Registered number: 08039699

IEC EXPERIENCE LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

IEC EXPERIENCE LIMITED

COMPANY INFORMATION

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

IEC EXPERIENCE LIMITED

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IEC EXPERIENCE LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The directors present their strategic report for the year ended 30th June 2020.

Business review and the impact of COVID-19

The loss on ordinary activities, before taxation, amounted to £162k (2019: loss of £357k).

The Company had been trading in line with expectations in the nine months to 31 March 2020, with business significantly impacted by the UK Government's public health restrictions, which have meant the temporary closure of the Ricoh Arena to all events since 21 March 2020.

Management had prepared for the possibility of lockdown in the UK and therefore was able to implement its closedown plan effectively and efficiently. We 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. To combat the impact of COVID-19 the Group has taken advantage of a number of UK Government measures to help to ensure operational continuity throughout the crisis. The Coronavirus Job Retention Scheme (CJRS), deferral of employment tax payments, VAT payment deferrals together with rates holidays afforded to the hospitality sector have all aided the Group in navigating the challenges presented by COVID-19 since March 2020. We continue to keep a tight control of our operational costs, whilst also retaining key members of staff who will be vital as we begin to remobilise the business.

The DoubleTree by Hilton saw significant growth to March 2020 compared to the prior period. Revenues improved year on year and RevPAR finished at £62 (2019: £57).

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

Principal risks and uncertainties

Over the last few years the Company has demonstrated a strong performance within the core conference and events business this year supported by the contribution of Wasps Rugby, Wasps Netball and the DoubleTree by Hilton. Whilst a risk to the business is a prolonged closure of the Arena due to COVID-19, the business remains in a strong position to capitalise on opportunities when the Arena is re-opened.

The loss of key accounts is deemed another key 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:

	2020	2019
- Exhibitions held	34	49
- Gross Profit (£'000)	3,262	4,567
- Hotel RevPAR - Revenue achieved for the rooms available; and	£62	£57
- Food and Beverage spend per head (Rugby).	£6.64	£6.24

This report was approved by the board on 4 March 2021 and signed on its behalf.

N J Eastwood
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020. Certain requirements of the Directors' Report have been included in the Strategic Report above.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the 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.

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 £0.2m (2019: loss £0.4m).

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 2020

Directors

The directors who served during the year were:

N J Eastwood
J M Isaac
J C M Parker (resigned 13 October 2020)

Company secretary

The company secretary who served during the year was:

J C M Parker (resigned 13 October 2020)

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

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 4 March 2021 and signed on its behalf.

N J Eastwood
Director

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 2020 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 2020 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 2.2 in the financial statements concerning the company's ability to continue as a going concern, including the uncertainty regarding the ongoing support of the company's ultimate shareholder.

This note highlights the existence of material uncertainties 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.

Explanation of material uncertainties

As described in note 2.2, the directors of the parent company, Wasps Holdings Limited, have reviewed and approved medium term forecasts including various stress-test scenarios, each reflecting the expected impact of COVID-19 and covering more than 12 months from the date of signing these financial statements. These forecasts show that the Wasps Holdings Limited 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 and to meet the financial covenants associated with the retail bond.

The directors of the parent company, Wasps Holdings Limited, 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 the going concern basis of preparation of the financial statements.

Wasps Finance PLC is also dependent on Wasps Holdings Limited and Arena Coventry Limited being in a position to repay its loans to Wasps Finance PLC so that Wasps Finance PLC can meet the scheduled redemption of the retail bonds in 2022. The directors note that Wasps Holdings Limited is considering various refinancing options in this regard. However, the directors have drawn attention to the risk that refinancing may be not completed in time for the redemption of the bonds in 2022.

In forming our conclusions over going concern, we reviewed the directors' going concern assessment, including the medium term forecasts subject to stress-test scenarios to reflect the impact on COVID-19 for the company, key assumptions within these forecasts, and the letter of support received from its ultimate shareholder. We also evaluated the adequacy and appropriateness of the directors' disclosures in respect of their assessment of going concern.

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.

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 directors' responsibilities statement 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.

