

Registered number: 09435073

# **WASPS FINANCE PLC**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

# WASPS FINANCE PLC

## COMPANY INFORMATION

<b>Directors</b>	N J Eastwood D A Richardson
<b>Company secretary</b>	N J Eastwood
<b>Registered number</b>	09435073
<b>Registered office</b>	Ricoh Arena Judds Lane Coventry CV6 6AQ
<b>Independent auditor</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

# WASPS FINANCE PLC

## CONTENTS

	Page
<b>Strategic Report</b>	1 – 4
<b>Directors' Report</b>	5 – 7
<b>Independent Auditor's Report</b>	8 – 13
<b>Profit and Loss Account</b>	14
<b>Balance Sheet</b>	15
<b>Statement of Changes in Equity</b>	16
<b>Statement of Cash Flows</b>	17
<b>Notes to the Financial Statements</b>	18 – 25

**WASPS FINANCE PLC**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

**Introduction**

The directors present their Strategic Report with the financial statements of the Company for the year from 1 July 2019 to 30 June 2020. The Company was incorporated in England and Wales on 11 February 2015.

**Business review**

The results for the year are set out in detail on page 14. There was no retained profit/loss for the year; the Balance Sheet on page 16 shows that the Company had net assets of £50,000 at 30 June 2020 (2019: £50,000).

**Strategy, Objectives and Principal Risks**

The Company's principal activity is a retail bond issuing vehicle for the Wasps Holdings Group (the "Group") and the directors do not propose introducing further business activities within this Company. The Wasps Holdings Group consists of Wasps Holdings Limited, Arena Coventry Limited, Arena Coventry (2006) Limited and IEC Experience Limited.

In May 2015, Wasps Finance PLC undertook a financing exercise which involved the issue of £35m of Retail Bonds in the Retail Bond Market (LSE) by the Company ("the Issuer"). The proceeds of the issue were then remitted as loans to Wasps Holdings Limited and Arena Coventry Limited, net of the associated issue costs. Utilising cross company guarantees, the retail bonds were secured via a first legal mortgage over the leasehold commercial property held by Arena Coventry (2006) Limited, a subsidiary of Arena Coventry Limited, and the Invested Units (previously P shares) invested in Premier Rugby held by Wasps Holdings Limited.

The retail bonds have been issued with an original seven-year term maturing in May 2022 and a fixed coupon of 6.5% payable bi-annually. The issue of retail bonds with a fixed coupon minimises any financial risk to the Company as a result of interest rate fluctuations. As at 30 June 2020, the covenant levels on the retail bonds were the aggregate value of the investment in Premier Rugby Limited and value of the leasehold commercial property is at least 1.4:1 to that of the retail bonds at each financial year end, and for each financial year the ratio of consolidated adjusted EBITDA (to include shareholder loans and contributions) of the Group to consolidated finance costs for the Group was required to be at least 1.5:1. At any time, the total consolidated senior debt of the Group must not exceed the higher of £40m and four times the consolidated adjusted EBITDA (to include shareholder loans and contributions) for the most recently ended two full six month periods. In order to assess the adequacy of the financial facilities available to the Group, the directors have prepared financial forecasts which show that the Group is dependent upon the financial support of its ultimate shareholder. 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.

**Bondholder Consent Solicitation Process**

Due to the impact of COVID-19 on revenue, the adjusted EBITDA (to include shareholder loans and contributions) to finance costs retail bonds covenant was not reached for the year ended 30 June 2020.

