

# **Cardiff Rugby Limited – in Administration**

## **Joint Administrators' Final Progress Report from 9 October 2025 to 31 March 2026**

Date: 31 March 2026

High Court of Justice Business and Property Courts in Bristol  
Insolvency & Companies Lits (ChD)

Case number: CR-2025-BRS-000036

Company number: 03199030



# Table of contents

Abbreviations and definitions.....	2
Key messages.....	5
Overview of our work.....	7
What we still need to do .....	11
Appendix A: Receipts and payments.....	12
Appendix B: Expenses.....	14
Appendix C: Pre-administration costs.....	16
Appendix D: Remuneration update.....	17
Appendix E: Summary of our Proposals.....	27

# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that are specific to this appointment and report:

<b>Administrators-in-waiting</b>	Ross David Connock and Robert Nicholas Lewis
<b>Joint Administrators / Administrators / we / us / our</b>	Ross David Connock and Robert Nicholas Lewis
<b>Date of the administration appointment</b>	9 April 2025
<b>Barclays</b>	Barclays Bank plc
<b>CAC</b>	Cardiff Athletic Club, the landlord of Cardiff Arms Park
<b>Company / CRL</b>	Cardiff Rugby Limited
<b>CRCF</b>	Cardiff Rugby Community Foundation
<b>CRFC</b>	Cardiff Rugby Football Club
<b>CRRBT</b>	Cardiff Rugby Regional Benevolent Trust
<b>Helford Capital</b>	Helford Capital Limited as the Regional Principal Investor and majority shareholder of the Company
<b>Leasehold Property</b>	Cardiff Arms Park, Westgate Street, Cardiff
<b>LtO</b>	A licence to occupy granted over the Leasehold Property
<b>Period</b>	9 October 2025 to 31 March 2026
<b>PRA</b>	Professional Rugby Agreement dated 1 April 2023 between the Company and the WRU regarding participation in defined rugby competitions
<b>Proposals</b>	Joint Administrators' Proposals for achieving the purpose of administration dated 16 April 2025
<b>Purchaser</b>	Welsh Rugby Players Limited (subsequently renamed to Cardiff Rugby Club Limited), a wholly owned subsidiary of the WRU
<b>RPI</b>	Regional Principal Investor - Helford Capital
<b>RPI Deed</b>	RPI Deed of Undertaking relating to the PRA between the Company, the WRU and Helford Capital dated 24 January 2024, effective from 1 July 2022 to and including 30 June 2025
<b>Sale Agreement</b>	Sale contract between the Purchaser and the Seller to purchase the business and assets of the Seller
<b>Seller</b>	Cardiff Rugby Limited (in Administration) and the Joint Administrators
<b>SoA</b>	Statement of Affairs
<b>TLT</b>	TLT LLP, the law firm advising the Joint Administrators
<b>the WRU</b>	The Welsh Rugby Union Limited (the Secured creditor)

The following table shows generic abbreviations and insolvency terms that may be used in this report:

<b>CVA</b>	Company voluntary arrangement under Part 1 IA86
<b>CVL</b>	Creditors' voluntary liquidation
<b>DBT</b>	Department for Business and Trade

<b>Firm / PwC</b>	PricewaterhouseCoopers LLP
<b>HMRC</b>	HM Revenue and Customs
<b>IA86</b>	Insolvency Act 1986
<b>IR16</b>	Insolvency (England and Wales) Rules 2016
<b>Insolvency code of ethics</b>	The code of ethics aims to help insolvency practitioners meet their professional and ethical obligations. A copy can be found at <a href="https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics">https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics</a>
<b>First ranking preferential creditors</b>	Creditors with claims defined in IA86 as ordinary preferential debts: These include claims for: <ul style="list-style-type: none"> <li>unpaid remuneration earned in the four months before the relevant date of the insolvency up to a maximum of £800, an unlimited amount of accrued holiday pay, unpaid pension contributions in certain circumstances</li> </ul>
<b>Preferential creditors</b>	Creditors who are classified as Ordinary preferential creditors or Secondary preferential creditors, as defined below and who rank above Unsecured creditors
<b>Prescribed Part (pp)</b>	The amount set aside for Unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003. It is paid out of 'net property' i.e. floating charge realisations after both costs and after setting enough aside to pay preferential creditors in full. It only has to be made available where the floating charge was created on or after 15 September 2003. The amount of the Prescribed Part is; <ul style="list-style-type: none"> <li>50% of net property up to £10k (i.e. the pp will be up to £5k); plus (if applicable)</li> <li>20% of net property above £10k (i.e. the pp will be £5k plus 20% of the net property that exceeds £10k)</li> </ul> The pp is subject to a maximum of £600k where the floating charge(s) is / are created before 6 April 2020. The maximum is £800k where the charge(s) is / are created on or after 6 April 2020 (provided there isn't a charge created before 6 April 2020 that ranks equally or in priority to it, in which case the maximum remains at £600k)
<b>Regulations</b>	Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021
<b>Restructuring plan</b>	A compromise or arrangement under Part 26A Companies Act 2006
<b>ROT claims</b>	Claims to retention of title over goods supplied to the Company but not paid for before the Joint Administrators' appointment
<b>RPS</b>	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by DBT, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
<b>Sch B1 IA86</b>	Schedule B1 to the Insolvency Act 1986

<b>Secondary preferential creditors</b>	Creditors with claims defined in IA86 as secondary preferential debts to be paid after ordinary preferential debts, if there are sufficient funds These include claims for: <ul style="list-style-type: none"> <li>certain HMRC debts owed at the date of insolvency, consisting of VAT and relevant amounts deducted by the Company from payments due to another taxpayer and due to be paid over to HMRC (e.g. PAYE, employee NICs and Construction Industry Scheme deductions). Penalties and interest do not form part of HMRC's preferential claim</li> </ul>
<b>Secured creditor</b>	A creditor with security in respect of their debt, in accordance with section 248 IA86
<b>SIP</b>	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply
<b>SIP 2</b>	Statement of Insolvency Practice 2: Investigations by office holders in Administrations and insolvent Liquidations and the submission of conduct reports by office holders
<b>SIP 9</b>	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates from an estate
<b>SIP 13</b>	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
<b>SIP 16</b>	Statement of Insolvency Practice 16: Pre-packaged sales in administrations
<b>TUPE</b>	Transfer of Undertakings (Protection of Employment) Regulations 2006
<b>Unsecured creditors</b>	Creditors who are neither Secured nor Preferential, ranking behind Secured creditors and all Preferential classes of creditors

This report has been prepared by the Office holders, solely to comply with their statutory duty to report to creditors on the progress of the insolvency, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Company.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report does so at their own risk. To the fullest extent permitted by law, we do not assume any liability in respect of this report to any such person.

Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

We are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. We are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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# Key messages

## Why we've sent you this report

We're pleased to let you know that our work in the administration of the Company's affairs is now complete and so we set out below our final report.

You can still view our earlier reports on our website at [www.pwc.co.uk/cardiffrugby](http://www.pwc.co.uk/cardiffrugby). Please email [uk\\_crl\\_enquiries@pwc.com](mailto:uk_crl_enquiries@pwc.com) if you need the passwords to access the reports.

## How much creditors have received

The following table summarises the final outcome for creditors:

Class of creditor	Final position (p in £)	Previous estimate (p in £)
<b>Secured creditors</b>		
<b>WRU</b>	97	97
<b>Paul Edward Bailey</b>	N/A	N/A
<b>Ordinary preferential creditors</b>		
	Nil	Nil
<b>Secondary preferential creditors</b>		
	Nil	Nil
<b>Unsecured creditors</b>		
	Nil	Nil

### Secured creditors:

#### WRU

The WRU holds fixed and floating charge security over substantially the whole of the Company's business, assets and undertakings under a debenture dated 16 June 2023. The WRU is owed approximately £9.2m, of which £3.148m was outstanding under its security.

The WRU received £3.05m via a fixed charge credit bid as part of the pre-packaged sale, leaving an estimated shortfall of approximately £98k under its security. Under the terms of the Sale Agreement, the WRU could not claim in the administration for the remaining Unsecured balance of approximately £6.1m following assumption of these debts by the Purchaser.

#### Paul Edward Bailey

Paul Edward Bailey is a former shareholder and director of the Company. He was owed £295k, secured by a fixed charge over an artificial 3G pitch. The charge was released and the loan novated to the Purchaser on completion of the sale. As such, Mr Bailey no longer ranks as a Secured creditor.

### First ranking preferential creditors

The Company had 171 employees and workers on appointment. Immediately following the appointment, we completed the pre-packaged sale and purchase of substantially all the business and assets of the Company, resulting in the ongoing engagement for all 171 assigned employees and workers of the Company, CRFC, CRCF and CRRBT. It's important to note that TUPE regulations do not automatically apply to those roles not in direct employment i.e. roles that do not have a direct contract of employment, however the transaction secured future services for these workers as this was critical to ensure continuity for the ongoing business.

All pre-appointment wages have been settled in full. However, pension contributions of c.£22k relating to a pre-appointment period were outstanding at the date of the Joint Administrators' appointment, of which £12.8k was preferential. The total claims were admitted to the RPS and subsequently paid to the pension scheme, who in turn had a subrogated claim against the Company. No formal claim was however received from the RPS.

There were insufficient realisations to enable a distribution to first ranking preferential creditors of the Company.

### **Secondary preferential creditors**

We received a final claim from HMRC which included a Secondary preferential creditor amount due of £1.19m in respect of outstanding VAT and PAYE.

No dividend was paid to Secondary preferential creditors as there were insufficient floating charge asset realisations.

### **Unsecured creditors:**

There was not a Prescribed Part dividend for the Unsecured creditors because the Company did not have any net floating charge realisations.

In addition to any Prescribed Part, there was not any dividend for Unsecured creditors.

## **What you need to do**

This report is for your information and you don't need to do anything.

## **What happens next**

We filed a notice of move from administration to dissolution on 31 March 2026. The Company will be dissolved three months after the notice has been registered by the Registrar of Companies.

As agreed by the Secured creditor, we will be discharged from liability in respect of any of our actions as Joint Administrators 14 days after exiting office.

# Overview of our work

## Why we were appointed

You may remember that when we were appointed, the position was as follows:

- The Company was incorporated on 15 May 1996 and has historically been called Cardiff Rugby Football Club Limited and Cardiff Blues Limited. It had been majority owned by Helford Capital, a Jersey-based entity, since January 2024 when their majority acquisition of shares enshrined in a contract dated 15 December 2023 was ratified in a general meeting of the Company. We understand that Helford Capital is part owned by Philip Kempe and Neal Griffith (both on the Company's board of directors).
- The Company's board of directors comprised nine members: seven non-Helford Capital directors (including the Chairman, Chief Executive Officer, two from CAC, and non-executive directors) and two Helford Capital directors. The Company has one wholly owned dormant subsidiary, CRFC.
- The Company had recorded annual losses since FY19, relying on WRU funding through loans, grants, and PRA payments, and on Helford Capital for RPI contributions. Revenue dropped sharply during the COVID-19 pandemic and the Company struggled to recover fully. Other income sources included competition income, ticket sales, food and beverage, sponsorship, merchandise, other events, and the re-sale of Six Nations tickets.
- By early 2025, the Company faced acute liquidity problems as Helford Capital failed to deliver c.£2m in funding due under the RPI Deed, citing delays in unrelated transactions. Despite repeated assurances, the funding did not materialise. In February 2025, PwC was engaged to review short-term cash flow and plan for potential insolvency.
- The Company received short-term support from Barclays, including a temporary £350k facility in August 2024 (repaid the same month) and an overdraft facility granted in September 2024, initially set at £750k and reduced to £500k from 1 January 2025. The overdraft facility was temporarily suspended on 20 February 2025, reinstated shortly after, but fully withdrawn at maturity on 31 March 2025. Without the overdraft or shareholder funding, the Company was unable to meet its liabilities as they fell due, including payroll and HMRC arrears.
- In late March and early April 2025, the non-Helford Capital directors and the WRU sought assurances from Helford Capital regarding the timing of RPI Deed monies. In the absence of these assurances and following the removal of the overdraft facility, the WRU decided not to continue advancing PRA funding outside of the normal payment profile. Options pursued by Helford Capital and the non-Helford Capital directors to secure external funding were ultimately deemed not deliverable or reasonably demonstrable.
- The board of directors and the WRU concluded that, given all solvent funding options had been exhausted, rescuing the club through an insolvency process was the most viable option. The board determined that administration with a pre-packaged sale of the club's business and assets to the WRU was the most appropriate course of action, intended to offer a safe harbour in the short term while a long-term solution was found.
- Between 23 March 2025 and 8 April 2025, planning for a pre-packaged administration sale was progressed at pace. A Notice of Intention was filed on 8 April 2025. The Company was placed into administration on 9 April 2025, with Ross Connock and Robert Lewis appointed as Joint Administrators. A pre-packaged sale of substantially all of the Company's business and assets was completed to the Purchaser immediately following appointment.