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 March 2021

IEC EXPERIENCE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		£'000	£'000
Turnover	4	**9,895**	16,162
Cost of Sales		**(6,633)**	(11,595)
Gross Profit		**3,262**	4,567
Administrative expenses		**(3,424)**	(4,924)
Operating Loss before taxation	5	**(162)**	(357)
Tax on loss	8	-	-
Loss after taxation		**(162)**	(357)

There was no other comprehensive income for 2020 (2019: £nil).

All activities relate to continuing operations.

The accompanying notes form part of these financial statements.

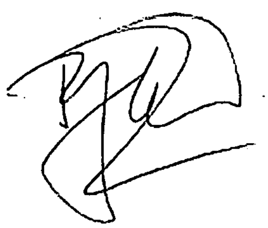
BALANCE SHEET
AS AT 30 JUNE 2020

REGISTERED NUMBER: 08039699

	Note	2020	2019
		£'000	£'000
Intangible assets	9	**2,106**	2,317
Tangible assets	10	**163**	297
Right of use assets	11	**74**	-
		2,343	2,614
Current assets			
Stocks	12	**63**	211
Debtors: amounts falling due within one year	13	**6,085**	3,326
Cash at bank and in hand	14	**193**	2,001
Total current assets		**6,341**	5,538
Creditors: amounts falling due within one year	15	**(6,608)**	(5,964)
Net current liabilities		**(267)**	(426)
Total assets less current liabilities		**2,076**	2,188
Non current liabilities			
Creditors: amounts falling due greater than one year	16	**(50)**	-
Net assets		**2,026**	2,188
Capital and reserves			
Called up share capital	18	-	-
Share premium account		**4,000**	4,000
Profit and loss account		**(1,974)**	(1,812)
		2,026	2,188

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 4 March 2021.



N J Eastwood
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £'000	Share premium account £'000	Profit and Loss Account £'000	Total Equity £'000
As at 30 June 2018	-	4,000	(1,455)	2,545
Comprehensive income for the year				
Loss for the year	-	-	(357)	**(357)**
As at 30 June 2019	-	4,000	(1,812)	2,188
Comprehensive income for the year				
Loss for the year	-	-	(162)	**(162)**
As at 30 June 2020	-	4,000	(1,974)	2,026

Called up share capital represents £100 (2019: £100)

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

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

Profit and Loss account includes all current and prior period retained profits and losses.

The accompanying notes form part of these financial statements.

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 8e (a), 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 IAS 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; and
(i) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 58, 90, 91 and 93 of IFRS 16 Leases.

2.2 Going concern

The Wasps Holdings Group (the "Group") has net liabilities of £22.5m (2019: net liabilities of £8.9m) and made a loss after tax of £11.1m (2019: profit after tax of £3.6m) in the current year and has net current liabilities of £46.1m (2019: net current liabilities of £5.3m). 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 (with which funding discussions are ongoing) 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 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.

2.3 New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standard that is effective for the year ended 30 June 2020. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2020 which have had a material impact on the Company.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor. The Group adopted IFRS 16 using the modified method of adoption, with the date of initial application of 1 July 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

2.4 Revenue

Revenue is recognised when performance obligations have been satisfied and to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and an asset is transferred when or as the customer obtains control of that asset. 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.

An entity transfers control of a good or service over time and therefore, satisfies a performance obligation and recognises revenue over time, 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.

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 2020/21 financial period. Where a customer has paid prior to 30 June 2020 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 2020 are to be utilised for events in future periods, these amounts are classified within Deferred Income within current liabilities.

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 management's estimate of its useful economic life of 18 years and this cost is included within administrative expenses.

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 and disclosed within administrative expenses.

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.

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

Debtors relate to trade debtors and amounts owed by group undertakings. Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company 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.

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 at amortised cost.

Financial assets at amortised cost
The Company classifies its financial assets as 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.

