

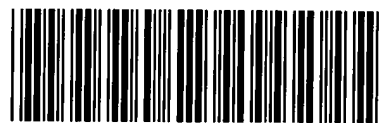
Registration number: 04187289

## Wasps Holdings Limited

Annual Report

For the Year Ended 30 June 2021

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## **Wasps Holdings Limited**

### **Contents**

Chairman's Report	1 – 2
Strategic Report	3 – 11
Directors' Report	12 – 13
Statement of Directors' Responsibilities	14
Independent Auditor's Report	15 – 18
Consolidated Income Statement	19
Consolidated Statement of Comprehensive Income	20
Consolidated Statement of Financial Position	21
Company Statement of Financial Position	22
Consolidated Statement of Changes in Equity	23
Company Statement of Changes in Equity	24
Consolidated Statement of Cash Flows	25
Company Statement of Cash Flows	26
Notes to the Financial Statements	27 – 61

# **Wasps Holdings Limited**

## **Company Information**

### **Directors**

D A Richardson

N J Eastwood

L N Dallaglio

R N Dawbarn

R W Gray

C J Holland

### **Company Secretary**

N J Eastwood

### **Registered office**

Coventry Building Society Arena

Judds Lane

Longford

Coventry

CV6 6AQ

### **Auditor**

Mazars LLP

Tower Bridge House

St Katharine's Way

London

E1W 1DD

## Wasps Holdings Limited

### Chairman's Report for the Year Ended 30 June 2021

This was our sixth full year at the Coventry Building Society Arena (formerly “the Ricoh Arena”), a year which saw the Wasps Group continue to invest as a business whilst navigating the unprecedented challenges that COVID-19 presented. The impact that COVID-19 has had since March 2020 on the industries that the business operates in has been significant, with the closure of the Arena to most events from 21 March 2020. This has resulted in significantly reduced revenues when compared with previous financial years, with the business having to pivot from the more traditional revenue generating activities by maximising the outdoor space at the venue as much as possible. Revenues (including other income) decreased year on year to £14.0m (2020: £22.6m), whilst the overall loss for the year was £7.4m (2020: £11.1m loss). This reflects the impact of COVID-19 offset by a £3.7m increase in the valuation of Wasps’ shareholding in Premiership Rugby.

In 2020, the business reacted quickly at the onset of the pandemic to keep our customers and team members safe, with several measures to preserve cash and reduce costs. The Group has continued in this vein during the 2020/21 financial year, supported by a number of UK Government measures to help ensure operational continuity throughout the crisis. These include the Coronavirus Job Retention Scheme (CJRS), deferral of employment tax payments, VAT payment deferrals, together with rates holidays afforded to the hospitality sector. Whilst we continue to keep a tight control of operational costs, we have begun to restart operations across a number of areas of our business in the Arena as the relaxation of restrictions has allowed. We remain vigilant as a business to the continued risk that COVID-19 poses, but optimistic about our future prospects as the events, hospitality, hotel and sports sectors recover.

Whilst the impact of COVID-19 has been significant, we strongly believe in the core elements of our strategy and business plan. We have quickly adapted to the ever-changing landscape, whilst retaining the key pillars that we believe will ensure we are successful going forward. A rationalisation of our cost base has ensured we are lean whilst still being in a position to benefit from opportunities in the market as they arise.

The Wasps Rugby team concluded the 2020/21 season in eighth place, following a thrilling final to conclude the 2019/20 season against Exeter Chiefs at Twickenham in October 2020. The team look forward to challenging for honours this season, in what is a very competitive league. We will continue to invest in the squad and facilities to push for a successful 2021/22 season by developing our existing team and attracting further world class talent. This includes moving into our new Elite Performance and Innovation Centre in Henley-in-Arden as the team’s training ground in September 2021, a huge step forward for the Club.

The Wasps Netball team finished seventh in the 2021 season, following the suspension of the 2020 season. We look forward to the netball team pushing for successes in the 2022 season. In addition, during the year we have strengthened our links with the Wasps Women’s Rugby Team, who finished third in the 2021 season, narrowly losing out to Harlequins in the play-off semi-final. We are confident and looking forward to the future success of the Wasps teams.

We were delighted to secure The Coventry Building Society as our new naming rights partner, on long term partnership lasting for the next ten years. This, together with the return of Coventry City Football Club to the Arena for their home games, will ensure the Arena remains at the heart of the city and a focal point for our community.

A key pillar of our long term strategy is investment in the Arena and ensuring the continued high quality visitor experience. In this we have been supported by a grant totalling £5.2m, awarded by the Get Building Fund and the Coventry & Warwickshire Local Enterprise Partnership, which will be used to modernise and further improve our facilities, strengthening our competitive position as a world class venue.

The Coventry Building Society Arena remains hugely important to the local community and I look forward to celebrating key milestones over the next few years. We are a cornerstone venue for the City of Coventry during their year as the UK City of Culture in 2021 and in 2022, the Commonwealth Games will be in Birmingham and we will be a host venue, showcasing the Rugby Sevens, Judo and Wrestling. In the same year, we are a host venue for the rescheduled Rugby League World Cup.

## **Wasps Holdings Limited**

### **Chairman's Report for the Year Ended 30 June 2021**

This is the third year of our catering partnership with Delaware North who, with their considerable knowledge and experience, including working at Wembley, the London Stadium and the Emirates, have helped to optimise our fan and customer experience whilst also ensuring we are able to drive profitability in what has been a particularly challenging environment.

I am delighted to continue as the Chairman of the Group, supported by Nick Eastwood and Stephen Vaughan as senior leaders in the business. I would like to thank everyone involved in our organisation, from our players, to the Board, management, all our staff and to the wider community who have worked so hard and embraced the changes to make the past year one of progress. The Group is in a strong position to capitalise on the future opportunities available to us as one of the UK's leading sports, exhibition, conferencing and entertainment arenas.

We are grateful for the wonderful support we have received during the year, including throughout the pandemic. With the Coventry Building Society Arena now re-opened for business we look forward to welcoming back all our customers and guests.

A handwritten signature in black ink, appearing to read 'D A Richardson', with a long horizontal line extending from the end of the signature.

**D A Richardson**  
Chairman  
5 November 2021

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

#### FAIR REVIEW OF THE BUSINESS

##### The Group

The Group's principal activity is to play rugby union in the Gallagher Premiership, European cup and Allianz Premier 15s competitions, netball in the Vitality Superleague and to operate the Arena as a conference, exhibition and events venue. Wasps Holdings Limited own both Arena Coventry Limited (ACL) and IEC Experience Limited (IEC), both of which operate out of the Arena. Collectively the Company and these subsidiaries are referred to as the Group.

##### The Objective

Our overall objective is to operate the highest quality sport, business and entertainment venue in the Midlands. The Group objectives are directly linked to the performance of the Wasps rugby and netball teams and maximising the utilisation of the facilities at the Arena. The squad is based on working strictly within the limits of the Salary Cap and providing elite sports coaches and elite facilities to improve the team performance year on year. The Arena consists of 20,000 sqm of flexible event space including a 6,000 sqm pillar free indoor arena, 121 room hotel and 80 versatile suites. The playing objective is to continue to compete for honours in the Gallagher Premiership, European Cup competitions and the Vitality Superleague, a goal we believe to be realistic due to the investment in the players, coaches and support staff.

##### Key Performance Indications ("KPIs")

The Group measures its performance based on both financial and non-financial KPIs. The Group's KPIs together with explanations and commentary are as follows:

	Comment	2020/21	2019/20
League position	1	8 <sup>th</sup>	2 <sup>nd</sup>
Average attendance	2	n/a*	11,549
Adjusted operating loss	3	(£6.2m)	(£5.5m)
EBITDA	4	(£2.2m)	(£6.1m)
Exhibitions held	5	n/a*	34
Hotel RevPAR	6	n/a*	£62
F&B spend per head	7	n/a*	£6.64

- 1 League position – this is final position for both the 2020/21 and 2019/20 seasons.
- 2 Average attendance – being the average attendance for home games in the Gallagher Premiership and European cup competitions; higher attendances also drive improved match day spending on food and beverage and merchandise.
- 3 Adjusted operating loss - defined as the operating result before exceptional items, management fee, depreciation and amortisation.
- 4 EBITDA - defined as the operating result before depreciation, amortisation, taxation and finance costs;
- 5 Exhibitions held – represents the number of exhibitions that the Arena hosted in the year.
- 6 Hotel RevPAR – defined as the revenue per room available; this is a standard hotel industry measurement.
- 7 F&B spend per head – being the average amount spent on food and beverage per person at home rugby matches.

\* Note several KPIs are not applicable in the 2020/21 year due to reduced operational activity as a result of the impact of COVID-19 on the business.

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

#### Hospitality – IEC Experience

IEC strives to provide a best-in-class catering, exhibition, conference and hospitality service for visitors to the leisure destination. In July 2021, the Company entered its fourth year of its long-term strategic partnership with global hospitality giants, Delaware North Companies (UK) Hospitality Services Limited.

#### Arena – Arena Coventry and Arena Coventry 2006 (a subsidiary of ACL)

ACL has a long-term lease (232 years remaining) with Coventry City Council over the Coventry Building Society Arena. Leases over other operational space include new rentals, multi-year renewals and on-going tenancies. The property was valued in March 2021 at £52.4m (2020: £48.5m) by professional RICS valuers Gerald Eve LLP. This increase is due to the strength of the business plan going forward, e.g. a new naming rights contract with Coventry Building Society and a new long term deal with Coventry City Football Club, together with the ongoing capital improvements being made at the Arena. If forecast revenues are not reached as anticipated, there would be a negative impact on the valuation of the Arena.

#### Wasps Rugby

Wasps underlying income to 30 June 2021 decreased on the previous year due to reduced central incomes and the impact of COVID-19 restrictions.

The Group is looking to grow revenue levels in future years whilst carefully navigating the challenges presented by COVID-19. The policy of the Group is to continue to invest in the playing/coaching squad, whilst strictly adhering to the Salary Cap.

#### Wasps Netball

With the Superleague competition being cancelled in 2020, the team restarted the 2021 season behind closed doors. With several close losses, the team finished the season in seventh place. Netball provides an additional element to the Wasps brand and our presence in the West Midlands community.

### FINANCIAL PERFORMANCE

#### Summary

The Group generates its income principally from rugby matches, hospitality, sponsorship, central revenues, conferences, exhibitions and other events. The utilisation of the facilities is paramount to the Group.