## Asset realisations

### Pre-packaged sale of the Company's business and assets

As set out in our Proposals, on 9 April 2025, immediately following our appointment, we completed a pre-packaged sale of substantially all of the Company's business and assets to the Purchaser. The total sales consideration totalled £3,532,018 as per the breakdown below.

#### Sales consideration and asset allocation

Sales allocation	(£)
<b>Assets subject to fixed charge</b>	
Goodwill	3,100,000
Sellers' records	1
Business contracts and safety certificates	1
Business intellectual property rights	1
Shares in CRFC	1
<b>Assets subject to floating charge</b>	
Plant and machinery	299,000
Stock	28,996
Book debts	97,000
Estimated cash amounts	7,018
<b>Total consideration</b>	<b>3,532,018</b>

Sale consideration for the fixed charge assets comprised £3.05m by way of a credit bid, with the WRU releasing its security up to this value, and £50k in cash consideration, totalling £3.1m allocated to goodwill. Consideration for floating charge asset was entirely cash. All cash consideration for the fixed and floating charge assets was paid in full immediately on completion of the sale, as shown in the receipts and payments account at Appendix A.

#### Post-pack mechanism

The Joint Administrators offered a 13-week period from the date of sale to the Purchaser for alternative offers to be put forward that would provide best value for creditors as a whole. No further offers relating to the Company's assets were received during this 13-week period.

#### Leasehold Property and LtO

The Company played at Cardiff Arms Park, next to the Principality Stadium in Cardiff. As part of the Sale Agreement, the Joint Administrators provided the Purchaser with an LtO which had a long stop date of 6 months, giving time for the Purchaser to negotiate a new lease, or assignment, with CAC, the landlord of the Leasehold Property. The LtO ended following the signing of a new lease for Cardiff Arms Park on 7 October 2025 (between the Purchaser and CAC). During the LtO, the club continued to operate as normal at Cardiff Arms Park.

The Purchaser paid monthly licence fees to the Company in line with the LtO and we utilised those funds to settle rent costs. As shown in the receipts and payments account at Appendix A, we incurred liabilities totalling £29,707.32 in respect of the LtO account. At the end of the LtO, the Joint Administrators held a balance of £7,181.72; following a reconciliation these were determined to be surplus funds and the full amount was returned to the Purchaser and the balance on the LtO account is therefore nil.

#### Employees and workers

Immediately following the appointment, we completed the sale and purchase of substantially all the business and assets of the Company, resulting in the ongoing engagement for all 171 assigned employees and workers of the Company, CRFC, CRCF and CRRBT. Those with contracts of employment transferred to the Purchaser under TUPE.

## **Assets excluded from the pre-packaged sale**

### **Other debtors**

The estimated financial position showed 'other' debtors with a book value of c.£23k in respect of amounts due from CRCF and CRRBT under joint employment contracts for 9 staff members. The salaries for these 9 staff members were paid by the Company and reimbursed on a monthly basis. There were no wage arrears at appointment and the Purchaser assumed continuation post-sale. Therefore, no amounts were due to the Company in respect of this debtor. This position was confirmed in the directors' Statement of Affairs, which did not show this balance as a debtor at the date of appointment.

### **Prepayments**

The estimated financial position indicated prepayments with a book value of c.£330k at the appointment date, comprising image rights (£40k), agents' fees (£70k), WRU recharges (£62k), other prepayments (£132k) and travel (£25k). Following investigation, we established that there were outstanding creditor balances relating to the respective prepayments, and therefore no recoveries were received from this source.

### **Cash at bank**

The Company's pre-appointment bank account was held with Barclays and was overdrawn by c.£400k at the time of appointment. However, we received c.£7k for cash amounts as part of the pre-packaged sale as referenced above.

### **Helford Capital debtor**

The Company was owed c.£2m from Helford Capital under the terms of the RPI Deed at the date of the Joint Administrators' appointment. We continued to review the position regarding this outstanding balance throughout the administration. In March 2026 it was agreed that the Company's rights under the RPI Deed, including any sums recoverable from Helford Capital, would be assigned to the Purchaser for nil consideration, with the consent of the WRU, who were also party to the agreement, and the party with the economic interest in any recovery.

### **Bank interest**

During the Period, we have received bank interest of £1,403.67 resulting in total interest received of £8,116.29, as shown in the receipts and payments account at Appendix A.

## **Connected party transactions**

### **Pre-packaged sale of substantially all the Company's business and assets**

As stated in our Proposals, the Purchaser is a connected party in relation to the Company as it is a wholly owned subsidiary of the WRU. Details of the disposal, further details in respect of the connection between the Seller and the Purchaser, and the alternative options considered are included in the SIP 16 statement issued as an Appendix to the Proposals.

A viability review can be drawn up by a connected party wishing to make a pre-packaged purchase, stating how the purchasing entity will survive for at least 12 months from the date of the proposed purchase. The Purchaser did not provide such a statement.

## **Creditors**

Throughout the administration, we managed creditor queries, including with the Secured creditor and HMRC, on an ongoing basis, responding to correspondence, uploading proofs of debt, adding newly identified creditors to the system, and issuing creditor packs accordingly.

