

READING MATTER

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Spring 2021

Football-in-Covid



**“We - are -
carefully ordered.”**

*INSIDE: THE FINANCIAL SITUATION * BOARD ELECTIONS * AT LAST
THE FAN-LED REVIEW OF FOOTBALL * MEMORABILIA * MURAL **

STAR Chairman's Notes



Welcome to this season's Reading Matter. When I wrote the equivalent notes last year, I never thought we would still be watching games behind closed doors now, with only a vague idea of how next season may be.

And what a season to miss watching in person. In comparison to the last few seasons the success on the pitch would have been so appreciated. It is great to be able to watch on i-Follow or Sky (when did we last have so many games on Sky?) but those three games in December showed that it is a very different experience to be there

and see more of the game than the TV director allows – let alone the social side of being among other Reading supporters.

We now know that we cannot make the play-offs and, at the risk of being slated on social media, I think this season has been a good one. I am aware that the likely result of missing out on promotion is that we will lose some of our better players, but given the difference on the pitch with many of last season's squad I would still be positive that next season we will still be challenging for promotion.

As someone reminded me last season Charlton had a start like ours this season – but ended up relegated. So, if consistency has not been quite good enough, there is a good foundation to build on. Come on URRRZ!

Come on URRRZ

Paula Martin

STAR is a strong supporters' trust with money in the bank and good relationships with the club and the wider football community.

There is scope for individuals to push their own ideas or connect with campaigns such as safe standing or fairer ticket prices. Our Board meets monthly, on the second Thursday of the month, from 7.30 via Zoom.

Easy steps to join the STAR Board.

This year there are 7 vacancies. We very much welcome STAR members who have not stood before.

We have changed the nomination process to encourage more people to come forward – see pages 8-9.

- It can be done entirely online now
- You need only two members to support you
- Your statement can be as brief as 200 words

From the Editor

We just don't know what's going to happen about going to matches but here's hoping we can in 2021-22, our club's 150th anniversary season. In this column just over a year ago I wrote that there's a certain logic suggesting we won't be back into stadiums until August 2021 and now it seems that might be looking on the bright side.

Still, at least we have had football and completed seasons. At Hungerford's level the last two seasons have been incomplete and cancelled.

There's never been a break like this - when football has been played but fans can't go. Not everyone it would seem has kept up via iFollow and so we'll have work to do to get everyone back when the time comes

. I'm sure we've all missed different things. For me it's not been seeing those same old faces around the Madstad, the people you know by where they stand in the Jazz Café or hotel; meeting up at London

away games, coming to my own view on Michael Olise rather than the TV director's, the scramble for the F1 bus, creating your own personal memories of what has been a far better season with the emergence of academy talents in Olise, Richards, McIntyre and Holmes and the brilliance of Ejaria and Joao.

Improvement on the pitch is matched by the opening of Bearwood. But the 'missing fans' season of 2020-21 has made the club's financial situation, on paper, even worse.

There's a difficult path to tread between investment and keeping with the rules in a very fluid and unprecedented time. We ask our resident expert to take a look on pages 4 – 6 of this edition.

It's been difficult for STAR too. We've had no membership income and no travel income though unlike the club we do have a positive balance sheet!

We've tried to keep busy



and in contact with members. The 'my piece of memorabilia' series, featured on page 10, is one example and please feel free to send in your own contribution.

Disruptive breaks like this often lead to structural change in the game 2021 is both an opportunity for and a threat to the game we love.

The European Super League didn't even last as long as Thames Valley Royals! The opportunity is for a total reset of how the game is run.

Read more about this on page 11.

Roger Titford

What's in the latest accounts?

The Reading Football Club Limited – year ended 30 June 2020

These accounts only have the first 3 months of COVID-19 and lockdown impacting them (i.e. fans were still allowed to attend matches until early March 2020). Bearing that in mind (and considering how much the current financial year, with virtually no fans at all during the season is likely to be impacted) it is very surprising to see that the club has lost £41.95m in the year compared to £30.1m in the previous year.

The other thing to note is that for Profit and Sustainability purposes (“P&S” or commonly called FFP) it is the financial result of the football club’s parent company, Renhe which is taken into account by the EFL. In 2019 the final result for Renhe for P&S purposes was a loss of £11.8m. But, in 2020, this is £45.0m! What all this means for future P&S compliance is that it will be tight. The rules have changed due to COVID-19 but £45m is massive and suggests the wage bill will have to be cut and players will need to be sold to help us become P&S compliant going forward. There was no EFL test for P&S at the end of the 2019/20 season.