	2021	2020
	£'m	£'m
Revenue	13.1	21.4
Cost of sales	(9.7)	(16.9)
Gross profit	3.4	4.5
Gross margin	26%	21%
Other income	0.9	1.2
Administrative expenses	(10.5)	(11.2)
Operating loss before exceptional items, management fee, depreciation and amortisation	(6.2)	(5.5)
Management fee receivable / (payable)	0.3	(0.6)
Valuation gain on investment in PRL	3.7	-
Operating loss before taxation, finance costs, depreciation and amortisation	(2.2)	(6.1)
Depreciation and amortisation	(2.1)	(2.4)
Operating loss before taxation, finance costs, depreciation and amortisation	(4.2)	(8.5)
Finance costs	(3.7)	(4.0)
Loss before tax	(8.0)	(12.5)

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

#### Revenues

##### Group revenue contribution

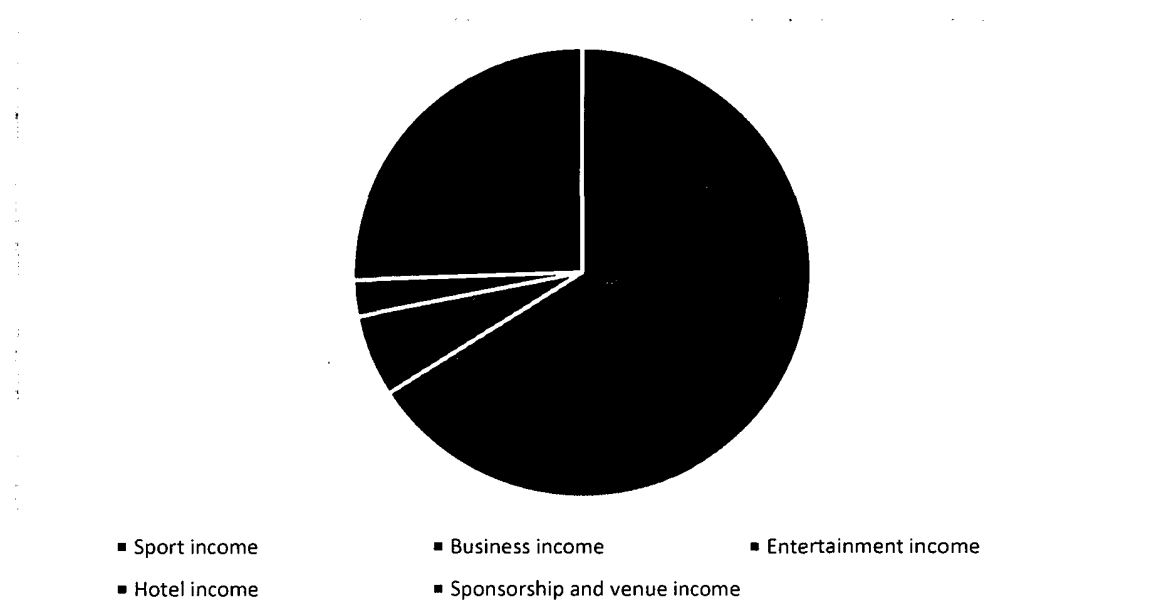
The Group's revenues comprise the following:

	2021	2020
	£'m	£'m
Wasps	8.6	8.9
ACL	3.2	3.1
IEC	1.3	9.4
<b>Total Revenue</b>	<b>13.1</b>	<b>21.4</b>

##### Revenue by segment

The diversification of the Group's business provides both financial stability and opportunities to drive complementary revenue streams from each event at the Arena. The information below provides an update and demonstrates the diversified income streams within the Group:

##### Segment Income 2020/21



##### Sport

Central rugby income (being mainly broadcasting and central sponsorship revenues) has increased over the previous year, with an element of the central income relating to the 2019/20 season being released from deferred income into the 2020/21 financial year. The Rugby team saw six games from the 2019/20 season and the entire 2020/21 season being played in the 12 months to 30 June 2021.

##### Business

Food and beverage sales decreased year on year, due to the closure of the venue in March 2020 following the COVID-19 outbreak.



## **Wasps Holdings Limited**

### **Strategic Report for the Year Ended 30 June 2021**

#### Entertainment

Concerts by The Killers and Rammstein originally due to take place in 2020 have now been rescheduled for May and June 2022 respectively due to the restrictions imposed in relation to COVID-19. We also have a number of indoor concerts / events planned during the 2021/22 financial year, which include the Specials in September 2021 and the MOBOs in December 2021. We are seeing returning demand from consumers for entertainment and experiences and continue to seek to attract further events in the short to medium term.

#### Hotel

The DoubleTree by Hilton was closed to most business due to COVID-19 restrictions. RevPAR in 2020 was £62.

#### Sponsorship and venue

Sponsorship and partnership income increased year on year with some income deferred from the 2019/20 season into the year ended 30 June 2021 in line with recommencement of the season in August 2020.

There have been no further developments made since the April 2019 High Court decision dismissing the challenge that Coventry City Council's extension of ACL's lease on the Coventry Building Society Arena in 2015 represented state aid.

#### **Cost of sales and administrative expenses**

Costs of sales represent the direct costs of staging rugby and football matches and business events at the Arena, whilst administrative expenses represent the costs of managing the Group. Direct and overhead costs have decreased by 28% as detailed in note 5. There has been further investment in the playing squad and coaching staff, which is matched by an increase in funding from Premier Rugby and the RFU. Our policy is to invest in the team, whilst fully complying with the Premiership Salary Cap regulations, providing the Head Coach with the best possible opportunity to achieve success.

#### **Indebtedness**

Consolidated senior net debt stood at £43.6m as at 30 June 2021 (2020: £38.1m). Net debt is defined as bank loans, overdraft, finance company loans, less cash balances. As at 30 June 2021 the balance was £60.5m (2020: £56.4m), which comprised Wasps Finance PLC £35.2m (2020: £33.8m), DA Richardson £18.3m (2020: £18.3m), other loans £6.8m (2020: £nil), asset finance £0.9m (2020: £2.0m) and net bank overdrafts of £2.1m (2020: £1.8m), offset by cash balances held of £1.4m (2020: £0.2m).

#### **Valuations**

The Group revalued the property located at Judds Lane on which the stadium is located in March 2021. The valuation carried out by Gerald Eve, an independent valuer, brought the total value in the financial statements to £52.4m (2020: £48.5m), of which £6.9m represents the share of the Arena which is currently leased to Rank Group Gaming Division Limited for its casino operations at the Coventry Building Society Arena. This increase is due to the strength of the business plan going forward, together with the ongoing capital improvements being made at the Arena. If forecast revenues are not reached as anticipated, there would be a negative impact on the valuation of the Arena.

The Invested Units investment in Premier Rugby Limited have been recognised at their fair value of £17.6m (2020: £13.9m). The current valuation as at 30 June 2021 of £17.6m is based on management's review of the annual valuation update provided by Premier Rugby Limited.

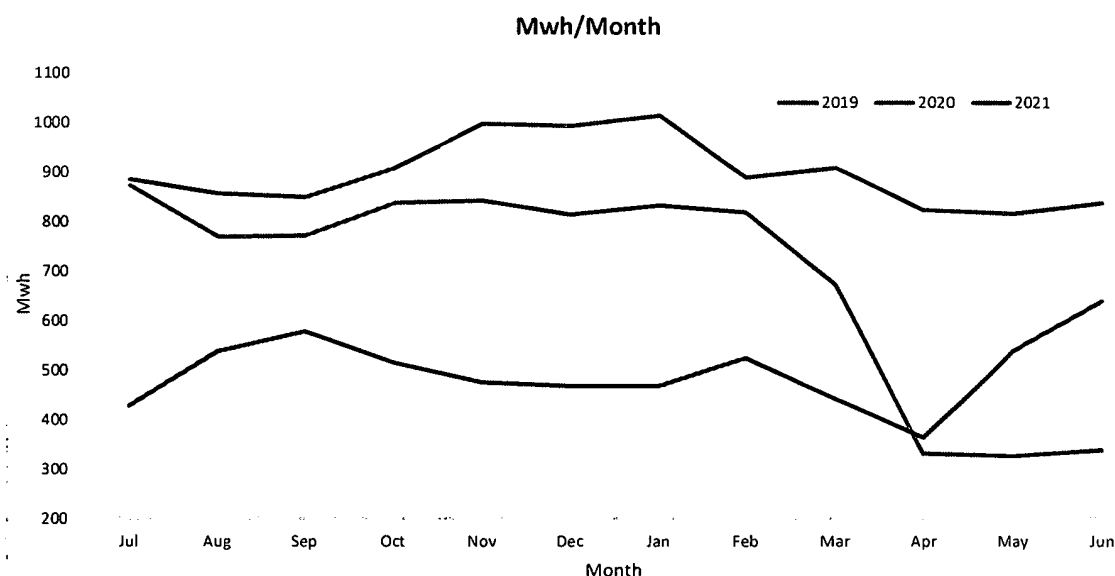
The total value of the Arena and Invested Units at 30 June 2021 was £70.0m (2020: £62.4m).

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

#### Energy Consumption

The operations of the stadium require the largest use of energy within the Group. Below is a summary of electricity and gas usage over the year to 30 June 2021 and two prior periods. Steps taken to reduce energy use have been successful. Other types of energy use have not been considered as they are minimal in comparison. Energy consumption has fallen significantly since March 2021 due to the UK lockdown restrictions in place.



KPIs are as below:

	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2020
Annual Consumption (Mwh)	5,988	10,509
Greenhouse Gases (tonnes CO <sub>2</sub> e)	1,620	2,921
Mwh/Employee	29	43

Ongoing measures are being undertaken to reduce the Group's carbon footprint, including further investment on energy saving initiatives, e.g. an on-site CHP plant, electric vehicle charging points and a replacement LED lighting project.

#### Exceptional items and management fee receivable / payable

The Group's definition of exceptional is based on the classification of non-recurring items as such to enable the normal financial performance of the Group to be better understood. In the current year, the revaluation of the Premier Rugby investment has been deemed exceptional. During the prior year, no costs or income have been deemed exceptional.

Whilst Delaware North does not have any shareholding interest, the management fee receivable / payable represents a profit share type arrangement included within the contractual supply agreement.

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

The Group's exceptional items comprise the following:

	2021 £m	2020 £m
Revaluation of Premier Rugby investment	3.7	-
Total	3.7	-

#### Finance costs

The Group's finance costs comprise the following:

	2021 £m	2020 £m
Interest due to Wasps Finance PLC	2.3	2.3
Interest on leases under IFRS16 (Note 12a)	0.1	0.1
Other interest payable	0.2	-
Amortisation of bond transaction costs	-	0.3
Shareholder interest on loan balance	0.7	0.8
Interest on deferred consideration	0.4	0.4
Total	3.7	3.9

#### Directors' indemnities

The Group has maintained directors' and officers' liability insurance throughout the year for the benefit of the Group, the directors and its officers.

#### COVID-19

The UK Government's public health restrictions, which have meant the closure of the Coventry Building Society Arena to most events between March 2020 and July 2021, have had a significant impact on the Group's business and operations.

The Group's management had prepared for the possibility of UK lockdown and therefore was able to implement its closedown plan effectively and efficiently. Alongside UK Government support initiatives, including the CJRS and the cash savings as a result of the one-year deferral of business rates, together with the deferral of VAT and PAYE payments, management has taken a number of actions to reduce costs, preserve cash and maintain liquidity.

Management has worked with relevant stakeholders and is pursuing further initiatives to support the Group during this period of UK lockdown and through to the reopening of the Coventry Building Society Arena. As part of its reopening plans, the Group has reviewed its business strategy for a post COVID-19 environment and for the long term. The Group has a comprehensive reopening plan in place, with detailed operating procedures to ensure team member and visitor health and wellbeing. It has already held a number of positive conversations with customers already impacted by the UK Government restrictions and successfully rescheduled a number of events into the next financial period.

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

#### GOING CONCERN

Details of the directors' assessment of going concern are set out in Note 2.

#### BREXIT

We have considered the potential impact of Brexit on the Group and whilst there may be significant effects for the wider economy which could in turn affect the Group's performance, we have not identified any specific risk that is material enough to require further disclosure here.

#### S.172 STATEMENT

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders, which will have an impact on the long-term success of the company.

This S172 statement explains how the Directors:

- have engaged with employees, members, suppliers, customers and others; and
- have regard to employee and members' interests, the need to foster the Group's business relationships with suppliers, customers and others, and the effect, including on the principal decisions taken by the company during the financial year.

This S172 statement focuses on matters of strategic importance to the Group, and the level of information disclosed is consistent with the size and the complexity of the Group's business.

#### General confirmation of Directors' duties

The directors discuss certain financial and strategic matters that have been determined as key to the business and requiring further consideration and approval. The directors satisfy themselves that emerging and principal risks are identified and understood, and systems of risk management, compliance and controls are in place to mitigate such risks.

When making decisions, each director ensures that they have acted in the way that they consider, in good faith, would most likely promote the Group's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

#### S172(1) (A) "The likely consequences of any decision in the long term"

The directors understand the business and the evolving environment in which they operate. The Group's purpose is to create a sustainable business and win further accolades for our sports teams. This is balanced with keeping staff well-being and safety paramount, as well as social responsibility being fundamental to our business approach.

#### S172(1) (B) "The interests of the company's employees"

The Group's long-term success is predicated on the commitment of our employees to our purpose, and their demonstration of our values on a daily basis. The directors recognise that our employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

#### **S172(1) (C) “The need to foster the company’s business relationships with suppliers, customers and others”**

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, regulating bodies and delivery partners. The Group seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. The Group continuously assesses the priorities related to customers and those with whom we do business, and the Group engages with the businesses on these topics, for example, within the context of the Group’s business strategy requirements.

#### **S172(1) (D) “The impact of the company’s operations on the community and the environment”**

This aspect is inherent in our strategic ambitions. The Community team deliver a range of activities to the local community. See further detail included in the Strategic report.