## **Tax and VAT**

We fulfilled our duties as proper officers for tax during the administration and filed corporation tax returns for all relevant accounting periods. The total tax liability was £1,554.25.

We also filed regular VAT returns up until deregistration on 1 January 2026, and subsequently submitted a VAT 426 form to reclaim final VAT of c£81.6k, which has been assigned directly to PwC to settle the undrawn balance of the Joint Administrators' fees.

HMRC raised no queries on our returns.

## **Approval of our Proposals**

We issued to creditors our Proposals dated 16 April 2025 for achieving the purpose of administration.

We said in our Proposals that we thought the Company does not have enough assets to pay a dividend to Unsecured creditors other than from the Prescribed Part.

This meant that we did not have to seek a decision from creditors regarding the approval of our Proposals and our Proposals would be treated as approved if creditors did not request a decision in the required manner. As creditors did not request a decision be sought, our Proposals were treated as approved on 30 April 2025.

We attach a summary of our Proposals at Appendix E.

## **Investigations and actions**

We undertook an information gathering exercise in order to fulfil our obligations in relation to the office holders' initial SIP 2 assessment and filed our submissions on the directors' conduct with the Insolvency Service, the contents of which are confidential. Although we continued to review the position regarding certain investigatory matters, nothing has come to our attention to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

## **Our final receipts and payments account**

We set out in Appendix A an account of our final receipts and payments in the administration for the Period and cumulatively.

## **Our expenses**

We set out in Appendix B a statement of the final expenses that we incurred to the date covered by this report.

## **Pre-administration costs**

You can find in Appendix C information about the approval of the unpaid pre-administration costs previously detailed in our Proposals.

## **Our fees**

We set out in Appendix D an update on our remuneration which covers our fees and other related matters.

## **Creditors' rights**

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34 IR16. This information can also be found in the guide to fees at:

<https://www.icaew.com/-/media/corporate/files/regulations/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx>

You can also get a copy free of charge by telephoning Vanessa Jennings on 0113 289 4000.

# What we still need to do

The administration of the Company is now complete and we will now take action to bring the administration to a close.

Since realisation of assets has been concluded, we consider dissolution to be the most appropriate exit route for the Company.

This is our final report and the Company will be dissolved three months after the notices of move from administration to dissolution have been registered at Companies House. As resolved by the relevant classes of creditor, we will be discharged from liability in respect of any of our actions as Joint Administrator 14 days after we cease to be Joint Administrators of the Company.

If you've got any questions, you can contact the Joint Administrators as follows: call Vanessa Jennings on 0113 289 4000 or [uk\\_cri\\_enquiries@pwc.com](mailto:uk_cri_enquiries@pwc.com) or at Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Yours faithfully

For and on behalf of the Company

A handwritten signature in black ink, appearing to read 'Ross D Connock', with a large, stylized initial 'R'.

Ross D Connock  
Joint Administrator

# Appendix A: Receipts and payments

## Joint Administrators' Summary of Receipts & Payments for the period from 9 April 2025 to 31 March 2026

Statement of Affairs £	Notes	9 April 2025 to 8 October 2025 £	9 October 2025 to 31 March 2026	Cumulative 9 April 2025 to 31 March 2026	
<b>Licence to occupy account</b>					
		31,525.10	(1,817.78)	29,707.32	
		(26,666.66)	(3,040.66)	(29,707.32)	
		<b>4,858.44</b>	<b>(4,858.44)</b>	<b>(0.00)</b>	
	<b>3</b>				
<b>Fixed charge assets</b>					
3,100,000.00	Goodwill	4	50,000.00	-	50,000.00
1.00	Seller's records	4	1.00	-	1.00
1.00	Business contracts and safety certificates	4	1.00	-	1.00
1.00	Business intellectual property rights	4	1.00	-	1.00
1.00	Shares in CFRC	4	1.00	-	1.00
	Bank interest - gross		696.36	-	696.36
	<b>Total realisations</b>		<b>50,700.36</b>	<b>0.00</b>	<b>50,700.36</b>
<b>Fixed charge costs</b>					
	Pre appointment fees	5	-	(41,187.07)	(41,187.07)
	Pre appointment legal fees			(9,513.29)	(9,513.29)
	<b>Total expenses</b>		<b>-</b>	<b>(50,700.36)</b>	<b>(50,700.36)</b>
	<b>Net fixed realisations</b>		<b>50,700.36</b>	<b>(50,700.36)</b>	<b>-</b>
<b>Floating charge assets</b>					
299,000.00	Plant & machinery	4	299,000.00	-	299,000.00
29,000.00	Stock	4	28,996.00	-	28,996.00
97,000.00	Book debts	4	97,000.00	-	97,000.00
	Pensions & life policies		-	22.86	22.86
	Insurance claims and refunds		-	912.19	912.19
	Bank interest - gross		6,016.26	1,403.67	7,419.93
	Funds due to the Purchaser		29,782.42	58,852.01	88,634.43
7,132.00	Pre appointment cash	4	7,018.00	-	7,018.00
	<b>Total receipts</b>		<b>467,812.68</b>	<b>61,190.73</b>	<b>529,003.41</b>
<b>Floating charge cost of realisations</b>					
	Professional fees		(200.00)	-	(200.00)
	Pre appointment fees	5	-	(149,665.68)	(149,665.68)
	Office holders' fees	6	-	(215,000.00)	(215,000.00)

Pre appointment legal fees		-	(65,543.71)	(65,543.71)
Funds paid to the Purchaser	2	(29,782.42)	(58,852.01)	(88,634.43)
Pre appointment agent's fees		-	(5,000.00)	(5,000.00)
Legal fees & expenses		-	(2,532.00)	(2,532.00)
Irrecoverable VAT		-	(24.82)	(24.82)
Statutory advertising		(512.52)	-	(512.52)
Insurance		(336.00)	-	(336.00)
Corporation Tax		-	(1,554.25)	(1,554.25)
<b>Total payments</b>		<b>(30,830.94)</b>	<b>(498,172.47)</b>	<b>(529,003.41)</b>
<b>Net floating realisations</b>		<b>436,981.74</b>	<b>(436,981.74)</b>	<b>(0.00)</b>
<b>Floating charge balance</b>		<b>487,682.10</b>	<b>(487,682.10)</b>	<b>(0.00)</b>
<b>VAT control account</b>		<b>(829.19)</b>	<b>829.19</b>	<b>-</b>
<b>Total cash balance held</b>		<b>491,711.35</b>	<b>(491,711.35)</b>	<b>-</b>

