

Good Morning / Bore Da,

Please find the Welsh Rugby Union's audited annual report for the 2023 financial year, available at this link <https://community.wru.wales/the-wru/reports/> from 12 noon today, Thursday 25th June.

A draft version of the financial statements was first published last autumn and since then we have been working through the way in which certain transactions were accounted for with our new auditors.

The accounts describe the same turnover for the company (£101.3m) in the year, but for technical reasons the Group's recorded loss in 2023 and profit in 2022 are different after fair value movements in the options and investments associated with CVC Capital Partners transactions with the Six Nations, where the Group is a shareholder.

These fair value movements mean the accounts now show a loss of £14.0m for 2023 (previously stated as a £4.9m loss in November 2023) and a profit in the previous year, 2022, of £37.3m (previously stated as £2.9m profit in November 2023).

The annual report also shows that during the year, despite the tough financial climate the game faced, the WRU was able to increase its investment in Welsh rugby to £65.3m, up £2.4m or 3.8% on the previous year.

This same description of the amount re-invested in the game can be found in the draft accounts published in November, which helps illustrate that the Group's trading performance has remained unaffected.

The WRU has a stated policy of maximum reinvestment into the game annually, rather than retaining profits.

Most of the changes that have been made are to non-cash items.

These adjustments are historical and there is little effect on our on-going business due to restatements made.

They are set firmly in the past and do not impact the trading performance of the Group.

We should also note that we are not alone as a rugby union in this, with other unions around the UK and overseas in similar positions.

The WRU announced its new five-year headline '**One Wales**' strategy last month with a vision to '**unite people and inspire passion in our Welsh rugby nation**'.

The vision is underpinned by a mission and commitment to '**work together to create exceptional experiences and opportunities for everyone through our game**'.

The strategy promises a wide-ranging plan to grow income through a review of every facet of the professional game and other revenue streams.

Since the closing of the financial year in June 2023, we have continued to face challenging financial circumstances, performing below the forecasts set for the 2024 financial year.

We are in the process of agreeing a capital repayment holiday on the repayment terms of certain loan agreements, the terms of which we would mirror in the related onward lends to the regional clubs.

And we are implementing a number of cost savings for the 2025 financial year and beyond, in order to ensure a sustainable financial performance in the short and long term, while also maximising our investment in rugby.

Our ambition is to make progressive choices which will reimagine what has gone before and we will share wider details and decisions underpinning our plan in autumn 2024.

To read the WRU Annual Report click here <https://community.wru.wales/the-wru/reports/> from 12 noon today.

With the abridged report published in November 2023 and a 2022/23 season review available at on the same page.

A Welsh language version of the introduction to the report, which makes similar points to those highlighted above, can be found on the Welsh Rugby Union (WRU) website.

Yours,

Abi



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Values: Excellence | Integrity | Success | Courage | Family | Humour
Gwerthoedd: Rhagoriaeth | Cywirdeb | Llwyddiant | Dewrder | Teulu | Hiwmor