#### **S172(1) (E) “The desirability of the company maintaining a reputation for high standards of business conduct”**

The directors monitor compliance with relevant governance standards to help assure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

#### **S172(1) (F) “The need to act fairly as between members of the company”**

After weighing up all relevant factors, the directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on all stakeholders. In doing so, our directors act fairly as between the Group’s members.

#### **Culture**

The directors recognise that they have an important role in assessing and monitoring so that our desired “high performance” culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships. The Group’s commitment and policies on Health and Safety are designed to help protect employees, people and the environment. The Group strives to maintain a diverse and inclusive culture.

### **PRINCIPAL RISKS AND UNCERTAINTY**

For the Group the principal risks and uncertainties continue to be:

#### **Failure to meet Wasps Finance PLC bond covenants**

Impact: Wasps penalised financially through increased interest rate or immediate bond repayment.

Mitigation: Detailed long-term business plan with sensitivity analysis to support covenants. Removal of the EBITDA covenant from the terms and conditions of the bond. See note 2 for further detail.

#### **Failure to refinance the Wasps Finance PLC bond**

Impact: Wasps penalised financially through sale of assets to repay bond liability.

Mitigation: Discussions with various corporate finance advisors regards refinancing options available.

#### **Closure of the Arena due to unforeseen circumstances / ongoing COVID-19 restrictions**

Impact: Reduced revenue from events at the Arena.

Mitigation: Insurance to cover lost profits (based on budget) reviewed twice per year for forecast changes and updated with insurance company. Utilisation of UK Government support schemes and restructuring of the business.

#### **Success of the first team and relegation from the Gallagher Premiership**

Impact: Reduced revenues that would necessarily involve a reduction in expenditure to compensate. Mitigation: Continued investment in the playing squad and coaching staff to ensure playing performance is at the very least maintained.

## Wasps Holdings Limited

### Strategic Report for the Year Ended 30 June 2021

**Reduced funding from the RFU, PRL and main sponsors**

Impact: Reduced revenue from central contracts and sponsors.

Mitigation: Continued development of players who will feature in England/International squads thus maximising certain elements of revenue from the RFU and PRL. Utilising sponsorship money to improve infrastructure and customer experience thus improving match day spend per head.

**Failure to comply with Premiership or RFU regulations or changes in regulations**

Impact: Wasps penalised financially for non-conformance to regulations.

Mitigation: Maintain regulation returns and inspection reports as per regulations, particularly in relation to Salary Cap and minimum standards reporting.

**Valuation of Arena materially lower than revaluation**

Impact: Asset cover reduced for Bondholders.

Mitigation: Use professional valuation companies to provide accurate valuation on a biennial basis. Long term contracts and income growth to support valuation.

**Conference and exhibition growth targets not met**

Impact: Reduced revenues from conference and exhibition business, resulting in reduced profits.

Mitigation: Provision for long term contracts and dedicated sales and marketing team, providing 12-month order book and maximising competitive yield and margin.

Approved by the Board and signed on its behalf by:



**N J Eastwood**

Director

5 November 2021

## **Wasps Holdings Limited**

### **Directors' Report for the Year Ended 30 June 2021**

The directors present their report and the financial statements for the year ended 30 June 2021. Certain elements usually noted within the Directors' Report (including details on employees and key performance indicators) are included in the Strategic Report in the preceding pages.

#### **General overview**

In May 2015 Wasps Finance PLC, a sister company to the Group, raised £35m by issuing a Retail Bond on the London Stock Exchange. The Group (excluding IEC) is a guarantor to this Retail Bond and has drawn down £33.8m from Wasps Finance PLC.

A consequence of being the guarantor of the Retail Bond is that the Group is required to produce these audited annual financial statements in accordance with International Financial Reporting Standards. Therefore, these consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### **Dividends**

The directors do not recommend the payment of a dividend (2020: £nil).

#### **Directors of the Group**

The directors who held office during the year were as follows:

D A Richardson

N J Eastwood

R N Dawbarn

R W Gray

L N Dallaglio

C J Holland

D J Armstrong (resigned 26 May 2021)

M J Robertson (resigned 13 Jan 2021)

#### **Company secretary**

The company secretary who held office during the year was as follows:

N J Eastwood

#### **Financial instruments**

The financial risk management objectives and policies of the Group and the exposure of the Group to credit risk, liquidity risk and interest rate risk are included in note 26.

#### **Going concern**

Details of the directors' assessment of going concern are set out in Note 2.

#### **Employees with Disabilities**

Applications for employment by persons with disabilities are always fully considered and appropriate arrangements made. In the event that members of staff suffers a disability, every effort is made to ensure that appropriate adjustments and additional training is arranged as required.

#### **Employee consultation**

The Group places value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance on the Group. This is achieved through regular formal and informal meetings and in-house communications.

## **Wasps Holdings Limited**

### **Directors' Report for the Year Ended 30 June 2021**

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Post year-end events**

There have been no significant events after the balance sheet date.

#### **Future developments**

For the financial year to 30 June 2022, the Board is concentrating on responding to the challenges imposed by COVID-19 and the refinancing of the Wasps Finance Bond. As at October 2021, the Board had begun discussions regarding the refinancing of the bond on or before the scheduled maturity date in May 2022.

#### **Re-appointment of auditor**

Mazars LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'N J Eastwood', written over a faint, stylized circular or oval shape.

**N J Eastwood**

Director

5 November 2021



**Wasps Holdings Limited**  
**Statement of Directors' Responsibilities**  
**for the Year Ended 30 June 2021**

The directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS's have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Wasps Holdings Limited

### Independent auditor's report to the members of Wasps Holdings Limited

#### Opinion

We have audited the financial statements of Wasps Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates the existence of a material uncertainty which may cast significant doubt over the group's and the parent company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company were to be unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

#### Explanation of material uncertainty

Wasps Holdings Limited and its subsidiary, Arena Coventry Limited, are required to repay loans from Wasps Finance PLC in order for Wasps Finance PLC to meet the scheduled repayment of its retail bonds in May 2022. Wasps Holdings Limited and Arena Coventry Limited are also required to meet interest obligations on those loans so that Wasps Finance PLC can meet its interest obligations on the retail bonds prior to redemption.

The group is currently pursuing various refinancing options to enable the repayment of amounts owed to Wasps Finance PLC and, in turn, to facilitate the redemption of the retail bonds in 2022. However, the directors have drawn attention to the risk that refinancing may not be successful and, if successful, may not be completed in time for the scheduled redemption of the retail bonds.

## **Wasps Holdings Limited**

### **Independent auditor's report to the members of Wasps Holdings Limited**

The directors have reviewed and approved medium term forecasts including various stress-test scenarios each reflecting the expected ongoing impact of COVID-19, and covering more than 12 months from the date of signing these financial statements. These forecasts show that the group continues to be dependent on the financial support of its ultimate shareholder, Derek Richardson, with additional financial contributions needed to fund ongoing cash flow requirements, including payment of interest on loans from the company.

The directors have obtained a letter of support from Derek Richardson and, based on the undertakings in this letter, are satisfied that he will continue to provide the necessary financial contributions for the foreseeable future. However, this letter of support is not legally binding, and the directors have drawn attention to the risk that ultimate shareholder support is not forthcoming in disclosing a material uncertainty relating to the going concern basis of preparation of the financial statements. As stated in note 2, the directors have concluded that the above risks indicate the existence of a material uncertainty that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In forming our conclusions over going concern, we have gained an understanding of the status of the ongoing refinancing activities being undertaken by the group through discussion with the management and with their appointed agent. We have also reviewed the medium term forecasts, key assumptions within these forecasts, and the letter of support received from the group's ultimate shareholder. We also evaluated the adequacy and appropriateness of the directors' disclosures in respect of their assessment of going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

## **Wasps Holdings Limited**

### **Independent auditor's report to the members of Wasps Holdings Limited**

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the parent company and their industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

In identifying and assessing risks of material misstatement in respect of irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- At the planning stage of our audit, gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which it operates and considered the risk of acts by the company which were contrary to the applicable laws and regulations;

## Wasps Holdings Limited

### Independent auditor's report to the members of Wasps Holdings Limited

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- During the audit, focusing on areas of laws and regulation that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the group's and the parent company's regulatory and legal correspondence and review of minutes of directors' meetings in the year. We also considered those other laws and regulations that have a direct impact on the preparation of the financial statements, such as Companies Act 2006 and UK tax legislation.

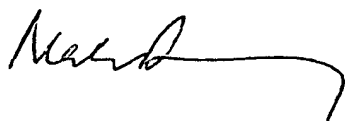
Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.
- The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



William Neale Bussey (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date: 5 NOVEMBER 2021

**Wasps Holdings Limited**  
**Consolidated Income Statement**  
**for the Year Ended 30 June 2021**

		2021	2020
	Note	£'000	£'000
Revenue	4	13,060	21,389
Cost of sales	5	<u>(9,709)</u>	<u>(16,914)</u>
		3,351	4,475
Other income	4	949	1,166
Administrative expenses	5	<u>(10,458)</u>	<u>(11,207)</u>
Operating loss before exceptional items, management fee, depreciation and amortisation		(6,158)	(5,566)
Exceptional items	6	3,687	-
Management fee receivable / (payable)	6	<u>306</u>	<u>(553)</u>
Operating loss before taxation, finance costs, depreciation and amortisation		<u>(2,165)</u>	<u>(6,119)</u>
Depreciation and amortisation	12, 12a, 14	(2,081)	(2,368)
Operating loss		<u>(4,246)</u>	<u>(8,487)</u>
Finance costs	7	<u>(3,738)</u>	<u>(3,957)</u>
Loss before tax		<u>(7,984)</u>	<u>(12,444)</u>
Taxation	11	541	1,295
Loss for the year		<u>(7,443)</u>	<u>(11,149)</u>

The above results were derived from continuing operations.

The accompanying notes are an integral part of these financial statements.

# Wasps Holdings Limited

## Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2021

		2021	2020
	Note	£'000	£'000
Loss for the year		<u>(7,443)</u>	<u>(11,149)</u>
<b>Other comprehensive income / (loss) for the year that will not be reclassified to profit and loss</b>			
Surplus / (deficit) on revaluation of long leasehold property	12	3,947	(2,299)
Income tax effect	11	<u>(2,775)</u>	<u>(210)</u>
		1,172	(2,509)
Total comprehensive expense for the year		<u><u>(6,271)</u></u>	<u><u>(13,658)</u></u>
<b>Total comprehensive expense attributable to:</b>			
Owners of the company		<u><u>(6,271)</u></u>	<u><u>(13,658)</u></u>

The accompanying notes are an integral part of these financial statements.

# Wasps Holdings Limited

## Consolidated Statement of Financial Position as at 30 June 2021

		2021	2020
Assets	Note	£'000	£'000
<b>Non-current assets</b>			
Property, plant and equipment	12	54,305	47,783
Right of use assets	12a	1,052	1,475
Investment properties	13	6,900	6,800
Intangible assets	14	526	660
Financial assets at fair value	16	17,552	13,865
		<b>80,335</b>	<b>70,583</b>
<b>Current assets</b>			
Inventories	17	281	369
Trade and other receivables	18	3,743	3,429
Cash and cash equivalents	19	1,432	699
		<b>5,456</b>	<b>4,497</b>
<b>Total assets</b>		<b>85,791</b>	<b>75,080</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	20	(776)	(776)
Share Premium		(6,341)	(6,341)
Revaluation reserve		(25,312)	(24,140)
Capital contribution reserve		(2,964)	(638)
Accumulated losses		61,865	54,422
Equity attributable to owners of the company		<b>26,472</b>	<b>22,527</b>
<b>Total Equity</b>		<b>26,472</b>	<b>22,527</b>
<b>Non-current liabilities</b>			
Loans and other borrowings	21	(24,031)	(20,230)
Other payables	24	(7,963)	(8,325)
Deferred tax liabilities	11	(9,466)	(7,232)
Deferred Income	25	(10,637)	(11,300)
		<b>(52,097)</b>	<b>(47,087)</b>
<b>Current liabilities</b>			
Trade and other payables	24	(14,152)	(10,702)
Loans and other borrowings	21	(38,091)	(36,407)
Deferred income	25	(7,923)	(3,411)
		<b>(60,166)</b>	<b>(50,520)</b>
<b>Total liabilities</b>		<b>(112,263)</b>	<b>(97,607)</b>
<b>Total equity and liabilities</b>		<b>(85,791)</b>	<b>(75,080)</b>

The accompanying notes are an integral part of these financial statements.