What stands out is we are still net spenders and have not made any substantial transfer profits in recent years. The number of playing staff still remained similar (61 compared to 63), something that does not really reflect a club that is trying to balance the books. Surely this is now going to have to change, even if Mr Dai has the appetite for further outlays, just to keep the EFL on-side?

While I do not know the ins and outs of the P&S regulations, given the imbalance between costs and revenues noted previously, it is not difficult to understand why we may not have been able to offer certain players like Omar Richards the contracts he wanted, nor bring in any big money signings during the last pre-season in 2020. If P&S rules are brought back then I believe life for RFC will be very difficult indeed and we could see a number of key players being sold. It is, of course, a crying shame that we have not been able to financially profit from the sale of academy players such as Danny Loader and Omar Richards but it feels a bit “chicken and egg” in that we perhaps cannot afford the size of contract they require and so leave without the club receiving true market value.

As with last season the auditors have stated there is a Material Uncertainty relating to the Going Concern of the club. Overall it is a very similar position over the past three seasons and this year will see the loss of rugby income as well (though we have been on Sky a lot more so may get more TV revenue).

Renhe now owes its ultimate parent company, Great Shine International Limited £162.5m. Basically this is the amount Mr Dai has invested into the club (in addition to buying the stadium and Hogwood as well, which takes the total investment to well in excess of £200m). The only thing he has to show for this is Bearwood, with a value of £35.7m following additional investment in this facility in 2020 of £11.8m (plus technically he still owns the Madejski Stadium, albeit outside of this group structure). There is now a lease costing the football club £1.5m per year for use of the stadium. The lease is in place until June 2043.

Concluding thoughts

Since the Thais left we really cannot complain about the amount of money Mr Dai (and his sister) have invested into the club. The returns have been pitiful really (this current season obviously being better than the past few) as he acquired the club at the end of the Jaap Stam led play-off season. In fact, finishes have been 20th, 20th and 14th prior to this one. We're on our 5th permanent manager since Mr Dai took control of the club.

There's been no real attempts to balance the books (why wasn't Danny Loader sold when Wolves showed some interest a couple of summers ago?) and reduce both the squad size and the wage bill. We all know players like Moore and Swift have had interest while Mr Dai has owned the club but he's refused to sell.

He clearly wants to build a successful team and is prepared to pay for the privilege to do so. But at what point does Mr Dai become the next Mel Morris (owner of Derby) and decide it's time to spend his money elsewhere? Teams like Barnsley and Swansea are showing that a team can push for success on a more limited budget while the Brentford model seems to be working well (no academy and picking up other clubs' cast-offs at 16-18 or scouring lower leagues for under-rated players and selling on at huge profits – the Moneyball theory).

Let's hope he really sees value in developing our academy and its players in the future, and performances from players like Richards, Holmes, McIntyre, Rinomhota and Olise certainly shows we have talent there. There's always value in having great coaches who can improve players rather than those that try to buy success. It really feels like we're going to have to tighten the purse strings sooner rather than later, but that doesn't mean scrapping at the bottom of the table. And actually, you know what, I'm quite excited about that as a prospect and challenge for future seasons. As fans, we all need to re-set our expectations when it comes to big money or high-profile transfers.

From a senior finance professional / season ticket holder. This analysis was done with the co-operation of the football club. More £££ bullet points on next page and the full article with tables and analysis will be available on the STAR website.



Bearwood

Bullet points £££

- Just from playing football the club lost £34.3m last season
- The club lost £9.2m in player trading which is more than in 2019.
- The club has made small profits in relating to players that have been sold previously. This amounted to £1.6m in 2020 partly in add-on fees.
- Revenues were broadly in line year on year with 2019 except a £1.1m shortfall in match day receipts, reflecting the impact of COVID-19 restrictions at the end of the season and lower average gates. Average attendances fell from 14,991 to 12,684 (and season tickets reduced from 10,052 to 9,560).
- Wage costs were £37.6m compared to £40.7m and the wages to turnover ratio was 216% compared to 199%. What that means is that for every £1 the club earns in revenues, it spends £2.16 on player and staff wages, and that's before other operating costs are taken into account (which in themselves were £14.5m this year up from £13.9m last year).
- The key number is the net liabilities of

£66.2m, up from £36.4m. That means the club owes more than it owns. Over the years the club has accumulated losses of £138.6m, which are partly offset by the shareholders having injected over £72m in share capital – this is also an increase of c.£12m during this financial year.