In October 2020, the Company put a resolution to its bondholders to, amongst other proposals, remove the EBITDA covenant (as above) from the terms and conditions of the bond effective from and including the year ended 30 June 2020 (the Consent Solicitation). This was passed on 12 November 2020. However, under the terms of the bond agreement existing at 30 June 2020, a covenant breach may have required the bonds to be repayable on demand. The retail bond liabilities totalling £35m are therefore presented within the financial statements for the year ended 30 June 2020 as creditors falling due within one year. The amounts receivable from Wasps Holdings Limited and Arena Coventry Limited are also presented within debtors falling due within one year. As at 30 June 2019, these intercompany debtors were classified within debtors falling due greater than one year, in line with the original bond redemption date of May 2022. This change to debtors falling due within one year as at 30 June 2020 is required to align the debtor with the potential obligation of the Company to repay the bond liability on demand, prior to the approval of the proposals in the Consent Solicitation.

**WASPS FINANCE PLC**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

The proposals approved in the Consent Solicitation in October 2020 were also aimed at restoring the Wasps Group's financial position as soon as possible, including increasing the maximum permissible levels of debt, and facilitating the Wasps Group's plans to refinance the Bonds on or by their scheduled maturity date in May 2022.

Apart from the above, the Company considers its principal risks to be the impact on the Group of the COVID-19 restrictions, the UK conference and exhibition market followed by the performance of Wasps RFC and Wasps Netball, which could impact on the ability of the Group to service the interest on the retail bond in issue and refinance in order to repay the loan when due for repayment. The Group manages these risks with a continuing review of costs, investing in the stadium and further development of both the rugby and netball player squads.

**Impact of COVID-19**

The Group had been trading in line with expectations during the first nine months of the financial year prior to the UK lockdown imposed in response to the COVID-19 pandemic. The UK Government's public health restrictions, which have meant the closure of the Ricoh Arena to most events since 21 March 2020, have had a significant impact on the Group's business and operations.

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. There continues to be a focus on tight control of operational costs, whilst also retaining key members of staff who will be vital when the Group begins to remobilise the business.

**Key Performance Indicators ("KPIs")**

Management are pursuing further initiatives with relevant stakeholders to support the Group during this period of lockdown and through to the reopening of the Ricoh Arena. As part of its reopening plans, the Group is reviewing its business strategy for a post-COVID environment and for the longer term. The Group has a comprehensive reopening plan in place, including detailed operating procedures to ensure team member and visitor health and wellbeing. The Group has already held a number of positive conversations with customers already impacted by the Government restrictions and has successfully rescheduled a number of events into 2021.

The Company measures its performance based on financial KPIs. The Company's KPIs are:

	<b>2020</b>	2019
Interest receivable	<b>£2.6m</b>	£2.4m
Interest payable	<b>(£2.6m)</b>	(£2.4m)
Total debtors	<b>£34.2m</b>	£33.8m

The directors also monitor the KPIs prepared by the Group for consideration of the impact on retail bond covenants, which are detailed in the consolidated accounts of Wasps Holdings Limited.

**Employees**

The Company has no employees other than the directors.

**WASPS FINANCE PLC**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 JUNE 2020**

**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, which is reported for the first time, 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 Company, and the level of information disclosed is consistent with the size and the complexity of the Company'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 Company'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 Company's purpose is the administration of the bond liability for the Group, including for the planning of the longer-term requirements of the Group.

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

The Company has no employees, and this is therefore not applicable.

**S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"**

Delivering the Company strategy for the longer-term benefit of the Group requires strong mutually beneficial relationships with all stakeholders, including trustees, bondholders, suppliers, customers and others that have interactions with the Group. These stakeholders are communicated with on a regular basis as to updates affecting the Group and its activities.

**S172(1) (D) "The impact of the company's operations on the community and the environment"**

As the Company's purpose is the administration of the bond liability for the Group, this is not applicable.

**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 Company's members.

**WASPS FINANCE PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Energy Consumption**

The Company has not included energy consumption detail as required by The Companies (Directors' Report) and Limited Liability (Energy and Carbon Report) Regulations 2018 in these accounts, as the Company does not carry out any activity except in relation to the bond. Further detail on the energy consumption of the Group can be found in the accounts of Wasps Holdings Limited for the year ended 30 June 2020.