Approved by the Board on 5 November 2021 and signed on its behalf by:



N J Eastwood, Director



# Wasps Holdings Limited

## Company Statement of Financial Position as at 30 June 2021

(Registration number: 04187289)

		2021	2020
	Note	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	2,099	73
Intangible assets	14	10	17
Investments	15	5,917	5,917
Financial assets at fair value	16	17,552	13,865
		<u>25,578</u>	<u>19,872</u>
<b>Current assets</b>			
Inventories	17	74	128
Trade and other receivables	18	2,219	1,865
Cash and cash equivalents	19	769	284
		<u>3,062</u>	<u>2,277</u>
<b>Total assets</b>		<u>28,640</u>	<u>22,149</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	20	(776)	(776)
Share Premium		(6,341)	(6,341)
Capital contribution reserve		(2,637)	(554)
Accumulated losses		54,802	50,854
<b>Total Equity</b>		<u>45,048</u>	<u>43,183</u>
<b>Non-current liabilities</b>			
Loans and other borrowings	21	(22,227)	(18,250)
Trade and other payables	24	(4,255)	-
Deferred tax liabilities	11	(2,553)	(2,095)
		<u>(29,035)</u>	<u>(20,345)</u>
<b>Current liabilities</b>			
Trade and other payables	24	(10,896)	(11,066)
Loans and other borrowings	21	(31,661)	(32,576)
Deferred income	25	(2,096)	(1,345)
		<u>(44,653)</u>	<u>(44,987)</u>
<b>Total liabilities</b>		<u>(73,688)</u>	<u>(65,332)</u>
<b>Total equity and liabilities</b>		<u>(28,640)</u>	<u>(22,149)</u>

The Company's loss after tax for the year was £3.9m (2020: loss of £8.8m). The accompanying notes are an integral part of these financial statements.

Approved by the Board on 5 November 2021 and signed on its behalf by:



N J Eastwood, Director

## Wasps Holdings Limited

### Consolidated Statement of Changes in Equity for the Year Ended 30 June 2021

	Share Capital	Share Premium	Capital Contribution reserve	Revaluation reserve	Accumulated losses	Equity attributable to owners of the company	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>As at 30 June 2019</b>	<b>776</b>	<b>6,341</b>	<b>638</b>	<b>26,788</b>	<b>(43,412)</b>	<b>(8,869)</b>	<b>(8,869)</b>
Revaluation	-	-	-	(2,299)	-	(2,299)	(2,299)
Income tax effect	-	-	-	(210)	-	(210)	(210)
Transfers	-	-	-	(139)	139	-	-
Loss for the year	-	-	-	-	(11,149)	(11,149)	(11,149)
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,648)</b>	<b>(11,010)</b>	<b>(13,658)</b>	<b>(13,658)</b>
<b>As at 30 June 2020</b>	<b>776</b>	<b>6,341</b>	<b>638</b>	<b>24,140</b>	<b>(54,422)</b>	<b>(22,527)</b>	<b>(22,527)</b>
Capital contribution	-	-	-	-	-	-	-
Revaluation	-	-	-	3,947	-	3,947	3,947
Income tax effect	-	-	-	(2,775)	-	(2,775)	(2,775)
Capital contribution	-	-	2,326	-	-	2,326	2,326
Loss for the year	-	-	-	-	(7,443)	(7,443)	(7,443)
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>2,326</b>	<b>1,172</b>	<b>(7,443)</b>	<b>(3,945)</b>	<b>(3,945)</b>
<b>As at 30 June 2021</b>	<b>776</b>	<b>6,341</b>	<b>2,964</b>	<b>25,312</b>	<b>(61,865)</b>	<b>(26,472)</b>	<b>(26,472)</b>

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital.

Capital contribution reserve represents the interest on shareholder loan balances waived by the ultimate shareholder.

Revaluation reserve comprises gains and losses from the revaluation of the stadium and arena.

Accumulated losses includes all current and prior period retained profits and losses.

The accompanying notes are an integral part of these financial statements.

# Wasps Holdings Limited

## Company Statement of Changes in Equity for the Year Ended 30 June 2021

	Share Capital	Share Premium	Capital contribution reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000
<b>As at 30 June 2019</b>	<b>776</b>	<b>6,341</b>	<b>554</b>	<b>(42,026)</b>	<b>(34,355)</b>
Loss for the year	-	-	-	(8,828)	(8,828)
<b>Total comprehensive expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,828)</b>	<b>(8,828)</b>
<b>As at 30 June 2020</b>	<b>776</b>	<b>6,341</b>	<b>554</b>	<b>(50,854)</b>	<b>(43,183)</b>
Capital contribution	-	-	2,083	-	2,083
Loss for the year	-	-	-	(3,948)	(3,948)
<b>Total comprehensive income / expense</b>	<b>-</b>	<b>-</b>	<b>2,083</b>	<b>(3,948)</b>	<b>(1,865)</b>
<b>As at 30 June 2021</b>	<b>776</b>	<b>6,341</b>	<b>2,637</b>	<b>(54,802)</b>	<b>(45,048)</b>

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital.

Capital contribution reserve represents the interest on shareholder loan balances waived by the ultimate shareholder.

Accumulated losses includes all current and prior period retained profits and losses.

The accompanying notes are an integral part of these financial statements.

**Wasps Holdings Limited**  
**Consolidated Statement of Cash Flows**  
**for the Year Ended 30 June 2021**

		2021	2020
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Loss for the year		(7,443)	(11,149)
Net gain on financial asset at fair value through profit or loss		(3,687)	-
Depreciation and amortisation	12, 12a, 14	2,081	2,368
Loss on disposal of assets		256	-
Finance costs	7	3,738	3,957
Taxation	11	(541)	(1,295)
		<u>(5,596)</u>	<u>(6,119)</u>
<b>Working capital adjustments</b>			
Decrease in inventories	17	88	160
(Increase) / decrease in trade and other receivables	18	(314)	2,392
Increase in trade and other payables	24	3,760	2,555
Increase in deferred income	25	3,849	594
Net cash flows from / (used in) operating activities		<u>1,787</u>	<u>(418)</u>
<b>Cash flows used in investing activities</b>			
Acquisitions of intangible assets		-	(27)
Acquisitions of tangible assets		(4,332)	(1,629)
Net cash flows used in investing activities		<u>(4,332)</u>	<u>(1,656)</u>
<b>Cash flows from / (used in) financing activities</b>			
Interest paid		(2,246)	(2,353)
Repayment of lease liabilities		(414)	(425)
Interest paid on lease liabilities		(94)	(83)
Proceeds from other borrowing draw downs		6,841	1,210
Repayment of other borrowing		(625)	(983)
Net cash flows from / (used in) financing activities		<u>3,462</u>	<u>(2,634)</u>
Net increase / (decrease) in cash and cash equivalents		917	(10,409)
Cash and cash equivalents at 1 July		(1,592)	3,117
Cash and cash equivalents at 30 June (note 19)		1,432	699
Overdrawn balances at 30 June (note 21)		(2,107)	(2,291)
Net cash and cash equivalents at 30 June		<u>(675)</u>	<u>(1,592)</u>

The accompanying notes are an integral part of these financial statements.

# Wasps Holdings Limited

## Company Statement of Cash Flows for the Year Ended 30 June 2021

		2021	2020
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Loss for the year		(3,948)	(8,828)
Net gain on financial asset at fair value through profit or loss		(3,687)	-
Depreciation and amortisation	12,14	60	128
Loss on disposal of fixed assets		13	-
Finance costs		2,191	2,410
Taxation		458	(770)
		<u>(4,913)</u>	<u>(7,060)</u>
<b>Working capital adjustments</b>			
Decrease in inventories	17	54	21
Decrease in trade and other receivables	18	(354)	850
Increase in trade and other payables	24	4,017	4,271
Increase / (decrease) in deferred income	25	751	(769)
Net cash flows used in operating activities		<u>(445)</u>	<u>(2,688)</u>
<b>Cash flows used in investing activities</b>			
Acquisitions of intangible and tangible assets	12	<u>(2,092)</u>	<u>(22)</u>
Net cash flows used in investing activities		<u>(2,092)</u>	<u>(22)</u>
<b>Cash flows from / (used in) financing activities</b>			
Interest paid		(902)	(1,672)
Proceeds from other borrowing draw downs		6,840	1,577
Repayment of other borrowing		<u>(625)</u>	<u>(216)</u>
Net cash flows from / (used in) financing activities		<u>5,313</u>	<u>(311)</u>
Net increase / (decrease) in cash and cash equivalents		2,776	(3,021)
Cash and cash equivalents at 1 July		<u>(2,007)</u>	<u>1,014</u>
Cash and cash equivalents at 30 June (note 19)		769	284
Overdrawn balances at 30 June (note 21)		-	(2,291)
Net cash and cash equivalents at 30 June		<u>769</u>	<u>(2,007)</u>

The accompanying notes are an integral part of these financial statements

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 1 General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales.  
The address of its registered office is:

Coventry Building Society Arena  
Judds Lane  
Coventry  
CV6 6AQ

#### 2 Accounting policies

##### Statement of compliance

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") and the Companies Act 2006 applicable to companies reporting under IFRS.

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Basis of preparation

The financial statements have been prepared in accordance with IFRSs and under historical cost accounting rules, as modified by the revaluation of land and buildings and financial assets measured at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a larger degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group financial statements are disclosed in note 3.

##### New standards, amendments and IFRIC interpretations

There were no material changes from the adoption of the following standards (effective 30 June 2020):

- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures
- IFRIC 23 Uncertainty over Income Tax Treatments
- Annual Improvements to IFRSs: 2015 – 2017 cycle

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Company loss for the year

As permitted by section 408 of the Companies Act 2006, the holding company's Statement of Comprehensive Income has not been included in these financial statements. The Group's results for the year includes the Company's loss after tax for the year of £3.9m (2020: loss after tax £8.8m).

#### Going concern

The Wasps Holdings Group (the "Group") has net liabilities of £26.5m (2020: net liabilities of £22.5m) and made a loss after tax of £7.4m (2020: loss after tax of £11.1m) in the current year and has net current liabilities of £54.7m (2020: net current liabilities of £46.1m).

The board of directors of the Group and Group's ultimate shareholder are committed to making the Group financially viable, including initiating a series of projects to increase both matchday and non-matchday (e.g. conference and exhibitions, hotels and concerts) revenues and manage costs accordingly.

In order to assess the adequacy of the financial facilities available to the Group, the directors have reviewed and approved financial projections and various stress test analyses, each reflecting the expected impact of COVID-19, to assess whether the Group can remain within its committed lending facilities and can meet the financial covenants associated with the retail bond. These projections indicate that the Group will require additional funding within the next 12 months to remain within its lending facilities and to meet the financial covenants. The directors anticipate that this funding will be obtained from government support through Sport England and/or financial support from the ultimate shareholder.

The directors of the Company have obtained a letter of support from the Group's ultimate shareholder outlining a continued commitment to the Group, and are satisfied that this support will continue to be forthcoming for the foreseeable future. However, this letter of support is not legally binding. If ultimate shareholder support were to be required and were not to be forthcoming, the Group may not have sufficient cash, without securing additional funding, to meet its ongoing liabilities and may not be able to meet the financial covenants associated with the retail bond. Consequently there would be a material uncertainty which may cast doubt about the Group's, and the Company's, ability to continue as a going concern and therefore about the going concern basis of preparation of these financial statements.

Wasps Finance PLC is dependent on Wasps Holdings Limited and Arena Coventry Limited being in a position to repay its loans so that it can meet the scheduled redemption of the retail bonds in 2022. The directors and senior management are considering various refinancing options in this regard. Although the directors are confident that the refinancing will be successful, as with any such exercise, there is a risk that refinancing may not be completed prior to the scheduled redemption of the bonds in 2022. Consequently, there would be a material uncertainty which may cast significant doubt about the Group's, and the Company's, ability to continue as a going concern and therefore about the going concern basis of preparation of these financial statements.

