Registered number: 08039699

IEC EXPERIENCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

IEC EXPERIENCE LIMITED

COMPANY INFORMATION

Directors	N J Eastwood J M Isaac J C M Parker
Company secretary	J C M Parker
Registered number	08039699
Registered office	Ricoh Arena Judds Lane Coventry CV6 6AQ
Independent auditors	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

IEC EXPERIENCE LIMITED

CONTENTS

IEC EXPERIENCE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Introduction

The directors present their strategic report for the year ended 30th June 2018.

Business review

The loss on ordinary activities, before taxation, amounted to £0.1m (2017: loss of £0.3m (as restated – note 2.2).

Food and beverage sales were reduced compared to the prior year. This was due to the non-reoccurrence of a home semi-final in the 2017/18 season, fewer concerts and a slight drop off in conferencing and events revenue compared to the prior year.

Conference and exhibition income performed well with a similar level of income to 2016/17, but margins reduced due to a different mix of business with a slight increase in exhibition, but a significant reduction in small meetings. Administration expenses have improved significantly with an overall reduction in the net loss.

The Arena staged one bowl concert (Rolling Stones) which saw over 31,000 fans at the event and an indoor concert (Stepback). We will continue to seek to attract further events for 2018/19.

The DoubleTree by Hilton saw good growth compared to the prior year. Income was in line with the prior year and Revpar finished at £52. Hotel revenue for 2018/19 has started strongly.

On the 14th July 2018, IEC Experience Limited ("IEC") agreed a long-term strategic partnership with global hospitality giants, Delaware North Companies (UK) Hospitality Services Limited ("Delaware"), paving the way for a best in class catering, exhibition, conference and hospitality service for visitors to the Ricoh Arena, Coventry ("Arena"). This arrangement ends the joint venture agreement between Arena Coventry Limited ("ACL") and Compass Group UK Limited ("Compass") which was in place for the year ended 30 June 2018.

Going concern

The Company is a subsidiary of Arena Coventry Ltd and a member of the Wasps Holdings Group.

The Group is financed by a retail bond issued by Wasps Finance plc which contains financial covenants based on the financial performance of the Group.

The Wasps Holdings Group (the "Group") has net liabilities of £0.2m (2017 as restated net assets of £8.9m) but made a loss of £9.7m (2017 as restated: £6.0m) in the current year and has net current liabilities of £12.9m (2017 as restated: £10.4m).

In order to assess the adequacy of the financial facilities available to the Group, the directors have prepared medium term financial forecasts which show that the Group is dependent upon the financial support of its ultimate shareholder to remain within its committed lending facilities, and to meet the financial covenants associated with the Retail Bond. The board of directors and the ultimate shareholder are committed to making the group financially viable through a series of initiatives to increase both matchday and non-matchday revenues and manage costs accordingly.

The directors are satisfied that existing ultimate shareholder support will continue to be forthcoming. The directors of the company have obtained a letter of support from the ultimate shareholder outlining a continued commitment to the Group.

The directors therefore have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

In the event that shareholder support is not forthcoming 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.

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.

Principal risks and uncertainties

Over the last few years the Company has demonstrated a strong performance within the core business this year supported by the contribution of Wasps Rugby, Wasps Netball and a robust events and conferencing offering, along with the DoubleTree by Hilton, with the business remaining in a strong position going forward.

The loss of key accounts is deemed a risk but one that the business believes that it can replace within the existing market.

Key performance Indicators

IEC measures its performance based on both financial and non-financial KPIs. The KPIs are:

	2018	2017
- Exhibitions held	39	42
- Gross Profit (£'000)	5,132	5,634
- Hotel Rev Par - Revenue achieved for the rooms available; and	£52	£49
- Food and Beverage spend per head (Rugby).	£6.16	£6.41

This report was approved by the board on 21 December 2018 and signed on its behalf.

N J Eastwood
Director

IEC EXPERIENCE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The Group and Company are financed by a retail bond issued by Wasps Finance plc which contains financial covenants based on the financial performance of the Group. The strategic report on page 1 and 2 has outlined the position in relation to the Group and the Company.

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.

Results and dividends

The loss for the year, after taxation, amounted to £0.1m (2017 - loss £0.3m as restated – note 2.2).

Future developments

The Company and Delaware North have now paved the way for a best in class catering, exhibition, conference and hospitality service for visitors to the Ricoh Arena. This new relationship offers the opportunity to partner with one of the largest catering and hospitality providers in the world, leveraging off their experience and their existing commercial relationships. We will continue to focus on long term profitable contracts.