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

**N J Eastwood**  
Director

## WASPS FINANCE PLC

### 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 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.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements 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; and
- 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 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.

#### **Results and dividends**

The result for the year, after taxation, amounted to £nil (2019: £nil). No dividend can be distributed for the year ended 30 June 2020 (£nil for the year ended 30 June 2019).

#### **Going Concern**

Details of the directors' assessment of going concern are set out in Note 3.2.

#### **Financial instruments**

The principal financial instruments used by the Company, from which financial instrument risk arises, are loans due from related parties, cash and cash equivalents, other loans and financial liabilities. The Company is exposed through its operations to the following financial instrument risks: 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.

#### **Credit risk**

Credit risk principally arises from the Company's receivables, which are the loans due from the Wasps Holdings Group of companies. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument to then allow for the Company to service its capital and interest liabilities.

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. The Company does not enter into derivatives to manage credit risk. All cash is held with A-rated banks.

## WASPS FINANCE PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

#### Liquidity risk

Liquidity risk arises from the recoverability of the Company's receivables, as noted above. It is a 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.

#### Capital risk management

The Company is principally debt funded. Equity comprises share capital and reserves and is equal to £50,000, shown as shareholders' funds in the balance sheet. Debt consists of £35m of tradable retail bonds on the LSE Retail Bond market. The Company's objective when maintaining capital is to provide an adequate repayment of interest and capital to bondholders.

#### 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.

#### Likely future developments

The directors do not anticipate any material changes in the Company's activities in the coming year.

#### 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 effective from and including the year ended 30 June 2020. This in effect retains the original scheduled repayment date in May 2022. The Company is now also able to commit to additional borrowing if required (see Note 3.2 for further detail). As at 30 June 2020, the £35m bond repayment is classified within creditors due within one year as a result of the breach. Management continue to review options to refinance the bond ahead of May 2022.

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.

#### Directors' indemnities

The Company has maintained throughout the year directors' and officers' liability insurance. This is paid for by Arena Coventry Limited for the benefit of the Group, the Directors and its officers. No recharge has been incurred by the Company.

#### 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

#### Directors

The directors who served during the year were:

- N J Eastwood
- D A Richardson

**WASPS FINANCE PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**Auditor**

The auditor, Mazars LLP, 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

# WASPS FINANCE PLC

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

### Opinion

We have audited the financial statements of Wasps Finance PLC (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, the 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 United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 result 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 as applicable to public interest entities, 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 3.2 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 these matters.

#### *Explanation of material uncertainties*

As described in note 3.2, the Company is dependent on the financial performance of the Wasps Holdings Limited group of companies (related companies under common control) to service the interest on the retail bonds, meet the associated financial covenants, and meet the operational costs of the Company.

The directors of Wasps Holdings Limited have prepared 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 bond covenants.

The directors of 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.

The Company is also dependent on Wasps Holdings Limited being in a position to repay its loans from the Company so that the Company 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.

## WASPS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

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 Wasps Holdings Limited group, 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.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we summarise below an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures. These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	Our response
<p><u>Retail bond covenants</u></p> <p>The Company issued retail bonds secured on the assets of Wasps Holdings Limited and its subsidiaries, Arena Coventry Limited, IEC Experience Limited, and Arena Coventry 2006 Limited. These entities and the Company are all controlled by Moonstone Holdings Limited, which is ultimately controlled by Derek Richardson.</p> <p>The retail bonds have various covenants linked to the financial position and performance of the Wasps Holdings Limited.</p> <p>Given the significance of the requirement to comply with these covenants to the financial statements of the Company, and the adverse impact of COVID-19 contributing to the covenant breach noted during the year, we considered this as a key audit matter.</p>	<p>We verified the nature of the covenants to a signed copy of the retail bond Trust Deed.</p> <p>We reviewed management's covenant calculations at 30 June 2020, assessing the source of information used and the basis for the calculations.</p> <p>Based on the work performed, we noted that one of the covenants had not been met, and we considered the consequences on both the presentation of the retail bonds and on the going concern basis of preparation.</p> <p><u>Our observations</u></p> <p>In light of the covenant breach at 30 June 2020, we conclude that the presentation of the retail bond liabilities as current liabilities is appropriate.</p> <p>As the EBITDA covenant has been removed from the terms and conditions of the bond effective from and including the year ended 30 June 2020, there is no direct impact on the going concern basis of preparation.</p>

