WASPS FINANCE PLC

Up to £35,000,000
6.50 per cent. Secured Bonds due 2022

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. YOU SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS PROSPECTUS. YOU SHOULD ALSO READ CAREFULLY SECTION 11 (*IMPORTANT LEGAL INFORMATION*)

Lead Manager

Investec

PROSPECTUS DATED 24 APRIL 2015

IMPORTANT NOTICES

About this document

This document (the "**Prospectus**") has been prepared in accordance with the Prospectus Rules of the United Kingdom Financial Conduct Authority (the "**FCA**") and relates to the offer by Wasps Finance plc (the "**Issuer**") of its sterling denominated 6.50 per cent. secured bonds due 2022 (the "**Bonds**") at a price of 100 per cent. of their nominal amount.

The Issuer's payment obligations under the Bonds will be guaranteed (together, the "**Guarantee**") by each of Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**" and, together with Wasps Holdings, the "**Guarantors**"). The Bonds will be secured over the Ricoh Arena (the "**Arena**") in Coventry and other assets described in this Prospectus (together, the "**Security**").

The Bonds are freely transferable debt instruments and are due to be issued by the Issuer on 13 May 2015. The nominal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100; however, the minimum subscription amount per investor is £2,000 of the Bonds in the initial distribution. The maximum aggregate nominal amount of the Bonds to be issued will be £35,000,000 (i.e. 350,000 Bonds of £100 nominal amount each). The aggregate nominal amount of the Bonds to be issued will be specified in the Sizing Announcement published by the Issuer *via* the Regulatory News Service of the London Stock Exchange plc ("**RNS**") on or around 6 May 2015.

The Bonds have not been and will not be registered under the United States Securities Act of 1933 and the Bonds are subject to United States tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States.

This Prospectus contains important information about the Issuer, the Guarantors, the Bonds, the Security and details of how to apply for the Bonds. This Prospectus also describes certain risks relevant to the Issuer and the Guarantors and also risks relating to an investment in the Bonds generally. You should read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

Responsibility for the information contained in this Prospectus

The Issuer and each Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been sourced from a third party, this information has been accurately reproduced and as far as each of the Issuer and the Guarantors is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in "**Double Quotation**" marks and subsequent references to that term are designated with Initial Capital Letters.

In this Prospectus, references to the "**Issuer**" are to Wasps Finance plc, which is the issuer of the Bonds. References to the "**Guarantors**" are to each of Wasps Holdings and ACL. All references to the "**Group**" are to Wasps Holdings and its consolidated subsidiaries taken as a whole. See Section 6 (*Description of the Issuer*) and Section 7 (*Description of the Group*) for further details.

The Bonds are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Bonds are not protected by the Financial Services Compensation Scheme (the "**FSCS**"). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer, the Guarantors or the Group as a whole.

Therefore (unlike in the case of a bank deposit), if the Issuer or the Guarantors were to become insolvent or go out of business, the Bondholders could lose all or part of their investment in the Bonds and no governmental body would be required to compensate them for such loss.

How to apply

Applications to purchase Bonds cannot be made directly to the Issuer or to either Guarantor. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

After the closing time and date of the Offer Period, which is expected to be 5 p.m. (London time) on 6 May 2015 or such earlier time as may be communicated by the Issuer *via* RNS announcement, no Bonds will be offered for sale by or on behalf of the Issuer or by or on behalf of any of the authorised financial intermediaries described in this Prospectus.

See Section 4 (*Timetable of the Offer and Key Dates*) and Section 5 (*How to Apply for the Bonds*) for more information.

Questions relating to this Prospectus and the Bonds

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your independent financial adviser or other professional adviser before making any investment decisions.

HOW DO I USE THIS PROSPECTUS?

You should read and understand fully the contents of this Prospectus before making any investment decisions relating to any Bonds. An overview of the various sections comprising this Prospectus is set out below:

The "***SUMMARY***" section sets out in tabular format standard information which is arranged under standard headings and which the Issuer and Guarantors are required, for regulatory reasons, to include in a prospectus summary for a prospectus of this type.

The "***RISK FACTORS***" section describes the principal risks and uncertainties that may affect the Issuer's and Guarantors' respective abilities to fulfil their obligations in relation to the Bonds.

The "***INFORMATION ABOUT THE BONDS***" section provides an overview of certain key features of the Bonds in order to assist the reader.

The "***TIMETABLE OF THE OFFER AND KEY DATES***" section illustrates the key dates relating to the offer for the Bonds, the issue of the Bonds and payments to be made under the Bonds.

The "***HOW TO APPLY FOR THE BONDS***" section sets out important information relating to the application process for the Bonds.

The "***DESCRIPTION OF THE ISSUER***" section describes the Issuer.

The "***DESCRIPTION OF THE GROUP***" section describes the Group's businesses and sectors in which they operate.

The "***SUBSCRIPTION AND SALE***" section contains a description of the material provisions of the subscription agreement, which includes the selling restrictions applicable to the Bonds.

The "***TAXATION***" section provides a brief outline of certain taxation matters that may be applicable in relation to the Bonds.

The "***ADDITIONAL INFORMATION***" section sets out further information which the Issuer is required to include under applicable rules.

The "***IMPORTANT LEGAL INFORMATION***" section contains some important legal information regarding the basis on which this Prospectus may be used for the purposes of making offers of the Bonds.

The "***TERMS AND CONDITIONS OF THE BONDS***" section sets out the terms and conditions which apply to the Bonds, the Guarantee and the Security.

The "***SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM***" section is a summary of certain parts of those provisions which apply to the Bonds while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Bonds as set out in the preceding section in this Prospectus.

The "***SUMMARY VALUATION REPORT***" section sets out the independent valuation dated 23 April 2015, prepared by Strutt & Parker LLP, in relation to the Arena.

The "***FINANCIAL STATEMENTS***" section sets out important historical financial information relating to the Group.

A "***TABLE OF CONTENTS***" section, with corresponding page references, appears on the following page.

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SECTION 1 - SUMMARY

Summaries are made up of disclosure requirements known as "**Elements**". These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'Not applicable'.

<table>
<tr><th colspan="2">Section A - Introduction and warnings</th></tr>
<tr><td>A.1</td><td>This summary must be read as an introduction to this Prospectus. Any decision to invest in the sterling denominated 6.50 per cent. secured bonds due 2022 (the "Bonds") of Wasps Finance plc (the "Issuer") should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such Bonds.</td></tr>
<tr><td>A.2</td><td>Each of the Issuer, Wasps Holdings Limited ("Wasps Holdings") and Arena Coventry Limited ("ACL" and, together with Wasps Holdings, the "Guarantors") consents to the use of this Prospectus in connection with any Public Offer (as defined below) of Bonds, including any subsequent resale or final placement of Bonds by financial intermediaries, in the United Kingdom during the period commencing from the date of this Prospectus until 5 p.m. on 6 May 2015 (the "Offer Period"), or such earlier time and date as may be agreed between the Issuer, the Guarantors and Investec Bank plc (the "Lead Manager"), by:

(i) the Lead Manager;

(ii) Barclays Bank PLC, Equiniti Financial Services Limited, Interactive Investor Trading Limited and Redmayne-Bentley LLP;

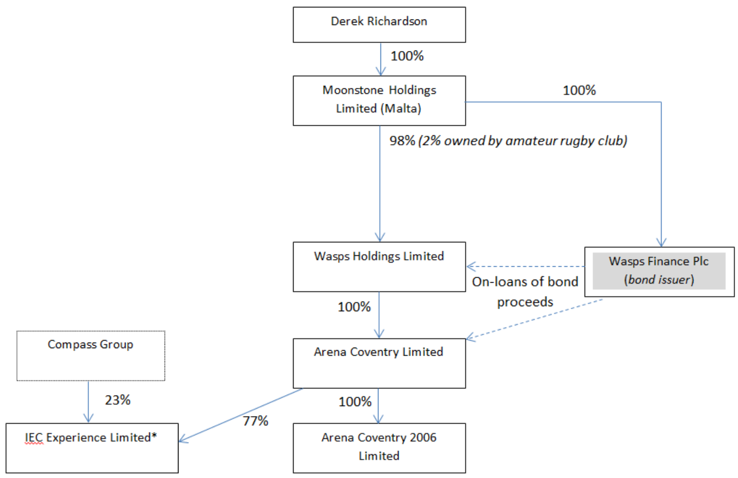
(iii) any other financial intermediary appointed after the date of this Prospectus whose name is published on the website of Wasps Holdings at www.wasps.co.uk/bonds and identified as an Authorised Offeror (as defined below) in respect of the Public Offer; and

(iv) any other financial intermediary which satisfies the conditions attaching to the consent, including that it (a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction ("MiFID") and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "Acceptance Statement"):

"We, [specify name of financial intermediary], refer to the offer of sterling denominated 6.50 per cent. secured bonds due 2022 (the "Bonds") described in the Prospectus dated 24 April 2015 (the "Prospectus") published by Wasps Finance plc (the "Issuer"), Wasps Holdings Limited ("Wasps Holdings") and Arena Coventry Limited ("ACL" and, together with Wasps Holdings, the "Guarantors"). In consideration of the Issuer and Guarantors together offering to grant their consent to our use of the Prospectus in connection with the offer of the Bonds in the United Kingdom</td></tr>
</table>

	during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Prospectus), we hereby accept the offer by the Issuer and the Guarantors. We confirm that we are authorised under MiFID to make, and are using the Prospectus in connection with, the Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Prospectus." The financial intermediaries referred to in items (ii), (iii) and/or (iv) above are together referred to herein as, the "**Authorised Offerors**". **Any Authorised Offeror falling within item (iv) above who wishes to use this Prospectus in connection with any Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website the Acceptance Statement set out above, confirming that it uses the Prospectus in accordance with the consent and the conditions attached thereto.** A Public Offer may only be made, subject to the conditions set out above, during the Offer Period by the Issuer, the Guarantors, the Lead Manager or the Authorised Offerors. A "**Public Offer**" in this context means any offer of Bonds that does not fall within an exemption from the requirement to publish a Prospectus under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Other than as set out above, neither the Issuer nor either Guarantor has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer, the Guarantors, the Lead Manager or any Authorised Offeror and none of the Issuer, the Guarantors, the Lead Manager or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers. **The information relating to the procedure for making applications and the terms and conditions of the offer by the Lead Manager or by any financial intermediary will be provided by the Lead Manager or the relevant financial intermediary (as applicable) to you at the time of such offer.**

Section B – The Issuer and the Guarantors		
B.1 **(B.19)**	**Legal and commercial names**	The Issuer's legal and commercial name is Wasps Finance plc. The Guarantors' legal and commercial names are Wasps Holding Limited and Arena Coventry Limited.
B.2 **(B.19)**	**Domicile and legal form**	The Issuer is a public limited company incorporated and registered in England and Wales under the Companies Act on 11 February 2015 with registered number 9435073. Wasps Holdings is a private limited company incorporated and registered in England and Wales under the Companies Act on 26 March 2001 with registered number 04187289. ACL is a private limited company incorporated and registered in England and Wales under the Companies Act on 16 May 2002 with registered number 04440684.
B.4b **(B.19)**	**Description of any known trends affecting the Issuer and the Guarantors**	None.
B.5	**Description of the**	References to the "**Group**" are to Wasps Holdings and its consolidated

(B.19)	**Group**	subsidiary taken as a whole. Wasps Holdings is the company through which the business operations of Wasps professional rugby club are conducted. Wasps Holdings is a 98 per cent. owned subsidiary of Moonstone Holdings Limited (Malta) which is in turn wholly owned by Derek Richardson. ACL is the company through which all the business operations of the Ricoh Arena (the "**Arena**") in Coventry are conducted. ACL is a wholly owned subsidiary of Wasps Holdings. The Issuer is a special purpose company established by Moonstone Holdings Limited (Malta) to raise money for use by Wasps Holdings and ACL. The Issuer is a wholly owned subsidiary of Moonstone Holdings Limited (Malta). The following diagram illustrates the structure of the Group as at the date of this Prospectus:  *Note that the Compass Group, as shown in the above diagram, does not form part of the Group. ACL is the direct owner of 77 per cent. of the share capital of IEC; the remaining 23 per cent. of IEC is owned by the Compass Group.
B.9 (B.19)	**Profit forecasts or estimates**	Not applicable; neither the Issuer nor either Guarantor has made any public profit forecast or profit estimate.
B.10 (B.19)	**Qualifications in the audit reports**	Not applicable; none of the audit reports on either Guarantors' audited consolidated financial statements for the financial years ended 31 May 2013 or 2014 (in the case of ACL) or 30 June 2013 or 2014 (in the case of Wasps Holdings) included any qualifications.

B.12 (B.19)	**Selected historical financial information**	The following summary financial data as of, and for each of the financial years ended, 31 May 2013 or 2014 (in the case of ACL) or 30 June 2013 or 2014 (in the case of Wasps Holdings) and as of, and for the six month period ended, 31 November 2014 (in the case of ACL) or 31 December 2014 (in the case of Wasps Holdings) has been extracted, without any material adjustment, from each Guarantor's respective financial statements in respect of those dates and/or relevant periods, as applicable. Wasps Holdings acquired the ACL Group (as defined in the third paragraph below) in October/November 2014. The preparation of the unaudited accounts of Wasps Holdings as at 31 December 2014 does not include the consolidation of the ACL Group. There has been no significant change in the financial or trading position of Wasps Holdings or of Wasps Holdings and its consolidated subsidiaries taken as a whole (together, the "**Group**") since the end of the last period covered by the financial information (i.e. 31 December 2014) and there has been no material adverse change in the prospects of Wasps Holdings or the Group since the date of its last published audited financial statements (i.e. 30 June 2014). There has been no significant change in the financial or trading position of ACL or of ACL and its consolidated subsidiaries taken as a whole (together, the "**ACL Group**") since the end of the last period covered by the financial information (i.e. 31 November 2014) and there has been no material adverse change in the prospects of ACL or the ACL Group since the date of its last published audited financial statements (i.e. 31 May 2014). There has been no significant change in the financial or trading position of the Issuer, and there has been no material adverse change in the prospects of the Issuer, in either case since the date of its incorporation. The Issuer has no subsidiaries.

Key Consolidated financial information of Wasps Holdings Limited

Consolidated Profit and loss account

	Unaudited six months ended 31 December 2014*	Unaudited six months ended 31 December 2013	Audited year ended 30 June 2014	Audited year ended 30 June 2013
	£'000	£'000	£'000	£'000
Turnover	3,764,441	2,998,507	6,510,662	6,056,746
Gross loss	(471,446)	(770,649)	(2,055,598)	(1,345,195)
Operating loss	(1,940,716)	(1,787,893)	(4,004,405)	(3,104,802)
(Loss)/profit on ordinary activities before taxation	(2,053,034)	(1,890,878)	6,353,916	(3,263,039)
(Loss)/profit for the year	(2,053,034)	(1,890,878)	6,353,916	(3,263,039)

Consolidated Balance sheet

	Unaudited six months ended 31 December 2014*	Unaudited six months ended 31 December 2013	Audited year ended 30 June 2014	Audited year ended 30 June 2013
	£'000	£'000	£'000	£'000
Fixed assets	11,107,348	5,068,829	5,080,278	5,076,773
Current Assets	2,621,581	883,843	454,231	901,143
Creditors: amounts falling due within	(3,361,989)	(3,416,672)	(2,691,745)	(3,591,215)

one year				
Net current liabilities	(740,408)	(2,532,829)	(2,237,514)	(2,690,072)
Total assets less current liabilities	10,366,940	2,536,000	2,842,764	2,386,701
Creditors: amounts falling due after more than one year	(20,327,405)	(18,688,225)	(10,750,196)	(16,648,049)
Net Liabilities	(9,960,465)	(16,152,225)	(7,907,432)	(14,261,348)

Consolidated Cash flow statement

	Unaudited six months ended 31 December 2014*	Unaudited six months ended 31 December 2013	Audited year ended 30 June 2014	Audited year ended 30 June 2013 2013
	£'000	£'000	£'000	£'000
Net cash outflow from operating activities	(2,576,862)	(2,599,673)	(4,630,681)	(3,223,083)
Net cash outflow from returns on investments and servicing of finance	(112,318)	(102,985)	(259,477)	(158,237)
Net cash outflow for capital expenditure	(6,063,271)	(11,569)	(45,547)	(79,493)
Net cash inflow from financing	9,177,685	2,375,330	4,685,513	3,784,510
Increase/(decrease) in cash in year	425,234	(338,897)	(250,192)	323,697

** Note: Wasps Holdings acquired the ACL Group (as defined above) in October/November 2014. The preparation of the unaudited accounts of Wasps Holdings as at 31 December 2014 does not include the consolidation of the ACL Group, thereby allowing comparison across all periods shown in the table.*

Key Consolidated financial information of Arena Coventry Limited

Consolidated profit and loss account

	Unaudited six months ended 30 November 2014	Unaudited six months ended 30 November 2013	Audited year ended 31 May 2014	Audited year ended 31 May 2013
	£'000	£'000	£'000	£'000
Turnover	7,092,160	5,922,173	12,161,639	14,490,703
Gross profit	4,679,519	3,571,228	8,562,235	11,244,306
Operating (loss)/profit	(177,543)	(113,072)	254,717	1,055,133
(Loss)/profit on ordinary activities before interest	(177,543)	(113,072)	254,717	1,530,894
(Loss)/profit on ordinary activities before taxation	(527,555)	(463,070)	(453,293)	714,471
(Loss)/profit on ordinary activities after taxation	(527,555)	(463,070)	(453,293)	714,471
Profit/(loss) for the period	(497,058)	(432,573)	(392,299)	775,465

Consolidated balance sheet

	Unaudited six months ended 30 November 2014	Unaudited six months ended 30 November 2013	Audited year ended 31 May 2014	Audited year ended 31 May 2013
	£'000	£'000	£'000	£'000
Fixed assets	23,163,460	24,208,335	23,661,941	24,818,306
Current assets	4,254,771	2,067,105	3,373,709	3,103,611
Creditors: amounts falling due within one year	(2,405,960)	(1,141,788)	(1,858,421)	(1,646,560)
Net current assets	1,848,811	925,317	1,515,288	1,457,051
Total assets less current liabilities	25,012,271	25,133,652	25,177,229	26,275,357
Creditors: amounts falling due after more than one year	(13,807,584)	(14,204,318)	(14,143,367)	(14,260,975)

Accruals and deferred income	(4,876,942)	(3,995,986)	(4,178,562)	(4,705,789)
Net assets	6,327,745	6,933,348	6,855,300	7,308,593

Consolidated cash flow statement

	Unaudited six months ended 30 November 2014	Unaudited six months ended 30 November 2013	Audited year ended 31 May 2014	Audited year ended 31 May 2013
	£'000	**£'000**	**£'000**	**£'000**
Net cash flow from operating activities	2,222,056	437,011	828,522	81,584
Net cash outflow from returns on investments and servicing of finance	(350,012)	(349,998)	(708,010)	(816,423)
Net cash outflow from capital expenditure and financial investment	(148,599)	(152,901)	(169,090)	(2,155,002)
Net cash (outflow) from financing	(58,073)	(55,258)	(111,907)	(133,360)
(Decrease)/increase in cash in the year	1,665,411	(121,146)	(160,485)	(3,023,201)

B.13 **(B.19)**	**Recent events relevant to the evaluation of the Issuer's and/or the Guarantors' solvency**	Not applicable; there have been no recent events particular to the Issuer or either Guarantor which are to a material extent relevant to the evaluation of either the Issuer's and/or either Guarantor's solvency.
B.14 **(B.19)**	**Description of the Group**	Wasps Holdings is the company through which the business operations of Wasps professional rugby club are conducted. Wasps Holdings is a subsidiary of Moonstone Holdings Limited (Malta) which in turn is wholly owned by Derek Richardson. ACL and Arena Coventry (2006) Limited ("**ACL2006**") are the companies through which all the business operations of the Arena are conducted. ACL is a wholly owned subsidiary of Wasps Holdings and ACL2006 is a wholly owned subsidiary of ACL. In addition, ACL is the direct owner of 77 per cent. of the share capital of IEC Experience Limited ("**IEC**"); the remaining 23 per cent. of IEC is owned by Compass Group Limited. Compass Group Limited is not part of the Group. The Issuer is a special purpose company established by Moonstone Holdings Limited (Malta) to raise money for use by Wasps Holdings and ACL. The Issuer is a wholly owned subsidiary of Moonstone Holdings Limited (Malta). The Issuer's only material assets will be the obligation of the Guarantors to repay funds that it on-lends to them back to it. Therefore, the Issuer is dependent on the Group to satisfy its obligations in full and on a timely basis.
B.15 **(B.19)**	**Issuer's and each Guarantor's principal activities**	Wasps Holdings is a professional rugby union club currently playing in the Aviva Premiership (the "**Premiership**"). Its principal areas of activities are participating in the Premiership and the Champions Cup, being the premier European professional club tournament. The principal activity of ACL is the management and operation of the Arena, a venue which consists of a stadium bowl and a multi-use

		exhibition, events and concert facility with ancillary operations such as a hotel and on-site restaurant.
B.16 **(B.19)**	**Whether the Issuer and/or the Guarantors are directly or indirectly owned or controlled**	Both Wasps Holdings and the Issuer are wholly directly owned subsidiaries of Moonstone Holdings Limited (Malta) which in turn is owned 100 per cent. by Derek Richardson. ACL is a wholly directly owned subsidiary of Wasps Holdings.
B.17 **(B.19)**	**Credit ratings**	Not applicable; neither the Issuer nor either Guarantor nor any of their respective debt securities (if any) has been assigned any credit ratings by any credit rating agency.
B.18	**Guarantee**	The Guarantors will each guarantee the payment of all sums payable by the Issuer in respect of the Bonds. Therefore, if the Issuer fails to make payment due to the Bondholders in respect of the Bonds, the Guarantors will be legally bound to make such payment.

Section C – Securities		
C.1	**Type and class of the Bonds**	The sterling denominated 6.50 per cent. secured bonds due 2022 will be issued on 13 May 2015 (the "**Issue Date**") in bearer form. The nominal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The International Securities Identification Number for the Bonds is XS1221940510 and the Common Code is 122194051.
C.2	**Currency of the Bonds**	Pounds sterling
C.5	**Restrictions on transferability of the Bonds**	Not applicable; there are no restrictions on the free transferability of the Bonds.
C.8	**Rights attached to the Bonds**	***Status of the Bonds and the Guarantee*** The Bonds constitute secured obligations of the Issuer. The Bonds will rank *pari passu* (i.e. equally) and without any preference among themselves. The guarantee of the Guarantors (the "**Guarantee**") constitutes a secured debt obligation of each of the Guarantors. The payment obligations of the Issuer under the Bonds and of the Guarantors under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to the security (see below), at all times rank at least equally with all their respective other present and future unsubordinated obligations. For this purpose 'unsubordinated' denotes senior debt obligations (i.e. debt obligations that contain no provisions which serve to subordinate them to any other debt obligations). ***Security*** The Issuer, the Guarantors and Arena Coventry (2006) Limited ("**ACL2006**",

		which is a wholly owned subsidiary of ACL) will grant security for the Bonds on the Issue Date. The benefit of the security will be held on trust, by U.S. Bank Trustees Limited (the "**Trustee**"), for and on behalf of itself, the paying agents under the Bonds, Elavon Financial Services Limited, UK Branch (the "**Account Bank**") and the Bondholders. The security includes a legal mortgage (explained in more detail below) granted by ACL and ACL2006 over their title to the Arena in Coventry, a mortgage over the whole share capital of ACL, a mortgage over the whole share capital of ACL2006, fixed charges over insurance policies held by ACL and ACL2006 in respect of the Arena, a fixed charge over a cash account (described in more detail below) (the "**Interest Service Reserve Account**") to be opened by the Issuer on or prior to the Issue Date, and a floating charge over all of the other undertaking and assets, both present and future, of each of the Issuer, the Guarantors and ACL2006. In addition, if the "P-Shares" (as defined below), held by Wasps Holdings are ever sold prior to the maturity date of the Bonds, then the cash proceeds of the sale at such time are required to be paid into a designated bank account opened by Wasps Holdings with the Account Bank and secured by way of a fixed charge for the benefit of the Trustee, the paying agents under the Bonds, the Account Bank and the Bondholders. For the avoidance of doubt, the Trustee is not permitted to force the sale of the P-Shares (even following an event of default (as described under the heading "*Events of Default*" below)), because the P-Shares themselves do not form part of the secured assets – only the proceeds of their sale would form part of the secured assets. If the P-Shares are never sold by Wasps Holdings during the life of the Bonds, Wasps Holdings will not receive cash purchase monies in respect of them during the life of the Bonds. ***Summary of certain legal terminology:*** A '**mortgage**' provides security over the specified asset(s) and/or other interests of the person giving the security by transferring legal title to those assets and/or other interests from the mortgagor (i.e. the company granting the mortgage) to the mortgagee (i.e. the Trustee acting on behalf of the Bondholders), along with the right to sell those assets and/or other interests if there is a default in obligations due under the terms of the Bonds (for example, if the Issuer were to fail to make a payment of interest when due under the Bonds). A '**fixed charge**' unlike a mortgage, does not transfer title, ownership or possession of the secured assets and/or interests to the Trustee (or to anyone else). Instead it allows the person giving the security to continue to own the secured assets and/or interests during the period in which the Bonds are outstanding. However, such usage is subject to certain conditions designed to maintain the value of the secured assets or interests and prevent the disposal of these assets or interests without the consent of the mortgagee (i.e. the Trustee acting on behalf of the Bondholders). On the occurrence of any enforcement event (for example, if the Issuer were to fail to make a payment of interest when due under the Bonds), the Trustee may (if directed to do so by Bondholders and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction) either require the mortgagor company (i.e. the company granting the mortgage) to sell the secured assets or interests or it may take possession of the secured assets and either sell the assets or interest in it on its own or else appoint a receiver to sell the secured assets. Pursuant to the fixed charge, the Trustee, acting on behalf of the Bondholders, would have a claim over the proceeds

of the sale of such secured assets in priority to any other creditors of the mortgagor company. The Trustee would, in such an event, hold all proceeds of the secured assets on trust for itself, the paying agents under the Bonds, the Account Bank and the Bondholders.