- There are almost no tangible assets remaining at the club after the stadium was sold for £26.5m in 2018. Fixed assets amount to only £1.4m and an investment of £3.7m into RFC Prop Co Ltd, a company related to the development of Royal Elm Park.
- On the liabilities side of the balance sheet the standout number is the £86.6m owed to Renhe, the parent company (which has increased from £67.8m, partly reflecting how the losses for the year have been funded). The debt seems to be interest free (or at least very low interest rate) so that's a positive.
- And during the year, new shares worth £12.2m were issued to Renhe to help fund the losses. The good thing about share capital is, unlike debt, it doesn't have to be repaid.

Join our team

Like every volunteer organisation we're always on the look-out for new talent and energy.

There is a Board nomination form on pages 8 and 9 that is for any STAR member to use to stand for election. We have spaces as several Board members have had to resign this season as their work in lockdown has left them little spare time and they felt they could not contribute in the way they felt they should.

But you don't have to be a board member to be part of the team.

Being an elected Board member holds a level of responsibility that some may find off-putting. We do not limit contributing to STAR to Board members. This season Luke volunteered to help us with our social media presence (which was definitely needed) and he has done a great job without being a Board member, as Chris Witcher continues to do on our policies.

When we go back to the stadium it is going to be a chance to start afresh with the way we help supporters. **If you have ideas of how we should move forward, come and help us as a team member.** It is an opportunity for us to reset how we do things and would welcome new peo-



ple and ideas with open arms.

We could list areas you could contribute, but that may restrict ideas so put your thinking caps on and see if you can find a way to encourage support of football in the area and Reading FC in particular.

Since Jonny Hunt joined the Board we have used Zoom for Board meetings as he finds it hard to turn up on a Thursday evening from Ireland! Not living in Reading is no longer a barrier. However there would be no need to join these meetings if you are a team member unless you want to, or have a particular subject to raise.

Have a think about it, please.



BOARD MEMBERSHIP OF STAR

Co-operative & Community Benefit Societies Act - Board Elections

STAR would welcome members putting themselves forward for election to the Board of Reading Football Supporters' Society Limited (trading as 'STAR'- Supporters' Trust At Reading) at its next Annual General Meeting in September 2021 .

In order to stand for election you need to be a fully paid up member of STAR and be aged 18 or over. You must be proposed and seconded by two other fully paid up STAR members. No STAR member may propose or second more candidates than the number of positions to be elected.

Eligibility

Please refer to Section 6 of the Election Policy (available on the STAR website). By submitting a nomination, candidates will be deemed to have accepted this Election Policy, the Society's Rules, and any other policies and rules adopted by the Society Board and the membership and agree to be bound by them.

The completed Nomination Form is to be forwarded to: The Hon. Secretary, STAR, 156 Kidmore End Road, Emmer Green, Reading RG4 8SP.

You can also submit this Nomination Form by email to: secretary@star-reading.org. Either complete the Nomination Form in full and send as an email attachment, or complete your candidate details and arrange for your proposer and seconder to send separate emails in support of your nomination.

Election Statement and photograph

You must also provide an election statement of between 200-1000 words, which should be typewritten, either on a separate sheet of paper or, if your nomination is submitted by email, as a separate attachment. This will give you an opportunity to set out your platform for standing, your interests and ideas you would like to implement if elected. STAR will truncate any statement over 1000 words.

You may also submit a photograph of yourself for publication with your statement. All statements will be made available to STAR members with the voting forms and will be published on the web site.

Closing date for receipt of nominations will be 31st May 2021.

Receipt of your nomination form will be acknowledged by email or telephone.

IMPORTANT – DATA PROTECTION

In completing and returning this form, you authorise STAR to process the personal data that you have provided for the sole purpose of administering an election to the Board of STAR in accordance with the rules of the Society. The Data Controllers will ensure that the data you provide is processed and protected in accordance with the STAR Data Protection Policy. The data will only be disclosed to those authorised to receive it for the stated purpose.