#### Notes to the receipts and payments account

1. Amounts shown exclude VAT. All VAT has been accounted for.
2. A further £55.8k was received in the Period into the Company's pre-administration bank account relating to post sale debtor funds that were due to the Purchaser, thereby totalling £85.6k received. These funds were all transferred to the administration bank account and were subsequently paid onto the Purchaser. A transaction of £3k was paid to the Company by a third party in error and returned to them.
3. As part of the reconciliation, the amount in the LtO account as at 8 October 2025 has been adjusted; this has affected the balances brought forward from the previous report.
4. Sale consideration for the fixed charge assets sold is made up of £3.05m by way of a credit bid (the WRU releasing its security up to this value) and £50k cash consideration (total £3.1m to goodwill). Consideration for floating charge assets was entirely cash.
5. The Secured creditor approved fees of £324,707.00 on a fixed fee basis for our pre-appointment fees as Administrators-in-waiting, allocated as £41,187.07 to the fixed charge and £283,519.93. Of these approved fees, we have drawn £41,187.07 and £149,665.68 respectively.
6. Our fees were approved on a fixed fee basis of £215,000.00 by the Secured creditor and this has been drawn in full in line with the approval given.

# Appendix B: Expenses

Expenses are amounts properly payable by us as Joint Administrators but exclude our fees and distributions to creditors. These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

Expense	SIP 9 definition
<b>Category 1</b>	Payments to persons providing the service to which the expense relates who are not an associate of the Office holder.
<b>Category 2</b>	Payments to our Firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the Secured creditor) also has the responsibility for agreeing the basis for payment of Category 2 expenses.

The rate for services provided by the Joint Administrators' own Firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

The following table provides a breakdown of the Category 1 expenses that have been incurred as disbursements by PwC and have been recharged to the case.

Category	Provided by	Basis of cost	Costs incurred (£)
1	PwC	Postage	18.60
		<b>Total for the Period</b>	<b>18.60</b>
		Brought forward total	829.49
		<b>Cumulative total</b>	<b>848.09</b>

We received approval from the Secured creditor to draw Category 2 expenses; however we have not drawn any from the administration funds.

The table below provides details of all the expenses incurred in the administration:

Nature of expense	Brought forward pre-administration costs (£)	Administration costs brought forward from preceding period (£)	Incurred in the period under review (£)	Cumulative (£)	Initial estimate (£)	Variance (£)
Professional fees	-	200.00	-	200.00	200.00	-
Legal fees and expenses	-	2,250.00	2,532.00	4,782.00	2,250.00	(2,532.00)
Pre-appointment legal fees (fixed charge)	9,513.29	-	-	9,513.29	9,513.29	-
Pre-appointment legal fees and expenses (floating charge)	65,543.71	-	-	65,543.71	65,543.71	-
Pre-appointment agents fees (floating charge)	5,000.00	-	-	5,000.00	5,000.00	-
Statutory advertising	-	512.52	-	512.52	512.52	-
Joint Administrators' disbursements	-	829.49	18.60	848.09	1,079.49	231.40
Our fees as Administrators-in-waiting (fixed charge)	41,187.07	-	-	41,187.07	41,187.07	-
Our fees as Administrators-in-waiting (floating charge)	283,519.93	-	-	283,519.93	283,519.93	-
Corporation tax	-	-	1,554.25	1,554.25	-	(1,554.25)
Insurance	-	336.00	-	336.00	336.00	-
Irrecoverable VAT	-	-	24.82	24.82	-	(24.82)
<b>Total</b>	<b>404,764.00</b>	<b>4,128.01</b>	<b>4,129.67</b>	<b>413,021.68</b>	<b>409,142.01</b>	<b>(3,879.67)</b>

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the Period and the total paid to date.

## Details of subcontracted work

No work has been sub-contracted to other parties.

## Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the Period.

## Legal and other professional firms

We instructed the following professionals on this case:

Service provided	Name of firm	Reason selected	Basis of fees
<b>Legal services, including:</b> Ongoing advice in the administration of the Company, including providing a formal security review and ad-hoc advice as and when required	TLT	Industry knowledge/ Insolvency Expertise	Hourly basis
<b>Bank statement analysis</b>	Prism 339 Limited	Industry knowledge/ Insolvency Expertise	Fixed fee

We required all third party professionals to submit time costs analyses (where their fee basis is time cost) and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered.

All invoices are reviewed before being approved for payment. We undertake the following steps to review professional firms' costs:

- Confirm the Joint Administrators issued the instructions listed on the invoice;
- Detailed review of narrative provided in support of the time charged;
- Assess whether the work was undertaken in line with our expectations, in respect of the quality and amount of time taken; and
- Assess the reasonableness of the fees charged in the context of the advice sought and complexity of the matter.

# Appendix C: Pre-administration costs

The following costs totalling £404,764 were incurred before our appointment with a view to the Company going into administration and were approved for payment by the Secured creditor on 19 December 2025. As shown, we have not drawn the approved fees in full from the estate.

	<b>Details of agreement including date and parties to it</b>	<b>Paid amount</b>	<b>Unpaid amount</b>
Our fees as Administrators-in-waiting	Letter of engagement between the Company and PwC, dated 6 February 2025	£149,665.68	£175,041.32 **
Agent's expenses	Pre-administration valuation services. Engagement letter between the Company and Gordon Brothers	£5,000.00	Nil
Legal fees incurred by TLT	Letter of engagement between TLT and the Administrators-in-waiting dated 31 March 2025 *	£75,000.00	Nil
Legal Expenses		£57.00	Nil
<b>Total</b>		<b>£229,722.68</b>	<b>£175,041.32</b>

\* The letter of engagement between TLT and the Administrators-in-waiting was issued on 31 March 2025, to formalise advice already being provided under verbal instruction from 23 March 2025.