A '**floating charge**' enables a chargee (i.e. the Trustee) to take security over assets whilst at the same time enabling the chargor (i.e. the Issuer, the Guarantors and/or ACL2006, as the case may be) to continue to operate their respective businesses without the restrictions that would follow from granting fixed charges over those assets and/or interests in them. The assets subject to a floating charge can generally be dealt with by the chargor companies in the ordinary course of their respective businesses (including sale of such assets and/or interests in them from time to time as they wish). A floating charge effectively "hovers" over a shifting pool of assets. However, on the occurrence of certain events (notably if a receiver or an administrator is appointed to take enforcement action against the chargor company or companies, or if there is a default in the Issuer's and/or Guarantor obligations in relation to the Bonds) the floating charge "crystallises" and will effectively be converted into a fixed charge with respect to the assets and/or interests in them which are at that point in time owned by the relevant chargor company, and prohibit them from disposing of any assets and/or interests in them going forwards without the Trustee's prior consent.

The "**P-Shares**" referred to above means a class of shares in the issued share capital of Premier Rugby Limited ("**PRL**") which class of shares receives a fixed share of central income received by PRL for the sale of television and other commercial rights in connection with premiership rugby union in England but which also has a pre-set capital transfer value as detailed in the shareholders agreement relating to PRL. The parties to such shareholder agreement are various professional rugby union clubs. If the "P-Shares" held by Wasps Holdings are ever sold, then the cash proceeds of the sale at such time are required to be paid into a designated bank account opened by Wasps Holdings with the Account Bank and secured in favour of the Trustee, the Bondholders and the other secured creditors, namely the paying agent under the Bonds and the Account Bank, as described under the heading "*Security*" above.

Interest Service Reserve Account

On or prior to the Issue Date, the Issuer shall open a bank account with the Account Bank into which it shall pay an amount in pounds sterling, out of the cash proceeds of the Bond issue, to cover payment of the first three interest payments due to be made under the Bonds. This Interest Service Reserve Account will be secured in favour of the Trustee, the Bondholders and the other secured creditors, as described under the heading "*Security*" above. Pursuant to the terms and conditions of the Bonds (the "**Conditions**"), after the first payment of interest on the Bonds has been paid to Bondholders (i.e. which is due on 13 November 2015) the minimum required account balance held in the account can be reduced to an amount to cover the following two interest payments due to be made under the Bonds. Once the second interest payment has been made (i.e. which is due on 13 May 2016), the minimum required account balance can be reduced to an amount to cover the next interest payment due to be made under the Bonds and if, after a period of at least two consecutive financial years Wasps Holdings has certified its compliance at all

		times with the financial covenants described below, then the Issuer may at its option reduce the account balance to zero and close the account. ***Financial covenants*** Wasps Holdings has, pursuant to covenants contained in the Conditions of the Bonds, undertaken to maintain certain financial ratios for so long as the Bonds are outstanding. Under these covenants, Wasps Holdings has agreed to ensure that (a) the aggregate value of the Arena and the P-Shares (or else, if the P-Shares were to be sold, the amount of cash held on account for the benefit of Bondholders (as described under "*Security*" above)), as shown by the most recent valuation of those assets, to the financial indebtedness of Wasps Holdings and its subsidiaries taken as a whole, is at least: 1.4:1.0, (b) for the 12 month financial period ending on it financial half-year date of 30 June 2017, and for each following financial period, the ratio of consolidated EBITDA (as described in the following paragraph) of the Group to consolidated finance costs for the Group (each measured by reference to the then most recent consolidated financial statements of the Group) will be at least 1.5:1.0 and (c) at any time, the total consolidated senior debt of the Group does not exceed the higher of (y) £40 million and (z) four times consolidated EBITDA for the most recently ended two full six month periods in respect of which consolidated financial statements of the Group are available. In summary, the Group's 'consolidated EBITDA' is a measure of the Group's profitability for the relevant period before taking into account tax, interest expenses, depreciation, amortisation and certain other customary accounting items; and the Group's 'consolidated finance costs' are a measure of the Group's cost of financing – i.e. how much members of the Group have to pay to borrow money from the Group's various lenders (excluding in respect of amounts due to Derek Richardson, the ultimate shareholder of the Group). ***Events of default*** An event of default is a breach by the Issuer or either of the Guarantors of certain provisions in the terms and conditions of the Bonds. Events of default under the Bonds include non-payment of interest for a period of 14 days, breach of other obligations under the Bonds or the Trust Deed (which breach is not remedied within 30 days), defaults under other debt agreements for borrowed money of the Issuer, either Guarantor or any of their respective subsidiaries subject to an aggregate threshold of £1 million and certain events related to insolvency or winding up of the Issuer, either Guarantor or any of their respective subsidiaries. The security granted over the secured assets shall become enforceable, by the Trustee for and on behalf of itself, the paying agents under the Bonds, the Account Bank and the Bondholders, at the Trustee's discretion upon an event of default occurring. As described above in the context of "mortgages", "fixed charges" and "floating charges", if the security becomes enforceable, the Trustee would typically be entitled to take (or else, appoint a receiver to take) possession of the relevant assets or interest and/or procure their sale. Any proceeds would be held on trust for distribution to the Trustee, the paying agents appointed with respect to the Bonds, and the Bondholders (in priority to claims of any other creditors of the Issuer, the

Guarantors and/or ACL2006, as the case may be).

Optional early repayment by Issuer

The Bonds may be redeemed (i.e. repaid) early, at any time on or after the interest payment date falling on 13 May 2019 at the following applicable redemption prices (as set out in the table below), plus accrued and unpaid interest on the Bonds (if any), up to the applicable date fixed by the Issuer for redemption. The applicable redemption price is determined by reference to the date fixed for redemption occurring in a relevant six month interest period beginning on the scheduled 'interest payment date' indicated below:

Interest Payment Date	Additional Redemption/Bonus Amount	Redemption Price (percentage)
13 May 2019......................................	5.85%	105.85
13 November 2019	5.36%	105.36
13 May 2020......................................	4.88%	104.88
13 November 2020	4.39%	104.39
13 May 2021......................................	3.90%	103.90
13 November 2021	3.41%	103.41

Optional early repayment by Issuer for tax reasons

In the event of certain tax changes caused by any change in, amendment to, or application or official interpretation of the laws or regulations of the United Kingdom on or after the Bonds have been issued, the Bonds may be repaid if the Issuer chooses to do so in whole, but not in part, at any time. The redemption price in these circumstances is at the nominal amount of the Bonds plus accrued interest (if any) as at the relevant time.

Optional early repayment by the Bondholders

If a Change of Control Put Event or a Change of Business Event (each as described below) occurs, a Bondholder may elect for its Bonds to be repaid at their nominal amount plus accrued interest. If 80 per cent. or more of the Bonds originally issued have been repaid in this way, the Issuer may, if it chooses to, repay all the remaining Bonds at their nominal amount plus accrued interest.

A "**Change of Control Put Event**" might be expected to occur if a takeover or merger of Wasps Holdings leads to the acquisition of over 50 per cent. of the voting

		share capital of Wasps Holdings by any one entity (or by any group of entities acting together) other than by an entity that has been approved by the Professional Game Board and the Rugby Football Union for the purposes of owning a Premiership Rugby Club. A "**Change of Business Event**" might be expected to occur (a) if Wasps Holdings and/or ACL engage in businesses other than those carried on by them, or incidental to those carried on by them, on the date that the Bonds are issued and/or (b) if Wasps Rugby Club relocates, whereby the Arena ceases to be the club's principal home rugby match fixture ground. ***Meetings of Bondholders*** The terms and conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting the interests of the Bondholders. These provisions permit certain majorities to bind all Bondholders including Bondholders who did not vote on the relevant resolution and Bondholders who did not vote in the same way as the majority did on that resolution.
C.9	**Rights attached to the Bonds**	***Interest rate*** The Bonds will accrue interest from and including the Issue Date at the fixed rate of 6.50 per cent. per annum. The interest on the Bonds is payable twice a year at the end of the interest period to which the payment relates. It is payable in equal instalments of £3.25 per £100 in nominal amount of the Bonds on 13 November and 13 May in each year. The final payment of interest will be made on 13 May 2022. ***Maturity Date*** Unless previously purchased and cancelled in accordance with the Conditions of the Bonds, the Bonds will mature on 13 May 2022. ***Indication of yield*** On the basis of the issue price of the Bonds being 100 per cent. of their nominal amount, the initial yield of the Bonds on the Issue Date is 6.50 per cent. on an annual basis. This initial yield is not an indication of future yield. ***Trustee acting on behalf of the Bondholders*** U.S. Bank Trustees Limited
C.10	**Derivative component of the Bonds**	Not applicable; the interest rate on the Bonds is fixed and there is not a derivative component in the interest payments made in respect of the Bonds. This means that the interest payments are not linked to specific market references, such as inflation, an index or otherwise.
C.11	**Listing and admission to trading**	Application will be made to the United Kingdom Financial Conduct Authority for the Bonds to be admitted to its Official List and to the London Stock Exchange plc for such Bonds to be admitted to trading on its regulated market and through its order book for retail bonds (ORB) market. It is expected that admission will occur on or about 14 May 2015.

Section D – Risks		
D.2	**Key risks that are specific to the Issuer and the Guarantors**	Summary of key risks that may affect the Issuer and/or the Group: • The financial position of Wasps Holdings and the success of the first team, being a top ranked rugby team at Wasps Rugby Club (the "**First Team**") will be important factors which will affect Wasps Holdings' ability to meet its obligations under the Guarantee and consequently the Issuer's ability to make payments to Bondholders. • Wasps Holdings' sources of income include: (a) amounts received from the sale of broadcasting rights; (b) amounts received under kit and sponsorship arrangements; (c) income from match day tickets and corporate hospitality; (d) income from retail and commercial operations; (e) prize money won by the First Team; and (f) amounts received in respect of the First Team's participation in the Premiership and other European rugby union competitions. These sources of income are dependent on the success of the First Team. • A failure by Wasps to comply with the Premiership Regulations, which Wasps is subject to through its involvement in the Premiership, could result in the First Team being prevented from playing in domestic and European competitions on which Wasps relies for its income. • Changes to the Premiership Regulations, the Rugby Football Union Regulations, the regulations relating to the European competitions and the World Rugby regulations, which govern areas such as the format of competitions, the eligibility of players and the division of broadcasting income could adversely affect the performance of Wasps Holdings. • The financial position of ACL would be materially adversely affected in the event that the Arena was closed as a result of unforeseen circumstances for either the short or the long term. • If any of the assumptions on which the valuation of the Arena prepared by Strutt & Parker LLP prove incorrect then the value of the Arena may be substantially lower than the valuation provided by Strutt & Parker LLP.
D.3	**Key risks that are specific to the Bonds**	• Unlike a bank deposit, the Bonds are not protected by the Financial Services Compensation Scheme ("**FSCS**"). Therefore (unlike in the case of a bank deposit), if the Issuer or the Guarantors were to become insolvent or go out of business, the Bondholders may lose all or part of their investment in the Bonds and no governmental body would be required to compensate them for such loss. • Defined majorities may be permitted to bind all the Bondholders with respect to modification and waivers of the Conditions of the Bonds, even if they did not attend or vote. Therefore, for instance, if a significant majority of Bondholders were to vote to amend a Condition of the Bonds (for example, if they voted to change the final maturity date of the Bonds) then that amendment would be binding on all Bondholders (even if they voted against the change in the maturity date).

		• A market for the Bonds may not develop, or may not be very liquid and such illiquidity may have a severely adverse effect on the market value of the Bonds. • Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If interest rates rise, then the rate of income payable on the Bonds may become relatively less attractive to investors.

Section E – Offer		
E.2b	**Reasons for the offer and use of proceeds**	The offer of the Bonds is being made in order to increase the number of sources from which the Group obtains its funding and to extend its debt maturity profile (i.e. to extend the length of time before it is required to repay its debts). The proceeds of the issue (after deduction of expenses incurred in connection with the issue) will be lent by the Issuer to Wasps Holdings and ACL to repay existing borrowings of the Group (including the repayment of up to £10 million to Derek Richardson, the ultimate beneficial owner of the Group (as illustrated in the Group structure-diagram shown in Element B.5 (*Description of the Group*) above) in part repayment of a £20 million loan provided by Derek Richardson to Wasps Holdings in 2013), to fund the Interest Service Reserve Account described above and for general working capital purposes of the Group.
E.3	**Terms and conditions of the offer**	The offer is expected to open on the date of this Prospectus and close at 5 p.m. (London time) on 6 May 2015, or such earlier time and date as may be announced by the Issuer by Regulatory News Service ("**RNS**") operated by the London Stock Exchange during the Offer Period. Investors will be notified by their relevant distributor of their allocation of Bonds and instructions for delivery of and payment for the Bonds. You may not be allocated all (or any) of the Bonds for which you apply. The Bonds will be issued at the issue price (which is 100 per cent. of the nominal amount of the Bonds), and the aggregate nominal amount of the Bonds to be issued will be specified in a Sizing Announcement to be published by the Issuer by RNS at the end of the Offer Period. Authorised Offerors may offer the Bonds at the issue price (i.e. 100 per cent. of the nominal amount of the Bonds) or, if such Authorised Offeror charges you any expenses, then it may offer you the Bonds at a corresponding amount more than the issue price in order to reflect its expenses charged to you. For example, if your stockbroker or financial adviser charges you total dealing expenses of, for instance, 1 per cent., then he would offer the Bonds to you at 101 per cent. of the nominal amount of the Bonds (i.e. a price to you of £101 per £100 Bond). You must check with your stockbroker or financial adviser what expenses he will charge to you, and therefore what the offer price to you will be. Any such expenses charged by an Authorised Offeror are beyond the control of the Issuer, are not knowable by the Issuer, and must be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time. The issue of the Bonds is conditional upon a subscription agreement being signed between the Issuer, the Guarantors and the Lead Manager prior to the Issue Date.

		The subscription agreement will include certain conditions customary for transactions of this type (including the delivery of legal opinions from independent law firms which are satisfactory to the Lead Manager). The minimum subscription amount per investor is for a nominal amount of £2,000 of the Bonds in the initial distribution. Following their issue, the Bonds are tradable in nominal amounts of £100. The maximum amount of Bonds that the Issuer will issue pursuant to the offer is £35,000,000 in aggregate nominal amount.
E.4	**Interests material to the offer**	Not applicable; so far as the Issuer and Guarantors are aware, no person involved in the issue/offer of the Bonds has an interest material to the offer, including any conflicting interests.
E.7	**Estimated expenses charged to the investor**	Neither the Issuer, the Guarantors nor the Lead Manager will charge you any expenses or taxes relating to an application for or purchase of any Bonds. However, expenses may be charged to you by an Authorised Offeror. These expenses are beyond the control of the Issuer, are not knowable by the Issuer, and must be disclosed to any potential investor by the relevant Authorised Offeror at the relevant time.

SECTION 2 - RISK FACTORS

*Each of Wasps Finance plc (the "**Issuer**"), Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**" and, together with Wasps Holdings, the "**Guarantors**") believes that the following factors represent the principal risks that may affect their ability to fulfil their respective obligations in relation to the Bonds. Factors which the Issuer and the Guarantors believe may be material for the purposes of assessing market risks associated with the Bonds are also described below. Most of these factors are contingencies which may or may not occur and neither the Issuer nor either Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Issuer and the Guarantors think are immaterial at the date of this Prospectus, actually occur, then these could have a material adverse effect on the Issuer's and/or Guarantors' respective abilities to fulfil their obligations to pay interest, principal or other amounts owing in connection with the Bonds or the guarantee of each of the Guarantors (the "**Guarantee**"), as the case may be. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Prospective investors should note that, unlike a bank deposit, the Bonds are not protected by the Financial Services Compensation Scheme ("**FSCS**"). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Guarantors. Therefore (unlike in the case of a bank deposit) if the Issuer or the Guarantors were to become insolvent or go out of business, the Bondholders may lose all or part of their investment in the Bonds and no governmental body would be required to compensate them for that loss.*

Risks relating to the Group and its business

Factors that may affect the Issuer's ability to fulfil its obligations under the Bonds

The Issuer has limited business operations and sources of funds

The Issuer is a special purpose vehicle with no business operations other than the issuance of the Bonds, the lending of the proceeds of the Bonds to Wasps Holdings and ACL and entering into and exercising its rights and meeting its obligations under certain ancillary arrangements. On and after the closing date for the offer of the Bonds, the Issuer's sole sources of funds to meet its obligations under the Bonds will be the interest and principal paid to it by Wasps Holdings and ACL. Other than the foregoing amounts, the Issuer will not have any other funds available to it to meet its obligations under the Bonds. Therefore, the Issuer is dependent upon and subject to all the risks that Wasps Holdings and ACL are subject to (see the risk factors below under the headings "*Factors that may effect Wasps Holdings' ability to fulfil its obligations under the Guarantee*" and "*Factors that may effect ACL's ability to fulfil its obligations under the Guarantee*").

The Issuer's ability to make payments on the Bonds is dependent on Wasps Holdings and ACL fulfilling their obligations to make payments to the Issuer on a timely basis.

The Issuer's ability to make payments of interest on the Bonds will depend primarily on payments being received from Wasps Holdings and ACL, and on a timely basis, when amounts in respect of the Bonds fall due. If either of Wasps Holdings and ACL does not make payment in full when due and payable the Issuer may not have sufficient funds to meet its obligations under the Bonds.

The Issuer is, therefore, subject to all risks to which Wasps Holdings and ACL are subject to the extent that such risks could affect Wasps Holdings and ACL's ability to satisfy their respective obligations in full and on a timely basis. A description of the material risks to which each of Wasps Holdings and ACL is subject is contained in the sections of these risk factors entitled "*Factors that may effect Wasps Holdings' ability to fulfil its obligations under the Guarantee*" and "*Factors that may effect ACL's ability to fulfil its obligations under the Guarantee*".

The existence of the Guarantee may not remove all risk of non-payment

The Issuer's obligations to Bondholders in respect of payments of amounts in respect of the Bonds will be supported by the Guarantee to be given by Wasps Holdings and ACL. The ability of Wasps Holdings and ACL to make payments under the Guarantee will depend upon resources being available to them to do so. The ability of Wasps Holdings and ACL to make payments under the Guarantee may be affected by the risk factors described in the sections of this Prospectus entitled "*Factors that may effect Wasps Holdings' ability to fulfil its obligations under the Guarantee*" and "*Factors that may effect ACL's ability to fulfil its obligations under the Guarantee*".

Risks relating the head lease of the Arena granted to ACL2006

Under the terms of the head lease granted by Coventry City Council ("**CCC**") to Arena Coventry (2006) Limited ("**ACL2006**") in respect of the Arena (the "**Head Lease**"), CCC have reserved the right to forfeit the Head Lease if ACL2006 becomes insolvent. Insolvency in this scenario means a situation where ACL2006 becomes unable to pay its debts, has a receiver/administrator/provisional liquidator appointed over its assets, has assets seized in order to pay debts of ACL2006 or has a winding-up order made against it. The effect of forfeiture would be that the 250 year Head Lease would fall away and that ACL would then become the tenant of CCC at the Arena for the remaining 38 years of its existing lease. However, the right of CCC to claim forfeiture of the Head Lease is not an automatic right. If CCC made a claim for such forfeiture, this could be contested by ACL2006, any third party that held security over ACL2006 and any subtenants of ACL2006 by making application to a court in England. Further, if an administrator was to be appointed over the assets of ACL2006, then CCC would not be able to forfeit the Head Lease without the consent of the appointed administrator or with the leave of the courts.

If forfeiture was to take place prior to maturity of the Bonds, then U.S. Bank Trustees Limited, the entity that will hold the security on behalf of Bondholders, may not be in a position to assign the Head Lease for value in the event CCC forfeited the lease as described in the preceding paragraph. This may have an impact on the Bondholders' ability to receive full repayment of their investment in the Bonds on the occurrence of such an insolvency event.

Risks related to charges, tax laws and practice

Any increases in the levels of taxation or levies to which Wasps Holdings and its consolidated subsidiaries taken as a whole (the "**Group**") are subject in the United Kingdom, or the implementation of any new taxes or levies or changes in taxation law and or HMRC practice to which the Group is or becomes subject, could have a material adverse effect on the Group's business, financial condition and results of operations and therefore the ability of Wasps Holdings and ACL to make payments to the Issuer to enable the Issuer to meet its obligations under the Bonds could be similarly affected.

The Group may not be able to implement its business strategy successfully

There can be no certainty that the Group will be able to implement the business strategy set out in this Prospectus successfully. No representation is or can be made as to the future performance of the Group, and there can be no assurance that the Group will achieve its objectives. The Group's ability to implement its business strategy may be adversely affected by factors that the Issuer and the Guarantors cannot currently foresee, such as unanticipated costs and expenses, technological change, severe economic downturn, the level of interest rates, governmental policy, inflation rates, sector conditions or other changes in economic, political, judicial, administrative, taxation, or regulatory factors (some of which are discussed in more detail in other risk factors). All of these factors may necessitate changes to the business strategy described in this Prospectus, or materially adversely affect the Group's business, financial condition or results of operations, both in the short and long term.

Factors that may affect Wasps Holdings' ability to fulfil its obligations under the Guarantee

There is no assurance that Wasps Rugby Club will be able to maintain a successful first rugby team

The financial position of Wasps Holdings and the success of the first team, being the top ranked team at Wasps Rugby Club (the "**First Team**"), will be important factors affecting Wasps Holdings' ability to meet its obligations under the Guarantee and consequently the Issuer's ability to make payments to Bondholders. In addition, the Issuer's obligations to Bondholders in respect of payments of principal and interest will be supported by the Guarantee under which Wasps Holdings is a Guarantor pursuant to the terms and conditions of the Bonds (see the Section 3 (*Information about the Bonds*) of this Prospectus under the heading "*Who is guaranteeing the Bonds*"). Accordingly, any risk factors applicable to Wasps Holdings are also likely to be equally applicable to the Issuer.

Wasps Holdings has specific business operations and sources of funds

Wasps Holdings' principal sources of funds are:

(a) amounts received from the sale of broadcasting rights;

(b) amounts received under kit, shirt and other sponsorship arrangements;

(c) income received from the sale of matchday tickets and other matchday corporate hospitality;

(d) income from retail and other commercial operations; and

(e) prize money won by the First Team in the various competitions in which it plays.

As set out in more detail in the remainder of this section, these sources of income are dependent on the success of the First Team.

Risks related to the rugby industry and the way it is regulated

A failure by Wasps Holdings to comply with rules could result in it not being eligible to play in key competitions

Wasps Holdings involvement in the Aviva Premiership (the "**Premiership**") is regulated by the Premiership Regulations. A failure to comply with these rules could result in the First Team being prevented from playing in the domestic and European competitions on which Wasps Holdings relies for its income.

Future regulation change could affect Wasps Holdings

No assurance can be given as to the impact of any possible change to the Premiership Regulations, the Rugby Football Union Regulations, the regulations relating to European competitions and the World Rugby regulations, after the closing date. These regulations could cover areas such as: the format of competitions, the eligibility of players, and the division of broadcasting income. Any change in any of these areas could adversely affect the financial performance of Wasps Holdings.

Negotiation of certain key contracts is outside the control of Wasps Holdings

Broadcasting and certain other revenues are derived from contracts which are currently centrally negotiated by Premier Rugby Limited ("**PRL**") and, in respect of the Champions Cup and Challenge Cup, by European Professional Club Rugby, Wasps Holdings is not always a party to such contracts and may not have any direct influence on the outcome of contract negotiations. Consequently, future broadcasting and other contract negotiations may not be concluded in the way that would maximise revenue to Wasps Holdings.

The arrangements governing the broadcasting rights for Premiership matches may change in the future

Although agreement has been reached for the sale of broadcasting rights until the end of the 2020-2021 season in respect of the domestic rights and until the end of the 2017-2018 European Competitions' season, there can be no assurance that subsequent arrangements adopted during the life of the Bonds will maintain the current level of broadcasting income for Wasps Holdings.

A change in the format of relevant competition could have an adverse effect on the Wasps Holdings' income

Any change in the format of any of the league and cup competitions in which the First Team plays, or might in the future play, could have an impact on the Wasps Holdings' income. In addition to possible changes to the format of existing competitions, were new competitions to replace existing competitions Wasps Holdings' income may be affected. In particular, if such a change in format or structure resulted in a decrease in the number of home fixtures played, this could have an adverse effect on the Wasps Holdings' income.

Also, if the allocation of gate receipts, broadcasting income and other revenues in the competitions in which the First Team plays were to change, this could have an adverse effect on the Wasps Holdings' income.

There could be a downturn in the rugby industry as a whole

There can be no assurance that rugby will retain its popularity as a sport, together with the associated levels of media coverage. If any such fall in popularity does occur, the financial position of Wasps Holdings (along with other rugby clubs) may be adversely affected. This adverse effect may be the result of a reduction in the level of ticket sales, lower broadcasting revenue, reduced sponsorship income or a combination of one or more of these.

It may not be possible to replace key commercial agreements on similar terms, or at all

A significant part of Wasps Holdings' revenue arises under commercial agreements negotiated and entered into with third parties. In accordance with market practice, these contracts have a fixed term which may expire before the final scheduled payment date of the Bonds. For instance, the rights agreement entered into with Jaguar Cars Limited, the company through which Jaguar Land Rover Limited operates, expires in May 2015. In relation to the expiration of this rights agreement in May 2015, the directors of Wasps Holdings believe that this is not a material concern, as the directors believe that a new replacement agreement will be entered into (even if not with Jaguar Cars Limited) on terms satisfactory to Wasps Holdings. However, when these contracts do expire, there can be no assurance that Wasps Holdings will be able to replace them with contracts on similar terms or at all. Wasps Holdings' ability to replace the contracts will be dependent on a number of factors in the market at that time. Additionally, two material sponsorship agreements permit the sponsor to either terminate or renegotiate the sponsorship agreement in the event that the First Team are relegated from the Premiership.