At the date of approval of the financial statements, the directors are confident that additional funding will be secured, that any required ultimate shareholder support will be forthcoming, and that the anticipated refinancing will be completed prior to the scheduled redemption of the bonds in May 2022, and have therefore continued to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

#### Bondholder Consent Solicitation Process

On 12 November 2020, the Company agreed with its bondholders to, amongst other proposals, remove the EBITDA covenants from the terms and conditions of the bond effective from and including the year ended 30 June 2020 (the Consent Solicitation). The agreement was also aimed at restoring the Wasps Group's financial position as soon as possible, including increasing the maximum permissible levels of debt and removing the requirement to hold £1.1m on account with the trustees, and facilitating the Wasps Group's plans to refinance the bond on or before the scheduled maturity date in May 2022.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Basis of consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2021.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest they acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

#### Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts. Revenue is recognised when performance obligations have been satisfied and when it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. An asset is transferred when (or as) the customer obtains control of that asset.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company activities.

An entity transfers control of a service over time and therefore, satisfies a performance obligation and recognises revenue over time, e.g. over the rugby season, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Revenue is recognised in respect of match-day income, including season tickets, match-day tickets, executive boxes, hospitality packages and other match-day income, when the relevant match takes place.

For annual income streams such as central funding and sponsorship arrangements, revenue is recognised in equal instalments across the relevant period.



## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

Sponsorship, rental and service charge income are recognised over the period that services are offered. Conference and exhibitions, hotel, hospitality, catering and facilities management services income is recognised at the point that the services are provided.

Income received relating to events to be delivered in future periods are included as deferred income until the revenue recognition criteria are met. Revenue received in relation to license fees is included in deferred income and released to income over the life of the license.

Where a material obligation to provide a refund due to a return of goods or cancellation of an event has taken place, a liability of the value of goods or services sold is recognised.

Due to COVID-19, a number of events have been delayed into the 2021/22 financial period. Where a customer has paid prior to 30 June 2021 and is liable to a refund, these amounts have been classified within Other Creditors within current liabilities within the statement of financial position. Where funds received prior to 30 June 2021 are to be utilised for events in future periods, these amounts are classified within Deferred Income within current liabilities.

#### Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises

from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Property, plant and equipment

Property, plant and equipment excluding the Arena leasehold is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Land and buildings comprise mainly the Arena. The Arena is shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed every 2 years by independent valuers and reviewed by management in the intervening years, to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Increases in the carrying amount arising on revaluation of the Arena are credited to other comprehensive income and shown as revaluation reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from 'retained earnings' to 'revaluation reserve'.

#### Depreciation

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings - Arena	Over the life of the lease
Land and buildings - Other	Over the life of the lease
Fixtures, fittings and equipment	Between 2% and 50% per annum on a straight-line basis

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

#### Assets in the course of construction

Assets in the course of construction are stated at cost and are not depreciated until they are transferred to the completed asset class when ready for use.

#### Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Short-term leases, with a duration or contractual obligation of less than 12 months, have been accounted for in accordance with the recognition exemption in IFRS 16 and hence related payments are expensed as incurred. The Group also made use of the option to apply the recognition exemption for low value assets (with a value of less than the equivalent value of \$5,000), which means that related payments have been expensed as incurred.

#### **Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or Groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### **Intangible assets – software costs**

Intangible assets – software costs are initially measured at cost less any accumulated amortisation and impairment losses.

These assets are amortised (and charged to administrative expenses with the profit and loss account) over their estimated useful life when the assets are completed and ready for use, as assessed by management. The estimated useful life of capitalised software costs is 3-5 years.

#### **Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on management's review of the biennial external valuation performed by an accredited external independent valuer (in accordance with RICS Appraisal and Valuation Standards) and forecast cash flows modelling.

#### **Investments in subsidiaries**

Investments in subsidiaries are included at cost less any accumulated impairment losses.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### **Trade and other receivables**

Trade receivables are amounts due from customers for conference and exhibitions sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at the transaction price. Trade and other receivables are measured at amortized cost, using the effective interest method.

## **Wasps Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **Inventories**

Inventories are stated at the lower of purchase cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Provisions**

By their nature, provisions are dependent upon estimates and assessments as to whether the criteria for recognition have been met, including estimates of the probability of cash outflows. Provisions for redundancy and exit costs involve management's judgment in estimating the expected cash outflows for severance payments and other exit costs.

#### **Borrowings**

Borrowings are recognised initially at fair value (usually recorded at the amount of proceeds received), net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

#### **Rental income**

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Contingent rents are recognised as revenue in the period in which they are earned.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

#### **Defined contribution pension obligation**

Defined contribution plan contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Financial assets

##### Classification

The Group classifies its financial assets in the following categories: financial assets at amortised cost and financial assets at fair value measured through profit and loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (a) Financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

##### (b) Financial assets at fair value through profit and loss

The Group measures at fair value through profit and loss if the following conditions are met:

- the financial asset is not held within a business model with the objective of both holding to collect contractual cash flows and selling;
- the contractual terms of the financial asset do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Investments in subsidiaries are included at cost less any accumulated impairment losses.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the income statement in the period in which they arise.

#### Impairment

##### Assets carried at amortised cost

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

#### Financial liabilities

##### Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate one year method.

## **Wasps Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### **3 Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical judgements in applying the Group's accounting policies**

##### **Going Concern**

The going concern assumptions have been detailed in note 2, Accounting Policies, and the critical judgements outlined here are all based upon that policy.

##### **Amortisation, depreciation and residual values**

The directors have reviewed the asset lives and associated residual values of all tangible and intangible fixed asset classes and have concluded that the asset lives and residual values are appropriate.

##### **Key accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Valuation of the Arena and investment properties**

The Group assesses the value of Arena on an annual basis in accordance with the accounting policy stated in note 2. This valuation follows the principles of IFRS 13 and is based on an income approach. This approach requires estimation of the future income streams, length of the leasehold and a number of other market-based assumptions. Any changes in these assumptions will impact the carrying value of the Arena. As at 30 June 2021, management have revised the valuation at £52.4m (2020: £48.5m), following an independent valuation by Gerald Eve, the chartered surveyors, valuing the Arena as at 30 March 2021. Whilst the year end date and the date of the valuation differ by three months, management have assessed the possibility of a material difference identified by Gerald Eve as not significant for the purposes of the year-end valuation. Gerald Eve have noted that, in general, in respect of the valuation of trade related properties, e.g. the Arena, they have had fewer examples to base their valuation, as there has been a marked reduction in market activity and property transactions due to the impact of COVID-19.

##### **Valuation and classification of the investment in Premier Rugby Limited ("PRL") as a financial asset at fair value measured through profit or loss**

During the year to 30 June 2019, PRL restructured and the company was awarded equivalent shares in the new holding company PRL Investor Limited. The Group follows the guidance of IFRS 9 to determine the classification of the Accrued Units and Invested Units investment in PRL Investor Limited. These different shares have contractual rights to income from PRL through a license, service and commercial rights agreement that allocates income to different unit types, whose allocation to the different rugby clubs is linked to the different types of shares held in PRL Investor Limited, specifically Invested Units. The Group has evaluated that the investment in PRL Investor Limited meets the definition of an equity instrument measured at fair value through profit and loss in accordance with the accounting policy stated in note 2.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

The valuation of the Accrued Units and Invested Units was initially provided by PRL based on independent advice, sought at the time of the restructuring. As at June 2021, the Invested Units investment in Premier Rugby Limited have been recognised at their fair value of £17.6m (2020: £13.9m). The current valuation as at 30 June 2021 of £17.6m is based on management's review of the annual valuation update provided by Premier Rugby Limited.

The board has conducted its own review of the fair value of this investment and, given the recent timing of the transaction with CVC and modelling assumptions made, concur with the valuation attributed to the Invested Units by PRL. The Accrued Units have been held at nil value as they cannot be independently sold, and therefore allocated a fair value under International Financial Reporting Standards. The ownership of the assets are highly restricted due to the terms of the shareholder agreement pertaining to the invested units.

Whilst there is a belief the investment by CVC in PRL in March 2019 will enable PRL to significantly enhance the value of commercial income, this is in the early stages of development and therefore in the judgement of the board, should not be factored into the valuation. Any changes to the expected future cash inflows, estimates made relating to the discount rate or changes to the share structure / percentage in the future could result in a materially different valuation to that recorded as at 30 June 2021.

#### IFRS 9

In assessing whether there are any indicators of impairment against each financial asset based on the expected credit loss model under IFRS 9, management have made a number of judgements to determine whether there are any expected credit losses to be recognised. These judgements have considered the future potential impact of COVID-19 which could detrimentally impact on the recoverability of debtor balances. Management have also made a number of judgements in deciding which category each financial asset falls into under IFRS 9.

#### Accrued and deferred income

The financial statements are prepared in accordance with the accruals concept. In preparing the financial statements under this concept, there are a number of judgements and estimations made by management over the accrued and deferred income balances to be recognised. A number of events which were due to take place in the financial period have been postponed until post year-end due to the COVID-19 outbreak. Management have made judgements based on whether these events will subsequently take place and in determining an appropriate level of deferred income to recognise. Where a customer has the right to refund due to a cancelled or postponed event, income received has been classified within Other creditors due within one year.

#### 4 Revenue and other income

The analysis of the Group's revenue and other income for the year from continuing operations is as follows:

	2021	2020
	£'000	£'000
Sport income	8,631	9,096
Conference and events income	774	6,643
Entertainment income	-	284
Hotel income	341	1,724
Sponsorship and venue income	3,314	3,642
	<b>13,060</b>	<b>21,389</b>
Other income	<b>949</b>	<b>1,166</b>

Other income relates to government grants received of £949k (2020: £1,166k) in relation to the Coronavirus Job Retention Scheme. Sponsorship and venue income includes £663k (2020: £582k) in respect of the release of deferred income for license fees received in advance.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 5 Expenses by nature

The analysis of the Group's expenses by nature from continuing operations is as follows:

	2021	2020
	£'000	£'000
Wages and salaries	10,795	13,534
Food, drink and bought in goods and services	3,004	5,333
Utilities	1,312	1,461
Repairs and maintenance	638	956
Rent and rates	290	634
Concert / event / match day related	172	395
Legal and professional	523	357
Ticketing	56	115
Marketing	290	554
Retail	311	469
Insurance	255	264
Selling and administration	1,174	1,644
Other	1,347	2,405
<b>Total</b>	<b>20,167</b>	<b>28,121</b>

#### 6 Exceptional items and management fee receivable / (payable)

##### Exceptional items

	2021	2020
	£'000	£'000
Revaluation of Premier Rugby investment	3,687	-
<b>Total</b>	<b>3,687</b>	<b>-</b>

The Group's definition of exceptional is based on the classification of non-recurring items as such to enable the normal financial performance of the Group to be better understood. During the prior year, no costs or income have been deemed exceptional. In the current year, the revaluation in the Premier Rugby investment has been deemed exceptional.

##### Management fee receivable / (payable)

The management fee receivable / payable are contractual rights, under the supply agreement between IEC Experience Ltd and Delaware North, to a share in profits and losses of IEC Experience Limited.



## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 7 Finance costs

	2021	2020
	£'000	£'000
Interest due to Wasps Finance PLC	2,275	2,275
Interest on leases under IFRS16 (Note 12a)	70	83
Loan and overdraft interest	299	78
Amortisation of bond transaction costs	-	330
Shareholder interest on loan balance	689	786
Interest on deferred consideration	405	405
<b>Total</b>	<b>3,738</b>	<b>3,957</b>

£215k of bond transaction costs forecast to be charged to profit and loss over the period to May 2022 (the original bond repayment date) have been charged to the profit and loss in the year ended 30 June 2020 due to the covenant breach requiring repayment of the bond liability on demand.