\*\* The Secured creditor approved fees of £324,707.00 on a fixed fee basis for our pre-appointment fees as Administrators-in-waiting, allocated as £41,187.07 to the fixed charge and £283,519.93. Of these approved fees, we have drawn £41,187.07 and £149,665.68 respectively. Due to the level of realisations in the administration estate, the fees of the Administrators-in-waiting were not paid in full.

Please refer to our Proposals for details of the pre-administration work, including the hours and costs incurred by us as Administrators-in-waiting.

# Appendix D: Remuneration update

Our fees were approved on a fixed fee basis of £215,000.00 by the Secured creditor and this has been drawn in full in line with the approval given, as shown on the receipts and payments account at Appendix A.

We set out later in this Appendix details of our work to date and anticipated future work.

## **Our relationships**

We have no business or personal relationships with the parties who approve our fees or who provide services to the administration where the relationship could give rise to a conflict of interest.

## Our work in the Period

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of our work.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>Carrying out bank reconciliations and managing receipts, payments, and journals</li> <li>Sanction-screening of third-party bank accounts before release of payments</li> <li>Dealing with receipts, payments and journals</li> </ul>	<ul style="list-style-type: none"> <li>To ensure accurate financial records and proper management of estate funds; and</li> <li>Effective case management.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure orderly management and progression of the case and comply with statutory obligations.</li> </ul>
<b>Assets</b>		
<b><u>LtO</u></b>		
<ul style="list-style-type: none"> <li>Managing LTO reconciliation and corresponding with VAT team regarding VAT treatment</li> <li>Liaising with legal advisors and other parties regarding progress on lease assignment and new lease</li> <li>Responding to queries regarding rent invoices and property lease matters</li> <li>Reviewing and finalising LTO reconciliation credit notes</li> </ul>	<ul style="list-style-type: none"> <li>To maximise realisations for the benefit of creditors; and</li> <li>Ensure assets were dealt with appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>To recover assets for the benefit of creditors and facilitate the best possible outcome for stakeholders.</li> </ul>
<b><u>Insurance</u></b>		
<ul style="list-style-type: none"> <li>Correspondence with the insurer regarding initial and ongoing insurance requirements</li> </ul>		
<b><u>Other assets</u></b>		
<ul style="list-style-type: none"> <li>Reviewing and concluding on the prepayments position</li> <li>Drafting and finalising correspondence to debtor regarding monies due under RPI deed</li> <li>Reviewing asset file notes and responding to queries on prepayments</li> </ul>		

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## Creditors

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### Creditor enquiries

- Receiving and following up creditor enquiries via telephone, email and post
- Reviewing and preparing correspondence to creditors and their representatives
- Receiving and filing proofs of debt when not related to a dividend

### Secured creditor

- Responding to Secured creditor's queries

### Secondary preferential creditors

- Corresponding with HMRC regarding their proof of debt

### Unsecured claims

- Dealing with and recording Unsecured creditors' proof of debt forms

### Shareholders

- Drafting response for shareholder queries and quick check of technical rules regarding maintaining shareholder register
- Reviewing RPI and draft letter to shareholders regarding outstanding amounts

- To keep creditors informed; and
- Facilitate the further Unsecured claims agreement process
- To comply with statutory obligations and ensure transparency in the administration process.

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## Employees and pensions

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- Supporting the Purchaser with issuing communications and announcements
- Corresponding with the employees in relation to their contracts
- Understanding pension schemes operated
- Issuing statutory notices
- Arranging for outstanding pre-appointment pension contributions to be claimed from the RPS
- Arranging for opt out pension refunds to be paid
- Ensuring any obligations under auto enrolment were complied with

- To keep employees updated in relation to their employment; and
- Collecting data for claims processes.
- Required by statute and for the proper management of the case.

- Corresponding with pension provider regarding refunds and scheme closure
- Resolving opt-out and contribution refund queries
- Ensuring cessation of auto-enrolment obligations and notifying the pension regulator

### Investigations

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Requesting and collecting Company books and records where related to investigatory work or a statutory requirement</li> <li>• Reviewing books and records</li> <li>• Reviewing specific transactions as part of our investigatory work and making enquiries of relevant parties</li> <li>• Preparing investigation file and lodging findings with the DBT</li> <li>• Dealing with follow up queries</li> </ul> | <ul style="list-style-type: none"> <li>• To comply with statutory requirements.</li> </ul> | <ul style="list-style-type: none"> <li>• Required by statute.</li> </ul> |
|---|--|--|

### Statutory and compliance

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Conducting case reviews</li> <li>• Prepare and issue periodic and final progress report to creditors and the Registrar of Companies</li> <li>• Collecting Company books and records where not related to investigatory work</li> <li>• Filing of documents</li> <li>• Updating checklists and diary management system</li> </ul> | <ul style="list-style-type: none"> <li>• To comply with statutory and regulatory obligations.</li> </ul> | <ul style="list-style-type: none"> <li>• To comply with statutory obligations and ensure proper conduct of the administration.</li> </ul> |
|---|--|---|

### Strategy and planning

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Preparing fee budgets and monitoring cost</li> <li>• Holding team meetings and discussions regarding status of administration</li> <li>• Holding separate meetings with management and directors regarding administration progress</li> <li>• Updating progression tracker and allocating tasks</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure accurate financial records and proper management of estate funds; and</li> <li>• Effective case management.</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case; and</li> <li>• To comply with statutory obligations.</li> </ul> |
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## Tax and VAT

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- Tax**
- Carrying out tax review and subsequent enquiries
  - Preparing and submitting pre-appointment and post-appointment tax computations to HMRC
  - Reviewing and updating closure tax returns
  - Liaising with HMRC regarding PAYE scheme queries and compliance matters, including verifying PAYE reference details
- VAT**
- Carrying out VAT review and subsequent enquiries
  - Preparing quarterly VAT returns and final VAT 426 reclaim
- To ensure compliance with tax legislation; and
  - Maximise potential recoveries
  - To comply with statutory obligations and potentially increase realisations for creditors.