IEC EXPERIENCE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Directors

The directors who served during the year were:

N J Eastwood
J M Isaac
J C M Parker
M A Jones (appointed 29 January 2018, resigned 13 July 2018)
C U Nicol (resigned 13 July 2018)
J Withers (resigned 27 December 2017)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet event

On the 14th July 2018, the Company agreed a long-term strategic partnership with global hospitality giants, Delaware North Companies (UK) Hospitality Services Limited. This arrangement ended the joint venture agreement between IEC Experience Limited and Compass Group UK Limited which was in place for the year ended 30 June 2018.

Auditors

Mazars LLP was appointed auditor during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 December 2018 and signed on its behalf.

N J Eastwood
Director

IEC EXPERIENCE LIMITED

Independent auditor's report to the members of IEC Experience Limited

Opinion

We have audited the financial statements of IEC Experience Limited (the 'company') for the year ended 30 June 2018 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, 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 United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 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 relating to going concern

In forming our opinion on the financial statements, we draw attention to note 2.3 in the financial statements concerning the company's ability to continue as a going concern and the uncertainty regarding the ongoing support of the company's ultimate shareholder. As stated in note 2.3 this condition indicates the existence of a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Note 2.3 to the financial statements details the Directors' disclosures of the material uncertainty relating to going concern. The directors of the parent company, Wasps Holdings Limited, have prepared medium term forecasts which covers more than 12 months from the date of signing these financial statements. These medium-term forecasts show that the immediate parent company, Wasps Holdings Limited, continues to be dependent on the financial support of its ultimate shareholder, Derek Richardson, with financial contributions needed to fund ongoing cash flow requirements and to meet bond covenants.

The directors are satisfied that ultimate shareholder support will continue to be forthcoming for the foreseeable future. The directors of the parent company, Wasps Holdings Limited, have obtained a letter of support from the ultimate shareholder. However, as this letter of support is not legally binding the directors have drawn attention to the risk that ultimate shareholder support is not forthcoming in disclosing a material uncertainty relating to going concern in the basis of preparation to the financial statements.

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

n 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of directors' responsibilities set out on page 3, 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 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.

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. 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.

Richard Metcalfe
(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: 21/12/2018

IEC EXPERIENCE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	2017 (as restated note 2.2)
		£'000	£'000
Turnover	4	**15,367**	15,244
Cost of Sales		**(10,235)**	(9,610)
Gross Profit		**5,132**	5,634
Administrative expenses		**(5,248)**	(5,942)
Operating Loss before taxation	5	**(116)**	(308)
Tax on loss	8	-	-
Loss after taxation		**(116)**	(308)

There was no other comprehensive income for 2018 (2017: £nil).

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

IEC EXPERIENCE LIMITED

BALANCE SHEET
AS AT 30 JUNE 2018

REGISTERED NUMBER: 08039699

	Note	2018 £'000	2017 (as restated note 2.2) £'000
Intangible assets	9	2,528	2,739
Tangible assets	10	335	332
		2,863	3,071
Current assets			
Stocks	11	195	93
Debtors: amounts falling due within one year	12	2,558	2,310
Cash at bank and in hand	13	5,963	2,619
Total current assets		8,716	5,022
Creditors: amounts falling due within one year	14	(9,033)	(5,432)
Net current liabilities		(317)	(410)
Total assets less current liabilities		2,546	2,661
Net assets		2,546	2,661
Capital and reserves			
Called up share capital	17	-	-
Share premium account		4,000	4,000
Profit And Loss Account		(1,454)	(1,339)
		2,546	2,661

The accompanying notes form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2018.

N J Eastwood
Director

IEC EXPERIENCE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £'000	Share premium account £'000	Profit and Loss Account £'000	Total Equity £'000
As at 30 June 2016	-	4,000	(1,031)	2,969
Comprehensive income for the year				
Loss for the year (as previously reported - note 2.2)	-	-	(265)	(265)
Impact of prior period restatement (note 2.2)	-	-	(43)	(43)
Loss for the year (as restated - note 2.2)	-	-	(308)	(308)
As at 30 June 2017	-	4,000	(1,339)	2,661
Comprehensive income for the year				
Loss for the year	-	-	(116)	(116)
As at 30 June 2018	-	4,000	(1,454)	2,546

Called up share capital represents £100 (2017: £100)

1. General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales. The principal activity of the business is the provision of catering, exhibition, conference and hospitality services for visitors to the Ricoh Arena, Coventry.