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 Right of use assets

The Group has applied IFRS 16 "Leases" with effect from 1 July 2019. Other than in respect of IFRS 16, the accounting policies have been applied consistently throughout the Group for the purpose of the Consolidated Financial Statements. IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off statement of financial position) and finance leases (on statement of financial position) are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on statement of financial position) except for short-term leases and leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as for the impact of lease modifications, amongst others. The classification of cash flows is affected because operating lease payments under IAS 17 are presented as operating cash flows, whereas, under the IFRS 16 model, the lease payments are split into a principal and an interest portion which are presented as financing and operating cash flows respectively. Depreciation of the right of use asset is recognised in the Income Statement on a straight line basis over the period of the remaining lease payments, with interest recognised on the lease liability.

In adopting IFRS 16 from 1 July 2019, the Group has applied the modified transition approach and not restated comparative amounts for the year ended 30 June 2019. 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.

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.

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.

Accrued and deferred income

In recognising accrued income, the Directors have considered the probability of recovering each accrued income transaction. Deferred income has been recognised where cash receipts have been received by the Company in advance and in relation to sales transactions for a future financial period. Where an event has been postponed due to COVID-19 and a customer is due a refund, the liability is included within Other Creditors due in less than one year.

IFRS 16 (Leases)

In adopting IFRS 16, the Directors have applied judgement in identifying or determining if a contract is or contains a lease, determining whether as a lessee the Company is reasonably certain that an extension or termination option will be exercised, applying an appropriate interest and discount rate, and deciding whether to adopt the practical expedients afforded in the standard.

IFRS 9 (Financial Instruments)

In assessing whether there are any indicators of impairment against each financial asset based on the expected credit loss model in IFRS 9, the Directors are required to make a number of judgements to determine whether there are any expected credit losses to be recognised. These judgements include considering the future potential impact of COVID-19 which could detrimentally impact on the recoverability of debtor balances.

4. Turnover

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

	2020	2019
	£'000	£'000
Conference and exhibition income	9,895	16,162
	9,895	16,162

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2020	2019
	£'000	£'000
Depreciation of tangible fixed assets	185	196
Depreciation of right of use assets	27	-
Amortisation of intangible assets	211	211
Cost of stock recognised as an expense	453	1,316

6. Auditor's remuneration

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

	2020	2019
	£'000	£'000
Fees for the audit of the Company	35	24
	35	24

No other work was undertaken for the company by the auditor during either year.

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: nil). During the year, no director received any emoluments (2019: nil).

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020	2019
	£'000	£'000
Loss on ordinary activities before tax	**(162)**	(357)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax at 19.00% (2019: 19.00%)	**(31)**	(68)
Effects of:		
Capital allowances for the year in excess of depreciation	**11**	33
Increase from tax losses for which no deferred tax asset was recognised	**20**	35
Total tax charge in the year	-	-

There were £1.5m of unused tax losses (2019: £1.4m) for which no deferred tax asset is recognised in balance sheet.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2020 on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. 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 £nil (2019: £nil) in the current year.

9. Intangible assets

	Hospitality Rights £'000
Cost	
At 1 July 2019	4,000
At 30 June 2020	**4,000**
Amortisation	
At 1 July 2018	1,472
Charge for the year	211
At 30 June 2019	**1,683**
Charge for the year	211
At 30 June 2020	**1,894**
Net Book Value	
At 30 June 2020	**2,106**
At 30 June 2019	2,317

10. Tangible fixed assets

	Fixtures and fittings	Computer and catering equipment	Total
	£'000	£'000	£'000
Cost			
At 1 July 2019	400	766	1,166
Additions	51	-	51
At 30 June 2020	**451**	**766**	**1,217**
Depreciation			
At 1 July 2019	269	600	869
Charge for the year	66	119	185
At 30 June 2020	**335**	**719**	**1,054**
Net Book Value			
At 30 June 2020	**116**	**47**	**163**
At 30 June 2019	131	166	297

11. Right of use assets

	Fixtures and fittings	Total
	£'000	£'000
Cost		
At 1 July 2019	101	101
Additions	-	-
At 30 June 2020	**101**	**101**
Depreciation		
At 1 July 2019	-	-
Charge for the year	27	27
At 30 June 2020	**27**	**27**
Net Book Value		
At 30 June 2020	**74**	**74**
At 30 June 2019	-	-

Liabilities previously accounted for under IAS 17 as operating leases have been capitalised under IFRS 16 at the present value of future payments as at the transition date of 1 July 2019. The discount rate utilised for the purposes of IFRS 16 is 6.5%.