NOMINATION FORM
BOARD MEMBERSHIP OF STAR

Seven positions to be elected

I confirm that:

- a. I wish to stand as a Candidate in the STAR Co-operative & Community Benefit Societies Act Board Elections.
- b. I agree to abide by the Society's rules; policies and resolutions (see Section 6.1 of the Election Policy).
- c. I am not disqualified from acting as an officer of the Society under one or more of the conditions outlined in Rule 58 of the Society's rules.
- d. I confirm I personally submitted this form.

Closing date for receipt of nominations is 31st May 2021

Full Name:		
STAR Membership No:		
Address:		
Post Code:		
E-Mail Address:		
Telephone Number:		
Signature:	Date:	

We, the undersigned, being fully paid up STAR Members for the year to 30th June 2021 nominate the person above as a candidate for election. (No STAR member may propose or second more candidates than positions to be elected.)

	PROPOSER	SECONDER
Full Name:		
STAR Membership No:		
Address:		
Post Code:		
Telephone Number:		
Signature:		
Date:		

Pieces of Reading FC memorabilia



One of our pandemic pastimes has been collecting stories about unusual pieces of memorabilia owned by Reading fans and publishing them on our website. Here's a selection of the pictures, go to www.star-reading.org in the news section to find out the stories behind them.



The Greedy Six and the Fan-led Review



STAR Reading @STARReading · Apr 18

...

STAR totally opposes the ESL breakaway proposal.
It stands for greed, TV money & self-preservation.
We stand for community, opportunity & live attendance.
If this selfish proposal comes to fruition all involved should be banned from
all levels of our game.
Stop the Greedy 6.

2

12

80



The events of 19-21 April 2021 may come to be seen as the watershed moment – when fan power worked at the top international level. The European Super League proposal was seen off in a storm of rage not just by fans but the likes of Klopp and Guardiola who work for these corporations, sorry, clubs.

For someone who has been around long enough to fight the ID Card system attempted by Margaret Thatcher in the 1980s it was stunning to hear the Conservative Secretary of State Oliver Dowden read out a speech in the Commons that might have been written by the Football Supporters Association (FSA).

Back in the day there were football chairmen who would burn down the stand to claim the insurance, sell the ground for a supermarket or put up electric fences to keep fans off the pitch. Here at Reading 25 years ago the Supporters Club was banned from circulating a survey that might have allowed fans to criticise the club. The

man who banned it was the same man who signed the memorandum of understanding for a structured dialogue between STAR and the club in 2019! Progress indeed.

A generation of concentrated and talented activism by fans has a chance right now of completely changing the picture. We're not just about meetings; we're about protest banners, singing sections, inflatables, fan-zines and theme days. In the FSA we have a national organisation that represents us at the highest levels of the game and government.

Weirdly, exactly 100 years after the forming of the first national federation of supporters clubs, we finally have the government announcing the opening of the long-promised fan-led review into football governance, something that STAR among others, have been pushing for years. This is our possible re-set moment for football, and made more possible by the stupid, greedy and failed actions of the mega-clubs who ignore real fans at their peril. *Roger Titford*

Coming soon-ish, maybe

Bearwood

Bearwood, the new purpose-built facility on the site of the old golf course, is now fully in operation and hosts many behind closed doors matches.

Besides the first team there are scores of Academy players based at Bearwood, around 200 in number. Also on site is some prime office space where many of the club's key executives are now based. As a consequence some office space at the stadium has been rented out on a commercial basis.

Green Park Station

We reported this was due to open in late 2019. It went back to winter (or late) 2020 before the present crisis which has indeed meant even further delays. Reading Borough Council says now it'll open 'late summer 2021 at the earliest'.

Meanwhile Crossrail has been pushed by to first half of 2022. It'd have been literally quicker to walk from Central London to the Madstad—but you'd probably fail a Covid temperature check on arrival!



Royal Elm Park

Que sera, sera

Royal Elm Park

There's not much to say on **Royal Elm Park**. The last document uploaded on the council planning website was in December 2018—it's application number 160199.

STAR's understanding is that there is (as of April 2021) a project manager engaged by the Thais who was looking to re-start progress with a revised spec which takes into consideration the post-Covid circumstances, international conference centres not quite being the attraction they were in 2015. Again, no work is expected on the site in the next 12 months.