Failure to maintain and enhance its brand could have a material adverse effect on its business, financial condition and results of operations of the Group

The success of the Group is dependent in part on the strength of the "Wasps" brand. Wasps Holdings believes it has a long-established, trusted and widely recognised brand and reputation and that this represents a competitive advantage in the development of the Group's business activities. The success of the Group may be dependent on maintaining and enhancing its brand strength. If the Group is unable to maintain and enhance the strength of the "Wasps" brand, then its ability to retain and expand its customer base and its attractiveness to existing and potential partners may be impaired, and its business, financial condition and results of operations will be adversely affected. Maintaining and enhancing the "Wasps" brand may require the Group to make substantial investments, which may not be successful. If the Group fails to maintain and enhance the "Wasps" brand successfully, or if the Group incurs excessive expenses or makes unsuccessful investments in this effort, its business, financial condition and results of operations may be adversely affected.

Risks related to rugby and the performance of the First Team

Wasps Holdings is heavily dependent upon the First Team

Wasps Holdings' income is heavily dependent upon the performance and popularity of the First Team. The ability of Wasps Holdings to meet its obligations under the Guarantee is therefore also dependent on the First Team's performance and continued popularity. The risks relating to the revenue of Wasps Holdings that arises from the First Team that are set out in the remainder of this section should, therefore, be viewed as risks affecting the ability of the Issuer to make timely payments of interest and principal on the Bonds and the ability of Wasps Holdings as Guarantor, to meet its obligations under the Guarantee.

A weak performance in league and cup competitions could cause revenue to fall

A general decline in the performance of the First Team could cause future revenues to be lower than expected. Significant sources of revenue are derived from strong performances in the Premiership, the Champions Cup or the Challenge Cup and the level of income will vary dependent upon the First Team's participation and performance in these competitions.

European competitions cannot be relied upon as a source of future income

Failure to qualify for the Champions Cup would result in a reduction in revenues for each season in which the First Team did not participate.

Qualification for the Champions Cup is dependent upon the First Team's performance in the Premiership in the previous season and qualification cannot, therefore, be guaranteed.

There can also be no assurance that there will not be a change in the rules governing qualification (whether at the European or national level) that will make it more difficult for the First Team to qualify in future seasons.

If the First Team does not qualify for the Champions Cup in a particular season (under existing rules) it may qualify for a place in the Challenge Cup, which would generate income from ticket sales and the sale of broadcasting rights. However, the expected income generated as a result of playing in the Challenge Cup would not be expected to be as significant as the income generated as a result of playing in the Champions Cup.

A change in the league status of the First Team would have a negative effect on Wasps Holdings' income

The First Team is currently playing in the Premiership, the top division for professional rugby union clubs in England. A proportion of the income of Wasps Holdings is dependent on the First Team remaining in Premiership and it is likely that the income of Wasps Holdings would be significantly reduced if the First

Team were relegated from the Premiership. In particular, Wasps Holdings' revenue from the sale of broadcasting rights and tickets would fall considerably if the First Team were relegated from (or otherwise ceased to play in) the Premiership. Wasps Holdings' income received from PRL through its holding of A, B and P-Shares in PRL could be impacted by relegation as detailed in Section 7 (*Description of the Group – Distribution mechanics and the "P-Shares"*), including if Wasps Holdings was required to sell its P-Shares following relegation from the Premiership (as to which see Section 3 (*Information about the Bonds – How will the Bonds be secured?*)). Certain of Wasps Holdings' sponsorship contracts have performance criteria pursuant to which the amount payable to Wasps Holdings is dependent on the performance of the First Team.

The First Team has played in the top division in England since rugby union became professional in 1996. However, there is no guarantee that the First Team will not be relegated from the Premiership at some time in the future prior to the final scheduled maturity date of the Bonds.

There could be an increase in the relative size of wage bills

As described in the risk factor entitled "*Wasps Holdings' income is dependent upon Wasps Holdings' ability to attract and retain key personnel*" below, it is important that Wasps Holdings is able to employ the highest quality playing and coaching staff. As a result, Wasps Holdings is obliged to pay wages in line with Wasps Holdings' main competitors in the UK. If there is a sharp upturn in the level of wages being paid to top players in general as a result of an increase in the existing salary cap applicable to the Premiership. Wasps Holdings may follow this trend to avoid the risk of losing key members of the playing and coaching staff. However, Wasps Holdings could choose not to follow any upward trend in wages. Any increase in the wage bill may adversely affect Wasps Holdings' financial position.

In addition, if the level of Wasps Holdings' income were to fall and wage costs were to remain stable (for example as a result of player contracts providing for fixed wages over a long period), wage costs would be increased relative to income with adverse financial consequences.

Wasps Holdings' income is dependent upon Wasps Holdings' ability to attract and retain key personnel

Wasps Holdings is highly dependent on members of its management team and playing staff and Wasps Holdings' success is influenced by their performance. The ability of Wasps Holdings to attract and retain the highest quality coaching and playing staff is critical to the First Team's prospects of success in league and cup competitions (both domestic and international) and, consequently, critical to Wasps Holdings' financial performance. A downturn in the performance of the First Team may adversely affect Wasps Holdings' ability to attract and retain such coaches and players. Whilst Wasps Holdings enters into employment contracts with each of its key personnel with the aim of securing their services for the term of the contract, the retention of their services for the full term of the contract cannot be guaranteed.

Serious injuries to playing staff would have an adverse effect on the Wasps Holdings that may not be adequately compensated for by insurance payments

Injuries to members of the playing staff, particularly if career ending, could have a detrimental effect on Wasps Holdings. In general, Wasps Holdings does not insure its players for either temporary total disablement ("**TTD**") or permanent total disablement ("**PTD**") as the cost of such insurance is prohibitive. Premier Rugby Limited (the central "umbrella" organisation in which each Premiership and certain former Premiership clubs have a shareholding) the Rugby Football Union and the Rugby Players' Association (the body that represents professional rugby players in England) fund a joint professional players' insurance scheme, this provides a payment to a club if a member of England's elite player squad ("**EPS**") suffers a PTD. Accordingly, Wasps Holdings would receive £50,000 only if one of its players was in the EPS and received a PTD. If a player of Wasps Holdings suffered an injury whilst playing for the England Saxons (England's B team) or the England Under 20s, no insurance payment is received. If an EPS player of Wasps Holdings suffers a TTD whilst representing England, no insurance payment is received by Wasps Holdings, the same is for a player from Wasps Holdings suffering a TTD whilst representing England Under 20s. However, Wasps Holdings would receive compensation in the event one of its players suffered a TTD whilst representing England Saxons. Accordingly, injuries suffered by any of the players of Wasps Holdings whilst representing England might impact upon the First Team's performance and the insurance arrangements may not be sufficient to mitigate all financial loss. It should be noted, though, that under World Rugby regulations, all other national rugby unions (in other words, apart from the English Rugby Football Union) are liable to pay compensation to clubs in the event of injuries suffered by players whilst representing these unions.

Wasps Holdings is dependent on the First Team's supporters, who are concentrated in the United Kingdom

A significant amount of the Wasps Holdings' income will be derived from ticket sales to supporters of the First Team and others who attend rugby matches involving the First Team at the Ricoh Arena (the "**Arena**") in Coventry and elsewhere and the Wasps Holdings' share of gate receipts from cup matches.

In particular, the income generated from matches at the Arena will be highly dependent on the continued attendance at matches of Wasps Holdings' individual and corporate supporters.

The level of attendance may be influenced by a number of factors, some of which are wholly or partly outside of the control of Wasps Holdings. These factors include the success of the First Team, admission prices, broadcasting coverage and general economic conditions which affect personal disposable income and corporate marketing and hospitality budgets. As the majority of the Wasps Holdings' revenue is earned in the United Kingdom, an economic downturn in the United Kingdom would have a greater effect on the Wasps Holdings' business than if the Wasps Holdings' revenue sources were geographically more diverse.

Factors that may affect ACL's ability to fulfil its obligations under the Guarantee

Risk related to Conference Centre and exhibition space

The conference centre and exhibition space at the Arena is booked out to third parties on a year to year basis, there are few long term, recurring contracts. If the number of events booked in the Arena decrease in number then this may have a detrimental impact on the revenue and turnover of ACL.

There are fixed costs in operating the Arena, such as property and personnel. If the number of events booked in the Arena decreased, this may have an adverse effect on ACL's financial results, revenue and profitability as ACL would, in any event, have to bear such fixed costs.

Risks related to the Arena

No assurance can be given that the Arena will remain open and will not be closed as a result of unforeseen circumstances.

There could be a number of reasons why the Arena could close including, but not limited to, the following:

(a) a failure by ACL to obtain and maintain the safety certificate which is required under the Safety at Sports Ground Act 1975 in order to open the Arena for the playing of football and rugby matches and the admission of the public;

(b) fire or other damage (including deliberate damage such as a terrorist attack);

(c) problems with transport links;

(d) latent defects in the works of design and/or construction of the Arena; and

(e) major environmental contamination.

A closure could be short term, such as closure caused by the unavailability of staff, or longer term, such as closure caused by serious damage to the Arena or latent defects. In some cases, the loss or damage would be covered by the Group's insurance arrangements.

Similarly, any health and safety incidents may lead to closure of the Arena, or parts of it, on a short term or long term basis.

If the Arena was to become unavailable for the home matches of Wasps Holdings and Coventry City Football Club, there would be a significant loss of revenue for ACL.

A cancellation of the premises licence held by ACL would mean that alcohol could not be sold at the Arena, which would lead to a loss of revenue for ACL.

If there were problems with any of the key infrastructure or public transport links providing access to the Arena, this could lead to licensing authorities imposing restrictions on the number of people that would be permitted to use the Arena. Any such restrictions may result in a reduction in ticket income.

Increase in operating costs

ACL's operating and other expenses could increase without a corresponding increase in turnover or reimbursements of operating and other costs from customers. Factors which could increase operating and other expenses include:

- increases in the rate of inflation;
- increases in staff, telecommunications and energy and utility costs;
- increases in property taxes and other statutory charges;
- increases in insurance premiums;
- increases in the costs of maintaining properties; and
- failure to perform by sub-contractors leading to increases in operating costs.

Any such increases could have a material adverse effect on ACL's business, financial condition or results of operations.

Risks related to Exhibitions/Concerts

It is the aim of the ACL to utilise fully the Arena for the holding of exhibitions and concerts. As detailed in Section 7 (under the heading "*Overview of ACL*"), the Arena has hosted 11 concerts since 2005. It is also the aim of ACL to increase the numbers of exhibitions held at the Arena. However, these aims can be affected by general economic conditions and a general economic slowdown or recession could reduce the demand of third parties to hold concerts and exhibitions in the Arena. Any such slowdown or recession could affect the financial performance of ACL.

Risks related to the Hotel

As detailed in Section 7 (under the heading "*Overview of the business of ACL*"), ACL operates a 121 bedroom hotel at the Arena. If guest numbers decrease this would impact on the revenues of ACL.

It is expected that a refurbishment programme of the rooms in the hotel will need to be undertaken in due course. This would be a significant cost to ACL but it is expected that an updated hotel would increase guest numbers and therefore add to the revenues of ACL; however, if this programme did not result in an increase in the number of guests then this could have an impact of the revenues and profitability of ACL.

Risks related to the Casino

ACL2006 has granted a lease to Grosvenor Casinos Limited ("**Grosvenor**"). In consideration for the lease, Grosvenor pays a fixed sum and there is also the potential for ACL to receive an additional payment if the turnover of the casino exceeds a certain amount.

When the term of the lease expires, there is no guarantee that Grosvenor will renew the lease or, in the event that Grosvenor wishes to renew the lease, that it will do so on terms no less favourable to ACL than currently.

If Grosvenor did not renew its lease, this would affect the revenues of ACL until such time as a different casino operator took over the space or until such time as a different use was identified for the space and a new tenant identified and a lease granted and there can be no assurances that this will happen.

The operation of the casino is subject to the conditions imposed upon the operator pursuant to the licence granted to it under the Gambling Act 2005. Any breach by the operator of the terms of its licence or if gambling regulation in the United Kingdom was to be changed in a way that could affect the business operations of Grosvenor then the revenue that ACL could expect to receive from Grosvenor could be reduced.

Further, as part of the rent payable to ACL by Grosvenor is calculated according to the turnover of the casino, if the numbers of visitors to the casino decreased then the sums paid to ACL by Grosvenor pursuant to its lease would reduce.

Risks related to the proposed training facility

Wasps Holdings are seeking suitable pieces of land in or around Coventry on which a new rugby training facility can be constructed. The cost of the land and the costs involved in the construction of the training facility have yet to be finalised but the cost to Wasps Holdings will be significant. If there are any cost overruns then this may have a material adverse effect on the revenues and profitability of Wasps Holdings, which in turn may affect the ability of Wasps Holdings to make payments to the Issuer on a timely basis for on payment to Bondholders.

Actual or threatened acts of terrorism and accidents and uninsured losses

The value of the Group may be adversely affected by actual or threatened acts of terrorism. A terrorist attack on the Arena may have an adverse impact on the willingness of tenants to lease new space or renew existing leases, the ability of ACL to hold exhibitions, concerts and sporting matches at the Arena and the ability of the Group to obtain insurance for their assets and properties adequately and appropriately based on the risks associated with the Group's business and on industry practice (see Section 7 headed "*Description of the Group – Insurance*").

Further, there is a risk of accidents involving the tenants, people visiting the Arena, employees, contractors or members of the public. The Group places great importance on health and safety and it has approved policies and procedures in place at the Arena. In addition, the Guarantors have public liability insurance in place which the Issuer considers provides an adequate level of protection against third party claims. However, should an accident attract publicity or be of a size and/or nature that is not adequately covered by insurance, the resulting publicity and costs could have a material adverse effect on the Guarantors' reputation, business, financial conditions of results of operations. In such instance, the Guarantors' ability to put in place public liability insurance cover in the future may also be adversely affected.

Should an act of terrorism occur or be threatened or an accident occur which attracts publicity, the resulting publicity and costs could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and/or prospects. In addition, these incidents could affect the ability of the Group in the future to obtain any insurance (or insurance on comparable terms) for its assets and properties. In the event that the Arena suffers loss or damage that is not covered in whole or in part by insurance, the value of the Group's assets will be reduced by the amount of any such uninsured loss. In addition, the Group may have no source of funding to repair or reconstruct the damaged asset, and there can be no certainty that any sufficient sources of funding will be available to it (either at all or on acceptable terms) for such purposes in the future. These factors could have an adverse effect on the Group's business, results of operations, financial condition and/or prospects.

Legal and regulatory changes

ACL is required to comply with regulations relating to planning, land use and building regulation standards. The institution and enforcement of such regulations could have the effect of increasing the expenses of lowering the income from, and adversely affecting the value of, the Arena. New laws may be introduced which may be retrospective and affect existing planning consents.

In addition, investors should note that changes in the legal framework concerning planning rules in the UK may negatively influence the values of properties. This may have an adverse impact on ACL's business, financial condition or results of operations.

From time to time, regulations are introduced which can impact the costs of property ownership and affect returns. In recent times, these have included regulations concerning the provision of access for disabled persons, and provisions for the measurement and reporting of the energy efficiency of buildings.

Risk factors relating to the valuation of the Arena

In carrying out and providing their valuation of the Arena, it should be noted that Strutt & Parker LLP (the "**Valuers**") undertook no building surveys, carried out no environmental surveys nor carried out any independent site investigations. The valuation also assumes that no deleterious or hazardous materials were used in the construction of the Arena. No assurance is given in the valuation that the Arena is not subject to any subsidence. The valuation also assumes that the Arena is fully compliant will all licences and regulations. The valuation also relies on a certificate of title provided to the Valuers by the lawyers to ACL. The valuation also takes into account operational matters relating to ACL and Wasps Holdings, including trading history and cashflow forecasts. Furthermore, property markets are subject to external market conditions. It is possible that real estate prices and values (either specifically in the Coventry area or more generally) could decrease or go through a period of heightened volatility which could have a material adverse impact on ACL's business, financial condition or results of operations. If any of the assumptions within the valuation prepared by the Valuers (as to which, see Section 14 (*Summary Valuation Report*)) are shown to be incorrect, this could have an adverse effect on the Guarantors' business, results of operations, financial condition and/or prospects; and could result in any proceeds received from the sale of the Arena being significantly less than the value attributed by the Valuers in Section 14 of this Prospectus.

Factors which are material for the purpose of assessing the market risks associated with the Bonds

Risks relating to the taking of security by fixed charge

Under the security deed described in the terms and conditions of the Bonds, the Issuer and/or relevant Guarantor will grant fixed charges in favour of the Trustee for and on behalf of itself, the paying agents under the Bonds, Elavon Financial Services Limited, UK Branch (the "**Account Bank**") and the Bondholders over, among other things, (i) all of ACL's rights, title and interest in and to contracts or policies of insurance from time to time taken out over the Arena; and (ii) all of the Issuer's present and future rights, title, interest and benefit in monies held in a designated bank account (the "**Interest Service Reserve Account**") and any rights, title and interest to such Interest Service Reserve Account, as security for the Bonds. A fixed charge attaches to an asset upon its creation and gives the Trustee a claim over the proceeds generated by such asset in priority to other creditors (if any) of the relevant company granting the security.

In certain circumstances a security interest which states that it is to be taken as a fixed charge may nevertheless be deemed only to take effect as a floating charge. Under English law, for a charge to be characterised as a fixed charge, among other things, the charge holder is required to exercise appropriate "control" over the relevant asset(s) being charged.

Whilst the Trustee will benefit from a certain level of control over the assets subject to such fixed charge, there is a risk that if the Trustee does not in fact exercise an appropriate level of control over such assets a court could determine that the fixed charge takes effect as a floating charge only. A floating charge 'floats' over the pool of assets subject to the charge but enables the relevant company granting the security to deal with the assets until the occurrence of certain events which cause the charge to fix (or, 'crystallise') on to the assets. A floating charge is less advantageous than a fixed charge, as a claim to the assets made by a floating charge holder ranks behind that of a fixed charge holder in such cases, and behind certain preferential creditors, as described below (but still ahead of any unsecured senior creditors and also ahead of the shareholders of the relevant company). As a consequence, if the security over the assets were to be enforced following an event of default under the terms and conditions of the Bonds, any such assets may first be applied in payment to "preferential" creditors of the relevant company who are deemed under the provisions of English law to have higher priority to repayment prior to payment to holders of a mere floating charge. Preferential creditors (i.e. preferential to floating charge holders) include employee salaries and also certain amounts that may at the relevant time be owing to Her Majesty's Revenue and Customs authority (i.e. in respect of taxes (if any) due and payable at such time). Any such payments may result in Bondholders not receiving all amounts outstanding under their Bonds if there are insufficient funds remaining available for distribution following payments to any preferential creditors on a winding-up.

Priority of claims of the Trustee, Paying Agents and the Account Bank

Upon an enforcement of the Security by the Trustee pursuant to the Conditions, the Bondholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Trustee, including costs incurred by it (or any receiver appointed by it) in the enforcement of the Security and, secondly, remuneration, costs, expenses and liabilities due and payable to the paying agents and Account Bank in respect of the Bonds. Any such payments may result in Bondholders not receiving all amounts outstanding under the Bonds.

Risks related to the Bonds

The Bonds are not protected by the Financial Services Compensation Scheme

Unlike a bank deposit, the Bonds are not protected by the FSCS. As a result, neither the FSCS nor any anyone else will pay compensation to you upon the failure of the Issuer, the Guarantors or the Group as a whole. If the Issuer or the Guarantors go out of business or become insolvent, the Bondholders may lose all or part of their investment in the Bonds.

No formal credit ratings

The Bonds will not be assigned a credit rating by any rating agency on issue and nor does the Issuer currently have any intention of applying for a credit rating from any credit rating agency. However, one or more independent credit rating agencies may, on either a solicited or unsolicited basis, assign credit ratings to the Bonds during the life of the Bonds. Any such ratings may not reflect the potential impact of all risks relating to the market, additional factors discussed above and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold the Bonds and may be revised or withdrawn by the relevant rating agency at any time.

Risk of early repayment

In the event that a change in law relating to taxation results in the Issuer becoming obliged to increase the amounts payable under the Bonds (or the Guarantee) pursuant to the Conditions, the Issuer may, and the Issuer may at other times on or after 13 May 2019, if it chooses to, repay outstanding amounts under the Bonds early pursuant to the Conditions. See Section 12 (*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for taxation reasons*).

Upon repayment of the Bonds, you may not be able to reinvest the repayment proceeds at an effective interest rate as high as the interest rate on the Bonds being repaid and may only be able to do so at a significantly lower rate. You should consider investment risk in light of other investments available at that time.

Modification, waivers and substitution

The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a different manner than the majority did.

The Conditions of the Bonds also provide that the Trustee may, without the consent of Bondholders, agree to any modification of any of the provisions of the Bonds that in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error and certain other modifications of, and any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds if, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders.

Trustee indemnity

In certain circumstances, the Bondholders may be dependent on the Trustee to take certain actions in respect of the Bonds, in particular if the Security in respect of such Bonds becomes enforceable under the Conditions. Prior to taking such action, pursuant to the Conditions, the Trustee will require to be indemnified and/or secured and/or pre-funded in respect of all costs, claims, expenses and liabilities to or for which it may, in its opinion, thereby become liable to its satisfaction. If the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction, it may decide not to take such action and such in-action will not constitute a breach by it of its obligations under the Bonds. Consequently, the Bondholders would have to either provide such indemnity and/or security and/or pre-funding or accept the consequences of such in-action by the Trustee. Bondholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any potential in-action by the Trustee. Such in-action by the Trustee will not entitle Bondholders to take action directly against the Issuer or the Guarantors to pursue remedies for any breach by any of them of terms of the Trust Deed or the Conditions of the Bonds.

The EU Directive on the taxation of savings income may result in the imposition of withholding taxes in certain jurisdictions

EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the "**Amending Directive**") which will, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or secured for the benefit of) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires EU Member States to adopt national legislation necessary to comply with it by 1 January 2016, which legislation must apply from 1 January 2017.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer, either Guarantor nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuer is required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Bonds may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

Investors who are in any doubt as to their position should consult their professional advisers.

Holding CREST depository interests

You may hold interests in the Bonds through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) ("**CREST**") through the issuance of dematerialised depository interests (dematerialised here means that they are represented by electronic interests in the records of the depository – as opposed to being represented by physical certificates), held, settled and transferred through CREST ("**CDIs**"), representing the interests in the relevant Bonds underlying the CDIs (the "**Underlying Bonds**"). Holders of CDIs (the "**CDI Holders**") will hold or have an interest in a separate legal instrument and not be the legal owners of the Underlying Bonds. The rights of CDI Holders to the Underlying Bonds are represented by the relevant entitlements against CREST Depository Limited (the **CREST Depository**") which through CREST International Nominees Limited (the "**CREST Nominee**") holds interests in the Underlying Bonds. Accordingly, rights under the Underlying Bonds cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians. The enforcement of rights under the Underlying Bonds will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Underlying Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.

The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) ("**CREST Deed Poll**"). You should note that the provisions of the CREST Deed Poll, the CREST International Manual dated 14 April 2008 as amended, modified, varied or supplemented from time to time (the "**CREST Manual**") and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the "**CREST Rules**") contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of and returns received by CDI Holders may differ from those of holders of Bonds which are not represented by CDIs.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service (the "**CREST International Settlement Links Service**"). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Bonds through the CREST International Settlement Links Service.

You should note that none of the Issuer, the Guarantors, the Lead Manager, the Trustee or any Paying Agent will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There may not be a liquid secondary market for the Bonds and their market price may be volatile

The Bonds may have no established trading market when issued, and one may never develop. Therefore, you may not be able to sell your Bonds easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary (i.e. after the issue date) market. The Bonds are sensitive to interest rate, currency or market risks and are designed to meet the investment requirements of limited categories of investors. For these reasons, the Bonds generally will have a limited secondary market. This lack of liquidity may have an adverse effect on the market value of Bonds.

The Lead Manager is expected to be appointed as a registered market-maker on the London Stock Exchange's order book for retail bonds (ORB) in respect of the Bonds from the date of admission of the Bonds to trading. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours. However, the Lead Manager may not continue to act as a market-maker for the life of the Bonds. If a replacement market-maker was not appointed in such circumstances, this could have an adverse impact on your ability to sell the Bonds.

Yield

The indication of yield (i.e. the income return on the Bonds) stated within this Prospectus (see Section 3 *(Information about the Bonds – What is the yield on the Bonds?)*) applies only to investments made at (as opposed to above or below) the issue price of (i.e. 100 per cent. of the price of) the Bonds. If you invest in the Bonds at a price other than the issue price of the Bonds, the yield on the investment will be different from the indication of yield on the Bonds as set out in this Prospectus.

Realisation from sale of the Bonds prior to their scheduled maturity date

If you choose to sell the Bonds at any time prior to their maturity, the price received from such sale could be less than the original investment you made. Factors that will influence the price may include, but are not limited to, market appetite, inflation, the time of redemption, interest rates and the current financial position and an assessment of the future prospects of the Issuer and/or the Group at the relevant time.

Exchange rate fluctuations and exchange controls may adversely affect your return on your investments in the Bonds and/or the market value of the Bonds

The Issuer will pay principal and interest on the Bonds in pounds (and pence) sterling. This presents certain risks relating to currency conversions if your financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease: (a) the Investor's Currency-equivalent yield on the Bonds; (b) the Investor's Currency equivalent value of the principal payable on the Bonds; and (c) the Investor's Currency equivalent market value of the Bonds.

Changes in interest or inflation rates may adversely affect the value of the Bonds

The Bonds bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, you should note that if interest rates rise, then the income payable on the Bonds might become relatively less attractive and the price that you could realise on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income you receive on maturity of the Bonds if you hold the Bonds until the maturity date. Further, inflation will reduce the real value of the Bonds over time, which may affect what you could buy with your investment in the future and may make the fixed rate payable on the Bonds relatively less attractive in the future, again affecting the price that you could realise on a sale of the Bonds.