The difference between the Company's undiscounted non-cancellable operating lease commitments as at 30 June 2019 of £114k and lease liabilities upon transition of £101k are as below:

	Total
	£'000
Operating lease commitment reported as at 30 June 2019 under IAS 17	114
Effect of discounting on payments included in the calculation of the lease	(13)
Lease liability opening balance reported 1 July 2019 under IFRS 16	101

	Fixtures and fittings	Lease Liability
	£'000	£'000
1 July 2019	101	(101)
New leases	-	-
Amount charged to operating profit - depreciation charge	27	-
Amount charged to operating profit -interest charge	-	(6)
Lease payments made during the year	-	33
At 30 June 2020	74	(74)

12. Stocks

	2020	2019
	£'000	£'000
Finished goods and goods for resale	63	211
	63	211

Stock is stated after provision for impairment of £nil (2019: £nil).

13. Debtors

	2020	2019
	£'000	£'000
Trade Debtors	67	890
Other Debtors	69	-
Prepayments and accrued income	55	126
Taxation and social security	107	63
Amounts owed by group undertakings	5,787	2,247
	6,085	3,326

Amounts due from group undertakings are unsecured, interest-free and are repayable on demand.

14. Cash and cash equivalents

	2020	2019
	£'000	£'000
Cash at bank and in hand	193	2,001
	193	2,001

15. Creditors: Amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	2,419	2,257
Lease liabilities	24	-
Other creditors	187	397
Accruals and deferred income	1,052	1,430
Amounts owed to group undertakings	2,926	1,880
	6,608	5,964

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

16. Creditors: Amounts falling due greater than one year

	2020	2019
	£'000	£'000
Lease liabilities	**50**	-
	50	-

	2020	2019
	£'000	£'000
Amounts falling due in less than 1 year		
Lease liabilities	**24**	-
	24	-
Amounts falling due 2-5 years		
Lease liabilities	**50**	-
	50	-

17. Financial instruments

	2020	2019
	£'000	£'000
Financial Assets		
Cash and cash equivalents	**193**	2,001
Trade and other receivables, including amounts owed by group undertakings	**5,923**	3,137
	6,116	5,138
Financial liabilities		
Trade and other payables, including amounts owed to group undertakings	**5,532**	4,534
	5,532	4,534

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 2020 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.

18. Share capital

	2020	2019
	£	£
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

There are no differences in the rights attached to the A or B Ordinary shares.

19. Related party transactions

Letheby & Christopher Ltd (a company in which a former director of IEC Experience Limited sits on the Board);
The Company incurred costs of £268k (2019: £317k) and sales of £nil (2019: £352k) and at the end of the year owed £190k (2019: £148k).

Arena Coventry Limited (a company which controls IEC Experience Limited);
The Company received income of £67k (2019: £228k) and incurred costs of £2,186k (2019: £3,566k). At the year end the amount due to Arena Coventry Limited was £2,926k (2019: £1,729k). Normal commercial terms of business apply.

Wasps Holdings Limited (the immediate parent company of Arena Coventry Limited);
The Company received income of £475k (2019: £1,289k) and incurred costs of £nil (2019: £5k). At the year end the amount due from Wasps Holdings Limited was £5,787k (2019: £2,096k). Normal commercial terms of business apply.

20. Post balance sheet events

As communicated by Trading Statement RNS on 12 November 2020, the bond trustees have 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 retains the original scheduled repayment date in May 2022. Wasps Finance PLC is now also able to commit to additional borrowing if required. Management continue to review options to refinance the bond ahead of May 2022. See note 2.2 for further detail.

During the latter part of the financial year, there has been a global pandemic from the outbreak of COVID-19. Since the Balance Sheet date, the global pandemic from the outbreak of COVID-19 has continued to develop and is causing widespread disruption to normal patterns of business activity across the world, including the United Kingdom. The full financial effect from the impact of COVID-19 cannot be currently estimated.

21. 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.