

# New owners of Cardiff Rugby confirmed

The identity of investors taking over Cardiff Rugby, with long-term plans to transform the club both on and off the pitch, can be exclusively revealed.

Welshman Phil Kempe, who has business interests globally from real estate to hospitality, has joined forces with financier Neal Griffith, who has family links to Wales, to become majority owners of the [Cardiff](#) Arms Park-based club via special purpose vehicle Helford Capital Ltd. Due diligence on the new owners was undertaken by the WRU, via a professional advisory firm.

As well as becoming the regional principal investors of the club – which each of the four Welsh regions had to provide under a new six-year funding deal with the Welsh Rugby Union – the new owners will look to leverage additional finance via their global business interests and networks, particularly in the Middle East.

Mr Kempe began his entrepreneurial career running the first McDonald's franchise outlets in the UK. Mr Griffith is a former investment banker with numerous global business interests as both an investor and director.

A general meeting of the club is expected to be held in January to endorse the transaction.

**Read More:** [The eye-watering interest the Welsh regions are paying the Welsh Government](#)

**Read More:** [The deal taking the Dragons into private ownership](#)

The new owners are understood to have identified a number of brands that could be interested in striking long-term

commercial sponsorship deals with the club, including opportunities around stadium and other naming rights.

They view Cardiff as very much a 'sleeping giant' and one that needs to re-establish its historic status of being one of the world's best-known clubs.

The deal sees them taking a majority ownership of the business, with Cardiff Athletic Club (CAC) retaining a minority interest. They have taken on the equity of the club's major investors in the Smart family, Paul Bailey and Martyn Ryan.

The outgoing investors will only receive a nominal amount for their shares, but could potentially offset losses against tax liabilities.

Before his death president and long-term benefactor of the club, Peter Thomas, agreed to be its principal investor – fulfilling a requirement of the new funding deal that the four regions struck with the WRU.

That liability now falls to the new owners, so lifting the commitment on the Thomas family. What amount all regional principal investors across the regions will have to commit financially over the next six years will be dependent on commercial performances. However, based on historical trading losses within the regional game, it could run into millions of pounds.

A former Formula 3 racing driver, Mr Kempe has had a long association with figures at the Arms Park going back around 20 years. He was also involved in plans around six years ago to redevelop the Arms Park with a new indoor arena, designed to allow it to stage rugby matches, as well as hosting concerts.

However, a deal couldn't be struck with the owner of the ground, Cardiff Athletic Club (CAC), for the tenant rugby club to enter into a new long-term lease with property development

rights.

Under the funding deal with the WRU, struck through the Professional Rugby Board (PRB), there isn't a player salary cap for this season. However, from next season – 2024-25 – it is being reduced to £4.5m outside of two marquee signings.

If the new owners of Cardiff want to exceed agreed player squad budgets in the coming years, they would require approval from the other regions and the WRU through the PRB. However, this condition is being viewed as very much as a 'nice headache to have' and something that could be negotiated positively. The cap doesn't preclude the club investing more in its business operational team or in rugby related infrastructure.

Chairman of the Dragons, David Buttress, has already confirmed he would support sustainable additional investment at Cardiff Rugby.

While not a condition of the takeover deal, the new owners are understood to be keen to explore ways they could support the ground's landlord to redevelop the ageing ground. CAC last year set up a special purpose venture, Cardiff Arms Park Redevelopment Company Ltd, to work up plans to redevelop the ground.

This could see a hotel with banqueting facilities integrated into a new stand replacing the existing smaller north stand. There is also potential for residential development at the River Taff end of the ground.

However, the immediate focus of Mr Kempe and Mr Griffith will be on extending the current short-term lease with CAC which expires next year.

Confirming the investment Cardiff Rugby chair Alun Jones said: "Following the passing of Peter Thomas, our long-standing president and benefactor, a number of interested parties, who

could invest in the club, were identified.

“We are delighted to now confirm that contracts have been exchanged with Helford Capital Ltd, who will become the company’s new owners pending a general meeting.

“Cardiff Rugby remain enormously grateful to Peter Thomas for his passionate and unwavering support over so many years and also to his family, who have stood beside us following his sad passing in March.

“We are also very grateful to a number of other significant shareholders, who have agreed to pass on the baton to Phil, Neal and their partners.

“This is a historic and significant moment for the club and we are all enormously excited about the future for Cardiff Rugby.

“We look forward to sharing the vision and strategy for the club to supporters in due course, and implementing it with Helford Capital at the helm.”

Craig Davies, speaking on behalf of Babs Thomas and the entire Thomas family, said: “Following the sad passing of Peter, the time was right to hand the baton on to others, those who possess the same passion and vision as Peter, and have the ability to lead and invest in the club.

“Peter gave so much to Cardiff Rugby, over so many decades and it is vitally important that the club is passed to the right people. We are entrusting Peter’s legacy to Phil and Neal and having known Phil for number of years, Neal for some time, and listened to their thorough plans, we know Cardiff is in safe hands and supporters can be confident they will deliver.

“We are enormously grateful to everyone who has been involved in this process and now look forward to continuing to visit the Arms Park, maintaining an active interest and cheering on the Blue and Blacks as supporters.”

As part of the deal Sir Gareth Edwards has agreed to become the club's honorary president.

## **Sign up to the BusinessLive Wales newsletter and follow us on LinkedIn**

As well as an in-depth early morning newsletter, we will be sending out regular breaking news email alerts. To sign up to this service [CLICK HERE](#)

### **LinkedIn**

And, follow us on [LinkedIn](#) to catch the latest stories and to network with the Welsh business community.