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## Closure

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- Closure planning
  - Preparing and issuing the Joint Administrators' final report
  - To ensure all closure matters are dealt with.
  - Required by statute,
  - To ensure orderly case closure,
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## Our previous work

As this progress report is the first to be issued following the approval of the basis of our fees, below are details of work carried out by the Joint Administrators in previous periods.

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
<b>Accounting and treasury</b>		
<ul style="list-style-type: none"> <li>• Opening bank accounts and arranging facilities</li> <li>• Carrying out bank reconciliations and managing receipts, payments, and journals</li> <li>• Sanction-screening of third-party bank accounts before release of payments</li> <li>• Corresponding with pre-appointment bank account providers regarding specific transfers and sweeping funds into the administration account</li> <li>• Dealing with receipts, payments and journals</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure accurate financial records and proper management of estate funds; and</li> <li>• Effective case management.</li> </ul>	<ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case and comply with statutory obligations.</li> </ul>
<b>Assets</b>		
<b><u>Pre-packaged sale of the Company's business and assets</u></b>		
<ul style="list-style-type: none"> <li>• Prepared and issued our Proposals and SIP 16 disclosure on the pre-packaged sale</li> <li>• Liaised with the Purchaser and their solicitors post-administration</li> </ul>	<ul style="list-style-type: none"> <li>• To maximise realisations for the benefit of creditors; and</li> <li>• To ensure assets were dealt with appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>• To recover assets for the benefit of creditors and facilitate the best possible outcome for stakeholders.</li> </ul>
<b><u>LtO</u></b>		
<ul style="list-style-type: none"> <li>• The collection and review of invoices from the landlord in order for rent payments to be paid</li> <li>• The collection of LtO licence fee income from the Purchaser and settlement of rent invoices</li> <li>• Drafted LtO invoices and managed the strategy around the potential LtO expiry</li> <li>• Undertake a final reconciliation of LtO funds held and return any surplus amounts to the Purchase</li> </ul>		
<b><u>Insurance</u></b>		

- 
- Ensuring adequate insurance cover is put in place
  - Investigating any value within pre-appointment insurance policies
  - Correspondence with the insurer regarding initial and ongoing insurance requirements

**Other assets**

- Investigating the position regarding potential sundry debt refunds and pre-appointment prepayments

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**Creditors**

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**Creditor enquiries**

- Notifying creditors of appointment
- Setting up a dedicated website for delivery of initial and ongoing communications and reports
- Receiving and following up creditor enquiries via telephone, email and post
- Reviewing and preparing correspondence to creditors and their representatives
- Handling inbound press communications relating to the administration appointment
- Receiving and following up creditor enquiries via telephone, email and post
- Receiving and filing proofs of debt when not related to a dividend

- To keep creditors informed.

- To comply with statutory obligations and ensure transparency in the administration process.

**Secured creditors**

- Notified Secured creditors of appointment
- Responding to Secured creditor's queries

**Secondary preferential creditors**

- Corresponding with HMRC regarding their proof of debt

**Unsecured claims**

- Dealing with and recording Unsecured creditors' proof of debt forms

**Shareholders**

- Obtaining a copy of the shareholder register
  - Responding to any shareholder queries
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### Employees and pensions

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- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"><li>• Supporting the Purchaser with issuing communications and announcements</li><li>• Corresponding with the employees in relation to their contracts</li><li>• Understanding pension schemes operated</li><li>• Issuing statutory notices</li><li>• Arranging for outstanding pre-appointment pension contributions to be claimed from the RPS</li><li>• Arranging for opt out pension refunds to be paid</li><li>• Ensuring any obligations under auto enrolment were complied with</li></ul> | <ul style="list-style-type: none"><li>• To keep employees updated in relation to their employment and collecting data for claims processes.</li></ul> | <ul style="list-style-type: none"><li>• Required by statute and for the proper management of the case.</li></ul> |
|--|---|--|

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### Investigations

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- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"><li>• Requesting and collecting Company books and records where related to investigatory work or a statutory requirement</li><li>• Reviewing books and records</li><li>• Reviewing specific transactions as part of our investigatory work and making enquiries of relevant parties</li><li>• Preparing investigation file and lodging findings with the DBT</li><li>• Dealing with follow up queries</li></ul> | <ul style="list-style-type: none"><li>• To comply with statutory requirements.</li></ul> | <ul style="list-style-type: none"><li>• Required by statute.</li></ul> |
|---|--|--|

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### Statutory and compliance

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- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>• Prepare and issue all necessary initial letters and notices regarding the administration and our appointment, including an initial notification to creditors</li><li>• Requested completion of the directors' SoA</li><li>• Filed the completed directors' SoA at Companies House</li><li>• Conducting case reviews</li><li>• Drafting and reviewing our Proposals to creditors including preparing and issuing a report under SIP 16, a receipts and payments account and statutory information</li></ul> | <ul style="list-style-type: none"><li>• To comply with statutory and regulatory obligations.</li></ul> | <ul style="list-style-type: none"><li>• To comply with statutory obligations and ensure proper conduct of the administration.</li></ul> |
|--|--|---|
-

- Circulated notice of our Proposals to creditors, members and the Registrar of Companies
- Updating creditors and the Registrar of Companies on the deemed approval of our Proposals
- Prepare and issue periodic progress reports to creditors and the Registrar
- Collecting Company books and records where not related to investigatory work
- Filing of documents
- Updating checklists and diary management system

### Strategy and planning

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Completing tasks relating to job acceptance</li> <li>• Preparing fee budgets and monitoring cost</li> <li>• Holding team meetings and discussions regarding status of administration</li> <li>• Holding separate meetings with management and directors regarding administration progress</li> <li>• Updating progression tracker and allocating tasks</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure accurate financial records and proper management of estate funds; and</li> <li>• Effective case management.</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure orderly management and progression of the case and comply with statutory obligations.</li> </ul> |
|--|---|---|

### Tax and VAT

- |  |   |   |
|--|---|---|
| <p><b><u>Tax</u></b></p> <ul style="list-style-type: none"> <li>• Gathering information for the initial tax review</li> <li>• Carrying out tax review and subsequent enquiries</li> <li>• Preparing and submitting pre-appointment and post-appointment tax computations to HMRC</li> <li>• Liaising with HMRC regarding ongoing tax compliance</li> </ul> | <ul style="list-style-type: none"> <li>• To ensure compliance with tax legislation and maximise potential recoveries</li> </ul> | <ul style="list-style-type: none"> <li>• To comply with statutory obligations and potentially increase realisations for creditors.</li> </ul> |
| <p><b><u>VAT</u></b></p> <ul style="list-style-type: none"> <li>• Gathering information for the initial VAT review</li> <li>• Carrying out VAT review and subsequent enquiries</li> <li>• Preparing quarterly VAT returns</li> </ul>   |   |   |

## Our future work

We still need to do the following to conclude the administration work.