The clearing systems

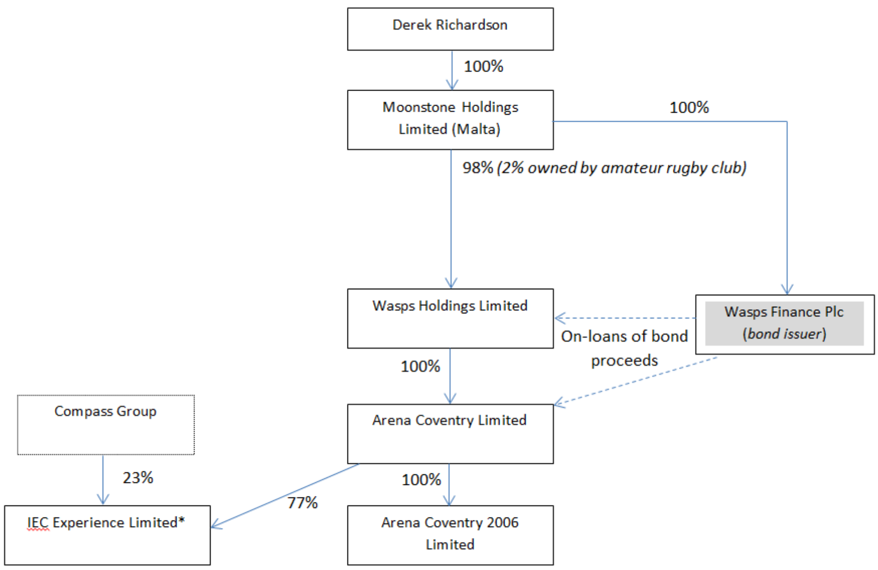
Because the Global Bond may be held by or on behalf of Euroclear and Clearstream, Luxembourg, you will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Bonds will be represented by the Global Bond. Such Global Bond may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Bond, you will not be entitled to receive Definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Bond. While the Bonds are represented by the Global Bond, you will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While the Bonds are represented by the Global Bond, the Issuer will discharge its payment obligations under such Bonds by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in the Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Bond.

Holders of interests in the Global Bond will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled to do so by Euroclear or Clearstream, Luxembourg.

SECTION 3 - INFORMATION ABOUT THE BONDS

What are the Bonds?	The sterling denominated 6.50 per cent. secured bonds due 2022 (the "**Bonds**") are debt instruments issued by Wasps Finance plc (the "**Issuer**"). The Bonds will be subject to the "*Terms and Conditions of the Bonds*" which are set out in Section 12 of this Prospectus. The Bonds: (a) entitle Bondholders to receive interest payments at a fixed interest rate of 6.50 per cent. per year (payable in two equal instalments on 13 November and 13 May in each year); (b) are tradable in nominal amounts of £100 per Bond; (c) are due to be issued on 13 May May 2015 (the "**Issue Date**") and to be paid back in full by the Issuer on 13 May 2022 (the "**Maturity Date**"); (d) in certain circumstances however, may be repaid prior to the Maturity Date if the Issuer chooses to do so or else following a default under the terms and conditions of the Bonds; (e) are secured over title to the Ricoh Arena (the "**Arena**") in Coventry, and certain other assets and interests; and (f) are intended to be admitted to trading on the London Stock Exchange plc's regulated market, and through its order book for retail bonds (ORB) market. See Section 12 (*Terms and Conditions of the Bonds*) for further information.
Who is issuing the Bonds?	The Bonds will be issued by Wasps Finance plc. See Section 7 (*Description of the Group*) for further information.
Who is guaranteeing the Bonds?	The Bonds will be guaranteed by each of Wasps Holding Limited ("**Wasps Holdings**") and ACL ("**ACL**" and, together with Wasps Holdings, the "**Guarantors**"). The following Diagram illustrates Wasps Holdings and its consolidated subsidiaries taken as a whole (the "**Group**") at the date of this Prospectus: 

	*Note that the Compass Group, as shown in the above diagram, does not form part of the Group. ACL is the direct owner of 77 per cent. of the share capital of IEC; the remaining 23 per cent. of IEC is owned by the Compass Group. See Section 7 (*Description of the Group*) for further information.
How will the Bonds be secured?	The Issuer, the Guarantors and Arena Coventry (2006) Limited ("**ACL2006**", which is a wholly owned subsidiary of ACL) will grant security for the Bonds on the Issue Date. The benefit of the security will be held on trust, by U.S. Bank Trustees Limited (the "**Trustee**"), for and on behalf of itself, the paying agents under the Bonds, Elavon Financial Services Limited, UK Branch, (the "**Account Bank**") and the Bondholders. The security includes a legal mortgage (explained in more detail below) granted by ACL and ACL2006 over their title to the Arena in Coventry, a mortgage over the whole share capital of ACL, a mortgage over the whole share capital of ACL2006, fixed charges over insurance policies held by ACL and ACL2006 in respect of the Arena, a fixed charge over a cash account (described in more detail below) (the "**Interest Service Reserve Account**") to be opened by the Issuer with the Account Bank on or prior to the Issue Date, and a floating charge over all of the other undertaking and assets, both present and future, of each of the Issuer, the Guarantors and ACL2006. In addition, if the "P-Shares" (as defined below), held by Wasps Holdings are ever sold during the life of the Bonds, then the cash proceeds of the sale at such time are required to be paid into a designated bank account opened by Wasps Holdings with the Account Bank and secured by way of a fixed charge for the benefit of the Trustee, the paying agents under the Bonds, the Account Bank and the Bondholders. For the avoidance of doubt, the Trustee is not permitted to force the sale of the P-Shares (even if there is an Event of Default under the Bonds (as defined in Clause 9 (*Events of Default*) of Section 12 (*Terms and Conditions of the Bonds*)), because the P-Shares themselves do not form part of the secured assets – only the proceeds of their sale would form part of the secured assets. If the P-Shares are never sold by Wasps Holdings during the life of the Bonds, Wasps Holdings will never receive cash purchase monies in respect of them during the life of the Bonds. ***Summary of certain legal terminology:*** A '**mortgage**' provides security over the specified asset(s) and/or other interests of the person giving the security by transferring legal title to those assets and/or other interests from the mortgagor (i.e. the company granting the mortgage) to the mortgagee (i.e. the Trustee acting on behalf of the Bondholders), along with the right to sell those assets and/or other interests if there is a default in obligations due under the terms of the Bonds (for example, if the Issuer were to fail to make a payment of interest when due under the Bonds). A '**fixed charge**' unlike a mortgage, does not transfer title, ownership or possession of the secured assets and/or interests to the Trustee (or to anyone else). Instead it allows the person giving the security to continue to own the secured assets and/or interests during the period in which the Bonds are outstanding. However, such usage is subject to certain conditions designed to maintain the value of the secured assets or interests and prevent the disposal of these assets or interests without the consent of the mortgagee (i.e. the Trustee acting on behalf of the Bondholders). On the occurrence of any enforcement event (for example, if the Issuer were to fail to make a payment of interest when due under the Bonds), the Trustee may (if directed to do so by Bondholders and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction) either require the

	mortgagor company (i.e. the company granting the mortgage) to sell the secured assets or interests or it may take possession of the secured assets and either sell the assets or interest in it on its own or else appoint a receiver to sell the secured assets. Pursuant to the fixed charge, the Trustee, acting on behalf of the Bondholders, would have a claim over the proceeds of the sale of such secured assets in priority to any other creditors of the mortgagor company. The Trustee would, in such an event, hold all proceeds of the secured assets on trust for itself, the paying agents under the Bonds, the Account Bank and the Bondholders. A '**floating charge**' enables a chargee (i.e. the Trustee) to take security over assets whilst at the same time enabling the chargor (i.e. the Issuer, the Guarantors and/or ACL2006, as the case may be) to continue to operate their respective businesses without the restrictions that would follow from granting fixed charges over those assets and/or interests in them. The assets subject to a floating charge can generally be dealt with by the chargor companies in the ordinary course of their respective businesses (including sale of such assets and/or interests in them from time to time as they wish). A floating charge effectively "hovers" over a shifting pool of assets. However, on the occurrence of certain events (notably if a receiver or an administrator is appointed to take enforcement action against the chargor company or companies, or if there is a default in the Issuer's and/or Guarantor obligations in relation to the Bonds) the floating charge "crystallises" and will effectively be converted into a fixed charge with respect to the assets and/or interests in them which are at that point in time owned by the relevant chargor company, and prohibit them from disposing of any assets and/or interests in them going forwards without the Trustee's prior consent. The "**P-Shares**" referred to above means a class of shares in the issued share capital of Premiership Rugby Limited ("**PRL**") which class of shares receives a fixed share of central income received by PRL for the sale of television and other commercial rights in connection with premiership rugby union in England but which also has a pre-set capital value as detailed in the articles of association of PRL. If the "P-Shares" held by Wasps Holdings are ever sold, then the cash proceeds of the sale at such time are required to be paid into a designated bank account opened by Wasps Holdings with the Account Bank and secured in favour of the Trustee, the Bondholders and the other secured creditors, namely the paying agent under the Bonds and the Account Bank, as described above. The P-Shares can be offered for sale at any time if a holder of the P-Shares (a "**P-Shareholder**) wishes to sell such P-Shares; firstly, to any holder of B Shares in the share capital of PRL (for a description of the B Shares, see the section headed "*Distribution mechanics and the P-Shares*" in Section 7 (*Description of the Group*)) who does not currently hold any P-Shares and; secondly, if no holder of the B Shares (a "**B Shareholder**") wishes to acquire the P-Shares, to any other existing holder of a P-Share. The selling P-Shareholder can specify the price per share that it wishes to receive for such P-Share. If no other B Shareholder or P-Shareholder wishes to acquire the P-Shares being offered for sale at that price, then the P-Shares offered for sale remain with the proposed seller of the P-Shares and cannot be offered to any other party. In the event that a holder of P-Shares is relegated from the Aviva Premiership (the "**Premiership**") and does not get promoted back to the Premiership after one season, a professional rugby club that has been playing in the Premiership for more than one season will have the option to require the relegated club to sell its P-Shares to such club at a price equal to 150 per cent. of the value of net central income receivable by virtue of

	holding such P-Shares over the following eight years, such sum to be determined by PRL having regard to the advice of its auditors. The P-Shares are currently stated in the audited accounts of Wasps Holdings to have a value of £5 million (See Section 15 (*Financial Statements – Annual report and accounts of Wasps Holdings Limited for the financial years ended 30 June 2013 and 30 June 2014*)). In the event that future broadcasting deals lead to reduced income being distributed to the holders of P-Shares, with the effect that the P-Shares were to be valued at a figure lower than the £5 million currently stated in the audited accounts of Wasps Holdings, then it would be this new lower figure that would be used for the purposes of the financial covenants of the Bonds described under "*What financial covenants apply to the Group?*" below and under Section 12 *(Terms and Conditions of the Bond - Covenants).* The terms and conditions of the Bonds require the P-Shares to be re-valued at least once every two years. The independent valuer that must be appointed by Wasps Holdings to determine each such valuation will use the formula described in the previous two paragraphs to value the P-Shares at the relevant time. ***Interest Service Reserve Account*** On or prior to the Issue Date, the Issuer shall open a bank account into which it shall pay a sterling amount out of the cash proceeds of the Bond issue to cover payment of the first three interest payments due to be made under the Bonds. This Interest Service Reserve Account, which will be opened with the Account Bank, will be secured in favour of the Trustee, the paying agents, the Account Bank and Bondholders, as described above. Pursuant to the terms and conditions of the Bonds (the "**Conditions**"), after the first payment of interest on the Bonds has been paid to Bondholders (i.e. which is due on 13 November 2015) the minimum required account balance held in the account can be reduced to an amount to cover the following two interest payments due to be made under the Bonds. Once the second interest payment has been made (i.e. which is due on 13 May 2016), the minimum required account balance can be reduced to an amount to cover the next interest payment due to be made under the Bonds and if, after a period of at least two consecutive financial years Wasps Holdings has certified its compliance at all times with the financial covenants described below, then the Issuer may at its option reduce the account balance to zero and close the account.
What will Bondholders receive upon a winding up of the Group?	In the event of Issuer's or Guarantors' insolvency, the Bondholders, acting through the Trustee, will have recourse to the secured assets, which are secured for the benefit of the Trustee as described above. The secured assets notably included the ownership rights and interests of ACL and ACL2006 in the Arena and, if the P-Shares are ever sold by Wasps Holdings, will also include the cash proceeds of any such sale. The security granted over the secured assets shall become enforceable by the Trustee for and on behalf of itself, the paying agents under the Bonds, the Account Bank and the Bondholders, at the Trustee's discretion and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction in respect of all costs, claims and liabilities to or for which it may, in its opinion, thereby become liable upon an event of default occurring. As described above in the context of "mortgages", "fixed charges" and "floating charges", if the security becomes enforceable, the Trustee would typically be entitled to take possession of the relevant assets or interest and/or procure their sale (or

else the Trustee could appoint a receiver to do these things on its behalf). Any proceeds would be held on trust for distribution to the Trustee, the paying agents appointed with respect to the Bonds, the Account Bank and the Bondholders (in priority to claims of any other creditors of the Issuer, the Guarantors and/or ACL2006, as the case may be). Any cash remaining, after Bondholders had been paid in full, would be available to other unsecured creditors of the Group.

However, notwithstanding that the Issuer has undertaken to procure a valuation of the Arena and the P-Shares at least once in each consecutive 24 month period that the Bonds are outstanding (and at such time as covenanted to ensure that the value of those assets is at least 1.4 times the consolidated financial indebtedness of the Group at such time), if the surplus proceeds from the sale of assets following an enforcement event proved to be insufficient to cover all amounts due and payable to Bondholders in respect of the Bonds (for instance, if there was a sudden decline in value of the Arena but prior to an enforcement event), then Bondholders would be dependent on being able to receive any shortfall in money from the Guarantors (pursuant to the Guarantee) for satisfaction of any outstanding amounts.

The Guarantors have guaranteed that if the Issuer does not pay any sum payable by it under the Bonds by the time and date required by the Conditions of the Bonds (whether on the original due date, on early repayment of the Bonds or otherwise) then the Guarantors will pay that sum.

Structural Subordination in the context of the Bonds

The Guarantors' rights to participate in a distribution of any of their subsidiaries' assets upon their liquidation, re-organisation or insolvency will generally be subject to any claims made against such subsidiaries, including their creditors such as any lending bank and trade creditors. The joint obligations of the Guarantors under the Guarantee are therefore structurally subordinated to any liabilities of the Guarantors' subsidiaries. Structural subordination in this context means that, in the event of a winding up or insolvency of any of the Guarantor's subsidiaries, any creditors of that subsidiary would (subject to the following sentence) have preferential claims to the assets of that subsidiary ahead of any creditors of the Guarantors (i.e. including Bondholders).

A simplified diagram illustrating the structural subordination of the Guarantor's obligations under the Bonds to any liabilities of the Guarantor's subsidiaries referred to above is set out below by way of example by reference to IEC, which is a direct partially-owned subsidiary of ACL (as to which, see the structure diagram in Section 6 "*Information on the Group*" of this Prospectus):

	Type of obligation	Examples of obligations
Higher ranking	Proceeds of fixed charged assets	Currently none
	Expenses of the liquidation/administration	Currently none
	Preferential creditors	Including remuneration due to IEC's employees
	Proceeds of floating charge assets	Currently none
	Unsecured obligations, including guarantees in respect of them	For example, trade creditors and unsecured obligations, for instance any banking facilities and other financings
Lowest ranking	Shareholders	IEC Experience Limited's shareholders in proportion to their respective shareholders (77% owned by ACL; and 23% owned by Compass Contract Services (UK) Limited)

In an equivalent diagram representing the ranking of creditors of Wasps Holdings or ACL, the Bondholders would be shown to rank above all other creditors of those entities (including ahead of any other guarantees in respect of any other indebtedness that might have been given by Wasps Holdings and/or ACL, as the case may be), due to the fact that Bondholders have been granted fixed charge security by Wasps Holdings and ACL in connection with the Bonds.

By way of example, if the assets of ACL were to be liquidated and distributed to ACL's creditors as per the example given for IEC above, the equivalent diagrammatic representation of priorities of payment would look as follows:

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<table>
<tr><th></th><th>Type of obligation</th><th>Examples of obligations</th></tr>
<tr><td>Higher ranking</td><td>Proceeds of fixed charged assets</td><td>ACL’s obligation to make payment to the Trustee in relation to the Bonds</td></tr>
<tr><td></td><td>Expenses of the liquidation/administration</td><td>Currently none</td></tr>
<tr><td></td><td>Preferential creditors</td><td>Remuneration due to ACL’s employees</td></tr>
<tr><td></td><td>Proceeds of floating charge assets (i.e. to the extent that Bondholders do not already have specific/fixed charge security over certain assets, as per above)</td><td>ACL’s obligations to make payment to the Trustee in relation to the Bonds</td></tr>
<tr><td></td><td>Unsecured obligations, including guarantees in respect of them</td><td>For example, trade creditors and unsecured obligations, for instance any banking facilities and other financings</td></tr>
<tr><td>Lowest ranking</td><td>Shareholders</td><td>ACL’s shareholders (i.e. its 100 per cent. owner, Wasps Holdings)</td></tr>
</table>
Structured subordination, as illustrated above, is not relevant in the case of ACL2006 because the Trustee, acting on behalf of itself and the Bondholders, represents a secured creditor of ACL2006 by virtue of the security provided by ACL2006 in respect of the Bonds, as described under the heading “How will the Bonds be secured?” above. ACL has no other subsidiaries at the date of this Prospectus.
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<tr>
<td>How will the security be valued?</td>
<td>
The Arena has been independently valued by Strutt & Parker LLP (Chartered Surveyors) on 23 April 2015.
Strutt & Parker LLP prepared a valuation of the Arena for the purposes of inclusion in the Prospectus (See Section 14 (Summary Valuation Report)). In preparing the valuation, the following assumptions were made by Strutt & Parker:
(a) that the Arena is structurally free of defects;
(b) that no deleterious or hazardous materials were used in the construction of the
</td>
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	Arena; (c) that plant and machinery are serviceable, efficient, safe and adequate for purpose; (d) that the Arena is not affected by mining or other works; (e) that the Arena is not affected by any environmental issues; and (f) that all licences and certificates would be available to a third party purchaser of the Arena to enable the hotel, conferencing, banqueting and events facilities to continue to trade without interruption. See the risk factor headed "*Risk factors relating to the valuation of the Arena*" in Section 2 *(Risk Factors*) of this Prospectus. The valuation of the Arena given by Strutt & Parker for the long leasehold interest as at 23 April 2015 is £48,500,000. This is significantly higher than the valuation in the audited accounts of ACL (see Section 15 (*Financial Statements – Annual report and accounts of Arena Coventry Limited for the financial years ended 31 May 2013 and 31 May 2014*)) as the ACL accounts value the Arena purely at its historic cost less depreciation, whilst Strutt & Parker make assumptions as to future trading (i.e. Strutt & Parker give the market value). In addition, pursuant to the Conditions of the Bonds, Guarantors and ACL2006 have undertaken that they will together require further independent appraisals of the value of the Arena, together with the current value of the P-Shares, not less than once in each consecutive 24 month period, the first such valuation date to be no later than 30 June 2016. See Section 7 (*Description of the Group – Overview of the Business of ACL – The Ricoh Arena*) and Section 14 (*Summary Valuation Report*) for further information.
What financial covenants apply to the Group?	Wasps Holdings has, pursuant to covenants contained in the Conditions of the Bonds, undertaken to maintain certain financial ratios for so long as the Bonds are outstanding. Under these covenants, Wasps Holdings has agreed to ensure that (a) the aggregate value of the Arena and the P-Shares, as shown by the most recent valuation of those assets, to the financial indebtedness of Wasps Holdings and its subsidiaries taken as a whole, is at least: 1.4:1.0, (b) for the 12 month financial period ending on it financial half-year date of 30 June 2017, and for each following financial period, the ratio of consolidated EBITDA (as described in the following paragraph) of the Group to consolidated finance costs for the Group (each measured by reference to the then most recent consolidated financial statements of the Group) will be at least 1.5:1.0 and (c) at any time, the total consolidated senior debt of the Group does not exceed the higher of (y) £40 million and (z) four times consolidated EBITDA for the most recently ended two full six month periods in respect of which consolidated financial statements of the Group are available. In summary, the Group's 'consolidated EBITDA' is a measure of the Group's profitability for the relevant period before taking into account tax, interest expenses, depreciation, amortisation and certain other customary accounting items; and the Group's 'consolidated finance costs' are a measure of the Group's cost of financing – i.e. how much members of the Group have to pay to borrow money from the Group's various lenders (excluding in respect of amounts due to Derek Richardson, the ultimate shareholder of the Group).

What will the proceeds be used for?	The Issuer will lend the proceeds from the issue of Bonds to Wasps Holdings and ACL. The proceeds of the issue (after deduction of expenses incurred in connection with the issue) will be used by Wasps Holdings and ACL to repay existing borrowings of the Group, to fund the Interest Service Reserve Account described above (under "*How will the Bonds be secured?*") and for general working capital purposes of the Group. See Section 7 (*Description of the Group – Borrowings and Funding of the Guarantor Group – Use of Proceeds*) for further information.
What is the interest rate?	The interest rate payable on the Bonds will be fixed until the Maturity Date at 6.50 per cent. per year. The interest rate payable on the Bonds is fixed for the life of the Bonds. The first payment of interest in relation to the Bonds is due to be made on 13 November 2015. Following the first payment, interest is expected to be paid on 13 May and 13 November in each year up to and including the Maturity Date (unless the Bonds are redeemed early). See Section 12 (*Terms and Conditions of the Bonds - Interest*) for further information.
How is the amount of interest payable calculated?	The Issuer will pay a fixed rate of 6.50 per cent. interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £100 nominal amount of Bonds that you buy on 13 May 2015, for instance, you will receive £3.25 on 13 November 2015 and £3.25 on 13 May 2016, and so on every six months until and including the Maturity Date (unless you sell the Bonds or they are repaid by the Issuer before the Maturity Date). See Section 12 (*Terms and Conditions of the Bonds - Interest*) for further information.
What is the yield on the Bonds?	On the basis of the issue price of the Bonds of 100 per cent. of their nominal amount, the initial yield (being the interest received from the Bonds expressed as a percentage of their nominal amount) of the Bonds on the Issue Date is 6.50 per cent. on an annual basis. This initial yield is not an indication of future yield.
Will I be able to trade the Bonds?	Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange plc, on its regulated market and through its electronic order book for retail bonds (ORB) market. If this application is accepted, the Bonds are expected to commence trading on 14 May 2015. Once admitted to trading, the Bonds may be purchased or sold through a broker. The market price of the Bonds may be higher or lower than their original issue price depending on, among other things, the level of supply and demand for the Bonds and any movements in interest rates. See Section 2 (*Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Bonds and their market price may be volatile*) for further information.
Do the Bonds have a credit rating?	No, the Bonds will not when issued be rated by any credit rating agency. The Issuer currently does not have any intention of applying for a credit rating from any credit rating agency.
Do the Bonds have voting rights?	Bondholders have certain rights to vote at meetings of the Bondholders, but are not entitled to vote at any meeting of shareholders of the Issuer, the Guarantors or any other member of the Group. The Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including Bondholders who did not attend and vote

	at the relevant meeting and Bondholders who voted in a different manner to the majority.
Who will represent the interests of the Bondholders?	The Trustee is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Issuer throughout the life of the Bonds. The main obligations of the Issuer and the Guarantors (such as the obligation to pay, and to observe the various covenants in the Conditions of the Bonds) are owed to the Trustee. The Trustee also holds the benefit of the security on trust for and on behalf of itself, the paying agents under the Bonds, the Account Bank and the Bondholders. These obligations are enforceable by the Trustee only, not the Bondholders themselves. Although the entity chosen to act as Trustee is chosen and appointed by the Issuer, the Trustee's role is to protect the interests of the Bondholders. See Section 12 (*Terms and Conditions of the Bonds*) for further information.
How do I apply for Bonds?	Details on how to apply for the Bonds are set out in Section 4 (*Timetable of the Offer and Key Dates*) and Section 5 (*How to Apply for the Bonds*).
What if I have further questions?	If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

SECTION 4 – TIMETABLE OF THE OFFER AND KEY DATES

Key dates relating to the Offer	
Commencement of Offer Period	24 April 2015
End of Offer Period	5 p.m. (London time) 6 May 2015
Sizing Announcement (confirming total nominal amount of Bonds to be issued)	6 May 2015
Issue Date	13 May 2015
Expected commencement of trading	14 May 2015
Key dates for the Bonds	
First Interest Payment Date	13 November 2015
Maturity Date	13 May 2022

Interest is scheduled to be paid on the semi-annual Interest Payment Dates (13 November and 13 May in each year), until the Maturity Date or any earlier redemption date. The first payment of interest is due to be made on 13 November 2015. If any of these scheduled dates is not a business day, then the payment of interest will be made on the next succeeding business day in London without any additional interest being payable.

The key dates for the offer are indicative only and subject to change without notice. Wasps Finance plc may end the Offer Period early or withdraw the offer at any time prior to the Issue Date.

This Prospectus may only be used by the Authorised Offerors referred to in this Prospectus for the purposes of making offers of the Bonds during the Offer Period; not at any time after the End of Offer Period.