The address of its registered office is:
Ricoh Arena
Judds Lane
Coventry
CV6 6AQ

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company has taken advantage of the following disclosure exemptions under FRS101:
(a) the requirement of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
(c)The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
(i)paragraph 79(a)(iv) of IAS 1;
(ii)paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
(iii)paragraph 118(e) of IAS 38 Intangible Assets;
(d) the requirements of paragraphs 10(d), 10(f), 16, 38(a),38(b),38(c),38(d), 40(a), 40(b),40(c),40(d), 111 and 134-136 of IAS 1 Preparation of Financial Statements;
(e) the requirements of IFRS 7 Statement of Cash Flows;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(g) the requirements of paragraphs 17 of IAS 24 Related Party Disclosures (key management personnel); and
(h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into.

2.2 Prior year restatements

In the financial statements of the prior year end, a credit note for a sales transaction had not been accrued for resulting in sales being overstated by £97k. To correct this error, prior year sales have been adjusted from £15,341k to £15,244k and prior year trade debtors adjusted from £1,067k to £970k.

Also, in the financial statements of the prior year end, the hospitality rights intangible asset had been understated as it had been amortised over the initial 15-year period agreed with Arena Coventry Limited rather than a more recently negotiated period of 18 years. To correct this error, the intangible asset has been adjusted by £109k from £2,630 to £2,739k and prior year administrative expenses have been adjusted from £5,996k to £5,942k.

2.3 Going concern

The Financial Reporting Council's 'Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks' (April 2017) provides guidance to directors on disclosures regarding the adoption of the going concern basis of accounting.

The company is a subsidiary of Arena Coventry Ltd and a member of the Wasps Holdings Group.

The Group is financed by a retail bond issued by Wasps Finance plc which contains financial covenants based on the financial performance of the Group.

The Wasps Holdings Group (the "Group") has net liabilities of £0.2m (2017 as restated net assets of £8.9m), made a loss of £9.7m (2017 as restated: £6.0m) in the current year and has net current liabilities of £12.9m (2017 as restated: £10.4m).

In order to assess the adequacy of the financial facilities available to the Group, the directors have prepared medium term financial forecasts which show that the Group is dependent upon the financial support of its ultimate shareholder to remain within its committed lending facilities, and to meet the financial covenants (as amended in January 2018) associated with the Retail Bond. The board of directors and the ultimate shareholder are committed to making the group financially viable through a series of initiatives to increase both matchday and non-matchday revenues and manage costs accordingly.

The directors are satisfied that existing ultimate shareholder support will continue to be forthcoming. The directors of the Group have obtained a letter of support from the ultimate shareholder outlining a continued commitment to the Group.

The directors are therefore of the opinion that the financial statements should be drawn up on the going concern basis.

In the event that shareholder support is not forthcoming 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.

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.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. The intangible asset is amortised over its useful economic life of 18 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% to 33%
Computer equipment	-	33%
Catering equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock 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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below.

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Profit and Loss Account. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

3. Judgments in applying accounting policies 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.

Key accounting estimates and assumptions
The Company 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.

Intangible fixed assets
In assessing whether the value of the hospitality rights have been impaired in light of reported current and historic losses, the Board have considered the expected future results of the Company, which are designed to be predictable and in line with past performance. Therefore, the Board do not consider these to be any indication of impairment to the intangible assets.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018	2017 (as restated note 2.2)
	£'000	£'000
Conference and exhibition income	15,367	15,244
	15,367	15,244

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2018	2017 (as restated note 2.2)
	£'000	£'000
Depreciation of tangible fixed assets	179	188
Amortisation of intangible assets	211	211
Cost of stock recognised as an expense	1,522	1,561
Operating lease rentals	74	46

6. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2018	2017
	£'000	£'000
Fees for the audit of the Company	15	13
	15	13

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - nil).

During the year, no director received any emoluments (2017: nil).

8. Taxation

Factors affecting tax charge for the year
The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%). The differences are explained below:

	2018	2017 (as restated note 2.2)
	£'000	£'000
Loss on ordinary activities before tax	(116)	(308)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 19.00% (2017: 19.75%)	(22)	(61)
Effects of:		
Capital allowances for the year in excess of depreciation	22	-
Capitalised revenue expenditure	(2)	
Increase from tax losses for which no deferred tax asset was recognised	2	(61)
Total tax charge in the year	-	-

There were £1.3m of unused tax losses (2017: £1.3m) for which no deferred tax asset is recognised in balance sheet.