## WASPS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

Key audit matter	Our response
<p><u>Loans to related parties - impairment</u></p> <p>Loans to related parties comprise loans to Wasps Holdings Limited (£19.6m) and its subsidiary Arena Coventry Limited (£14.6m).</p> <p>As a result of the covenant breach at 30 June 2020, the retail bonds, and the related party loans, became repayable on demand and have therefore been presented as being due within one year in the financial statements.</p> <p>There is a risk that the related parties may be unable to meet their obligations under the terms of these loans, and therefore that the loans may be impaired.</p>	<p>In evaluating the directors' conclusion that the loans to related parties are not impaired, we have performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• We reviewed the cash flow forecasts of Wasps Holdings Limited and Arena Coventry Limited including the underlying assumptions;</li> <li>• We considered the nature and value of the security held by the retail bondholders over the assets of the Wasps Holdings Limited group, including in particular the Ricoh Arena and the Invested Units (held in Premier Rugby Limited); and</li> <li>• We assessed the implications of the breach of the retail bond covenant at 30 June 2020, and the subsequent confirmation resolution by bondholders on 12 November 2020 to remove the EBITDA covenant from the terms and conditions of the bond effective from and including the year ended 30 June 2020.</li> </ul> <p><u>Our observations</u></p> <p>On the basis of our audit procedures, we do not consider the directors' conclusion that the loans to related parties are not impaired to be unreasonable.</p>

#### Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality that, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures, and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£354,000
How we determined it	1% of total assets
Rationale for benchmark applied	We consider total assets to be the primary measure used by the members in assessing the performance of the Company.
Performance materiality	£247,000
Reporting threshold	£11,000

#### An overview of the scope of our audit, including extent to which the audit was considered capable of detecting irregularities, including fraud

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

## WASPS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements.

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

- at planning stage, we gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company contrary to the applicable laws and regulations;
- we discussed with the directors the policies and procedures in place regarding compliance with laws and regulations;
- we discussed amongst the engagement team the identified laws and regulations, and remained alert to any indications of non-compliance; and
- during the audit, we focused on areas of laws and regulations 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 Company's regulatory and legal correspondence. We also considered those other laws and regulations that have a direct impact on the preparation of financial statements, such as the Companies Act 2006 and UK tax legislation.

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

- inquiries of management as to whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team regarding risk of fraud such as opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks related to the posting of manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates; and
- addressing the risk 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 remains a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any "Key audit matters" relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within 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.

## WASPS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

#### 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 5, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## WASPS FINANCE PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WASPS FINANCE PLC

#### **Other matters which we are required to address**

We were appointed by the Board of Directors in June 2018 to audit the financial statements for the year ending 30 June 2018 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 30 June 2018, 30 June 2019 and 30 June 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report sent to the Board of Directors.

#### **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

WASPS FINANCE PLC

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
	Note	£'000	£'000
Interest receivable and similar income	8	2,607	2,390
Interest payable and expenses	9	(2,607)	(2,390)
<b>Result before tax</b>		<hr/> -	<hr/> -
<b>Result for the financial year</b>		<hr/> - <hr/>	<hr/> - <hr/>

There was no other comprehensive income for 2020 or 2019 other than that included in the profit and loss account.

All activities relate to continuing operations.

The accompanying notes form a part of these financial statements.