SECTION 5 - HOW TO APPLY FOR THE BONDS

How and on what terms will Bonds be allocated to me?	Applications to purchase Bonds cannot be made directly to Wasps Finance plc (the "**Issuer**"). Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you. It is important to note that none of the Issuer, Wasps Holdings Limited and Arena Coventry Limited (the "**Guarantors**"), Investec Bank plc (the "**Lead Manager**") or U.S. Bank Trustees Limited (the "**Trustee**") are party to such arrangements between you and the relevant financial intermediaries referred to in section 11 (*Important Legal Information – Consent*) (the "**Authorised Offerors**"). You must therefore obtain this information from the relevant Authorised Offeror. Because they are not party to the dealings you may have with any Authorised Offeror, the Issuer, the Guarantors, the Lead Manager and the Trustee will have no responsibility to you for any information provided to you by the Authorised Offeror.
How many Bonds will be issued to investors?	The total amount of the Bonds to be issued may depend on the amount of Bonds for which indicative offers to purchase Bonds are received during the Offer Period. This total amount will be specified in an announcement which the Issuer intends to publish via RNS announcement (*www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*) on or about 6 May 2015 (the "**Sizing Announcement**"). The maximum nominal amount of the Bonds to be issued will be £35,000,000.
How and when must I pay for my allocation and when will that allocation be delivered to me?	You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to you in return for payment.
When can the Authorised Offerors offer the Bonds for sale?	An offer of the Bonds may be made by the Lead Manager and the other Authorised Offerors in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the period from the date of this Prospectus until 5 p.m. on 6 May 2015 (the "**Offer Period**"), or such earlier time and date as agreed between the Issuer, the Guarantors and the Lead Manager and announced *via* RNS during the Offer Period.
Is the offer of the Bonds conditional on anything else?	The issue of the Bonds is conditional upon the Subscription Agreement being signed by the Issuer, the Guarantors and the Lead Manager. The Subscription Agreement will include certain conditions customary for transactions of this type which must be satisfied (including the delivery of legal opinions from legal counsel which are satisfactory to the Lead Manager). If these conditions are not satisfied, the Lead Manager may be released from its obligations under the Subscription Agreement before the

	issue of the Bonds. For further information on the Subscription Agreement, see Section 8 (*Subscription and Sale*).
Is it possible that I may not be issued with the number of Bonds I apply for? Will I be refunded for any excess amounts paid?	You may not be allocated all (or any) of the Bonds for which you apply. This might happen for example if the total amount of orders for the Bonds exceeds the number of Bonds that are issued. There will be no refund as you will not be required to pay for any Bonds until any application for Bonds has been accepted and the Bonds have been allocated to you.
Is there a minimum or maximum amount of Bonds that I can apply for?	The minimum application amount for each investor is £2,000. The maximum aggregate nominal amount of the Bonds to be issued on the Issue Date will be £35,000,000.
How and when will the results of the offer of the Bonds be made public?	The results of the offer of the Bonds will be made public in the Sizing Announcement, which will be published by the Issuer via RNS prior to the Issue Date. The Sizing Announcement is currently expected to be made on or around 6 May 2015.
Who can apply for the Bonds? Have any Bonds been reserved for certain countries?	Subject to certain exceptions, Bonds may only be offered by the Authorised Offerors in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the Offer Period (and to the extent that the relevant Authorised Offeror is appropriately authorised to make offers in the relevant jurisdiction(s), in accordance with all applicable laws, rules and regulations). No Bonds have been reserved for certain countries.
When and how will I be told of how many Bonds have been allotted to me?	You will be notified by the relevant Authorised Offeror of your allocation of Bonds (if any) in accordance with the arrangements in place between you and the Authorised Offeror.
Have any steps been taken to allow dealings in the Bonds before investors are told how many Bonds have been allotted to them?	No steps have been taken to allow the Bonds to be traded before informing you of your allocation of Bonds.
What is the amount of any expenses and taxes specifically that will be charged to me?	Neither the Issuer, either Guarantor nor the Lead Manager will charge you any expenses or taxes relating to the issue of the Bonds. The Bonds will be issued at the issue price (which is 100 per cent. of the nominal amount of the Bonds), and the aggregate nominal amount of the Bonds to be issued will be specified in a Sizing Announcement to be published by the Issuer by RNS at the end of the Offer Period. Authorised Offerors may offer the Bonds at the issue price (i.e. 100 per cent. of the nominal amount of the Bonds) or, if such Authorised Offeror charges you any expenses, then it may offer you the Bonds at a corresponding amount more than the issue price. For example, if your stockbroker or financial adviser charges you total dealing expenses of, for instance, 1 per cent., then he or she would offer the Bonds to you at 101 per cent. of the nominal amount of the Bonds (i.e. a price to you of £101 per £100 Bond). You must check with your stockbroker or financial adviser what expenses he or she will charge to you, and therefore what the offer price to you will be. Any such expenses charged by an Authorised Offeror are beyond the control of the Issuer, are not knowable by the Issuer, and must be disclosed to any

	potential investor by the relevant Authorised Offeror at the relevant time.
What are the names and addresses of those distributing the Bonds?	As of the date of this Prospectus, the persons listed below are the persons known to the Issuer, the Guarantors and the Lead Manager who intend to offer and distribute the Bonds in the United Kingdom, Guernsey, Jersey and/or the Isle of Man during the Offer Period: Barclays Bank PLC 1 Churchill Place London E14 5HP Equiniti Financial Services Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA Interactive Investor Trading Ltd Standon House 21 Mansell Street London E1 8AA Investec Bank plc 2 Gresham Street London, EC2V 7QP Redmayne-Bentley LLP 9 Bond Court Leeds LS1 2JZ Each of the Issuer and the Guarantors has granted consent to the use of this Prospectus by the persons listed above and other relevant stockbrokers and financial intermediaries in the United Kingdom during the Offer Period on the basis of and so long as they comply with the conditions described in Section 11 (*Important Legal Information - Consent*). None of the Issuer, the Guarantors or the Lead Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.
Will a registered market-maker be appointed?	The Lead Manager will be appointed as a registered market-maker through the London Stock Exchange's order book for retail bonds (ORB) in respect of the Bonds from the date on which the Bonds are admitted to trading on the London Stock Exchange plc's regulated market. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours.

SECTION 6 - DESCRIPTION OF THE ISSUER

Information about the Issuer

Wasps Finance plc (the "**Issuer**") was incorporated and registered in England and Wales on 11 February 2015 under the Companies Act 2006 as a public limited company with registered number 9435073 under the name of Wasps Finance plc. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer's registered office and principal place of business is Twyford Avenue Sports Ground, Twyford Avenue, Acton, London W3 9QA.

As of the date of this Prospectus, the total authorised share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each, and the total allotted, issued and fully paid share capital of the Issuer is £12,500, all of which are held by Moonstone Holdings Limited (Malta).

Principal activities

The Issuer's objects and purposes are unrestricted.

The Issuer is organised as a special purpose company. The Issuer was established to raise money for use by Wasps Holdings Limited and its consolidated subsidiaries taken as a whole (the "**Group**").

Since its incorporation, the Issuer has not engaged in material activities other than those incidental to its registration as a public limited company under the Companies Act 2006 and those related to the issue of the Bonds. The Issuer has no employees.

Directors and Secretary

The directors of the Issuer and their other principal activities are:

	Position in the Issuer
David Armstrong	Company Director
Derek Richardson	Company Director

The business address of each of the above persons is Twyford Avenue Sports Ground, Twyford Avenue, Acton, London W3 9QA.

There are no potential conflicts of interest between the private interests or other duties to third parties of the directors of the Issuer and their duties to the Issuer.

Corporate Governance

The Issuer is not a company with a primary equity listing and accordingly is not required to comply with the United Kingdom's corporate governance standards.

Financial Information

Since the date of its incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 30 June 2015. The financial year of the Issuer ends on 30 June in each year.

Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at its business address set out above and within the "*Bonds*" section of the Group's website (at *www.wasps.co.uk/bonds*).

The Issuer has appointed PricewaterhouseCoopers LLP of 1 Embankment Place, London WC2N 6RH, as its auditors. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

SECTION 7 - DESCRIPTION OF THE GROUP

The Bonds will be issued by Wasps Finance plc (the "**Issuer**") and guaranteed by each of Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**") (together, the "**Guarantors**") and secured over certain real estate and other assets of the Issuer, the Guarantors and Arena Coventry (2006) Limited ("**ACL2006**") in favour of the U.S. Bank Trustees Limited (the "**Trustee**") for the benefit of the Bondholders during the life of the Bonds.

Information on the Group Companies

Wasps Holdings

Wasps Holdings was incorporated and registered in England and Wales on 26 March 2001 under the Companies Act 1985 as a private limited company with registered number 04187289 under the name London Wasps Holdings Limited. Wasps Holdings changed its name to Wasps Holdings Limited by way of written resolution passed on 8 April 2015. The principal legislation under which Wasps Holdings operates is the Companies Act 2006.

Wasps Holdings' registered office and principal place of business is Twyford Avenue Sports Ground, Twyford Avenue, London W3 9QA and its telephone number 020 8993 8298.

ACL

ACL was incorporated and registered in England and Wales on 16 May 2002 under the Companies Act 1985 as a private limited company with registered number 04440684 under the name Pinco 1772 Limited. ACL changed its name from Pinco 1772 Limited to Arena Coventry Limited on 5 July 2002. The principal legislation under which ACL operates is the Companies Act 2006.

ACL's registered office and principal place of business is Ricoh Arena, Phoenix Way, Foleshill, Coventry, CV6 6GE and its telephone number is 0844 873 6507.

ACL2006

ACL2006 was incorporated and registered in England and Wales on 13 January 2006 under the Companies Act 1985 as a private limited company with registered number 5675263. The principal legislation under which ACL2006 operates is the Companies Act 2006.

ACL2006's registered office is 71 Phoenix Way, Ricoh Arena, Coventry, CV6 6GE.

IEC Experience Limited

IEC Experience Limited ("**IEC**") was incorporated and registered in England and Wales on 20 April 2012 under the Companies Act 2006 as a private limited company with registered number 8039699. The principal legislation under which IEC operates is the Companies Act 2006.

IEC's registered office is Ricoh Arena, 71 Phoenix Way, Foleshill, Coventry, CV6 6GE.

Ownership structure

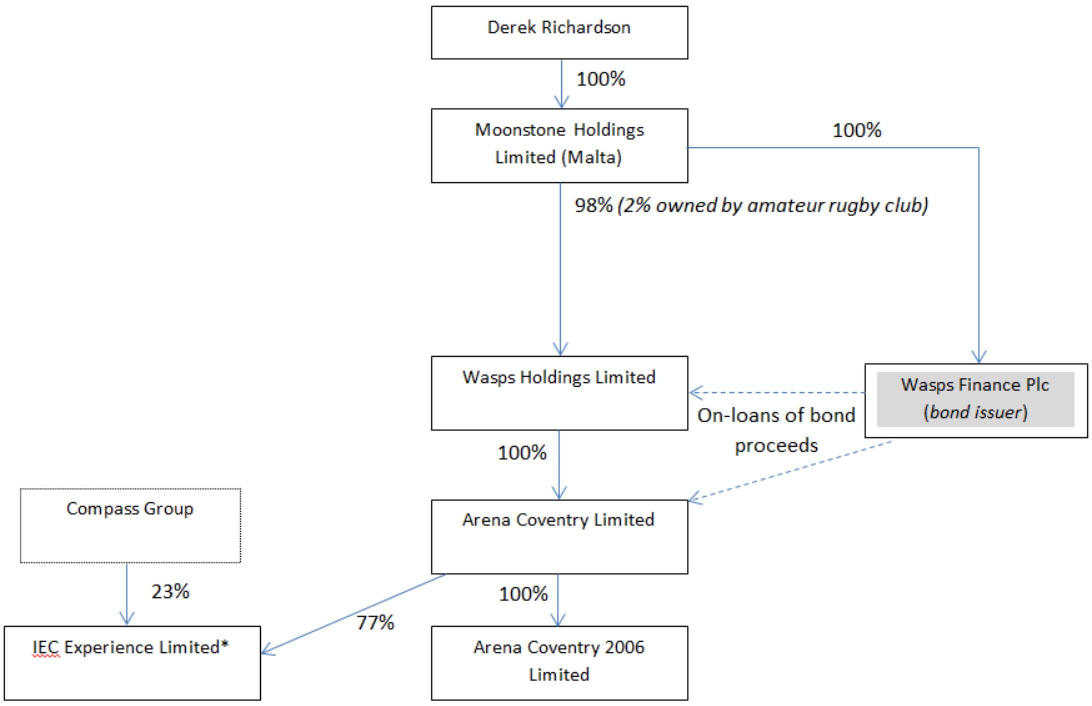
Wasps Holdings' business and main activity is that of the operation and management of Wasps Rugby Club, a professional Premiership rugby club located in Coventry, England. It is the one hundred per cent. shareholder of ACL and is ninety eight per cent. owned by Moonstone Holdings Limited, a private limited company incorporated in Malta with registered number C58933 ("**Moonstone**"), which is in turn wholly owned by Derek Richardson. Wasps Holdings is two per cent. owned by the trustees of Wasps Football Club (the

“**Wasps Trustees**”), who operate an amateur rugby union club known as Wasps FC. The ultimate controlling shareholder of the Guarantors is Mr Derek Richardson, an Irish businessman whose background is in the insurance industry. Mr Richardson became an investor in Wasps Holdings in December 2012. In April 2013, Mr Richardson became the indirect owner of a majority of the issued share capital of Wasps Holdings following the acquisition by Moonstone.

On 5 April 2013, Moonstone acquired ninety eight per cent. of Wasps Holdings from Canmango Limited, the previous majority shareholder of Wasps Holdings.

ACL is wholly owned by Wasps Holdings. On 8 October 2014, Wasps Holdings acquired fifty per cent. of the entire issued share capital of ACL from North Coventry Holdings Limited. On 14 November 2014 Wasps Holdings acquired the remaining fifty per cent. of the entire issued share capital ACL from Football Investors Limited.

The following diagram illustrates the ownership structure of the Group:



*Note that the Compass Group, as shown in the above diagram, does not form part of the Group. ACL is the direct owner of 77 per cent. of the share capital of IEC; the remaining 23 per cent. of IEC is owned by the Compass Group.

Wasps Holdings – Corporate structure and board

Shareholder and share capital of Wasps Holdings

Wasps Holdings has two classes of ordinary shares, ordinary shares and B ordinary shares.

As at the date of this Prospectus, the total issued share capital of Wasps Holdings is £775,550 divided into £760,039 ordinary shares of £1 each and 15,511 B ordinary shares of £1 each.

As at the date of this Prospectus, Moonstone is the holder of 760,039 ordinary shares and the Wasps Trustees are the holders of 15,511 B ordinary shares.

The Ordinary Shares confer on the shareholders the right to receive notice of, attend and have one vote at general meetings (on a show of hands, a poll or by written resolution). All of the Ordinary Shares rank *pari passu* in the event of the payment of dividends and other distributions. The Ordinary Shares also rank *pari passu* in the event of a return of capital, on a winding up or otherwise. The Ordinary Shares are not subject to any right of redemption.

Board of Directors of Wasps Holdings

The directors of Wasps Holdings are as follows:

Derek Arthur Richardson

Derek Richardson became a major investor in Wasps Holdings in December 2012. He was appointed to the board of Wasps Holdings as a non-executive director on 1 March 2014. He previously successfully founded and managed an online Irish insurance company which he sold in 2010. Derek Richardson is currently the non-executive chairman of Wasps Holdings.

David Armstrong

David is the Chief Executive Officer of the Group and was appointed to the board of Wasps Holdings on 8 April 2015.

Nicholas John Eastwood

Nicholas Eastwood joined Wasps Holdings in 2013 as Chief Executive Officer and was appointed to the board of Wasps Holdings on 1 May 2014. He is currently deputy chairman of Wasps Holdings. He previously held the position of Finance Director of the Rugby Football Union, the governing body of English rugby.

Robert William Gray

He was appointed to the board of Wasps Holdings as a non-executive director on 1 May 2014. He is also a director of a recruitment business.

Robert Norman Dawbarn

He was appointed to the board of Wasps Holdings as a non-executive director on 5 November 2012. He is also a Partner in the corporate department of London based law firm, Kennedys Law LLP.

There are no potential conflicts of interest between the private interests or other duties to third parties of the directors of Wasps Holdings and their duties to Wasps Holdings.

Board practices and governance of Wasps Holdings

Wasps Holdings is not a company with a primary equity listing and accordingly is not required to comply with the United Kingdom's corporate governance standards.

ACL – Corporate structure and board

Shareholder and share capital of ACL

ACL has two classes of ordinary shares, A Ordinary (the "**A Ordinary Shares**") and B Ordinary (the "**B Ordinary Shares**").

As at the date of this Prospectus, the total authorised share capital of ACL is £3,516,112 and the total allotted, issued and fully paid share capital of ACL is £3,516,112 divided into 1,758,056 A Ordinary Shares of £1 each and 1,758,056 B Ordinary Shares of £1.

As at the date of this Prospectus, Wasps Holdings is the holder of 3,516,112 Ordinary Shares (comprising 1,758,056 A Ordinary Shares and 1,758,056 B Ordinary Shares).

The A Ordinary Shares confer on the shareholder one vote on a show of hands and one vote per share on a poll. The shareholder of the A Ordinary Shares has full rights to receive dividends and capital distributions (including on a winding up). The A Ordinary Shares are not subject to any right of redemption. Each A Ordinary Share ranks pari passu with each B Ordinary Share.

The B Ordinary Shares confer on the shareholder one vote on a show of hands and one vote per share on a poll. The shareholder of the B Ordinary Shares has full rights to receive dividends and capital distributions (including on a winding up). The B Ordinary Shares are not subject to any right of redemption. Each B Ordinary Share ranks pari passu with each A Ordinary Share.

Board of Directors of ACL

Derek Arthur Richardson

Derek Richardson was appointed to the Board of ACL on 8 October 2014 upon the acquisition of ACL by Wasps Holdings.

Nicholas John Eastwood

Nick Eastwood was appointed to the Board of ACL on 8 October 2014 upon the acquisition of ACL by Wasps Holdings.

David Armstrong

David Armstrong was appointed to the Board of ACL on 8 October 2014 upon the acquisition of ACL by Wasps Holdings.

There are no potential conflicts of interest between the private interests or other duties to third parties of the directors of ACL and their duties to ACL.

Board practices and governance of ACL

ACL is not a company with a primary equity listing and accordingly is not required to comply with the United Kingdom's corporate governance standards.

Borrowings and Funding of the Guarantor Group

Wasps Holdings

In December 2013 and prior to the acquisition by Moonstone of ninety eight per cent. of the issued share capital of Wasps Holdings in April 2013, Derek Richardson provided loans to Wasps Holdings for working capital purposes. Since the acquisition by Moonstone of Wasps Holdings, Derek Richardson has continued to provide loans to Wasps Holdings and as at the date of this Prospectus, loans totalling £20,361,658 in aggregate have been made (the "**Shareholder Loan**"). Derek Richardson is the ultimate beneficial owner of Wasps Holdings.

The Shareholder Loan is repayable upon demand (subject to the following paragraph) and bears interest at a floating rate of 4 per cent. over the base interest rate of Barclays Bank PLC, from time to time, provided that the maximum rate of interest can not be more than 6.50 per cent. per annum.

As part of the proceeds from the issue of the Bonds, and pursuant to the terms and conditions of the Bonds, Derek Richardson will receive up to £10 million in part repayment of the Shareholder Loan. Other than this sum of up to £10 million, Derek Richardson is unable to seek repayment of the Shareholder Loan or payment of any interest in connection with the Shareholder Loan other than as provided in Condition 4(i) (*Limitation on Restricted Payments*) in Section 12 (*Terms and Conditions of the Bonds*).

The Shareholder Loan is, by its terms, contractually subordinated to payment obligations of Wasps Holdings in respect of the Bonds (i.e. the terms and conditions of the Shareholder Loan include an express agreement by Derek Richardson, as party to that Shareholder Loan, that payment obligations of Wasps Holdings to Derek Richardson under the Shareholder Loan will rank junior to any payment obligation that Wasps Holdings has to Bondholders in connection with the Bonds).

Close Leasing Limited also provides a working capital facility (the "**Close Leasing Facility**") to Wasps Holdings. Under the terms of the Close Leasing Facility, Wasps Holdings owes £3,925,000 to Close Leasing Limited. This amount will be paid in full, together with accrued interest and other charges, from the proceeds of the issue of the Bonds and the security granted to Close Leasing Limited in respect of this facility will be immediately released.

ACL

The Coventry City Council ("**CCC**") provided a working capital facility to ACL by way of a facility agreement dated 15 January 2013 (as amended) in the amount of £13,400,000. This facility together with accrued interest will be repaid in full from the proceeds of the issue of the Bonds and the security granted to CCC in respect of this facility will be released.

As detailed in this Section 7 under the heading " - *Overview of the business of IEC*", in 2012, ACL entered into joint venture and licensing arrangements with Compass Group Limited ("**Compass**"). As part of such arrangements, Compass provided an interest free unsecured loan to ACL of £4,000,000. This sum is repayable by ACL to Compass in 2019 in the event that ACL does not renew the various agreements that it has in place with IEC.

Use of Proceeds

The proceeds from the issue of the Bonds will be used by Wasps Holdings and ACL for the following purposes:

(a) to repay in full the facility provided to ACL by CCC;

(b) to repay in full the Close Leasing Facility;

(c) to part repay to Derek Richardson an amount of up to £10 million on or after the Issue Date pursuant to the Shareholder Loan. If £10 million is repaid, this will leave a remaining balance of £10,361,658 under the Shareholder Loan;

(d) to fund the Interest Service Reserve Account, as detailed in the terms and conditions of the Bonds and under Section 3 (*Information About the Bonds – How will the Bonds be secured?"*); and

(e) for general working capital purposes of ACL and Wasps Holdings.

All existing security granted by the Group to CCC and Close Leasing Limited in relation to the facilities described above will be released on the date that the Bonds are issued.

Strategic Overview and Outlook for the Group

Background

Wasps Rugby Club (the **"Club**") first won the Heineken Cup in 2004 and then again for the second time in 2007. However, during the period from 2007 to 2012, the level of investment in the Club, under its previous owners, Steve Hayes and Canmango Limited, reduced. The Club struggled on the field and commercially, and by mid-2012 the Club was in considerable financial difficulties culminating in it being put up for sale.

In early 2013, Derek Richardson acquired the Club with a clear vision to not only restore the Club to its position as one of the leading rugby clubs in Europe, but also to find a new permanent home stadium that would aim to underpin its financial future. Wasps identified a number of potential sites in the South East of England and prepared detailed business plans and engaged in detailed discussions with a number of potential partners. None of these sites came to fruition, due to uneconomic proposals, significant planning and delivery risks or lengthy timescales. The Ricoh Arena (the "**Arena**") in Coventry emerged as the most suitable choice with its ready-made combination of well-designed sports arena, hospitality facilities and complementary conference, exhibition, entertainment and hotel businesses.

Wasps Holdings acquired ACL, the owner of the Arena, for £5.56 million in October/November 2014 paying £2.78 million to each of the 50 per cent. shareholders, North Coventry Holdings Limited a vehicle owned by CCC and Football Investors Limited, a vehicle owned by the Alan Edward Higgs Trust (a local Coventry based charity). As part of the transaction Wasps Holdings paid an additional £1 million to CCC for a lease extension of the existing 50 years lease to a 250 year lease and a further £1 million to reduce the outstanding loan with CCC to approximately £13.4 million. Please refer to the section headed *"Borrowing and Funding of the Guarantor Group"*. Therefore, the total consideration paid including equity and debt acquired was £19.9 million. Wasps Holdings also signed a 50 year licence with ACL to play all home First Team games at the Arena.

ACL also endured financial challenges during the two year period leading up to the acquisition by Wasps Holdings. Coventry City Football Club ("**CCFC**") moved to Northampton for the 2013/2014 season depriving the business of a key source of revenue and connected legal proceedings materially increased the business's overheads resulting in a loss after tax of £453,291 for ACL's financial year ended 31 May 2014. These proceedings are detailed in Section 2 (under the heading *"Litigation"*) following the departure of CCFC to Northampton, ACL management embarked on a strategy of improving the quality and frequency of the Conferencing and Exhibitions business, whilst at the same time tightly controlling costs at the Arena; as a result, both turnover and profitability began to recover in the second half of 2014. In the summer of 2014, CCFC agreed to return to the Arena for the 2014/2015 season and so far during the 2014/2015 season, as at the end of February 2015, have played 17 home games with an average attendance of 7,333.

Future Strategy

The newly formed Wasps Group being Wasps Holdings, ACL, ACL2006 and IEC consists of a successful professional rugby club and one of the country's leading sports, exhibition, conferencing and events arenas, creating a unique professional sports business in the UK. The combination creates a symbiotic relationship between these businesses through complementary interests across sponsors, media, exhibition organisers and conference hosts. Additionally there are considerable marketing synergies across the retail/consumer customer groups, including rugby and football fans themselves.

Examples of these benefits are in the process of implementation, including:

1. As a result of the acquisition of ACL, Wasps Holdings secured Jaguar Cars Limited, trading as Land Rover as main club sponsor in a contract that was conditional on the acquisition by Wasps Holdings of ACL. Land Rover's parent company Jaguar Land Rover Limited ("**JLR**") are a Coventry and West Midlands based company and were already a sponsor of the main exhibition hall at the Arena (the Jaguar Hall). As at and for the financial year ended 31 March 2014 they had an annual turnover in excess of £19 billion. JLR have already indicated their interest in exploring broader sponsorship arrangements with the Arena, since the purchase by Wasps Holdings and are also in discussions to bring much of their conference and exhibition spends to the Arena. Furthermore there is emerging interest for JLR to partner with Wasps Holdings in wide-ranging community engagement projects such as Rugby Hitz, a program for children and young adults from underprivileged backgrounds.

2. Wasps Holdings also secured EMC Computer Systems (UK) Limited ("**EMC**") as a shirt sponsor despite EMC being based in London. EMC are a leading global data services company with turnover in excess of US$23 billion (as of 24 April 2015). As well as agreeing to host four global conferences at the Arena with excess of 7,000 people attending each event, it is perceived that EMC will play an integral role in the future technology strategy of the business, one which Wasps Holdings plans to make the Arena one of the most advanced, integrated IT platforms in sport. This will enable a wide range of fully interactive services to be delivered to the Arena which will benefit exhibitors, sports fans, concert attendees and suppliers of the business. For all parties EMC will enable a visualisation of data via mobile app or other media which in turn allows each respective rights holder or business to increase their event profitability at the Arena.

3. ACL currently has a pouring rights sponsorship contract with Carlsberg UK Limited ("**Carlsberg**"). With the addition of Wasps Holdings as lead tenant the volume of beer, cider wine and soft products likely to be consumed at the Arena is forecast by the management of ACL to grow by 2 or 3 times, which in turn will enable ACL to renew or tender the pouring rights contract and secure materially better terms. Three major international brands are involved in a tender process and a contract is expected to be in place by June 2015 ahead of rollout in September.

4. In April 2015 Wasps Holdings announced a new major kit / apparel partner with Under Armour, one of the world's leading sports brands, a deal which was secured by Wasps Holdings on the back of the purchase of ACL. Under the new agreement, it is anticipated that Wasps Holdings will take back ownership of the on-site retail space and online merchandise channel and secure strong royalties on all product sales through additional third party revenues. In securing this partnership the business are likely to see a material increase in the financial benefit from the sponsorship deal to the business and the brand association will help to drive sales and profile. This new partner has a turnover of US$17 billion making it the third largest sports brand in the world.