Work to be undertaken	What, if any, financial benefit the work will provide to creditors OR whether it is required by statute
<b>Accounting and treasury</b>	
<ul style="list-style-type: none"><li>• Closure of post-appointment bank accounts</li></ul>	<ul style="list-style-type: none"><li>• Required by statute.</li></ul>
<b>Closure</b>	
<ul style="list-style-type: none"><li>• Completing checklists and diary management system</li><li>• Closing down internal system</li></ul>	<ul style="list-style-type: none"><li>• Required by statute; and</li><li>• To ensure orderly case closure.</li></ul>

# Appendix E: Summary of our Proposals

On 9 April 2025, we were appointed as Joint Administrators of Cardiff Rugby Limited. This overview summarises our Proposals for achieving the purpose of the administration.

## **Objective of the administration**

In our Proposals we stated that the primary objective of the administration was to achieve a better result for the Company's creditors as a whole than would have been likely if the Company had been wound up without first being in administration. This aligned with objective (b) under paragraph 3 of Schedule B1 to the Insolvency Act 1986, as it was not considered reasonably practical to rescue the Company as a going concern.

## **Pre-packaged sale of the Company's business and assets**

We did not trade the business during the administration. Instead, on 9 April 2025, immediately following our appointment, we completed a pre-packaged sale of substantially all of the Company's business and assets to the Purchaser, a wholly owned subsidiary of the WRU. Trading in administration was not considered appropriate due to the risks of eroding value, losing key staff and players, supplier uncertainty, and the significant additional professional and holding costs that would have been incurred without any assurance of achieving a better outcome for creditors.

The Company's principal assets comprised goodwill (including player registrations), plant and machinery, stock, book debts, Seller's records, business contracts and safety certificates, intellectual property rights, and shares in the dormant subsidiary CRFC. The total sale consideration achieved was £3,532,018, comprising £3,100,000 for goodwill (of which £3,050,000 was by way of credit bid and £50,000 in cash), £299,000 for plant and machinery, £28,996 for stock, £97,000 for book debts, and £7,018 for estimated cash amounts. Additionally, the loan of £295,000 owed to Paul Edward Bailey in respect of the 3G pitch was novated in full to the Purchaser, and the Purchaser assumed £6.1 million of Unsecured WRU debt.

Full disclosure regarding the pre-pack sale was made in our SIP 16 report at Appendix B of our Proposals.

## **Employees**

At the date of our appointment, the Company had 171 employees and workers across the Company, CRFC, CRCF, and CRRBT. The pre-pack sale resulted in the ongoing engagement of all 171 assigned employees and workers by the Purchaser, thereby retaining employment and mitigating a number of preferential and Unsecured creditor claims in the administration estate.

## **Leasehold Property and LtO**

CRL operated at Cardiff Arms Park under a LtO granted to the Purchaser for up to six months, allowing time to agree a new lease with the landlord, CAC. During this period, the club continued normal operations, with the Purchaser responsible for licence fees, rent, and all property-related costs.

## **Assets excluded from the pre-packaged sale**

The Company's 'other' debtors of £23k related to staff cost reimbursements from CRCF and CRRBT, but no amounts were actually recoverable as wages were settled and continued under the Purchaser.

Prepayments totalled £330k, covering items such as image rights, agent fees, WRU recharges, and travel. The Administrators were to assess whether any of these had realisable value.

The Company's Barclays account was overdrawn by around c.£400k at appointment, with no expected recoveries aside from c.£7k in cash floats from the pre-pack sale.

Additionally, £2m was owed by Helford Capital under the RPI Deed; this was under review regarding the actual outstanding balance.

## **Connected party transactions**

The sale to the Purchaser was a connected party transaction. The Purchaser is a wholly owned subsidiary of the WRU, which is a Secured creditor of the Company.

## Dividend prospects

We anticipated the following dividend prospects for creditors:

**Secured creditors:** We estimated that the WRU as Secured creditor would recover £3,050,000 of its Secured indebtedness of £3,148,000, settled on completion of the sale, leaving a shortfall of approximately £48,000. Paul Edward Bailey's Secured claim of £295,000 was dealt with by novation to the Purchaser.

**Ordinary preferential creditors:** We did not anticipate any dividend for ordinary preferential creditors (estimated at c.£20,000), as there were insufficient floating charge realisations after costs to meet these claims.

**Secondary preferential creditors (HMRC):** We did not anticipate any dividend for Secondary preferential creditors (estimated at £1,405,222), as there were insufficient floating charge realisations after costs to meet these claims.

**Unsecured creditors:** We did not anticipate any dividend for Unsecured creditors (estimated at £2,395,126), from the Prescribed Part or otherwise, as there were insufficient floating charge realisations after costs to meet these claims.

c.£6.1m owing to the WRU was Unsecured, however under the terms of the Sale Agreement the WRU was not to claim in the administration for this amount following assumption of these debts by the Purchaser.

## Anticipated exit route

The anticipated exit route was for us to file a notice with the Registrar of Companies once our work was completed, following which the Company would be dissolved three months later. However, we noted that if matters arose that should be investigated in a liquidation, we may instead apply for a court order to wind up the Company, and if funds became available for an Unsecured creditor distribution, the Company could alternatively be moved into creditors' voluntary liquidation.