

Former Wasps chief spearheads bid for stricken Premiership Rugby club

A former boss of crisis-hit Wasps is spearheading a takeover bid for the Premiership Rugby club that could save it from the threat of relegation or extinction.

Sky News has learnt that David Armstrong, who stepped down as Wasps' chief executive in 2017, is working with Terminus Capital, an investment firm, on a bid to buy the club and its Coventry Arena stadium.

Sources close to the auction of Wasps, which is taking place just days before its holding company faces being plunged into administration, said the bid led by Mr Armstrong and Terminus Capital was worth more than £50m, with a further £12m earmarked for working capital.

Wasps, who play host to Northampton Saints in a Gallagher English Premiership match on Sunday afternoon, have been pushed to the brink of financial ruin by a debt pile which includes an unpaid tax bill owed to HM Revenue & Customs.

The club's parent company, Wasps Holdings, filed a notice of intention to appoint FRP Advisory, the restructuring firm, as administrator on 21 September.

This was followed by a second such notice last week.

Those filings buy companies 10 days of breathing space from creditors while they seek to find a way through their financial troubles.

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Wasps is one of the oldest clubs in English rugby, having been founded in 1867 in Hampstead, London.

It currently sits in 11th place in the 12-team table ahead of Sunday's match.

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'A powerful combination'

People close to the auction of Wasps say a solvent deal to buy the club and its stadium, either together or separately, is unlikely.

The Terminus Capital bid led by Mr Armstrong is said to have requested to Premiership Rugby Limited, the league's administrator, and the Rugby Football Union, the sport's governing body, that a deal executed through an administration process should not result in the club's relegation.

The game's authorities have the discretion to apply a points deduction rather than demotion in the event of something called a "no-fault administration", according to one rugby insider.

Wasps' stadium includes conference and banqueting facilities which are believed to have drawn interest from a number of other bidders which are not interested in buying the rugby club itself.

Oakwell Sports, one of the UK's leading sports-focused corporate finance firms, and its founder, Andrew Umbers, are said to be advising on Mr Armstrong's bid.

One rugby expert said the combination of Mr Armstrong's expertise and that of Oakwell provided a "powerful combination" which could secure Wasps' financial future.

"We have a plan of bringing about global talent and fostering a greater rugby community," said a person close to the offer.

'Discussions at a relatively advanced stage'

After stepping down as Wasps CEO, Mr Armstrong remained on its board as a non-executive director until 2021.

A statement last week from Wasps Holdings said: "Since filing the original notice of intention on 21 September, a number of additional potential investors and funders have come forward.

“Discussions are now at a relatively advanced stage, and we remain hopeful of securing a deal that will allow the group, and the entities that sit within it, to move forward.

“We would like to thank all stakeholders for their engagement during this process, and in particular the constructive support and approach provided by the RFU (Rugby Football Union) and PRL (Premiership Rugby).

“This will continue to be vitally important as negotiations with interested parties proceed and we remain in regular dialogue with both organisations.

‘Extremely challenging’ financial circumstances

“While the financial circumstances facing the group are extremely challenging, we remain optimistic about a positive outcome and will keep our players, staff, supporters, partners, bond holders and suppliers updated as this process moves forward.”

Mr Armstrong could not be reached for comment on Sunday.

Wasps’ plight comes as [Worcester Warriors, another member of the English top flight, also faces existential questions](#), having seen its parent company appoint Begbies Traynor as administrators last week.

The financial challenges affecting a number of clubs partly arose during the COVID pandemic but have raised broader questions about the sustainability of the professional game in England.