5. Wasps Holdings and Hilton Worldwide have agreed terms for the conversion of the Ricoh Arena Hotel into a "Doubletree" by Hilton Hotel. The franchisee agreement will be signed upon finalisation of the refurbishment plan and Hilton worldwide board approval. It is the intention that work will start on the conversion in the second quarter of 2015, with the new hotel opening in the Autumn of 2015.

6. The acquisition of ACL has enabled Wasps Holdings to retain players and sign new players as a result of the financial stability and signals exciting future prospects of the club. Coincidentally, shortly after the purchase of ACL was announced, Joe Launchbury, the England lock forward, a significant presence on the team signed a three year contract extension thus enabling Wasps Holdings to retain one of its leading players.

Strategies are being implemented with the aim that the Group will become a market-leading sports and events group. It is expected that elite sport will remain at the heart of the business. The Arena has recently hosted Davis Cup tennis, the Champion of Champions snooker tournament and the British Gymnastics Championship and the addition of Premiership Rugby has further raised the profile of the Arena in the sports world.

ACL also intend to grow the conference and exhibition capabilities of the business into the UK's market leader for the medium to large venue sector. There is a strong belief that this growth will be facilitated by leveraging the unique combination of facilities that the Arena has to offer and further underpinned by the brand profile of the Club and its sponsors.

Wasps Holdings are currently designing a new state-of-the-art training facility which it is intended will open in the West Midlands in mid 2016. Once complete, this training centre will become the home of the playing squad and the Wasps Academy and provide the very highest level of coaching facilities, strength and conditioning, physiotherapy and medical support.

Outlook

Prior to the acquisition of ACL, Wasps Holdings prepared a detailed financial review of the combined business. A firm of chartered accountants (Reeves & Co) assisted in the construction of the financial review undertaken, taking into account a number of assumptions such as match attendances, hospitality and retail food sales, exhibition sales and the associated costs of running the business. The financial review and business plan were reviewed carefully by the Board of Wasps Holdings, together with their external professional advisers, as part of their due diligence in preparing this Prospectus. Based on these outputs, the directors of Wasps Holdings believe the combined business has strong financial prospects which, the directors believe, includes an ability to pay the interest on the Bonds and position the Wasps Group to refinance the Bond upon maturity.

In the first 4 months since completing the acquisition, the initial results have been very encouraging. The Club has played seven senior rugby matches at the Arena at which attendance levels have been well above assumptions used in the business plan. The following table details the attendances of the Club at the Arena since the Club's move to Coventry up until the end of February 2015 and also details the number of hospitality packages sold and food and beverage sales.

Opponent	Attendance	Comparable Attendance(1)	Hospitality Covers(2)	Retail Sales (3)
London Irish	28,254	4,925	1,572	£130,030
Sale	15,343	5,502	629	£49,730
Leinster	23,493	6,507	823	£115,200
Cardiff Blues(4)	9,640	5,039	292	£31,100
Harlequins	16,116	6,792	697	£50,100
Average	18,569	5,753	803	£75,232

Notes:

(1) Comparable attendance is the attendance for the same fixture at Adams Park in the previous season. For the European Champions Cup game against Leinster the comparison is against the last European Cup game played at Adams Park versus Castres. For the LV Cup game against Cardiff Blues the comparison is against the equivalent LV Cup game last season versus London Irish. The Harlequins comparable figure is taken from the 2011/12 season as the last two season's home games were played at Twickenham as part of the London Double Header the London Double Header being a two game day that used to be the first games of each new season in the Premiership.

(2) Hospitality covers represent the number of hospitality guests at each game across lounges, boxes and specialist hospitality suites. At Adams Park, Wasps Holdings averaged 150 covers per game.

(3) Retail sales represent all sales of food and beverage (excluding Hospitality). At Adams Park Wasps Holdings only received a royalty of 15 per cent. of sales which averaged only £3,900 per game in the 2013/14 season.

(4) The Club's game versus Cardiff Blues was in the LV Cup which is typically played between development teams from both clubs and attracts lower crowds.

Professional rugby in England remains well supported with average attendances in the premier league doubling over the last ten years. The sport should receive a boost from the Rugby World Cup which is being held in England and Wales later this year (and from Rugby Union's inclusion in the Olympic Games starting in 2016). Attendances in the Premiership have risen by 3.7 per cent. in 2014/15 compared with the previous season and TV audiences have increased by 10 per cent. on the same basis reflecting the influence of the new television contract with BT.

ACL has also performed strongly in the period since its acquisition by Wasps Holdings and has achieved strong conference and event bookings and hospitality sales for Wasps Holdings. In the four months following the acquisition by Wasps Holdings (October 2014 to January 2015), ACL/IEC reported conference and exhibition sales of £2.9 million from 305 events compared with £1.87 million from 199 events in the same months of the previous financial year, an increase of over 50 per cent. for the period. In addition the hotel at the Arena has reported strong results with occupancy for the current financial year to date, which, as at 31 March 2015, are 60 per cent. compared with 48.1 per cent. for 2013/14 and have achieved an average room rate (ARR) of £59.44 compared with £53.2 for 2013/14.

The directors of Wasps Holdings and ACL believe that although the combined business has only been in operation for three months the benefits of the acquisition of ACL by Wasps Holdings are clearly visible. It is believed by the directors of Wasps Holdings that as the Club consolidates its base in the West Midlands and reach further into local communities attendance levels are expected to grow well beyond the early targets. The return of CCFC to the Arena and growing sales momentum in conference and exhibitions also support the growing momentum of the business.

Overview of the business of Wasps Holdings

2 Strategy and Objectives

The long term vision and objective of Wasps Rugby Club ("**the Club**" or "**Wasps**") is to be the most successful rugby club franchise in world rugby, on and off the pitch. The scale and quality of the Arena and the associated financial benefits, together with other key factors, provide the foundations which the directors of Wasps Holdings hope will make this over-riding objective achievable.

Wasps Holdings believe that the implementation of the following key strategies and priorities will achieve this overriding objective:

- recruit and retain a world class playing squad;
- recruit and retain a world class coaching and support team;
- build a UK leading Training Centre which, together with the quality of the stadium, is a key to recruiting and retaining players;
- partner with world leading academic and research organisations to identify and deliver marginal performance improvements;
- maintain and develop the Wasps culture based on exemplary values and standards, reinforced by behaviours from all members of the Club;
- deliver the highest quality match day experience in world club rugby through the use of the Arena's facilities and the innovative use of technologies to engage fans;
- build and deliver a deeply impactful Community Programme that engages the broad demographics of the Coventry, Warwickshire and West Midlands area;
- leverage the synergies of the Wasps and Arena businesses and brands to build a 'family' of world leading partner organisations; and

- build a UK leading (non-rugby) multi event business by recruiting and developing industry leading expertise.

Leverage the synergies between the Arena, Arena footfall and customer groups across all business streams.

The Wasps Community Programme comprises a set of initiatives delivered in the wider community, some funded by PRL, some by the Club's sponsors and some by the Club itself, to either develop young people through rugby or to improve a player' performance.

3 History and Background

Club history

Wasps is one of the oldest and most well-known rugby clubs in the world, with a rich history from its foundation in 1867 to today, covering both the amateur and recent professional era. The Club was formed in 1867 by local students from University College London Hospital and, but for an accident of history (the representative of Wasps went to the wrong pub), would have been one of the founding clubs of the Rugby Football Union, the Governing Body of rugby in England.

The Club still plays in its original colours of black and gold and the Club's iconic wasp logo has featured on the Club jersey largely unchanged since its inception. The first permanent home of the Club was in Sudbury near Wembley and north and north-west London remains the Club's spiritual home.

Playing history

From the first international player to represent the Club, A. Clunies Ross for Scotland in 1871, to the latest, Matt Mullan for England in 2014 the Club has a rich tradition of developing, attracting and retaining world class players, including:

- Lawrence Dallaglio;
- Simon Shaw;
- Raphael Ibanez;
- Stephen Jones;
- Joe Worsley;
- Serge Betsen;
- Phil Vickery;
- Paul Sackey;
- James Haskell;
- Joe Launchbury;
- Christian Wade;
- Bradley Davies; and
- Lorenzo Cittadini.

At the date of this Prospectus, the Club coaching team is led by Dai Young, one of the most experienced and highly respected Directors of Rugby, and also includes Stephen Jones, the celebrated Welsh international player, and Brad Davies, an experienced defensive coaching expert.

Wasps are one of the most successful clubs of the professional rugby era with five Premiership championships and two Heineken Cups at the top of the club's honours board.

The Premiership championships were won in the 1989/90, 1996/97, 2002/03, 2003/04, 2004/05 and 2007/08 seasons. The Club won the Heineken Cup in 2003/04 and 2006/07 seasons, it won the Parker Pen Shield in 2002/03, the Anglo Welsh Powergen Cup in 2005/06 and also the Tetley's Bitter Cup 1999/00 and 1998/99.

Stadium History

The Club's first permanent home was in Sudbury, north London and the club occupied that ground until the dawn of professional rugby in 1995/96, at which point the club moved to Loftus Road, the home ground of Queens Park Rangers football club. The Club moved in 2002 to its previous home ground, Adams Park in High Wycombe, which it shared with Wycombe Wanderers Football Club. Adams Park has a capacity of 10,500 and has very limited and poor quality corporate hospitality and public food and beverage facilities. In November 2014, the Club completed the purchase of 100 per cent. of ACL, the lessee of the Arena, and played its first home match there on 21 December 2014. The Arena has a capacity of 32,600 and extensive corporate hospitality facilities of premium quality, together with numerous public food and beverage outlets.

Club Ownership and Management

The original amateur club was, like virtually all rugby clubs, owned and operated by its members. Following the professionalisation of the sport in 1995/96 the Club has been owned for extended periods by Chris Wright and then by Steve Hayes. The Club is now owned by Derek Richardson, a successful Irish insurance entrepreneur. This has provided the Club with the stability and long term outlook crucial to the development of a long term plan and vision.

Introduction to Rugby Union

The game of rugby union was amateur from its foundations in the 19th century until 1995 when the IRB declared the game 'open' following the Rugby World Cup in South Africa. Professional rugby is therefore a relatively young industry and still very much in an early growth phase.

The game in England is governed by the Rugby Football Union ("**RFU**") and so all clubs, including the professional clubs, ultimately fall under the auspices of the RFU. In the early days of professionalism, the commercial interests of the club were for the most part managed by the RFU, for example the negotiation of joint TV rights contracts, with the club rights very much seen as an adjunct to the international rights.

Now, however, the club rights are all negotiated separately and the club's commercial interests are negotiated and managed entirely separately through the clubs' umbrella body, Premier Rugby Limited ("**PRL**" or the "**Premiership**"). PRL serves broadly the same purpose as the Premier League in football and is, in essence, the 'governing body' of the professional clubs; it is an independent body, being a company incorporated under the Companies Act 1985 in which each professional club is a shareholder.

Premiership

The Premiership league in England, currently sponsored by Aviva, comprises 12 teams, the majority of which have been in the top flight since the inception of professionalism and are the traditional powerhouses of the domestic game. The format of the league is that each club plays all other clubs home and away in the regular season. The top four clubs in the league at the end of the regular season qualify for play offs, which comprise single leg semi-finals and the final, played at Twickenham in an end of season finale to decide the English champion club.

The popularity, media exposure and commercial values of the league have increased significantly since the inception of the professional era, with total central Premiership commercial revenues (primarily broadcast and sponsorship) as follows, using the 2001/02 base figure as an index of 100:

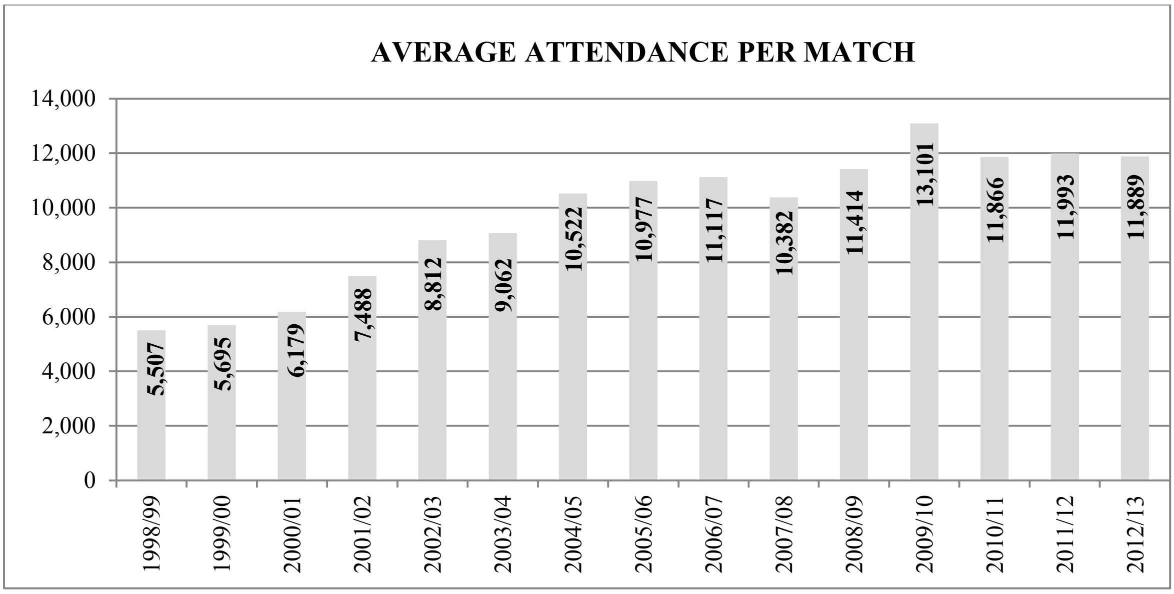
Year	Value
2001/02	100
2007/08	112
2012/13	171
2103/14	188
2014/15	218

Source: Premier Rugby Limited

As can be noted from the above table, commercial revenues have increased by a multiple of 2.18 (therefore more then double) since the 2001/2002 season.

League Attendance

Professional rugby in England is still only twenty years old. Attendances in the English Premiership have shown a consistent pattern of growth (subject to the identity of the team promoted and relegated each year) since inception. As the chart below demonstrates, average attendances per match have broadly doubled in the last decade from approximately 6,000 in 2000/01 to approximately 12,000 in 2010/11, with total attendance in the Premiership in aggregate having grown from 815,000 in the 2001/01 season to1,580,000 in the 2010/11 season.

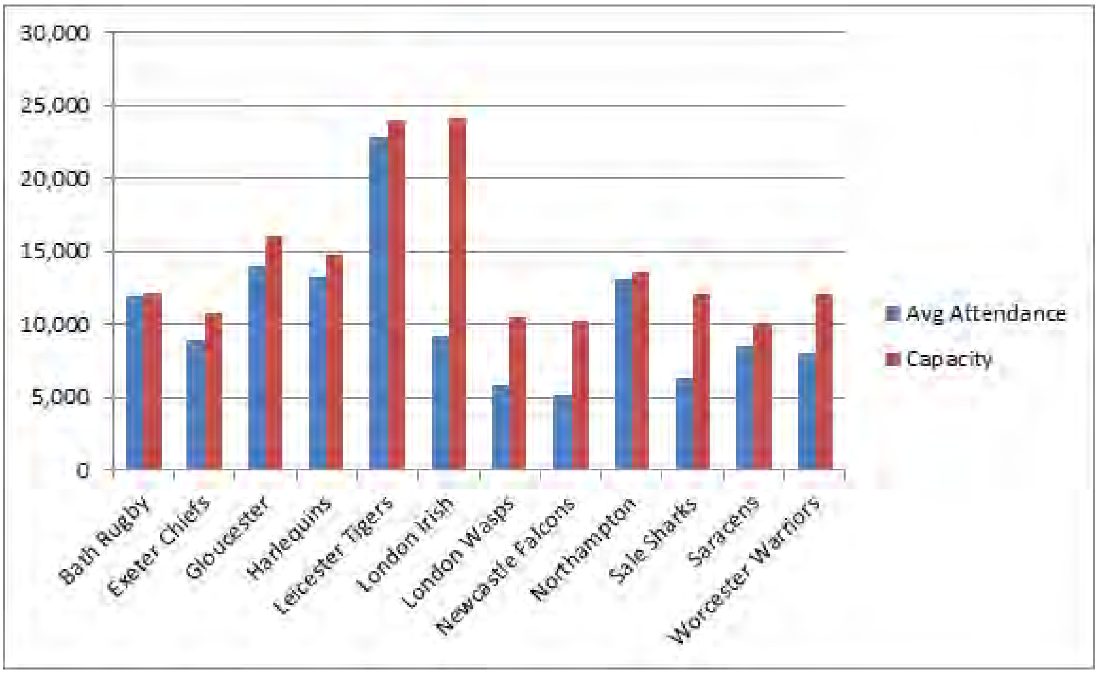


Source: Premier Rugby Limited

The above chart contains data in respect of Premiership matches only (i.e., does not include either European or Anglo Welsh cup games) and includes the ‘big games’ played by certain clubs at Twickenham, Wembley, etc.

The chart below shows the average attendance figures for the Premiership clubs for the 2013/14 season, set against their home ground capacities. The average attendance figures exclude all the ‘big games’ (i.e. those matches staged at Twickenham, Wembley, etc.); the figures for the Club are for the season at Adams Park, when the Club was known as London Wasps.

Average Attendance/Home capacity



Source: Premier Rugby Limited

For the two Premiership games played by Wasps to date at the Arena, the average attendance has been 21,800 compared to the average attendance at Adams Park for 2013/14 of 5,900 set out above.

4 Principal Income Streams and Costs

The principal income streams of the Club are as follows:

Season Tickets

Season Tickets are a ticket for a specific seat for all 16 home competition matches of the Club plus any pre-season friendlies or warm-up matches. Season Tickets are categorised into a number of different prices, based on seat location (currently four categories) and age (Senior, Adult, Youth and Young Adult, and Under 10s).

A season ticket gives the supporter certainty over attendance at all matches in the same seat (many choose to sit amongst friends), a discount over the cost of a match ticket (usually approximately 25 per cent. based on a full season) and certain membership-type benefits. For the Club, the majority of season ticket revenues are received in advance of the start of the season in question and thus represent a source of working capital.

Season Tickets are sold either directly by the Wasps Ticket Office, by the call centre of the Club's ticket partner, Ticketmaster or on-line via the Club website (also operated by Ticketmaster).

Match Day Tickets

Match Day Tickets (sometimes referred to as 'General Attendance') are sold on a match by match basis and generally give the purchaser the right to attend that specific match only for the chosen seat/location. The base pricing follows the same structure as the Season Tickets. Except for special promotions for specific matches, Match Day Tickets do not bring any other benefits. A variety of promotional schemes and incentives (e.g. 'early bird specials' and multi-match packages) are used by the Club to sell Match Day Tickets.

In general Match Day Tickets are sold in the same way as Season Tickets; for certain matches, the Club also uses other promotional and sales mechanisms.

Hospitality and Boxes

Hospitality revenues derive from selling a match ticket 'bundled' with a food and beverage package. Packages are sold on a seasonal basis, a number of matches or on a single match basis.

Key target customers include large multi-nationals, small and medium-sized enterprises ("**SMEs**"), high net worth individuals and other members of the public. Packages vary in terms of location, seat category, food and beverage content and price. The Club offers a wide variety of packages in order to cater for all customer demand; at the high end, the 'Board Room' offer includes access to an exclusive lounge, Directors Box seats, meeting the players post match and a fully inclusive 'gourmet' food and beverage offer; at the low end the 'Legends' offer includes a match day ticket together with bowl food and a cash bar in a lounge/bar area.

Box revenues derive from the letting of the Club's 52 hospitality boxes on either a seasonal basis, a number of matches or on a single match basis. Boxes are sold either with or without a food and beverage package. Box lets are purchased by both corporate organisations and by individuals

Hospitality packages and box lets are sold by the Club's sales team.

Food and beverage

This category comprises the sale of food and beverage on match days through the public outlets in and around the stadium concourse and in the Arena's main indoor facilities when the opportunity arises on specific matches. The Club aims to provide a range of high quality offerings catering to different tastes and price points through working with the catering contractor Compass Contract Services (UK) Limited ("**Compass**") (through IEC).

Other retail

The Club also sells Match Programmes to match attendees. Additionally the Club operates a club shop at the Arena and online retail facilities to sell club merchandise and other items to supporters.

Sponsorship

Sponsorship revenues derive from the sale of naming, branding, and hospitality and other commercial rights to corporate entities in order to produce a partnership between the Club and the sponsor with significant mutual benefits. Sponsorship agreements are normally for between three to five years, depending on the type of partnership, the organisation involved and the state of the market at the time of the agreement. The broad sponsorship categories or levels can be summarised as follows:

- Main partner – this gives the sponsor the right to display their name and logo on the front of the Wasps first team playing shirt, together with a comprehensive package of other branding, hospitality and commercial rights. Wasps current main partner is Jaguar Land Rover a contract which lasts until June 2015, the extension of which is currently being negotiated;
- Secondary Partners - the partners within these respective categories generally seek brand exposure. The majority of the value is calculated by utilising the media equivalency valuations supplied to us by a third party media valuation company, and will be sold by reference to a return on investment figure. Wasps secondary partners are currently EMC and DS Smith plc;
- Technology Partners - the prime objective of these partnerships is, for the Club, to gain the benefit of technological innovations in order to improve the overall customer experience at home games and, for the partner, to show case their products at a high profile and high footfall property;
- Business Partners – main commercial objective of the partners in this tier is to align themselves with the Wasps brand in order to market their abilities to deliver business services e.g. legal organisations, energy, communications etc.; and

- Club Suppliers – the objective of these agreements is to reduce costs. Whilst they do not have the appetite to invest significant sums, their services or products are usually of high value and low margin (e.g. cars) and so will trade with the club with limited investment and provide their services or products as Value in Kind ("**VIK**"). This partnership level also includes the Club's kit supplier who provide a quantum of kit that the club would otherwise have to be purchased.

Central Premier Rugby Limited ("PRL") Revenues

Introduction

PRL, the central 'umbrella' organisation in which each Premiership and certain former Premiership clubs have a shareholding, manages and distributes the net income from the sale of certain commercial rights to the Premiership and, indirectly, to the European competitions. PRL is governed by its Articles of Association and a Shareholders' Agreement dated 3 May 2011 which includes provisions dealing with, inter alia, the different classes of shares, the mechanics for the transfers of shares in the event of, for example, a club being relegated, (and as set out in detail below), the distribution of central income, the matters requiring shareholder approval, and the constitution and operation of the Board.

In agreement with the clubs, PRL negotiates and sells the broadcasting, title sponsorship and partnership sponsorship rights to the Premiership. In addition a number of other commercial revenues, mainly relating to matches, are distributed centrally.

Broadcasting

The Premiership was covered by Sky Sports (jointly with ESPN in the last contract) since its inception until the commencement of the 2013/14 season. From 2013/14, the Premiership has been televised by BT Vision under a four year contract from 2013/14 to 2016/17 inclusive, with a four year extension announced in March 2015 to run to 2020/2021. The values in the new BT contract are significantly higher than the recently ended Sky/ESPN Contracts.

Sponsorship

The title rights to the Premiership are currently held by Aviva under a three year contract ending in 2016/17. In addition to the naming rights to the competition and other central commercial benefits, Aviva have rights to in-stadium branding and hospitality provision at each Premiership club. There are also a number of league secondary partners (currently including Land Rover, Guinness, Gilbert and Green Flag) with both central branding rights together with in-stadium branding and match-day activation rights at each club.

Premiership Final

The league season culminates in the Premiership final held each year at Twickenham Stadium. The ticketing and other match day income is held centrally and the net match surplus is distributed as part of central income.

4th Autumn International

In the International match schedule sanctioned by the IRB, there are three Autumn Internationals (played in November each year, run by the RFU and for which player release by the clubs is mandatory). Under the eight year agreement between the clubs and the RFU, a fourth international match takes place every other year (being even-numbered years - 2012, 2014, etc.), the net proceeds of which are shared by the clubs and the RFU under a JV agreement.

European Professional Club Rugby Competition Revenues

There are two professional club rugby European competitions, organised and managed by European Professional Club Rugby ("**EPCR**") on behalf of the participating leagues. The most senior competition, the European Rugby Champions Cup, comprises 20 teams as follows:

- the top six finishers in the Premiership;
- the top six finishers in the French Top14;
- the top seven finishers in the Pro 12 (subject to one team from each of the participating nations, namely Ireland, Wales, Scotland and Ireland); and
- the winner of a play off between the seventh place finishers in the English and French leagues and the eighth and ninth finishers in the Pro 12 (commencing in 2016/17 post specific arrangements for Rugby World Cup season).

The second competition comprises 20 teams being the 18 professional teams from the three leagues not having qualified for the Champions Cup together with two qualifying teams from developing countries.

Similar to the way in which PRL sells central commercial rights, EPCR sells the broadcasting, sponsorship and other commercial rights to the two competitions. The net surplus from EPCR is distributed to the three leagues (Premiership, Top 14 and Pro12) and the amount accruing to PRL forms part of central revenues distributed to the clubs according to the principles and methodology set out below.

Distribution mechanics and the "P-Shares"

The surplus arising from the revenue streams set out above, less central PRL costs and certain other amounts, forms net central income which is distributed to PRL shareholder clubs according to the mechanics set out below. Net central income is distributed in accordance with the shareholding structure of PRL. There are three classes of shares in PRL, A, B and P-Shares, with the current shareholdings set out below.

	A	**B**	**P**
Bath	40	40	40
Bristol	10	0	40
Gloucester	40	40	40
Harlequins	40	40	40
Leeds	20	0	0
Leicester	40	40	40
London Irish	40	40	40
Newcastle	40	40	40
Northampton	40	40	40
Sale	40	40	40
Saracens	40	40	40
Wasps	40	40	40
Worcester	35	0	40
Exeter	25	40	40
London Welsh	5	40	0

P-Shares are held permanently (subject to the exercise of the 'Promoted Club Option'), as set out below and were granted to the original founders of the Premiership plus Worcester; there are therefore 520 shares in issue. P-Shares attract 25 per cent. of cash distributions.

40 B shares are held each only by current members of the Premiership, with the 40 B shares transferring between the relegated and promoted club at the end of each season. There are therefore 480 shares in issue. B shares attract 37.5 per cent. of cash distributions, after the charging of central costs and the offsetting of minor VIK amounts.

