquisition is unavoidable, it is essential that the names of the individuals owning, or ultimately owning, the acquiring company are disclosed, to enable a robust fit and proper persons test to be carried out;
- (4) the use of “Sporting Sanctions” deducting points from clubs going into administration, should be supplemented with an “early-warning” system that detects and sanctions clubs with a vulnerable financial position, including excessive debt, before it leads to administration;
- (5) The Football Association should take responsibility for overseeing financial governance of football clubs at all levels, including the performance of the fit and proper persons test as primary responsibility, and should perform this role robustly and consistently;
- (6) the distribution of revenues within football should be more equal, giving clubs outside the Premier League a larger share than currently received;
- (7) club owners should pay respect to the heritage, identity and history of clubs and take notice of the views and interests of supporters.

Notwithstanding the above principles, STAR will, unless the Board or membership decides otherwise for a specific policy/policy area, support principles for Club ownership and financial governance proposed by the Unified Football Organisation.

4. Review

This policy will be reviewed by STAR’s Board annually, but members may call for it to be reviewed at any time by contacting the Secretary.