**WASPS FINANCE PLC**

**BALANCE SHEET  
AS AT 30 JUNE 2020**

		2020	2019
	Note	£'000	£'000
<b>Non-current assets</b>			
Debtors - due after more than one year	11	-	33,509
<b>Current assets</b>			
Called up share capital not paid	11	37	37
Debtors - due within one year	11	34,173	333
Cash at bank and in hand	12	1,146	1,143
<b>Total current assets</b>		<b>35,356</b>	<b>1,513</b>
Creditors - due within one year	13	(35,306)	(304)
<b>Net current assets</b>		<b>50</b>	<b>1,209</b>
<b>Total assets less current liabilities</b>		<b>50</b>	<b>34,718</b>
Creditors - due after more than one year	14	-	(34,668)
<b>Net assets</b>		<b>50</b>	<b>50</b>
Called up share capital	17	50	50
<b>Capital and reserves</b>		<b>50</b>	<b>50</b>

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

Wasps Finance PLC (Registered number: 09435073)

The accompanying notes form a part of these financial statements.

WASPS FINANCE PLC

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

	Called up share capital - paid	Called up share capital - not paid	Called up share capital
	£'000	£'000	£'000
<b>Called up share capital at 30 June 2018</b>	<u>13</u>	<u>37</u>	<u>50</u>
Result for the year	-	-	-
<b>Called up share capital at 30 June 2019</b>	<u>13</u>	<u>37</u>	<u>50</u>
Result for the year	-	-	-
<b>Called up share capital at 30 June 2020</b>	<u>13</u>	<u>37</u>	<u>50</u>

**WASPS FINANCE PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Cash flows from operating activities</b>		
Result for the year	-	-
Increase in debtors	<b>(331)</b>	4
Increase in creditors	<b>334</b>	-
Finance costs	<b>2,607</b>	2,390
Interest received	<b>(2,607)</b>	(2,390)
	<u><b>3</b></u>	<u>4</u>
<b>Net cash from operating activities</b>	<u><b>3</b></u>	<u>4</u>
<b>Cash flows from finance activities</b>		
Interest paid	<b>(2,275)</b>	(2,275)
Interest received	<b>2,275</b>	2,275
<b>Net cash generated from financing activities</b>	<u><b>-</b></u>	<u>-</u>
Net increase in cash and cash equivalents	<b>3</b>	4
Cash and cash equivalents 1 July	<b>1,143</b>	1,139
<b>Cash and cash equivalents at 30 June (note 12)</b>	<u><b>1,146</b></u>	<u>1,143</u>

# WASPS FINANCE PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 1. General information

The Company is the retail bond issuing vehicle for the Wasps Holdings Group and the directors do not propose introducing further business activities in this Company. The Wasps Holding Group includes Wasps Holdings Limited, Arena Coventry Limited, Arena Coventry (2006) Limited and IEC Experience Limited. The Company is a public company limited by shares and is incorporated in England and Wales, and has a registered office at Ricoh Arena, Judds Lane, Coventry, CV6 6AQ.

### 2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, ("FRS 102") and the Companies Act 2006. There were no material changes to the result for the financial year and capital and reserves from transition to the updated Financial Reporting Standard 102 effective from 1 July 2019.

### 3. Accounting policies

#### 3.1 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 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, ("FRS 102") and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

#### 3.2 Going concern

The Company is dependent on the financial performance of the Wasps Holdings Limited group of companies (related companies under common control) to service the interest on the retail bonds, meet the associated financial covenants and meet the operational costs incurred by the Company.

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.

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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. Consequently there would be a material uncertainty which may cast doubt about the Company's ability to continue as a going concern and therefore about the going concern basis of preparation of these financial statements.

The Company is dependent on Wasps Holdings Limited and Arena Coventry Limited being in a position to repay their loans so that the Company 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 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 Company were unable to continue as a going concern.

#### **3.3 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.

#### **3.4 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date. Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 3.6 Share capital

Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Any unpaid share capital is recognised separately on the Balance Sheet as an asset.