9. Intangible assets

	Hospitality Rights £'000
Cost	
At 1 July 2017	4,000
At 30 June 2018	**4,000**
Amortisation	
At 1 July 2017 (as reported)	1,370
At 1 July 2017 (impact of restatement)	(109)
At 1 July 2017 (as restated)	1,261
Charge for the year	211
At 30 June 2018	**1,472**
Net Book Value	
At 30 June 2018	**2,528**
At 30 June 2017 (as restated)	2,739

10. Tangible fixed assets

	Fixtures and fittings £'000	Computer and catering equipment £'000	Total £'000
Cost			
At 1 July 2017	228	599	827
Additions	65	116	181
At 30 June 2018	293	715	1,008
Depreciation			
At 1 July 2017	164	330	494
Charge for the year	45	134	179
At 30 June 2018	209	464	673
Net Book Value			
At 30 June 2018	84	251	335
At 30 June 2017	63	269	332

11. Stocks

	2018 £'000	2017 £'000
Finished goods and goods for resale	195	93
	195	93

Stock is stated after provision for impairment of £nil (2017: £nil).

12. Debtors

	2018 £'000	2017 (as restated note 2.2) £'000
Trade Debtors	765	970
Other Debtors	334	86
Prepayments and accrued income	179	596
Amounts owed by group undertakings	1,280	658
	2,558	2,310

13. Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank and in hand	5,963	2,619
	5,963	2,619

14. Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	6,414	3,107
Other creditors	-	295
Accruals and deferred income	730	599
Taxation and social security	4	30
Amounts owed to group undertakings	1,885	1,401
	9,033	5,432

15. Obligations under leases

	2018	2017
	£'000	£'000
The total future value of minimum lease payments is as follows:		
Within one year	67	74
In two to five years	112	179
	179	253

The amount of non-cancellable operating lease payments recognised as an expense during the year was £74k (2017: £46k).

16. Financial instruments

	2018	2017 (as restated note 2.2)
	£'000	£'000
Financial Assets		
Cash and cash equivalents - loans and receivables	5,963	2,619
Trade and other receivables	2,379	1,714
	8,342	4,333
Financial liabilities		
Financial liabilities measured at amortised cost	8,299	4,804
	8,299	4,804

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

The principal financial instruments used by the company, from which financial instruments risk arises, are trade receivables, cash and cash equivalents, other receivables and financial liabilities.

The company is exposed through its operations to the following financial instrument risk: credit risk and liquidity risk.

The policy for managing these risks is set by the Board. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company'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 company's trade receivables. It is the risk that the counterparty fails to discharge their obligation in respect of the instrument. The company is mainly exposed to credit risk from credit sales. It is the company'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 to determine the appropriate credit limit for each customer. The company does not enter into derivatives to manage credit risk.

All cash is held with A-rated banks.

Other than cash held by the company's bank at 30 June 2018 there are no other significant concentrations of credit risk within the company at the balance sheet date.

Liquidity risk - Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The liquidity of the company is managed and monitored by the Board. The level of the company's facilities are approved periodically by the Board of the wider Group. At the balance sheet date, cash flow projections were considered by the Board who believe that that the company has sufficient funds available to meet obligations as they fall due, under all reasonably expected circumstances.

17. Share capital

	2018	2017
	£	£
Called up and fully paid		
77 A Ordinary of £1 each shares of £1 each	77	77
23 B Ordinary of £1 each shares of £1 each	23	23
	100	100

18. Related party transactions

Letheby & Christopher Ltd (a company in which a director of IEC Experience Limited sits on the Board);
The company incurred costs of £9,289k (2017 - £7,329k) and at the end of the year owed £5,705k (2017 - £2,624k). Normal commercial terms of business apply.

Arena Coventry Limited (a company which controls IEC Experience Limited);
The company received income of £490k (2017: £522k) and incurred costs of £4,139k (2017: £3,700k). At the year end the amount due to Arena Coventry Limited was £1,540k (2017: £1,115k). Normal commercial terms of business apply.

Wasps Holdings Limited (the immediate parent company of Arena Coventry Limited);
The company received income of £1,252k (2017: £1,129k) and incurred costs of £nil (2017: £4k). At the year end the amount due from Wasps Holdings Limited was £546k (2017: £493k). Normal commercial terms of business apply.

19. Post balance sheet event

On the 14th July 2018, the Company agreed a long-term strategic partnership with global hospitality giants, Delaware North Companies (UK) Hospitality Services Limited. This arrangement ended the supply agreement with Compass Group UK Limited which was in place for the year ended 30 June 2018, and as part of this termination Arena Coventry Limited purchased the 23 B shares held by the Compass Group.

20. Controlling party

The company's immediate parent is Arena Coventry Limited. The ultimate parent is Moonstone Holdings Limited, a company incorporated in Malta. The ultimate controlling party and ultimate shareholder is D A Richardson.

The parent of the largest and smallest group in which these financial statements are consolidated is Wasps Holdings Limited, incorporated in England and Wales.

The consolidated financial statements of Wasps Holdings Limited are available upon request from the registered office. The registered address of Wasps Holdings Limited is: Ricoh Arena, Judds Lane, Coventry, CV6 6AQ.