STAR Annual General Meeting 2020

Summary of 18th Annual General Meeting

3 September 2020 8pm remotely via Zoom, 38 members present

The Minutes of the 17th AGM held on 5 September 2019 were approved and signed as a true and accurate record of that meeting. There were no matters arising.

Elections to the Board

Five candidates were standing for election: Steve Benton, Paul Ellix, Sacha Liddiard, Andrew Mathewson and Sam Stevenson. Peter Matthews, Chairman of the Election Sub-Committee, proposed each candidate in turn and all were duly elected. The Board will now comprise of 13 elected Board Members with 2 vacant positions.

Chair's Report

- Memorandum of Understanding for regular Structured Dialogue meetings signed with RFC in July 2019.
- Representation at two Structured Dialogue meetings and at Senior Management meetings with RFC; attendance at Safety Advisory Group meetings, Fan Engagement Panels and 150th anniversary preparation meetings.
- STAR and RFC won the inaugural national FSA Supporter Engagement Award in Dec 2019.
- Continued affiliation with external groups such as the Football Supporters' Association.
- Two Fans' Forums held—with women's team members and Mark Bowen
- Reading Matter published; regular STAR Bulletins sent out; Facebook, Twitter and Instagram followers continue to increase.
- Continued financial support to the Reading & District Sunday League and the RFC Deaf Team.
- Membership was 1723 — a significant increase in part driven by the owner's free coach travel offer to many away games

Treasurer's Report

Vicci Elliot gave her report and presented unaudited accounts for the year ended 30 June 2020. The Treasurer explained that Vale & West had substantially increased its auditing fee at late notice and auditing of the accounts had not been completed.

Members were asked to ratify the Board's decision not to reappoint Vale & West and the Motion was carried. The Treasurer proposed the appointment of Knight Goodhead as the Society's auditor and this was carried.

Two Motions were proposed and carried - Life Membership of the Society was conferred on Paul Ellix and Ian Holt.

Any other business - the Chair advised that she had written to RFC's new CEO, Dayong Pang, and had received a positive response. The Chair confirmed that STAR is working with RFC on plans for when and how to get supporters back to the stadium for games.

What's STAR done in 2020-21?

Free membership

We realised we were in a whole different ball game so took the decision to allow 2019-20 members to renew STAR membership for free. So, despite there being no away travel and very little access to the stadium we have maintained a membership of almost 900 supporters. Welcome to them and also to a few new fee-paying members

Virtual everything

Since April 2020 all our Board meetings have been on Zoom

We held our AGM by Zoom in September 2020 and later a virtual Fans Forum with Veljko Paunovic both of which worked well

And in March 2021 after a delay of almost a year, waiting for restrictions to be lifted, we finally bit the bullet and held the Hall of Fame inductions in an online show via the club's YouTube channel

Another repercussion of the pandemic was the cancellation of the Flanders trip to RFC war graves scheduled for June 2020

Representing supporters

The work of representing supporters continued to be a high priority—especially in the Safety Advisory Group (SAG) STAR is established as a SAG member and seen as a good example for other Supporters Trusts. There have been more meetings this season, discussing under what conditions fans would be allowed back into stadiums and having plans in place well before they are needed

We have held, as required and expected two Structured Dialogue meetings with senior club officials this season but the usual senior management meetings haven't happened for reasons of furlough and safety

We do keep in regular touch with the club and assist in areas like preparation for our 150th anniversary season and part-sponsoring the new Academy Graduates honours board

But we do miss meeting with members to get to know of problems and obviously with no away fans allowed we have not been utilising Colin and Mel's expertise in managing away travel



The Madejski Stadium Mural

As part of the club's 150th anniversary celebrations a giant mural is being created that will be displayed on the stadium exterior above Gates 1 and 2.

Already over 200 Reading supporters have bought a space on the mural and the offer is still open for more. Contact the artist, Chris Rutherford (pictured above), to order via <https://www.chrisrutherford.com/reading-mural-info/>

WHAT IS STAR? WHAT IS READING MATTER?

For the benefit of any non-members or new members reading this, here's a very brief explanation. STAR is Supporters' Trust At Reading, the independent, officially recognised body that represents supporters of Reading FC. It is a democratically accountable Community Benefit Society administered by an elected Board of volunteers. Reading Matter is our annual newsletter. The edition published 29 April 2021.