For each year in the Premiership, a club accrues five A shares up to a maximum of 40 shares per club. In simple terms, 5 shares are transferred each season between the relegated and the promoted club. There are currently 495 A shares in issue as set out in the table above. A shares attract 37.5 per cent. of cash distributions.

The net impact of the above is that Wasps Holdings receive approximately 8 per cent. of the total PRL net central income subject to the Revenue Redistribution set out below. In 2013/14 this amounted to £2,348,000 for Wasps Holdings.

Provisions regarding relegation and P-Share valuation

In the event of a club being relegated, the shareholdings of the relegated club for the first year following relegation are dealt with in accordance with the following provisions contained in the PRL Shareholders' Agreement and/or the Articles of Association:

- the B shares of the relegated club are transferred at nil consideration to the promoted club;
- five A shares of the relegated club are transferred at nil consideration to the promoted club, with the distributions attaching to the A shares being adjusted accordingly; and
- if the relegated club owns P-Shares, then these are retained by that club and the right to the associated distribution.

In the event that the two clubs in question above stay in the same leagues for the following season (i.e. the promoted club remains in the Premiership and the relegated club remains in the Championship), then, in addition to a further five A shares being transferred from the relegated club to the promoted club, the promoted club may exercise the 'Promoted Club Option' as set out in the Shareholders' Agreement. A summary of this is as follows:

- the promoted club has the right to acquire the relegated club's remaining A shares at a pre-set valuation set out in the Articles of Association; and
- the promoted club has the right to acquire the relegated club's P-Shares at a value which is an amount equal to the value of the subsequent eight years of income distribution attached to the P-Shares multiplied by a factor of 1.5.

The P-Shares were valued on the most recently published balance sheet of Wasps Holdings at £5 million (see Section 15 (*Financial Statements – Annual report and accounts of Wasps Holdings Limited for the financial year ended 30 June 2014*). This valuation has a 7 per cent. discount applied to it, on the advice of the auditors of Wasps Holdings. This is a historic valuation calculated in accordance with formula described in the preceding two paragraphs but which, in the opinion of the Board of Directors of Wasps Holdings, undervalues the current value of the P-Shares. In other words, if the formula was applied as at the date of the Prospectus, the directors of Wasps Holdings believe that the value would be greater than £5 million.

In addition to the above provisions, a relegated club receives in the year following relegation a 'parachute payment' equal to 30 per cent. of the salary cap applying in the season at the end of which the relegated club is relegated.

In the event that future broadcasting deals lead to reduced income being distributed to the holders of P-Shares, with the effect that the P-Shares were to be valued at a figure lower than the £5 million currently stated in the audited accounts of Wasps Holdings, then it would be this new lower figure that would be used for the purposes of the financial covenants of the Bonds described under Section 3 (*Information about the Bonds - What financial covenants apply to the Group?)* above and under Section 12 (*Terms and Conditions of the Bond - Covenants*) below.

The terms and conditions of the Bonds require the P-Shares to be re-valued at least once every two years. The independent valuer that must be appointed by Wasps Holdings to determine each such valuation will use the formula described in the preceding paragraphs to value the P-Shares at the relevant time.

Central RFU Revenues

Overall

Under the eight year agreement between the RFU and PRL (the "**Head of Agreement**") and running from 2008/09 to 2015/16), there are three major funding streams from the RFU – for Elite Player Squads ("**EPS**"); EQP; and Academies. Discussions on the new agreement with the RFU have commenced and it is anticipated that detailed negotiations will start shortly, with the objective of concluding the new agreement before the start of Rugby World Cup 2015 in October 2015. At this point, it is generally accepted by both parties that the existing Heads of Agreement has worked well in regulating the relationship between the RFU and clubs and will form the framework for the new agreement.

EPS Schemes

There are three selected EPS, named at the start of each season with the provision for a small number of changes mid-season (in January each season). The clubs are paid a contracted sum for each player selected in the three RFU EPS, Senior, Saxons and U20s. The current amounts per player are £194,000, £25,000 and £10,000, respectively. In addition to the changes mid-season to the composition of the squads at the discretion of the RFU, there are detailed rules to cover player injuries and movements.

EQP Scheme

The RFU runs a separate England Qualified Player ("**EQP**") scheme, with the overall objective to encourage clubs to produce and play EQPs. For the last two seasons of the Heads of Agreement, the RFU scheme requires a minimum average of 15 EQPs in match day squads for Premiership and EPCR games (but not LV matches) and the scheme operates as two independent half seasons. The average EQP number is calculated including EPS players but the number of players for which payment is received excludes EPS players. The amount per player increases as the average number of EQP players increases, with 15 EQP players, the payment is £19,500 per player, with 16 EQP players, the payment is £20,500 per player and the payment is £21,500 per player if a club has 17 or more EQPs.

Academies

PRL clubs operate RFU licensed academies and receive an amount to part fund their operation. The total funding available is circa £200,000, which includes a performance element following an annual audit, for which Wasps qualified in full in 2013/14. In total Wasps received £855,000 of RFU central revenue in 2013/14.

Revenue Redistribution

All distributions under the Heads of Agreement are paid directly by the RFU to the clubs. Approval of the Heads of Agreement in 2007 required unanimous agreement by the clubs and in order to reach such agreement, a Revenue Redistribution mechanism was agreed between the clubs; the effect of this mechanism is to redistribute an element of the funding received from the RFU from (in effect) those clubs providing significantly more Senior and Saxons EPS players on average to those that do not. Such sums deducted are pooled; from this pool an amount of £100,000 per club is reserved for an EQP scheme and the balance paid according to share distributions as set out above. The PRL EQP scheme operates according to a simple threshold of 60 per cent. of EQP (i.e. an average of 13.8 players in a match squad of 23), based on a whole, single season. For the 2013/14 season, Wasps Holdings qualified for this EQP payment.

Total Revenues

Wasps Holdings' main revenue categories can be broken down as follows, 33 per cent. through match day revenue, 13.95 per cent. through sponsorship, merchandising and advertising, 36.07 per cent. through PRL central income, 13.13 per cent. through RFU central income, and 3.29 per cent. from academy income.

Principal Costs

First Team Squad

The principal cost of running a professional rugby club is the employment and other costs of the first team playing squad. The first team squad comprises approximately 40 to 45 players and usually includes young developing players, squad players, regular first team players and well-known and experienced international players. There is a significant spread in terms of the total compensation paid to individual players. There is a standard industry Player Employment Contract which is mandated for the use by all clubs under the Premiership regulations. Players typically are contracted for a two or three year period, though contracts can be for shorter or longer periods based on individual circumstances. The playing contract contains provisions covering, amongst other things, the obligations of the club in the event of a long term or career-ending injury.

The Club also contracts on an exclusive basis with certain players (essentially well-known international players) for the commercial use of those players' image. This includes the use of the players' image in advertising and other promotional material, appearance at club events and the use of the player in key commercial discussions, where circumstances make this appropriate. The Club uses a standard image rights contract between the Club and the company to which the player has granted his image and intellectual property rights; one of the key provisions of this contract is that, whilst a player may continue to commercialise his personal image, this must be done in a private capacity and not in connection with being a Wasps player.

Coaching and Related Costs

In addition to the costs of employing the players, the Club also incurs significant costs in respect of the employment and other associated costs of the coaching and related staff. These include the Director of Rugby, the first team coaches, strength and conditioning team, the medical team and the performance analysis staff. Most staff are employed under fixed term contracts, usually for two years. Main overhead items include travel costs for the team and medical cover and supplies. Most costs are of a fixed nature.

Match Day costs

The Club incurs costs in delivering each home match. Such costs include stewarding, hosting, health and safety, transport, entertainment, cleaning and utilities.

Management and Commercial Costs

The Club employs a management and commercial team to undertake the usual management of a commercial organisation. The key functions include senior management, finance, marketing and sales and PR/Communications. The major costs are employment costs and are of a fixed nature. Variable and discretionary costs include marketing and PR costs.

Total Costs

Wasps Holdings principal cost categories are as follows 60.16 per cent. on rugby costs, 17.14 per cent. on commercial/marketing and support costs, 14.34 per cent. on cost of sales, 4.19 per cent. on academy costs and 4.17 per cent. on facility costs.

Premiership Salary Cap

All Premiership Clubs operate under the Premiership Rugby Salary Cap Regulations ("**Salary Cap**"). The objectives of the Salary Cap are to promote financial stability amongst the Premiership clubs and to seek to maintain a competitive playing structure by ensuring that clubs cannot dominate the league largely by financial means.

The Salary Cap ceiling for senior squads for 2014/15 is set at £4,760,000 plus 'Academy Credits' which allow a further £30,000 per player for 'home grown' academy players, subject to a maximum number of Academy Credits of eight (i.e. total Academy Credits of £240,000); the Academy Credit system is designed to promote the development of home grown EQPs. In addition, clubs may have in their senior squad one player excluded from the Salary Cap calculation known as an "Excluded Player"; this is in order for clubs to be able to recruit high profile marquee players, both to increase the league's attractiveness as a commercial proposition and to allow clubs to compete for top players in the global player recruitment market. For a player to be deemed to be an Excluded Player specific requirements have to be met. There are also allowances available for injured players, subject to a club meeting the detailed requirements of the regulations. There is a separate cap for academy players which for 2014/15 is set at £200,000.

The Salary Cap is governed and managed by a detailed set of regulations that include comprehensive and all-encompassing definitions of player compensation; the regulations contain detailed provisions on reporting, auditing and the disciplinary process and sanctions in the event of a club breaching the cap. Each club is subject to a detailed annual audit by third party auditors, currently PricewaterhouseCoopers LLP. The Salary Cap is set for a specific period of time, which can vary depending on the specific consequences pertaining at the time. Currently, the Salary Cap has been set for 2015/16 only due to the forthcoming negotiation of the new agreement with the RFU; the amount of the cap is set by the shareholders of PRL (effectively the owner of the clubs) and requires a 75 per cent. majority.

Overview of the business of ACL

The principal activity of ACL is the management and operation of the Arena which includes all aspects of hard facility management for the building, all matters relating to mandatory and legal compliance including, for example, the Safety Certificate and match-day safety, sponsorships including naming rights and the lease of office space and entertainment space in the building.

ACL is a shareholder in a joint venture company, IEC, with its joint venture partner, Compass Contract Services (UK) Limited (a subsidiary of Compass Group plc). ACL is the majority shareholder in IEC with a 77 per cent. shareholding, and IEC reports directly to ACL. IEC provides the "soft services" throughout the Arena which include; hospitality, retail catering services, operation of the on-site hotel, conference and event sales and cleaning services.

The business operates within three distinct sectors, business, entertainment and sport. The Arena was a football venue for the London 2012 Olympics, hosting twelve football matches over an eight day period, and is also the venue of choice for a wide range of business and exhibition clients with this business stream generating revenues of £6.3 million in 2013/14; and up to January 2015 revenues have grown by 22 per cent. over the comparable period in the previous year.

Now owned by Wasps Holdings and established as the home venue for the Club, the Arena is also home to Coventry City Football Club and in the current year to, and including, June 2015 there are expected to be at least thirty-five rugby and football fixtures held at the Arena.

The Ricoh Arena

Centrally located within 2 hours drive of 75 per cent. of the country the modern Arena is, in the opinion of the directors of ACL, ideally placed as a leading venue for business, entertainment and sport.

The directors of ACL believe that this Arena offers a wide range of flexible spaces with well thought out access to the areas ensuring that a number of events can take place at any one time.

- A stadium which can be configured as a 32,600 seat capacity stadium for sporting events, which has hosted England U21 football matches, Heineken Cup Rugby Union semi finals, as a host venue for the 2012 Olympics twelve football games or as a music and entertainment venue with a capacity of 40,500. Eleven concerts have taken place since 2005 including Bruce Springsteen, Coldplay, Take That and Oasis.
- A 6,000 square meter multi-use flexible conference, exhibition, events and concert facility which can be divided into two separate spaces of 2,000 square metres and 4,000 square metres with conference capacity of 7,000 guests, a standing concert capacity of 12,000 visitors and the facilities to host 3,500 guests for a seated dinner. The space can be converted from conference to dinner within a two hour period.

In addition, the Arena contains various conference, banqueting and exhibition facilities that are located across four levels of the building. The principal spaces are:

Second Floor

- The E.ON Lounge is a 1305 square metre pillar free pitch view space which is a flexible area that can accommodate up to 1,000 guests for dinning or conferences but is also used as exhibition space. The E.ON Lounge can also be divided in two areas of 396 and 906 square metres or into three areas of one at 510.4 square metres and two of 396 square metres.
- The Aylesford Suite is a pitch view meeting room with a floor space of 145 square metres and can accommodate up to 100 guests.
- The Business suites located on the second floor and accessed via Faradays Bar and Restaurant comprises six meeting rooms varying in capacity from 10 to 120 guests in a space totalling 431 square metres.

First Floor

- Lounge 1 is a 1012 square metre area and has capacity for 500 guests for dining or conferences. This area can also be divided into three areas one of 166.25 square metres and two of 423 square metres. It also has a reception area which is suitable for pre-dinner drinks or guest registration.

- The Boardroom on this level is pitch facing and is 114 metres square and can accommodate 60 guests. Attached to the Board room but which can also be used as separate meeting space is the Chairman's Lounge which can accommodate a further 20 guests.
- Faradays Bar and Restaurant is available as separate conference facility but is also used on match-days and event days as a further hospitality/restaurant area accommodating up to 80 guests. It is of a high specification and has an open plan kitchen area where visitors can view chefs preparing their food.

Ground Floor

- The Legends Lounge can accommodate up to 250 guests in 401 square metres of space. The lounge has direct access to the stadium bowl.
- Club Jaguar comprises the Jaguar Lounge, 157 square metres, and the Jaguar Suite, 194 square metres. Club Jaguar is a self-contained area with dedicated reception area and bar. The area also has direct access to the Executive Course of the stadium bowl.
- The Atrium, which is the main entrance area for the Arena is also regularly used by exhibition organises and provides further exhibition space.

Lower Ground

- The halls located at the lower ground enable a client or exhibitor to have discreet space and comprises:
- Hall 3 which accommodates up to 1000 guests in 1056 square metres of space;
- Hall 4 is 262 square metres in area and is suitable for up to 140 guests;
- Hall 5 is 329 square metres and boost retractable auditorium seating for 650 with state of the art audio visual equipment. The area is very flexible and can also be used for conferences for up to 500;
- Also located in the lower hall is Bar 87 which is a sports bar which can also be used as part of the lower halls facilities or separately as a bar and entertainment area for up to 350 guests; and
- Singers is an on-site restaurant which provides a service to both hotel and other visitors seating 150.

Additional Facilities

- There are 19 concourse retail outlets with innovative branded concepts which include gourmet burgers, a fish shop, cask ales and coffees. The concourse also provides a further 4,618 square metres of exhibition space.
- A 4,200 square metre casino currently leased to Grosvenor Casinos which include a 80 seat restaurant, two bars and an entertainment area which will accommodate up to 200 guests.
- A 121 bedroom hotel with 50 of the rooms being pitch facing which are used as hospitality suites on match and event days and as meeting rooms for other events.
- 1,203 on-site car parking spaces with a further 750 spaces available on car park C, an adjacent car park leased by ACL from Coventry City Council. There is also up to 5,000 off-site car park spaces available for major events. Whilst the offsite carparks are managed and operated by a car park contractor they are an essential part of the operation of the Arena as it enhances the overall customer experience. The design of the Arena and close proximity of car parks also allows for broadcasting and media to be located next to the building and makes it easy for concert build-up and break-down.
- A dedicated railway station, scheduled to be opened in May 2015, is located on the perimeter of the site and will provide access to both Coventry and Nuneaton main line stations.

Valuation of the Ricoh Arena

Strutt & Parker LLP prepared a valuation of the Arena for the purposes of inclusion in the Prospectus (See Section 14 (*Summary Valuation Report*). In preparing the valuation, the following assumptions were made by Strutt & Parker:

(a) that the Arena is structurally free of defects;

(b) that no deleterious or hazardous materials were used in the construction of the Arena;

(c) that plant and machinery are serviceable, efficient, safe and adequate for purpose;

(d) that the Arena is not affected by mining or other works;

(e) that the Arena is not affected by any environmental issues; and

(f) that all licences and certificates would be available to a third party purchaser of the Arena to enable the hotel, conferencing, banqueting and events facilities to continue to trade without interruption.

The valuation of the Arena given by Strutt & Parker for the long leasehold interest as at 23 April 2015 is £48,500,000. This is significantly higher than the valuation in the audited accounts of ACL (see Section 15 (*Financial Statements – Annual report and accounts of Arena Coventry Limited for the financial years ended 31 May 2013 and 31 May 2014*) as the ACL accounts value the Arena purely at its historic cost less depreciation, whilst Strutt & Parker make assumptions as to future trading (i.e. Strutt & Parker give the market value).

See the risk factor headed "*Risk factors relating to the valuation of the Arena*" in Section 2 *(Risk Factors*) of this Prospectus.

History of the business

The Arena was built on the site of the former Foleshill gas works and was constructed by CCC as part of their overall strategic regeneration plan for the city (the "**Strategic Regeneration Plan**"). Redevelopment of one of the most deprived areas of the city was a cornerstone of the Strategic Regeneration Plan. The stated intention for the Strategic Regeneration Plan was to attract significant inward investment whilst also acting as a catalyst for economic development, urban regeneration and job creation. Construction of the Arena began in 2002 with the venue opening in August 2005 at a total cost of £65 million plus associated investment in the surrounding infrastructure (roads etc.).

The Arena was originally purchased by CCFC to be the football club's new home ground following the sale of the CCFC's old home ground at Highfield Road.

Following the purchase of the Arena, CCFC experienced financial difficulties and CCC became a shareholder in ACL by acquiring a 50 per cent. shareholding. CCFC, continuing to experience severe financial difficulties, sold its remaining 50 per cent. interest in ACL to the Alan Edward Higgs Trust ("**Higgs Charity**"), a local regeneration charity with CCFC becoming the 'anchor' tenant with a 50 year lease to play at the venue. CCFC came under new ownership in 2007 and, as part of an ongoing rent dispute, relocated to play its home games in Northampton in August 2013. The 50 year lease was terminated at the time of such relocation. After one season the club returned to play at the Arena in September 2014 pursuant to a tenancy agreement described below.

CCC and the Higgs Charity (through wholly owned corporate vehicles) each held a 50 per cent. shareholding in ACL until the sale by the CCC of its shareholding in October 2014 and the sale by the Higgs Charity of its shareholding in November 2014 to Wasps Holdings.

The head lease in respect of the Arena (the "**Head Lease**") was purchased in June 2006 from Coventry North Regeneration Limited, a subsidiary of CCC, by ACL2006, a wholly owned subsidiary of ACL and from which ACL leases the building. In January 2015 the Head Lease was extended to a period of 250 years until 2253.

Principal Income Streams

ACL and its subsidiaries (the "**ACL Group**") boast diverse revenue streams and pre-sale strategies are intended to mitigate risk and promote cash-flow. The Group's business is driven by three principal revenue streams:

- IEC - the joint venture company responsible for event sales, planning, management and food service delivery at the Arena;
- Property Rental and Services; and
- Commercial Sponsorship and Branding.

A number of key contracts generate a high proportion of the income streams generated by Commercial Sponsorship and Branding and Property Rental and Services. These contracts are summarised in the charts below and in Section 4 (Key revenue generating contracts).

ACL – 2013/12 Principal Income Streams

The principal income streams for ACL for the financial year ended 31 May 2014 can be broken down into approximate percentages as follows, 51 per cent. through its joint venture company IEC, 24 per cent. through property letting at the Arena and related rental services, and 25 per cent. through commercial sponsorship and branding.

Key revenue generating contracts

There are a number of key revenue-generating contracts held by ACL, most of which have fixed term tenures ranging from four to fifty years.

Property and Rental Services revenue analysis 2013/14

For the financial year ended 31 May 2014, approximately 61 per cent. of property and rental services revenue derives from general property services and utilities 20 per cent. of revenue is generated from a lease with Yorkshire Bank plc (consisting of rent and dilapidation payments), 8 per cent. through the lease of the casino to Grosvenor, 10 per cent. through leasing of space in the Arena to Ricoh UK Limited with the balance being other sundry rental income.

Commercial revenue analysis 2013/14

In terms of commercial revenue, for the financial year ended 31 May 2014, 51 per cent. was generated through the naming rights agreement with Ricoh UK Limited. 17 per cent. was generated through the naming rights agreement with Jaguar Cars Limited, 7 per cent. through a stand sponsorship agreement with Lloyds Pharmacy, 10 per cent. through other preferred supplier sponsorships with pouring rights, advertising and digital media rights and other sundry items making up the balance.

ACL Tenancy Agreements

ACL has entered into two core licence agreements in relation to the use of the pitch at the Arena for sport:

(a) Wasps Holdings has executed a licence with a 50 year term, commencing 8 October 2014 to play professional rugby matches; and

(b) Otium Entertainment Group Limited has executed a licence with a four year term, commencing 21 August 2014 for Coventry City Football Club to play professional football matches at the Arena. There is a break clause in favour of ACL exercisable in 2016.

In addition to the two pitch licences, ACL has entered into various occupational leases with third parties. Parts of the Arena are let on a long term basis as office space to Ricoh UK Limited and Parent Pay Limited, and also Grosvenor Casinos Limited, who occupy a significant part of the Arena for its casino operation. There are three other tenants who occupy parts of the Arena on short term tenancies.

ACL Commercial Agreements

ACL has entered into various commercial agreements with partners whereby naming rights to parts of the Arena or preferred supplier rights have been granted:

(a) Ricoh UK Limited entered into a naming rights agreement in respect of the Arena as a whole. This agreement, having not been renewed in 2014, expires on August 2015;

(b) Jaguar Cars Limited ("**Jaguar**") entered into a sponsorship agreement whereby the exhibition hall at the Arena was named the Jaguar Hall. The agreement commenced in 2005 for a ten year term. Discussions are being held with Jaguar as to an extension of the agreement;

(c) Lloyds Pharmacy signed a three year stand naming agreement in relation to a stand facing the pitch in 2010. This agreement was renewed in 2013 for a further two years;

(d) E.ON have sponsored a lounge in the Arena pursuant to an agreement entered into in 2010 for a seven year term;

(e) MCL sponsor a business suite pursuant to a 2009 agreement. This agreement was renewed in 2014 and is up for renewal once more in July 2015;

(f) Freemans entered into a six year naming agreement for a hall at the Arena in 2014. Freemans retain an annual break right if certain revenues are not achieved;

(g) Carlsberg acquired pouring rights to the Arena pursuant to an agreement executed in 2010. The initial term is for five years, discussions as to an extension are shortly to start;

(h) Britvic has the pouring rights in relation to soft drinks, its renewal date falls in 2016;

(i) Touch FM is the Arena's current media partner, its agreement expires in 2015; and

(j) Hygiene Solutions is a preferred supplier whose agreement is also up for renewal in 2015.

ACL 2013/14 Costs and Overheads

The chart below details the operating costs of ACL comprising employments costs of 12 staff, overheads costs include legal and professional fees, marketing, repairs and maintenance and service contracts.

For the financial year ended 31 May 2014, 18 per cent. of costs and overheads of ACL related to employment costs, 34 per cent. related to business rates and utilities with the balance of 48 per cent. being other controllable items.

Principal competitors

The Arena is, so far as the directors of ACL believe, unique both in respect of location and the range of facilities offered. It competes on the national stage in terms of its prime Midlands location and transport links. Within a fifty mile radius there are limited venues that can provide elements of the facilities available at the Arena; the NEC (exhibitions, arena concerts and conferences) and Telford International Centre (exhibitions and conferences) are significant competitors but none are able to offer the range available at the Arena in terms of business, entertainment and sport under one roof. The Arena is able to offer the flexibility to accommodate a number of events at one time for example a Coventry City Football match in the stadium bowl and David Cup Tennis in the Jaguar Exhibition Hall. In the lower halls the Arena can provide an exclusive, dedicated and discreet area to one client but can also provide exclusivity for large conferences, exhibitions or events which wish to occupy the whole Arena all within high quality spaces rather than large areas that require further dressing. This is a capability that is not matched by the main competitors.

The directors of ACL believe that the Arena does not have a direct competitor in the UK of similar market focus and presence that offers the same breadth of facilities or the flexibility and use of space. The venue boasts a unique ability to host sport in the stadium bowl at the same time as other major activities in other areas of the building which can include other sporting events, music and exhibitions.

Insurance

Insurance for ACL is arranged through Bluefin Insurance Services Limited and ACL has policies in the categories of insurance that businesses such as ACL would prudently cover. Stadium "All Risks" which covers material loss and damage to buildings and contents up to a value of just under £87,000,000, as part of this policy there is a business interruption policy providing cover of just over £17,500,000. Employers' Liability, Public Liability and Products Liability each have a level of indemnity of £10,000,000. There is also Directors and Officers liability cover of £15,000,000. Other policies include Group Personal Accident and computer cover.

Strategy and Objectives

ACL's objective is to deliver an outstanding customer experience through utilising a fully integrated business model to maximise its assets across all business areas.

The strategy will focus on:

- leveraging the power of two sports franchises to deliver increased naming rights and sponsorship value;
- becoming established as leading conference and exhibition space in the middle tier in the UK and maximising yield from property assets;
- becoming the recognised centre for elite sport in Coventry and Warwickshire;
- development as music venue for major music concerts and music festivals with audiences between 500 to 42,000;
- targeted infrastructure investment: hotel branding and refurbishment, increasing bowl concert capacity; and
- enhancing reputation as a sub-regional iconic venue for sport, leisure and entertainment by realising the potential development opportunities of adjacent land.

Outlook

The upturn in the property market saw new occupational tenancies in 2014 on competitive rates and there is interest in the remaining currently vacant office and retail spaces.

May 2015 will see the opening of the Coventry Arena railway station on the property perimeter providing direct links to both Coventry and Nuneaton main line stations and onward journey times of 55 minutes to London Euston and 20 minutes to Birmingham International Airport.

