

## **STAR STRUCTURED DIALOGUE MEETING 4.10.21**

In attendance:

Jackie Evans (JE) Director of Operations/HR

Mark Bradley (MB) Chief Communications Officer

Dayong Pang (DP) CEO

Bryan Stabler (BS) Financial Director

Paula Martin (PM) STAR chair

Sarah Turner (ST) STAR board

### **Strategy/Vision for the club**

BS explained that the new owners had come in with a clear vision and a planned process but had inherited a squad, a manager, a chief executive and naturally changes are going to be made - it takes time to settle things down. Too much change is not good. Mr Dai is prepared to fund the club but we need to be more realistic about how we go about it. BS explained that we tried investing a lot of money in it but that didn't work and we can't carry on spending, consequently we need to tighten our belts.

### **Finance**

BS said that new contracts will be offered to players, but we will have limitations in the contract offers we are able to make. We still need to address the wage bill and make considerations on those on the higher salaries. There is no block on offering contract extensions and no block on bringing scholars through. RFC would be looking at making earlier decisions on players in the Under 23 group.

BS said that EFL rules are likely to change at some point, but that the rules are there for a reason. He felt that the parachute payment system was now unfair; they were originally designed to help soften the blow of relegation which they did successfully but as rights deals have increased so have parachute payments and they are now too large (3 x higher than when we received them). That makes it not a level playing field. We accept that we have broken the EFL rules and the EFL are trying to help us and reach an agreement. The rules state a significant points deduction which the club and the EFL are amicably trying to negotiate. Allowances are being made by the EFL for covid and we worked closely with the league over bringing in new players (with caveats from the league). A public announcement should be made soon. It is worked out on a 3 year aggregate (although with COVID this has been four years in total). (The rules are £39 million loss over 3 years and next year will be difficult because we lose the year with asset sales (2018/19) but 2019/20 loss will still count and that will be a challenge). This year we are complying (2021/2022) but next year might yet be difficult.

BS said the stadium is on a long-term lease and RFC still get the income from stadium naming rights for example. Select Car Leasing paid good market value for the stadium naming rights but exact figures could not be disclosed.

Mr Dai owns the club's assets under different company names. Some land from Bearwood was sold for housing to create funds.

### **Communication**

MB was pleased to hear STAR's positive comments on the new website, which he stated is more financially viable for the club too. The app has also been warmly received.

DP said that Mr Dai does not like publicity and, much like a lot of owners in football, is reluctant to communicate with supporters directly but MB took on our comments and will see if there is anything that could be done communication wise in the future.

DP said that Mr Dai watches every game home and away and DP is often on the phone to him during the game. He shared with us a voice message from Mr Dai – shouting very enthusiastically “Come on Reading” after the Cardiff goal last weekend!

DP goes to every match, home and away.

### **Governance**

BS explained that they have tried to streamline the management boards and now have a Football Board and a Management group. The Football Board is: Bryan Stabler, Michael Gilkes, Pauno, Dayong Pang and the recruitment team (Jason, Seb and Brendan). They work as a team to plan the football side of the business.

PM asked about the involvement of a certain agent at RFC and DP said that he was a personal acquaintance of Mr Dai but BS confirmed that RFC have not paid him any money as an agent.

STAR referenced the Al Jazeera programme. BS stated that he had watched it but that it was very much in the past and not relevant for club comment.

### **Royal Elm Park**

DP said that the planning permission had been extended. BS said that there had been some plans to reduce the size of the conference centre due to the recent COVID situation. We have a six month rolling contract for car park facilities on site so no change would be made without due warning. Potentially, September 2023 is a date when they could be starting work on site.

Date of Next Meeting to be advised.