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	9,579	12,021
Social security costs	1,062	1,321
Pension costs, defined contribution scheme	154	192
	<b>10,795</b>	<b>13,534</b>

The average monthly number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	2021	2020
	No	No
Players	61	62
Management and administration	145	180
	<b>206</b>	<b>242</b>

#### 9 Directors' and key management remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£'000	£'000
Aggregate emoluments	186	201
Contributions paid to money purchase scheme	23	25
	<b>209</b>	<b>226</b>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

During the year the number of directors who were receiving benefits was as follows:

	2021	2020
	No	No
Accruing benefits under money purchase pension scheme	2	2
	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2021	2020
	£'000	£'000
Remuneration	50	81
Contributions paid to money purchase scheme	16	16
	<u>66</u>	<u>97</u>

Key management includes the statutory directors of the Group and other members of the executive board. The compensation paid or payable to key management for employee services is shown below:

	2021	2020
	£'000	£'000
Aggregate emoluments	734	1,417
Contributions paid to money purchase scheme	28	40
	<u>762</u>	<u>1,457</u>

In the year ended 30 June 2021, £nil (2020: £552k) was charged to the Statement of Comprehensive Income in relation to compensation for loss of office to members of the key management group of employees.

#### 10 Auditor's remuneration

	2021	2020
	£'000	£'000
Audit of these financial statements	70	76
Audit of the financial statements of subsidiaries of the company pursuant to legislation	81	89
	<u>151</u>	<u>165</u>

No non-audit services were provided to the Group in the years ended 30 June 2021 and 30 June 2020.

# Wasps Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 11 Taxation

#### Income Tax

	£'000	£'000
Current tax	-	-
Deferred tax:		
Origination and reversal of timing difference	(1,037)	-
Effect of increased tax rate on opening balance	496	452
Increase in available losses available for use against deferred tax liabilities	-	(1,747)
<b>Total tax credit</b>	<b>(541)</b>	<b>(1,295)</b>

#### Factors affecting tax charge for the year

The tax on loss before tax (2020: tax on loss before tax) for the year is different to the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	2021	2020
	£'000	£'000
Loss before tax	(7,984)	(12,444)
Corporation tax at standard rate	(1,517)	(2,364)
Additional non-deductible expenses	84	269
Increase from effect of expenses not deductible in determining taxable loss	353	378
Remeasurement of deferred tax for changes in tax rates	539	452
R&D tax credits received in respect of prior years	-	(30)
<b>Total tax credit</b>	<b>(541)</b>	<b>(1,295)</b>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 11 Taxation

##### Deferred Tax

##### Group - Deferred tax assets and (liabilities)

2021	Asset £'000	Liability £'000
Revaluation of property	-	(8,437)
Financial liabilities at Fair Value	-	(2,654)
Financial assets at Fair Value	-	(4,389)
Trading losses	6,014	-
	<b>6,014</b>	<b>(15,480)</b>

2020	Asset £'000	Liability £'000
Revaluation of property	-	(5,662)
Financial liabilities at Fair Value	-	(2,017)
Financial assets at Fair Value	-	(2,635)
Trading losses	3,082	-
	<b>3,082</b>	<b>(10,314)</b>

Deferred tax movement during the year:

	At 30 June 2020	Recognised in other comprehensive income	(Charged) / credit to the income statement	At 30 June 2021
	£'000	£'000	£'000	£'000
Revaluation of property	(5,662)	(2,775)	-	(8,437)
Financial assets at Fair Value	(2,635)	-	(1,754)	(4,389)
Financial liabilities at Fair Value	(2,017)	-	(637)	(2,654)
Trading losses	3,082	-	2,932	6,014
<b>Net tax liabilities</b>	<b>(7,232)</b>	<b>(2,775)</b>	<b>541</b>	<b>(9,466)</b>

Deferred tax movement during the prior year:

	At 1 July 2019 (as restated)	Recognised in other comprehensive income	(Charged) / credit to the income statement	At 30 June 2020
	£'000	£'000	£'000	£'000
Revaluation of property	(5,452)	(210)	-	(5,662)
Financial assets at Fair Value	(2,358)	-	(277)	(2,635)
Financial liabilities at Fair Value	(1,805)	-	(212)	(2,017)
Trading losses	1,298	-	1,784	3,082
<b>Net tax liabilities</b>	<b>(8,317)</b>	<b>(210)</b>	<b>1,295</b>	<b>(7,232)</b>

There are £45.8m of unused tax losses (2020: £45.6m) for which no deferred tax asset is recognised in the statement of financial position. There is an unrecognised deferred tax asset of £3.9m (2020: £4.0m) relating to unclaimed capital allowances. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements which has resulted in a deferred tax charge of £0.5m (2020: £1.3m) in the current year.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 11 Taxation

##### Deferred Tax

##### Company - Deferred tax assets and (liabilities)

<b>2021</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets at Fair Value	-	(4,389)
Financial liabilities at Fair Value	-	(2,654)
Trading losses	4,490	-
	<b>4,490</b>	<b>(7,043)</b>

<b>2020</b>	<b>Asset</b>	<b>Liability</b>
	<b>£'000</b>	<b>£'000</b>
Financial assets at Fair Value	-	(2,635)
Financial liabilities at Fair Value	-	(2,017)
Trading losses	2,557	-
	<b>2,557</b>	<b>(4,652)</b>

##### Deferred tax movement during the year:

	<b>At 30 June 2020</b>	<b>Recognised in other comprehensive income</b>	<b>(Charged) / credit to the income statement</b>	<b>At 30 June 2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Financial assets at Fair Value	(2,635)	-	(1,754)	(4,389)
Financial liabilities at Fair Value	(2,017)	-	(637)	(2,654)
Trading losses	2,557	-	1,933	4,490
<b>Net tax liabilities</b>	<b>(2,095)</b>	<b>-</b>	<b>(458)</b>	<b>(2,553)</b>

##### Deferred tax movement during the prior year:

	<b>At 1 July 2019 (as restated)</b>	<b>Recognised in other comprehensive income</b>	<b>(Charged) / credit to the income statement</b>	<b>At 30 June 2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Financial assets at Fair Value	(2,358)	-	(277)	(2,635)
Financial liabilities at Fair Value	(1,805)	-	(212)	(2,017)
Trading losses	1,298	-	1,259	2,557
<b>Net tax liabilities</b>	<b>(2,865)</b>	<b>-</b>	<b>770</b>	<b>(2,095)</b>

There are £37.2m of unused tax losses (2020: £37.2m) for which no deferred tax asset is recognised in the statement of financial position.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 on 17 March 2020, which increased the UK corporation tax rate from 19% to 25%. The rate applicable from 1 April 2023 now increases to 25%.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 12 Tangible fixed assets

##### Group

	Long-term leasehold property £'000	Other land & buildings - leasehold £'000	Fixtures, fittings & equipment £'000	Assets in the course of construction £'000	Total £'000
<b>Cost or valuation</b>					
<b>At 30 June 2019</b>	<b>44,200</b>	<b>3,706</b>	<b>10,958</b>	<b>10</b>	<b>58,874</b>
Additions	-	44	907	-	951
Revaluation	(2,533)	-	-	-	(2,533)
<b>At 30 June 2020</b>	<b>41,667</b>	<b>3,750</b>	<b>11,866</b>	<b>10</b>	<b>57,293</b>
Disposals	-	(279)	(10,585)	-	(10,864)
Additions	-	291	64	3,977	4,332
Transfers	-	10	-	(10)	-
Revaluation	3,833	-	-	-	3,833
<b>At 30 June 2021</b>	<b>45,500</b>	<b>3,772</b>	<b>1,345</b>	<b>3,977</b>	<b>54,594</b>
<b>Accumulated Depreciation</b>					
<b>At 30 June 2019</b>	<b>47</b>	<b>1,581</b>	<b>6,257</b>	<b>-</b>	<b>7,885</b>
Charge for the year	187	388	1,284	-	1,859
Revaluation	(234)	-	-	-	(234)
<b>At 30 June 2020</b>	<b>-</b>	<b>1,969</b>	<b>7,541</b>	<b>-</b>	<b>9,510</b>
Charge for the year	180	367	973	-	1,520
Disposals	-	(279)	(10,329)	-	(10,608)
Revaluation	(133)	-	-	-	(133)
<b>At 30 June 2021</b>	<b>47</b>	<b>2,057</b>	<b>1,815</b>	<b>-</b>	<b>289</b>
<b>Carrying Value</b>					
<b>At 30 June 2021</b>	<b>45,453</b>	<b>1,715</b>	<b>3,160</b>	<b>3,977</b>	<b>54,305</b>
At 30 June 2020	41,667	1,781	4,325	10	47,783
At 30 June 2019	44,153	2,391	5,418	10	51,972

Management have revised the valuation of the Arena as at 30 June 2021 at £52.4m (2020: £48.5m) based on the valuation which was performed by professional valuers, Gerald Eve LLP, an accredited independent valuer. £6.9m (2020: £6.8m) of this valuation has been classified as an investment property (see note 13). The valuation was carried out in accordance with RICS Appraisal and Valuation Standards.

In the absence of level 1 and 2 information (prices based on quoted information), the valuation of the Arena has been based on using the best information available to management (level 3). See note 3 for further detail around the valuation methodology.

The Group (excluding IEC) are guarantors of the Retail Bond held within Wasps Finance PLC. The bond is secured against the leasehold property and financial assets at fair value (i.e. Invested Units).

The original historical cost of the Arena is £18.2m.

**Wasps Holdings Limited**  
**Notes to the Financial Statements for the Year Ended 30 June 2021**

**12 Tangible fixed assets**

**Company**

	Land and Buildings £'000	Fixtures, fittings and equipment £'000	Assets in the course of construction £'000	Total £'000
<b>Cost</b>				
<b>At 30 June 2019</b>	<b>250</b>	<b>1,919</b>	<b>-</b>	<b>2,169</b>
Additions	-	1	-	1
<b>At 30 June 2020</b>	<b>250</b>	<b>1,920</b>	<b>-</b>	<b>2,170</b>
Additions	-	12	2,080	2,092
Disposals	(250)	(1,381)	-	(1,631)
<b>At 30 June 2021</b>	<b>-</b>	<b>551</b>	<b>2,080</b>	<b>2,631</b>
<b>Accumulated Depreciation</b>				
<b>At 30 June 2019</b>	<b>250</b>	<b>1,723</b>	<b>-</b>	<b>1,973</b>
Charge for the year	-	124	-	124
<b>At 30 June 2020</b>	<b>250</b>	<b>1,847</b>	<b>-</b>	<b>2,097</b>
Disposals	(250)	(1,368)	-	(1,618)
Charge for the year	-	53	-	53
<b>At 30 June 2021</b>	<b>-</b>	<b>532</b>	<b>-</b>	<b>532</b>
<b>Carrying Value</b>				
<b>At 30 June 2021</b>	<b>-</b>	<b>19</b>	<b>2,080</b>	<b>2,099</b>
<b>At 30 June 2020</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>73</b>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 12a Right of use assets

##### Group

	Other land & buildings - leasehold £'000	Fixtures, fittings and equipment £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>				
At 30 June 2020	626	1,042	381	2,049
<b>Additions</b>				
At 30 June 2021	626	1,042	381	2,049
<b>Accumulated Depreciation</b>				
At 30 June 2020	278	205	91	574
Charge for the year	154	190	79	423
At 30 June 2021	432	395	170	997
<b>Carrying Value</b>				
At 30 June 2021	194	647	211	1,052
At 30 June 2020	348	837	290	1,475

As at 30 June 2021, there are £nil (2020: £nil) right of use assets held within the Company.

The discount rate utilised for the purposes of IFRS 16 is dependent on the lease contract and ranges from 6.5% to 28%.

The expense relating to short term leases and those of low value incurred to the profit and loss account for the year totalled £114k (2020: £130k).

The total cash outflow for leases in the year totalled £528k (2020: £555k).

	Other land & buildings - leasehold £'000	Fixtures, fittings and equipment £'000	Computer Equipment £'000	Total £'000	Lease Liability £'000
<b>30 June 2020</b>	<b>348</b>	<b>837</b>	<b>290</b>	<b>1,475</b>	<b>(1,172)</b>
New Leases	-	-	-	-	-
Amount charged to operating profit - depreciation charge	154	190	79	423	-
Amount charged to operating profit -interest charge	-	-	-	-	(94)
Lease payments made in the year	-	-	-	-	414
<b>30 June 2021</b>	<b>194</b>	<b>647</b>	<b>211</b>	<b>1,052</b>	<b>(852)</b>



## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Right of use assets payment commitments

The Group has finance leases and hire purchase contracts for various items of plant and equipment. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Future minimum lease payments under finance leases and hire purchase contracts, together with the present value of the net minimum lease payments are, as follows:

	2021		2020	
	£'000	£'000	£'000	£'000
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	604	604	737	737
After one year but not more than five years	273	248	848	771
Total minimum payments	877	852	1,585	1,508

#### 13 Investment properties

	Investment properties £'000	Total £'000
<b>Fair value and carrying value</b>		
At 30 June 2020	6,800	6,800
Revaluation	100	100
At 30 June 2021	6,900	6,900
<b>Company</b>		
<b>Carrying value</b>		
At 30 June 2021	6,900	6,900
At 30 June 2020	6,800	6,800

The Group's investment properties consist of the share of the Arena which is currently leased to Rank Group Gaming Division Limited for its casino operations at the Coventry Building Society Arena. The direct operating expenses relating to the investment property are not allocated between the investment property and leasehold assets disclosed within tangible fixed assets.

