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**FOOTBALL CLUB OWNERSHIP, FINANCIAL GOVERNANCE AND WEALTH  
 DISTRIBUTION POLICY**

<b>Date of Review</b>	<b>Reason for review</b>	<b>Amendments</b>
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
08/04/2021	Periodic Review	Football Supporters' Association
03/08/2022	Periodic Review	New para. under 3.(7) on Fan Led Review
12/09/2024	Periodic Review	Revised format, minor amends for accuracy,, updated Football Governance Bill content (3.3-3.5)

**1. Introduction**

1.1. 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**

2.1. 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**

3.1. 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).

3.2. In particular, it believes that:

3.2.1. 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;

3.2.2. owners and majority shareholders of football clubs must be subject to a rigorous owners' and directors' tests ; these est 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, with periodic reviews. Ideally, all corporate bodies acquiring and owning UK football clubs should be based in the UK and subject to UK company law;

3.2.3. 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, transparency is essential and the names of the individuals owning, or ultimately owning, the acquiring company are disclosed, to enable robust owners' and directors' tests to be carried out;

3.2.4. 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;

3.2.5. Until implementation of the Independent Football Regulator, the Football Association should take responsibility for overseeing financial governance of football clubs at all levels, including the performance of the owners' and directors' test as primary responsibility, and should perform this role robustly and consistently;

3.2.6. the distribution of revenues within football should be more equal, giving clubs outside the Premier League a larger proportional share than currently received;

3.2.7. club owners must pay respect to the heritage, identity and history of clubs and take notice of the views and interests of supporters.

3.3. STAR contributed to the Government's Fan Led Review of 2021 and supports the recommendations of the report published in November 2021, in particular those relating to IREF, Golden Share and Shadow Board. STAR engaged extensively with stakeholders throughout football and parliament as part of the dialogue on the Bill ahead of the prorogation of Parliament in 23 May 2024, which saw the dissolution of Parliament and the bill not progressing beyond the Committee stage in the Commons.,

3.4. STAR will continue to extensively engage on Football Governance and awaits the re-introduction of the Football Governance Bill into Parliament. When the Bill receives Royal Assent (or falls) and, consequent on that outcome , STAR will immediately review this Policy.

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3.5. 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 Football Supporters' Association and will champion stronger football Governance alongside supporting the Trusts' of other Clubs in crises.

#### **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.