#### 3.7 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

#### 3.8 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

#### 4. Judgements 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 expectancy of future events that are believed to be reasonable under the circumstances.

In preparing the financial statements the directors have considered the recoverability of amounts owed by related parties, and are satisfied that the debts are recoverable, and that their carrying value is appropriately stated. The loans due from related parties may be impaired if the future cash flows generated by Wasps Holdings Limited, Arena Coventry Limited and Moonstone Holdings Limited do not enable those Companies to repay or refinance the loans.

#### 5. Employees

The Company has no employees other than the directors, who did not receive any remuneration in respect of services to the Company (2019: £nil).

#### 6. Overhead and administrative costs

Overhead and administrative costs of £180k (2019: £35k) are borne by Wasps Holdings Limited and no recharge is incurred by the Company.

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 7. Audit fees

Fees payable of £18k (2019: £13k) to the Company's auditor are borne by an affiliate company, Wasps Holdings Limited, and no recharge is incurred.

#### 8. Interest receivable and similar income

	2020	2019
	£'000	£'000
Interest receivable on loans from related parties	2,275	2,275
Amortisation of transaction costs	332	115
	2,607	2,390

#### 9. Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest payable on retail bonds	2,275	2,275
Amortisation of transaction costs	332	115
	2,607	2,390

#### 10. Taxation

There are no corporation tax charges or liabilities due in the current or prior financial year.

#### 11. Debtors

	2020	2019
	£'000	£'000
<b>Non current - due after more than one year</b>		
Loans due from related parties	-	33,509
	-	33,509
<b>Current - Due within one year</b>		
Called up share capital not paid (note 17)	37	37
Loans due from related parties	33,840	-
Amounts due from related parties	333	333
	34,210	370

As at 30 June 2020, the loans due from related parties (which are not subject to any covenants and are repayable on demand) are classified as due within one year. As at 30 June 2019, these loans due from related parties were classified within debtors due greater than one year, in line with the original bond redemption date of May 2022. This change to debtors due within one year as at 30 June 2020 is to align the debtor with the obligation of the Company to repay the bond liability on demand. See note 3.2 for further information.

**WASPS FINANCE PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**12. Cash at bank and in hand**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>1,146</b>	1,143
	<u><b>1,146</b></u>	<u>1,143</u>

As at 30 June 2020, an account balance of £1,137,500 was required to be maintained on this account equal to 3.25% (2019: 3.25%) of the nominal value of the issued retail bonds until the retail bond release conditions have been met.

**13. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Retail bonds (note 15)	<b>35,000</b>	-
Interest accrual	<b>306</b>	304
	<u><b>35,306</b></u>	<u>304</u>

**14. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Retail bonds (note 15)	-	35,000
Unamortised transaction costs	-	(332)
	<u>-</u>	<u>34,668</u>

**15. Retail bonds**

Analysis of the maturity of retail bonds is given below:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Retail bonds</b>		
Amounts falling due less than 1 year	<b>35,000</b>	-
Amounts falling due after 1 year but less than 5 years	-	34,668
Amounts falling due after 5 years	-	-
	<u><b>35,000</b></u>	<u>34,668</u>

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### Analysis of Net Debt:

	2019	Cash Flows	Other	2020
Borrowings	34,668	-	332	35,000
Total liabilities from financing activities	34,668	-	332	35,000

The "Other" column represents the effect of the amortisation of transaction costs relating to the issue of the retail bonds being amortised over the period to 30 June 2020 of £332k (2019: £115k). These transaction costs would normally be amortised over the original term of the loan to May 2022, but due to the covenant breach as at 30 June 2020 (see note 3.2) the remainder of unamortised costs of £215k have been charged to the profit and loss in the year to 30 June 2020.