As at 30 June 2021, the valuation was carried out by Gerald Eve LLP as at 31 March 2021, an accredited independent valuer, which valued the investment property interest at £6.9m, effectively a £0.1m fair value increase to the value of the investment property. The valuation was carried out in accordance with RICS Appraisal and Valuation Standards. See note 12 for further information regarding the valuation methodology.

In the absence of level 1 and 2 information (prices based on quoted information), the valuation of the investment property has been based on using the best information available to management (level 3). See note 3 for further detail around the valuation methodology.

# Wasps Holdings Limited

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 14 Intangible Assets

#### Group

	Software costs	Goodwill	Right of Use Assets	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
<b>At 30 June 2019</b>	<b>549</b>	<b>389</b>	<b>53</b>	<b>991</b>
Additions	27	-	-	27
<b>At 30 June 2020</b>	<b>576</b>	<b>389</b>	<b>53</b>	<b>1,018</b>
Additions	-	-	-	-
<b>At 30 June 2021</b>	<b>576</b>	<b>389</b>	<b>53</b>	<b>1,018</b>
<b>Amortisation</b>				
<b>At 30 June 2019</b>	<b>216</b>	<b>-</b>	<b>17</b>	<b>233</b>
Charge for the year	125	-	-	125
<b>At 30 June 2020</b>	<b>341</b>	<b>-</b>	<b>17</b>	<b>358</b>
Charge for the year	114	-	20	134
<b>At 30 June 2021</b>	<b>455</b>	<b>-</b>	<b>37</b>	<b>492</b>
<b>Net Book Value</b>				
<b>At 30 June 2021</b>	<b>121</b>	<b>389</b>	<b>16</b>	<b>526</b>
<b>At 30 June 2020</b>	<b>235</b>	<b>389</b>	<b>36</b>	<b>660</b>

	Computer Software £'000	Total £'000	Lease Liability £'000
<b>30 June 2020</b>	<b>36</b>	<b>36</b>	<b>(37)</b>
New Leases	-	-	-
Amount charged to operating profit - depreciation charge	(20)	(20)	-
Amount charged to operating profit -interest charge	-	-	(3)
Lease payments made in the year	-	-	19
<b>30 June 2021</b>	<b>16</b>	<b>16</b>	<b>(21)</b>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

The discount rate utilised for the purposes of IFRS 16 is 6.5%.

Goodwill represents the benefits and synergies acquired by the Group as a result of the acquisition of Arena Coventry Limited on 8 October 2014. Management have prepared forecasts and cashflow projections, including for the impact of COVID-19, based upon the value in use method, using a discount rate of 6.5% and a steady state 2% increase in underlying profits and determined that no adjustments are required. A period of greater than five years has been considered for management's impairment review given the long term nature of revenues associated with the operation of the Arena.

#### Company

	Software costs £'000	Total £'000
<b>Cost</b>		
<b>At 30 June 2020</b>	<b>21</b>	<b>21</b>
Additions	-	-
<b>At 30 June 2021</b>	<b>21</b>	<b>21</b>
<b>Amortisation</b>		
<b>At 30 June 2020</b>	<b>4</b>	<b>4</b>
Charge for the year	7	7
<b>At 30 June 2021</b>	<b>11</b>	<b>11</b>
<b>Net Book Value</b>		
<b>At 30 June 2021</b>	<b>10</b>	<b>10</b>
At 30 June 2020	17	17

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 15 Investments in subsidiaries

##### Group subsidiaries

Details of the group subsidiaries (all which are incorporated and whose principal place of business is England and Wales) as at 30 June 2021 are as follows:

Name of subsidiary	Principal activity	Company Registration number:	Proportion of ownership interest and voting rights	
			2021	2020
Arena Coventry Limited*	Management of the Coventry Building Society Arena	04440684	100%	100%
Arena Coventry(2006) Limited	Management of the lease of the Coventry Building Society Arena	05675263	100%	100%
IEC Experience Limited	Hospitality, catering and facilities management	08039699	100%	100%
Canmango Limited*	Dormant	08183843	100%	100%

\* indicates direct investment of Wasps Holdings Limited.

The registered address for each of the subsidiaries is Coventry Building Society Arena, Judds Lane, Coventry, CV6 6AQ. For information on the financial information of the above subsidiaries, please refer to their financial statements available at Companies House.

##### Summary of the company investments

	2021	2020
	£'000	£'000
Investments in subsidiaries	<u>5,917</u>	<u>5,917</u>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 16 Financial assets at fair value

	Group and Company	
	2021 £'000	2020 £'000
Non-current financial assets		
Financial assets at fair value through profit or loss	<u>17,552</u>	<u>13,865</u>
Movement in financial assets at fair value through profit or loss		
	Group and Company	
	2021 £'000	2020 £'000
<b>Cost</b>		
At 1 July	13,865	13,865
Revaluation	<u>3,687</u>	<u>-</u>
At 30 June	<u>17,552</u>	<u>13,865</u>
<b>Carrying amount</b>		
At 30 June	<u>17,552</u>	<u>13,865</u>

Financial assets at fair value through profit or loss represent the Group's holding of Invested Units. See note 3 for the basis of this valuation.

#### 17 Inventories

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Merchandise	74	128	74	128
Consumables	<u>208</u>	<u>241</u>	<u>-</u>	<u>-</u>
Total	<u>281</u>	<u>369</u>	<u>74</u>	<u>128</u>

Group and Company inventory is stated after provision for impairment of £74k (2020: £15k).

The amount of inventories recognised as an expense in the year is £211k (2020: £815k).

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 18 Trade and other receivables

	Group 2021	2020	Company 2021	2020
	£'000	£'000	£'000	£'000
Trade Receivables	2,136	2,183	1,036	1,063
Provision for the impairment of trade receivables	(290)	(197)	(20)	(133)
Net trade receivables	1,846	1,986	1,016	930
Accrued income	47	15	31	4
Prepayments	308	351	98	133
Other receivables	1,542	1,077	1,074	798
Total current trade and other receivables	3,743	3,429	2,219	1,865

In applying the simplified approach, the Group uses a 'probability of default' ('PD') approach. Under the PD approach, the expected credit losses are calculated using three main parameters:

- a counterparty PD (probability of default),
- expected LGD (loss given default) and;
- EAD (expected exposure at default).

In calculating the expected credit loss, the following formula is applied: Expected Credit Loss (ECL) = PD x LGD x EAD.

Probability of default - the Group's trade and other receivables materially arise from a variety of customers operating in diverse industries, with no significant exposure to one external trade or other receivable.

Loss given default – this differs by individual customer, with no significant exposure to one external trade or other receivable.

Exposure at default - the exposure at default is represented by the carrying amount of trade receivables. Applying the PD approach and a review of receivables on an individual basis, management has concluded that the expected credit loss on trade and other receivables is not material and the credit loss provision is appropriate at the reporting date.

An aged analysis of trade receivables that have not been impaired has been disclosed below:

	Group 2021	2020	Company 2021	2020
	£'000	£'000	£'000	£'000
Up to 3 months	821	670	288	182
3 to 6 months	71	234	25	77
6 months to 1 year	225	646	94	645
Over 1 year	729	436	609	26
	1,846	1,986	1,016	930

At 30 June 2021, the Group trade receivables of £1,846k (2020: £1,986k) and Company trade receivables of £1,016k (2020: £930k) were due, but not impaired. These relate to a number of independent customers for whom there is no recent history of default. Further information on the impairment provision for trade receivables has not been provided on the basis of materiality.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 19 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash at bank	1,432	699	769	284
	<b>1,432</b>	<b>699</b>	<b>769</b>	<b>284</b>

#### 20 Share Capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£'000	No.	£'000
Allotted, called up and fully paid shares				
Ordinary shares of £1 each	760,039	760	760,039	760
"B" Ordinary shares of £1 each	15,511	16	15,511	16
	<b>775,550</b>	<b>776</b>	<b>775,550</b>	<b>776</b>

The share classes in issue have separate rights to dividends. In all other respects the shares rank pari passu.

#### 21 Loans and other borrowings

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Non-current loans and Creditors</b>				
Other borrowings	24,031	20,230	22,227	18,250
	<b>24,031</b>	<b>20,230</b>	<b>22,227</b>	<b>18,250</b>

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Current loans and borrowings</b>				
Bank overdraft	2,107	2,291	-	2,291
Other borrowings	35,984	34,116	31,661	30,285
	<b>38,091</b>	<b>36,407</b>	<b>31,661</b>	<b>32,576</b>

The balance of the loan from Wasps Finance PLC was £35.2m (2020: £33.8m). As at 30 June 2021, the loan is repayable in May 2022 (2020: repayable on demand due to the covenant breach) and is subject to an interest rate of 6.5%. See Going Concern paragraphs in Note 2 for further information. A primary charge is registered over all of the assets of the Group by US Bank Trustees Limited as security for the £35m bond held by Wasps Finance PLC.

The balance of monies owed to Close Finance as at 30 June 2021 was £0.2m (2020: £0.3m).

The balance of monies owed to companies for Right of use assets as at 30 June 2021 was £0.7m (2020: £1.5m).

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

In the current year the Group had overdrafts totalling £2.1m at the year-end (2020: £2.3m), with AIB £2.1m overdrawn (2020: £1.8m overdrawn). This liability is guaranteed by the Company and D A Richardson.

The Group has also been provided with a loan of £18.3m (2020: £18.3m) from D A Richardson. The loan accrues interest at 4% above Barclays Bank PLC base rate and is repayable after giving 12 months and one day's notice. Three secondary charges are registered over all of the assets of the Group by Derek Richardson and Moonstone Holdings Limited (the immediate parent company) as security for funds advanced to the Group.

#### Company

At the year end, the Company's balance as borrowed from Wasps Finance PLC is £19.4m (2020: £19.4m). As at 30 June 2021, the loan is repayable in May 2022 (2020: repayable on demand) and is subject to an interest rate of 6.5%. See Going Concern paragraph in Note 2 for further information. A primary charge is registered over all of the assets of the Group by US Bank Trustees Limited as security for the £35m bond held by Wasps Finance PLC.

The Company has also been provided with a loan of £18.0m (2020: £18.0m) from D A Richardson. The loan accrues interest at 4% above Barclays Bank PLC base rate and is repayable after giving 12 months and one day's notice. Three secondary charges are registered over all of the assets of the Group by Derek Richardson and Moonstone Holdings Limited (the immediate parent company) as security for funds advanced to the Group. The Company had an overdraft at AIB of £nil at the year-end (2020: £2.3m). The Company has also been provided with a loan of £10.6m (2020: £10.6m) from a subsidiary Company, Canmango Limited. The loan is interest free and repayable within 12 months.

#### 22 Rental income

Future minimum rentals receivable under non-cancellable operating leases is as follows:

	2021	2020
	£'000	£'000
Within one year	1,101	533
After one year but not more than five years	4,779	2,503
More than five years	2,746	1,140
	<b>8,626</b>	<b>4,176</b>

Rental income recognised in the year end 30 June 2021 amounted to £1.5m (2020: £1.8m).

#### 23 Pension and other schemes

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and various private employee schemes and amounted to £171k in the year to 30 June 2021 (2020: £192k). The outstanding pension liability as at 30 June 2021 was £37k (2020: £37k).



## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 24 Trade and other payables

Current trade and other payables:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade Payables	4,672	4,645	1,461	913
Accrued expenses	1,309	1,283	579	693
Social security and other taxes	3,334	2,267	2,288	1,670
Amounts owed to group companies	-	-	6,441	6,658
Lease liabilities	604	737	-	-
Other payables	4,234	1,770	128	1,132
	<b>14,152</b>	<b>10,702</b>	<b>10,896</b>	<b>11,066</b>

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note. The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in note 26 - "Financial risk management and impairment of financial assets."

Non-current other payables:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Social security and other taxes	4,255	-	4,255	-
Lease liabilities	275	767	-	-
Other payables	3,433	7,558	-	-
	<b>7,963</b>	<b>8,325</b>	<b>4,255</b>	<b>-</b>

As at 30 June 2021, included within non-current other payables is a liability of £3,311k (2020: £6,635k) and £3,756k (2020: £nil) within current creditors which represents the deferred consideration for the purchase of the Compass shareholding in IEC and payable in full by June 2024. This liability has been discounted at 6.5%.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 25 Deferred income

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Non-current Deferred Income</b>				
Licence fee	10,637	11,300	-	-
	<b>10,637</b>	<b>11,300</b>	<b>-</b>	<b>-</b>
	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Current Deferred Income</b>				
Licence fee	663	663	-	-
Season tickets	1,036	378	1,036	378
Sponsorship	468	1,133	468	611
Other	5,756	1,237	592	356
	<b>7,923</b>	<b>3,411</b>	<b>2,096</b>	<b>1,345</b>

Revenue received in relation to license fees is included in deferred income and released to income over the life of the license.

#### 26 Financial instruments

##### Group

##### Financial assets

	Carrying value		Fair Value	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents	1,432	699	1,432	699
Loans and receivables	3,388	3,068	3,388	3,068
	<b>4,821</b>	<b>3,767</b>	<b>4,821</b>	<b>3,767</b>

##### Valuation methods and assumptions

There is no difference between the total carrying amount and the fair value of trade receivables and cash and cash equivalents. Further detail of cash and cash equivalents and trade and other receivables can be found in notes 18 and 19.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Financial assets measured at fair value through profit or loss

	Carrying value		Fair Value	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Investment in Premier Rugby Limited	17,552	13,865	17,552	13,865
	<b>17,552</b>	<b>13,865</b>	<b>17,552</b>	<b>13,865</b>

The Invested Units investment in Premier Rugby Limited have been recognised at their fair value of £17.6m (2020: £13.9m). The current valuation as at 30 June 2021 of £17.6m is based on management's review of the annual valuation update provided by Premier Rugby Limited.

There is no difference between the total carrying value and the fair value of Financial assets measured at fair value measured through profit or loss. Further detail can be found in note 3.

#### Financial liabilities (held at amortised cost)

	Carrying value		Fair Value	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade and other payables	12,339	13,973	12,339	13,973
Borrowings	60,015	54,346	60,015	54,346
Bank overdraft	2,107	2,291	2,107	2,291
	<b>74,461</b>	<b>70,610</b>	<b>74,461</b>	<b>70,610</b>

#### Description of instruments

##### Trade and other payables:

Further details of Group trade and other payables can be found in note 24.

##### Borrowings and bank overdraft:

Further details of Group borrowings can be found in note 21.

Financial liabilities are measured at amortised cost. There is no difference between the total carrying value and the fair value of trade and other payables.

#### Company

##### Financial assets

	Carrying value		Fair Value	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and cash equivalents	769	284	769	284
Trade and other receivables	2,090	1,728	2,090	1,728
	<b>2,859</b>	<b>2,012</b>	<b>2,859</b>	<b>2,012</b>

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

Valuation methods and assumptions: There is no difference between the total carrying amount of trade receivables and cash and cash equivalents. Further detail of cash and cash equivalents and trade and other receivables can be found in notes 18 and 19.

#### Financial liabilities (held at amortised cost)

	Carrying value		Fair Value	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade and other payables	8,029	8,702	8,029	8,702
Borrowings	53,887	48,535	53,887	48,535
Bank overdraft	-	2,291	-	2,291
	<b>61,916</b>	<b>59,528</b>	<b>61,916</b>	<b>59,528</b>

Trade and other payables:

Further details of company trade and other payable can be found in note 24.

Borrowings and bank overdraft:

Further details of company borrowings can be found in note 21.

Financial liabilities are measured at fair value.

#### Financial risk management and impairment of financial assets

The Group is exposed to risks arising from the use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them.

The principal financial instruments used by the Group, from which financial instruments risk arises, are trade receivables, cash and cash equivalents, trade and other receivables and financial liabilities. The Group is exposed through its operations to the following financial instrument risk: credit risk and liquidity risk. The policy for managing these risks, notably within a COVID-19 environment, is set by the Board. The overall objective of the Board is to set policies that reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The policy for each of the above risks is described in more detail below.

#### Credit risk and impairment

Credit risk arises from the Group's trade and other receivables. It is the risk that the counterparty fails to discharge their obligation in respect of the instrument. The Group is mainly exposed to credit risk from credit sales. It is the Group's policy, implemented locally, to assess the credit risk of new customers before entering into contracts. Such credit ratings are then factored into the credit assessment process to determine the appropriate credit limit for each customer. The Group does not enter into derivatives to manage credit risk. The carrying amount represents managements view of the best estimate of the Group's maximum exposure. All cash is held with A-rated banks.

#### Capital risk management

##### Capital components

The Group is both equity and debt funded, and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium and reserves and is equal to the amount shown as 'Total equity' in the statement of financial position. Debt comprises non-convertible loans as set out in note 21.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### Capital management

The Group's objectives when maintaining capital are:

To safeguard the Group's ability to continue as a going concern, so that it can continue for the benefit of stakeholders; and to ultimately provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount it borrows or sell assets to reduce debt.

During the year ended 30 June 2021, the Group's strategy, which is unchanged from the previous year, was to keep net debt to a minimum through prudent cash management.

#### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges on its borrowings. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The liquidity of each Group company is managed locally and monitored by the Board at Group level. The level of the Group's facilities is approved periodically by the Board and negotiated with the Group's current bankers. At the statement of financial position date, cash flow projections were considered by the Board and the Group is forecast to have sufficient funds and available funding facilities, including shareholder support, to meet obligations as they fall due, under all reasonably expected circumstances.

As at 30 June 2020, the covenant breach required the bond liability to be repaid on demand (and classified as a creditor due within one year). In November 2021, the bond trustees agreed to remove the adjusted EBITDA (to include shareholder loans and contributions) covenant from the terms and conditions of the bond held by Wasps Finance PLC effective from and including the year ended 30 June 2020. This in effect retained the original scheduled repayment date in May 2022. We continue to monitor the working capital requirements and tailor the financing requirements to ensure the Group will have sufficient funds to finance its ongoing trading requirements.

#### Maturity analysis

2021	Group (£'000)			Total
	Within 6 months	Within 1 year	After 1 to 15 years	
Trade and other payables	7,950	3,114	7,963	19,027
Other borrowings	2,691	35,400	24,031	62,122
	<b>10,641</b>	<b>38,514</b>	<b>31,994</b>	<b>81,149</b>

2020	Group (£'000)			Total
	Within 6 months	Within 1 year	After 1 to 15 years	
Trade and other payables	10,702	-	8,325	19,027
Other borrowings	33,840	-	22,797	56,637
	<b>44,542</b>	<b>-</b>	<b>31,122</b>	<b>75,664</b>

#### Changes in liabilities arising from financing activities

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

Movement in net debt	Group (£'000)			2021
	2020	Cash flows	Other	
Short-term borrowings	36,407	1,684	-	38,091
Long-term borrowings	20,230	3,801	-	24,031
	<b>56,637</b>	<b>5,485</b>	<b>-</b>	<b>62,122</b>

2020	Group (£'000)			2020
	2019	Cash flows	Other	
Short-term borrowings	772	1,795	33,840	36,407
Long-term borrowings	52,054	1,686	(33,510)	20,230
	<b>52,826</b>	<b>3,481</b>	<b>330</b>	<b>56,637</b>

Movement in net debt	Company (£'000)			2021
	2020	Cash flows	Other	
Short-term borrowings	30,285	1,376	-	31,661
Long-term borrowings	18,250	3,977	-	22,227
<b>Total liabilities from financing activities</b>	<b>48,535</b>	<b>5,352</b>	<b>-</b>	<b>53,887</b>

	Company (£'000)			2020
	2019	Cash flows	Other	
Short-term borrowings	242	34	30,009	30,285
Long-term borrowings	46,195	1,734	(29,679)	18,250
<b>Total liabilities from financing activities</b>	<b>46,437</b>	<b>1,768</b>	<b>330</b>	<b>48,535</b>

In the year ended 30 June 2020 for the Group and Company, the "Other" column represents the effect of the amortisation of transaction costs relating to the Wasps Finance PLC bond being amortised over the period to 30 June 2021 of £330k. In November 2021, the bond trustees agreed to remove the adjusted EBITDA (to include shareholder loans and contributions) covenant from the terms and conditions of the bond held by Wasps Finance PLC effective from and including the year ended 30 June 2021. This in effect retained the original scheduled repayment date in May 2022.

## Wasps Holdings Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021

#### 27 Related party transactions

##### Loans from related parties

##### D A Richardson (ultimate shareholder)

	£'000
<b>30 June 2020</b>	<b><u>18,322</u></b>
Loan interest	2,326
Capital contribution	(2,326)
<b>30 June 2021</b>	<b><u>18,322</u></b>

##### **Dallaglio 8 LLP** (a company in which L Dallaglio is a director)

The Group incurred costs of £15k (2020: £30k). The amount outstanding at the year-end was £nil (2020: £nil). Usual commercial terms of business apply.

##### **Hottinger Private Office Limited** (a company in which M Robertson is a director)

The Group incurred costs of £nil (2020: £15k) and received income of £102k (2020: £nil). The amount outstanding at the year-end was £12k (2020: £12k) and the amount owed was £123k (2020: £nil). Usual commercial terms of business apply.

##### **Kennedys Law LLP** (an LLP in which R Dawbarn has an interest)

The Group incurred costs of £2k (2020: £23k), and at the year-end owed £22k (2020: £24k). Usual commercial terms of business apply.

##### **Moonstone Holdings Limited** (a company in which D Richardson is a director)

The Group advanced funds of £112k (2020: £115k) in the year. The amount outstanding at the year-end was £327k (2020: £215k). Usual commercial terms of business apply.

##### **PRL Investor Limited** (a company in which N Eastwood is a director)

The Group received income of £4,372k (2020: £3,932k), incurred costs of £107k (2020: £76k) and at the year-end was owed £2k (2020: £532k) and owed £518k (2020: £nil). Usual commercial terms of business apply.

##### **Scutum International S.A.** (previously Orion Security Limited and company in which C Holland is a director)

The Group received income of £14k (2020: £200k) and incurred costs of £38k (2020: £nil) in the year. The amount outstanding at the year-end was £1k (2020: £1k) and the amount owed at the year-end was £14k (2020: £nil). Usual commercial terms of business apply.

##### **Wasps Finance PLC** (a company with the same controlling party as Wasps Holdings Limited)

The Group incurred, and paid, finance charges of £2,275k (2020: £2,275k) in the year. The amount outstanding at the year-end was £35.3m (2020: £34.2m). Usual commercial terms of business apply.

##### **WNTG Ltd** (a company in which R Dawbarn and C Holland are directors)

The Group incurred costs of behalf of WNTG Ltd of £88k (2020: £115k) in the year. The amount outstanding at the year-end was £203k (2020: £115k). Usual commercial terms of business apply.

##### **WPS Trading Ltd** (a company in which D Richardson, N Eastwood and D Armstrong are directors)

The Group incurred costs on behalf of WPS Trading Limited of £nil (2020: £616k). The amount outstanding at the year-end was £755k (2020: £736k). Usual commercial terms of business apply.

## **Wasps Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **28 Contingent assets**

As at 30 June 2021, consideration of £400k (2020: £400k) was contractually receivable to the Group in the form of plant and equipment. The likelihood of the consideration being received has been assessed by the directors as being probable, as opposed to being virtually certain. In line with IAS 37, no receivable has been recognised.

#### **29 Control**

The Company's immediate parent is Moonstone Holdings Limited, a company incorporated in Malta, which is ultimately controlled by D A Richardson (the ultimate shareholder).