#### Retail bonds

The retail bonds are secured and carry an interest rate of 6.5% with an original redemption date of 13 May 2022. The repayment of the bond has been disclosed as a creditor falling due within one year due to the adjusted EBITDA (to include shareholder loans and contributions) to finance costs retail bonds covenant breach for the year ended 30 June 2020, as identified in the Strategic Report. This has resulted in the bond's trustees being able to demand immediate repayment at the year-end for the bond totalling £35m. As identified in note 3.2 to the financial statements, the Company put a resolution to its bondholders in October 2020 to remove the EBITDA covenant (as above) from the terms and conditions of the bond effective from and including the year ended 30 June 2020. This resolution was passed on 12 November 2020. This in effect retains the original scheduled repayment date in May 2022.

The security includes a legal mortgage granted by Arena Coventry Limited (ACL) and Arena Coventry (2006) Limited (ACL 2006) over their title to the Arena, a mortgage over the whole share capital of ACL and ACL 2006, fixed charges over the insurance policies held by ACL and ACL 2006 in respect of the Arena, a fixed charge over a cash account held by the Company and a floating charge over the undertaking and assets of the Company, Wasps Holdings Limited and ACL 2006. In addition, if the Invested Units (previously P-Shares) held by Wasps Holdings Limited in Premiership Rugby Limited are sold prior to the maturity of the retail bonds, then the proceeds are required to be secured by a fixed charge.

#### 16. Financial instruments

	2020	2019
	£'000	£'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	1,146	1,143
Financial assets that are debt instruments measured at amortised cost	34,210	33,879
	35,356	35,022
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	35,000	34,668
	35,000	34,668

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 17. Share Capital

	2020	2019
	£'000	£'000
<b>Authorised share capital</b>		
50,000 Ordinary Share Capital shares of £1 each	50	50
<b>Allotted, called up share capital</b>		
50,000 Ordinary Share Capital shares of £1 each	50	50

The Company has one class of ordinary shares which carries no right to fixed income. £12,500 (2019: £12,500) has been received by the Company. The remaining amount due for shares, being £37,500 (2019: £37,500) is recognised separately on the balance sheet as called up share capital not paid. £nil (2019: £nil) share premium has been recognised.

All shares are held by the parent company, Moonstone Holdings Limited (note 20).

#### 18. Related Party Transactions

**Wasps Holdings Ltd** (A company with the same ultimate controlling party as Wasps Finance plc);  
The Company received finance income of £1.3m (2019: £1.3m), and at the year-end was owed £19.6m; (2019: £19.4m; capital £19.6m less amortised cost £0.2m). £19.6m (2019: £0.2m) of this debt capital is repayable within a year, and the remainder £nil (2019: £19.4m) is repayable in a lump sum in 2022 and is subject to an interest rate of 6.5%.

**Arena Coventry Ltd** (A company with the same ultimate controlling party as Wasps Finance plc);  
The Company received finance income of £1.0m (2019: £1.0m), and at the year-end was owed £14.6m; (2019: £14.4m; capital £14.6m less amortised cost £0.1m). £14.4m (2019: £0.1m) of this debt capital is repayable within a year, and the remainder £nil (2019: £14.5m) is repayable in a lump sum in 2022 and is subject to an interest rate of 6.5%.

**Moonstone Holdings Ltd** (A company with the same ultimate controlling party as Wasps Finance plc);  
The amount outstanding at the end of the year is £37k (2019: £37k) and is repayable within a year and is not subject to an interest charge.

#### 19. 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 effective from and including the year ended 30 June 2020. This in effect retains the original scheduled repayment date in May 2022. The Company is now also able to commit to additional borrowing if required (see Note 3.2 for further detail). As at 30 June 2020, the £35m bond repayment is classified within creditors due within one year as a result of the breach. Management continue to review options to refinance the bond ahead of May 2022.

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.

## WASPS FINANCE PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

#### 20. Controlling party

The parent company is Moonstone Holdings Limited, a company incorporated in Malta. The accounts of the parent company are accessible via <https://registry.mbr.mt>. The ultimate controlling party and ultimate shareholder of the Company is D A Richardson.