As this is the first year of CCFC and the Club, both major sporting tenants being located at the Arena the latent opportunity in relation to revenue and profile has not yet been fully realised, but it is hoped that this will attract further commercial opportunities, with footfall expected to increase to in excess of 1.5 million per year. The increase in footfall will also bring opportunities for further collaboration with the Arena Shopping Park which is a major shopping centre adjacent to the Arena and separated by a railway line which is the site of the new railway station. The shopping centre has 226,260 square feet of retail space and houses well known high street brands such as Marks and Spencer, Tesco and Next, it is a five minute walk from the Arena and is connected to the Arena by an underpass which will take benefit from the increase in attendances at the venue. Closer working across the Arena and the Arena Shopping Park will also add to the overall visitor experience in the opinion of the directors of ACL.

Issues surrounding the leasehold arrangements relating to the Arena

Chancel Repair:

The Arena is situated within an area of land known as a "chancel repair area," which means that under historic English laws there could be a liability for ACL2006 to make a contribution towards the repair of a chancel of a parish church within the chancel area. A chancel is the part of a church located near the altar of the church. Recent legislation suggests that leases granted after 2013 cease to be liable for chancel repairs, the head lease granted to ACL2006 was granted in 2015. If a claim for a contribution towards a chancel repair was made and was successful then it could be a significant amount but the directors of ACL2006 do not believe it to be a material risk.

Casino Lease:

Prior to 2009, Isle of Capri Casinos Limited ("**IOC**") was the tenant of the part of the Arena that forms the casino within the Arena, and its landlord was ACL2006. As part of the lease arrangements, IOC paid a premium to ACL2006 totalling £6,679,010, though this was expressed to be a loan. This sum was due to be repaid by ACL2006 by way of a reduction in the rent charged to IOC over the first fifteen years of the lease granted to IOC by ACL2006. In 2009, IOC no longer wished to remain a tenant and paid a reverse premium of £6,730,543 to assign the lease to ACL and for IOC to be released from its obligations under its lease. However, the assignment did not formally record that the premium, expressed to be a loan, was written off. The directors of ACL believe that there is no obligation to repay the loan and this is stated in the notes to the audited accounts to ACL for the financial years ended 2007 and 2009. IOC itself has been dissolved.

Litigation

Both ACL and Wasps Holdings are currently involved in litigation as interested partners following an application made to the High Court of Justice, Administrative Court, by claimants seeking a review of a decision made by CCC on 7 October 2014 (the "**2014 Decision**") to vary the terms of, or replace, a loan which CCC had extended to ACL, pursuant to an earlier decision of CCC on 15 January 2013, and to extend ACL's lease over the Arena from around 38 years to 250 years. The claimants incorrectly state that CCC wrote off £1,000,000 of the loan and granted the lease extension for no consideration. The relief sought by the claimant is as follows:

(a) a declaration that the 2014 Decision constituted (or perpetuated) the grant of an unlawful state aid;

(b) an order quashing the 2014 Decision; and

(c) an order requiring CCC to recover any unlawful aid.

ACL and Wasps Holdings have been named as interested parties in the above application because they have an interest in the subject matter of the application and could be affected by the outcome. The application is presently stayed pending the outcome of the claimants' application for permission to appeal the decision of an earlier judicial review application on similar grounds.

One of the claims for relief by the claimants is an order requiring CCC to recover any unlawful state aid. As detailed in Section 7 (*Description of the Group – Use of Proceeds*), the loan made to ACL by CCC will be repaid by ACL from the proceeds of the Bond and therefore this part of the application can be expected to fall away. Further it is the view of ACL and Wasps Holdings that CCC did not write off £1,000,000 of the loan, instead that ACL made a prepayment of £1,000,000.

The second relief claim relates to the extension of the lease over the Arena to 250 years. The claim incorrectly alleges that no premium was paid for such extension. In fact, ACL is of the view that it paid £1,000,000 to extend the lease. This £1,000,000 payment, for the avoidance of doubt, was an additional payment to that made to prepay part of the loan.

For the reasons outlined above, it is the opinion of the board of directors of Wasps Holdings that this litigation is not material to the financial position or profitability of either the Issuer, Wasps Holdings or the Group.

Overview of the business of IEC Experience Limited ("IEC")

IEC is a joint venture company whose shareholders are ACL and Compass Contract Services (UK) Limited. ACL is the majority shareholder in the venture with a 77 per cent. shareholding. Pursuant to a licence dated 25 April 2012, IEC has exclusive rights to provide and manage all catering services, conference and event sales and soft services at the Arena. Compass Contract Services (UK) Limited is part of Compass Group plc a global catering company that provides over a million meals worldwide each day.

History of the Business

At the inception of the Arena, ACL's strategy was to outsource services within the venue this included, cleaning, catering, security and car parking. The Sports Leisure and Hospitality Division of Compass Group tendered and were awarded a management contract to manage and operate the catering services and related sales with the financial agreement being based on management guarantees.

As the business grew it became clear that to increase profitability for both ACL and Compass a more fully integrated business model was required. ACL and Compass reached an agreement to work within a formal incorporated joint venture in April 2012.

The income of IEC is distributed as detailed in this section.

There are three agreements governing arrangements between ACL, Compass and IEC:

(a) Shareholders' Agreement

- The shareholders agreement is between Compass, ACL and IEC. It expires in May 2027 (or later if extended). ACL holds 77 per cent. of the issued share capital and Compass hold 23 per cent. of the issued share capital.
- Under the agreement the IEC has exclusive rights to provide all catering services, management of sales, management of the onsite hotel and soft facility management services throughout the Arena.
- Also under the agreement ACL receive a guaranteed management fee which is underwritten by Compass Group Plc. Following payment of this management fee, Compass then receive a management fee in priority to any dividends declared to shareholders.

(b) Agreement between ACL and IEC

- The agreement is in the form of an exclusive licence from ACL to IEC which gives IEC exclusive rights to provide hospitality, conference and events, public/retail catering, management of sales, hotel management and service and certain soft facility management services at the Arena until 2027.
- In consideration of the grant of the exclusive licence, IEC agreed to pay an annual service charge for costs incurred by ACL in providing the Arena, including charges for management time.
- Profits in IEC are distributed between shareholders in accordance with the dividend payments and management fees detailed under the Shareholders Agreement.
- Performance management of the services provided are by way of contracted service levels.

(c) Agreement between ACL, Compass and IEC

- This agreement grants Compass exclusive rights to provide hospitality, conference and events, public/retail catering, management of sales, hotel management and service and certain soft facility management services at the Arena until 2027.
- The agreement includes provision that all services and purchases under the agreement are provided 'at cost' with ACL to retain 'pouring rights' at the Arena.
- Under the agreement Compass staff are seconded to perform day to day management of the services.
- The agreement places an obligation on Compass to work with any hotel brand appointed by ACL and to work within the nominated hotel's brand standard requirements.
- Performance management of the service provided are by way of contracted key performance indicators and service levels.

As part of these arrangements, Compass Group plc provided an unsecured £4,000,000 loan to ACL to be used for working capital purposes. The £4,000,000 is to be repaid upon expiry to the agreements mentioned above.

Shareholder Management Fee Arrangement

Detailed below are the guarantees, management fees and profit division contained within the Shareholders' Agreement relating to IEC.

(a) Guaranteed management fees

ACL is guaranteed £1,497,000 (plus inflationary increases) from IEC annually, this amounted to £1.511 million in 2013/14, payable monthly to the extent that free cash allows. Any shortfall versus annualised profits must be met by Compass and paid to ACL at the end of the financial year.

(b) Annual management fees

To the extent that the audited accounts of IEC also shows a net profit, an additional management fee is paid to both Compass and ACL as follows:

a. the first £650,000 (plus VAT), indexed annually, to Compass;

b. the next £500,000 split equally between Compass and ACL;

c. the next £500,000 is split as to 70 per cent. to ACL and 30 per cent.to Compass.

(c) Other fee

ACL also receives the following income from IEC:

- A contribution to energy costs paid to ACL at 3 per cent. of IEC's turnover.
- Recharge of management salaries at £100,000.

5 Principal income streams for IEC

The business operates across three key streams as set out below, with the hotel complimenting all business sectors.

Conference and Exhibitions

The versatility of the conference and exhibition space has attracted both new and repeat business from a diverse range of conference and exhibition clients. The overarching sales strategy is based on market segmentation with sector 'experts' managing each segment, this is unique in terms of conference and event sales. Current segmentation within conferencing and exhibitions is as to conferences, meetings, banqueting, weddings and ceremonies and government/public sector events and as to exhibitions, comprises public and trade shows. The top ten revenue and profit generating events in 2013/14 show the range and diversity of conference and exhibition clients at the Arena, as follows:

		% of C&B Turnover	Type of event*	Event days	Build-up/break out days	Total attendance
Whitbread	4th year	8%	C	1	4	2,000
Costa Coffee	4th year	5%	C	2	4	3,000
Trade Only Exhibition	7th year	4%	T	2	4	5,000
Boots	1 year only	3%	C	1	3	1,500
National Buying Society Exhibition	1st year	3%	T	1	1	1,800
Executive Hire Show	7th year	2%	T	2	3	3,000
IBSA Christian Conference	7th year	2%	C and P	3	4	36,000
B&Q Annual Conference and Exhibition	1 year only	2%	C	1	1	600
Society of Cosmetic Scientist Exhibition	5th year	1%	T	2	2	1,000
Spatex Exhibition	2nd year	1%	T and P	2	2	3,000

***Key:**

Conference: **C**
Trade Exhibition: **T**
Public Exhibition: **P**

Whilst in 2014/15 the Arena became home to two sport teams, neither CCFC nor Wasps played at the venue during 2013/14 and the conference and exhibition business continued to show growth. In prior years the 'sporting factor' was feared to deter clients because of date restrictions but in the current year the flexibility and capacity of the space has shown that multi and differing conference, events and exhibitions can operate successfully side by side.

Entertainment

The Arena has hosted thirteen indoor and eleven stadium bowl events since 2005 bringing various high profile artists (for example Bruce Springsteen, Oasis, Coldplay) to the Arena and has now diversified in this sector by becoming home to Insomnia, the UK's biggest multimedia gaming festival which hosts three events each year attracting over 45,000 visitors during the year with over 20,000 visitors attending the largest event that takes place in August each year. In partnership with Grosvenor Casinos, the Arena also hosts Europe's largest poker tournament which attracts over 1,500 players from around the globe.

Hotel

In the financial year ending 31 May 2012, the revenue derived from the hotel was £1,200,000 the same revenue was earned in 2013. In 2014 revenue increased to just under £1,800,000 and for the period June to November 2014 the revenue was just over £1,200,000.

The increase in the number of hotel rooms in 2013 from 80 to 121 has led in the current year to like for like year on year growth of 10 per cent. with a rise in occupancy and average room rate beyond budgeted expectations. The hotel was ranked sixth of seven in the local hotel competitive set in 2013 but has since risen to third place in the current financial year as a result of restructured hotel management and the investment in revenue generating technology and rate management strategies. The Singers Restaurant and Coffee Shop which provide services to the hotel, conference, exhibition and other visitors to the venue likewise also saw an increase in revenue in 2013/14 driven by the uplift in hotel occupancy and the increase in conference and exhibition visitors.

Sporting Events

In 2012 the Arena was a football venue for the London Olympics hosting twelve matches over eight days which put the Arena in the "sporting arena".

With two different sports teams now based at the Arena other sporting events continue to be a key income stream with the flexibility of space allowing multi use on any given day. Halls 3, 4 and 5 provide dedicated space for indoor sporting events as does the Jaguar Exhibition Hall which has seen international tennis taking place concurrently with professional football/rugby in the stadium bowl. Other sporting events hosted at the venue include National and International events; fencing, judo, white and blue collar boxing, Davis Cup tennis, British Gymnastics, UK Weight-lifting championships, Premiership Darts, Champion of Champions Snooker, English Premier League U21 football, Heineken Cup semi-finals and EDF rugby.

IEC Principal Income Streams – 2013/14

The principal income streams of IEC for the financial year ended 31 May 2014 can be broken down as follows:

- 51 per cent. as to conference and banqueting;
- 19 per cent. from the hotel;
- 15 per cent. as to exhibitions; and
- 5 per cent. as to concerts, with the balance derived from other sources including car parking and sporting events.

IEC Operating costs

IEC has fixed labour costs for 46 staff and variable labour costs which are attributable to each event that takes place and the numbers of staff vary between 10 to 600 team members for a match-day. Overhead costs are varied and include for example advertising, repairs and maintenance, laundry, travel, commission payable.

IEC 2013/14 Direct Costs & Overheads

Direct costs and overheads of IEC for the financial year ended 31 May 2014 can be broken down in approximate percentages as follows:

- 17 per cent. on fixed employee costs;
- 16 per cent. on variable labour costs;
- 17 per cent. on costs of sale for food and beverage; and
- 19 per cent. on Arena overheads, with the balance being other event costs and utilities.

2 Strategy and objectives

In line with ACL, IEC's overarching objective is to deliver an outstanding customer experience by maximising the flexibility of the building and its assets to work within the fully integrated business model adopted by ACL.

The strategy will focus on:

- leveraging the power of two sports franchises to become a ‘brand leader’ in retail catering provision for sport and entertainment;
- becoming established as leading conference and exhibition space in the middle tier in the UK by defined market segmentation managed by specialists alongside recruitment and investment in innovative individuals and technologies to deliver the brand promise; and
- targeted hotel rate strategy using the power of the hotel brand to increase revenue per available room.

3 Outlook

The outlook for IEC is positive. The return of CCFC coupled with Wasps’ move to the Arena makes the venue a hub for professional sport in Coventry and Warwickshire. As this is the first time that two sports teams have been anchor tenants at the Arena the latent commercial potential is yet to be realised but will drive the public catering strategy of the business increasing revenues, profit and brand awareness.

With Coventry Arena railway station expected to open in May 2015 on the perimeter of the site providing direct links to main-line rail services from both Coventry and Nuneaton, conference and exhibition organisers are increasingly interested in bringing events to the Arena after May 2015 because of the quick and easy access across the national rail network.

SECTION 8 - SUBSCRIPTION AND SALE

Under a subscription agreement expected to be dated on or about 8 May 2015 (the "**Subscription Agreement**"), Investec Bank plc (the "**Lead Manager**") is expected to agree to procure subscribers for the Bonds at the issue price of 100 per cent. of the nominal amount of the Bonds, less arrangement, management and distribution fees. The Lead Manager will receive combined fees of 1.5 per cent. of the nominal amount of the Bonds, out of which the financial intermediaries referred to in section 11 (*Important Legal Information – Consent*) (the "**Authorised Offerors**") will be eligible to receive a distribution fee of up to 0.50 per cent. of the nominal amount of the Bonds allotted to them. Wasps Finance plc (the "**Issuer**") will also reimburse the Lead Manager in respect of certain of its expenses incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to the issue of the Bonds. The issue of the Bonds will not be underwritten by the Lead Manager, the Authorised Offerors or any other person.

Selling restrictions

Under the terms of the Subscription Agreement, the Issuer, Wasps Holdings Limited and Arena Coventry Limited (the "**Guarantors**") and the Lead Manager have agreed to comply with the selling restrictions set out below. The Authorised Offerors are also required to comply with these restrictions under the Authorised Offeror Terms. See Section 11 (*Important Legal Information – Consent*) for further information.

United States

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933 and the Bonds are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Lead Manager and each Authorised Offeror will agree that it will not offer, sell or deliver any Bonds within the United States or to, or for the account or benefit of, U.S. persons.

United Kingdom

The Lead Manager and each Authorised Offeror will represent and agree that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of FSMA would not apply to the Issuer or the Guarantors; and

(b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Jersey

The Lead Manager and each Authorised Offeror will represent and agree that there will be no circulation in Jersey of any offer for subscription, sale or exchange of the Bonds unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the UK without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom.

Guernsey

The Lead Manager and each Authorised Offeror will represent and agree that:

(a) the Bonds cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and the regulations enacted thereunder, or any exemption therefrom;

(b) this Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey; and

(c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:

    (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended; or

    (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law 1994, the Insurance Business (Bailiwick of Guernsey) Law 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law 2000.

Isle of Man

The Lead Manager and each Authorised Offeror will represent and agree that any offer for subscription, sale or exchange of the Bonds within the Isle of Man shall be made by (i) an Isle of Man financial services licenceholder licensed under Section 7 of the Financial Services Act 2008 to do so or (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011 or exemption contained in the Financial Services (Exemptions) Regulations 2011.

Public offer selling restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Lead Manager and each Authorised Offeror will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in the United Kingdom from the time the Prospectus has been approved by the competent authority in the United Kingdom and published in accordance with the Prospectus Directive as implemented in the United Kingdom until the Issue Date or such later date as the Issuer may permit, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Lead Manager; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred shall require the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

In this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

General

No action has been taken by the Issuer, the Guarantors, the Lead Manager or the Authorised Offerors that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Lead Manager and each Authorised Offeror has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any amendment or supplement thereto or any other offering material, in all cases at its own expense.

SECTION 9 - TAXATION

United Kingdom

The summary set out below describes certain taxation matters of the United Kingdom based on Wasps Finance plc's (the "**Issuer**") understanding of current law and Her Majesty's Revenue and Customs ("**HMRC**") practice (which may not be binding on HMRC) in England and Wales as of the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. The summary is intended as a general guide only and is not intended to be, nor should it be construed to be, legal or tax advice.

The summary set out below applies only to persons who are the absolute beneficial owners of Bonds who hold their Bonds as investments regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Bonds are attributed. In particular, Bondholders holding their Bonds via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. Some aspects do not apply to certain classes of person (such as dealers, certain professional investors and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may therefore differ to that set out below or may be subject to change in the future (possibly with retrospective effect).

If you may be subject to tax in a jurisdiction other than the United Kingdom or are unsure as to your tax position, you should seek your own professional advice. This summary only deals with the matters expressly set out below.

Interest on the Bonds

Withholding tax on the Bonds

Payments of interest on the Bonds may be made without deduction of or withholding for or on account of United Kingdom income tax provided that the Bonds continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "**ITA**"). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the official list of the London Stock Exchange ("**Official List**") by the United Kingdom Listing Authority (within the meaning of and in accordance with the provisions of Part 6 of FSMA) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction for or on account of United Kingdom income tax.

Where the Bonds cease to be listed, interest on the Bonds may be paid without withholding or deduction for or on account of United Kingdom tax where (a) interest on the Bonds is paid by a company and, at the time the payment is made, the Issuer reasonably believes that the person beneficially entitled to the interest is: (i) a company resident in the United Kingdom; or (ii) a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account the interest in computing its United Kingdom taxable profits; or (iii) a partnership each member of which is a company referred to in (i) or (ii) above or a combination of companies referred to in (i) or (ii) above, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that one of the above exemptions is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax, (b) another relief applies under domestic law, or (c) the Issuer has received a direction permitting payment without withholding or deduction from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

In other cases, an amount must generally be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the basic rate (currently 20 per cent.). If interest were paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Provision of information and Savings Directive

Bondholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including details of the beneficial owners of the Bonds (or the persons for whom the Bonds are held) or the persons to whom payments derived from the Bonds are or may be paid and information and documents in connection with transactions relating to the Bonds) from, amongst others, the holders of the Bonds, persons by (or via) whom payments derived from the Bonds are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Bonds on behalf of others and certain registrars or administrators. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities in other countries.

Under the Savings Directive, EU Member States are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or secured by such a person for the benefit of) an individual resident in that other EU Member State or to (or secured for the benefit of) certain limited types of entities established in that other EU Member State. However, for a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) deducting at a rate of 35 per cent., subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Further United Kingdom income tax issues

Interest on the Bonds constitutes United Kingdom source income for United Kingdom tax purposes and, as such, may be subject to United Kingdom tax by direct assessment, irrespective of the residence of the Bondholder.

However, interest with a United Kingdom source properly received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency or, in the case of a corporate Bondholder, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency, or permanent establishment. The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

Bondholders should note that the provisions relating to additional amounts referred to in Section 12 (*Terms and Conditions of the Bonds – Taxation*) below would not apply if HMRC sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by each of Wasps Holdings Limited and Arena Coventry Limited (each a "**Guarantor**" and together, the "**Guarantors**") under the terms of the Guarantee in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption in respect of bonds listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

Bondholders within the charge to United Kingdom corporation tax

In general, Bondholders which are within the charge to United Kingdom corporation tax (including non-resident Bondholders whose Bonds are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be charged to tax as income on all profits and gains from the Bonds broadly in accordance with their statutory accounting treatment. Such Bondholders will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognised in determining the Bondholder's profit or loss for that period. Fluctuations in value relating to foreign exchange gains and losses in respect of the Bonds will be brought into account as income.

Other United Kingdom Bondholders

Interest

Bondholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Bonds.

Transfer (including redemption)

The Bonds will constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal by a Bondholder of a Bond will not give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains.

Accrued income scheme

On a transfer of a Bond by a Bondholder, any amount representing interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Chapter 2 of Part 12 of the ITA, if that Bondholder is either an individual or a trustee and is resident in the United Kingdom or carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable.

Individual Savings Accounts

Subject to applicable subscription limits, the Bonds will be qualifying investments for the stocks and shares component of an account (an "**ISA**") under the Individual Savings Account Regulations 1998 (the "**ISA Regulations**") provided that the Bonds are listed on the official list of a recognised stock exchange within the meaning of section 1005 of the ITA. The London Stock Exchange is a recognised stock exchanges for these purposes. Individual Bondholders who acquire or hold their Bonds through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to United Kingdom tax on interest or other amounts received in respect of the Bonds.

The current annual subscription limit for ISAs where the Bondholder is not a child is £15,000, all of which can be invested in investments qualifying for the stocks and shares component of an ISA under the ISA Regulations.

The opportunity to invest in Bonds through an ISA is restricted to individuals. Individuals wishing to purchase the Bonds through an ISA should contact their professional advisers regarding their eligibility.

Stamp duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue or transfer by delivery of the Bonds or on their redemption.

Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

SECTION 10 - ADDITIONAL INFORMATION

1. Listing and admission to trading of the Bonds

It is expected that the admission of the Bonds to the official list of the London Stock Exchange (the "**Official List**") and admission of the Bonds to trading will occur on or about 14 May 2015, after the publication of the Sizing Announcement. Application will be made to the United Kingdom Listing Authority for the Bonds to be admitted to the Official List and to the London Stock Exchange plc for such Bonds to be admitted to trading on the regulated market and through its order books for retail bonds (ORB) market.

The amount of expenses related to the admission to trading of the Bonds will be specified in the Sizing Announcement.

The London Stock Exchange plc's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("**MiFID**"). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors.

2. Issuer's and Guarantors' respective authorisations

The issue of the Bonds and the granting of Security was duly authorised by a resolution of the Board of Directors of Wasps Finance plc (the "**Issuer**") passed on 23 April 2015.

The guarantee of the Bonds and the granting of Security was duly authorised by a resolution of the Board of Directors of Wasps Holdings Limited ("**Wasps Holdings**") passed on 23 April 2015.

The guarantee of the Bonds and the granting of Security was duly authorised by a resolution of the Board of Directors of Arena Coventry Limited ("**ACL**") passed on 23 April 2015.

The granting of Security in respect of the Bonds by ACL2006 was duly authorised by a resolution of the Board of Directors of ACL2006 passed on 23 April 2015.

The Issuer, Wasps Holdings and ACL (the "**Guarantors**") have obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Bonds, the giving of the Guarantee and the granting of the Security.

3. Significant or material change statement

There has been no significant change in the financial or trading position of Wasps Holdings or Wasps Holdings and its consolidated subsidiaries taken as a whole (the "**Group**") since 31 December 2014 (i.e. the end of the last period covered by the available financial information of the Group) and there has been no material adverse change in the prospects of Wasps Holdings or the Group since 30 June 2014 (i.e. the date of the last audited financial statements of the Group).

There has been no significant change in the financial or trading position of ACL or ACL and its consolidated subsidiaries taken as a whole (the "**ACL Group**") since 30 November 2014 (i.e. the end of the last period covered by the available financial information of the ACL Group) and there has been no material adverse change in the prospects of ACL or the ACL Group since 31 May 2014 (i.e. the date of the last audited financial statements of the ACL Group).

There has been no significant change in the financial or trading position of the Issuer, and there has been no material adverse change in the prospects of the Issuer, in either case since its date of incorporation. The Issuer has no subsidiaries.

4. **Litigation statement**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, either Guarantor or any other member of the Group and/or the ACL Group is aware) during the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's, either Guarantors', the Group's and/or the ACL Group's financial position or profitability.

5. **Clearing systems information and Bond security codes**

The Bonds will initially be represented by a global Bond (the "**Global Bond**"), which will be deposited with a common depository on behalf of Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**") on or about the Issue Date. The Global Bond will be exchangeable for definitive Bonds ("**Definitive Bonds**") in bearer form in the denomination of £100 not less than 60 days following the request of the Issuer or the holder in the limited circumstances set out in it. See Section 13 (*Summary of Provisions Relating to the Bonds while in Global Form*) of this Prospectus.

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Bonds will be accepted for settlement in CREST *via* the CDI mechanism. Interests in the Bonds may also be held through CREST through the issuance of CDIs representing the Underlying Bonds. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. The ISIN for the Bonds is XS1221940510 and the Common Code is 122194051.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking *société anonyme*, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland, 33 Cannon Street, London EC4M 5SB.

6. **Documents available for inspection**

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection at the registered office of the Issuer:

(a) the memorandum and articles of association of the Issuer;

(b) the memorandum and articles of association of each Guarantor;

(c) the most recently published financial statements of the Guarantors, in each case together with the audit reports prepared in connection therewith;

(d) the most recently published financial statements (if any) of the Issuer, together with any audit or review reports prepared in connection therewith;

(e) the Trust Deed, the Security Deed, the Paying Agency Agreement and the Account Bank Agreement (including any supplements or amendments to any of them);

(f) a copy of this Prospectus;

(g) a copy of the full form of the valuation report (a summary of which is set out at Section 14 (*Summary Valuation Report*) of this Prospectus); and

(h) any future prospectuses and supplements to this Prospectus and any other documents incorporated therein or herein by reference.

7. Consent to include the Summary Valuation Report

Details of the valuation of the Ricoh Arena (the "**Arena**") in Coventry dated 23 April 2015 by Strutt & Parker LLP (the "**Valuer**") have been included in summary form in Section 14 (*Summary Valuation Report*) Prospectus, in the form and context in which it is included, with the consent of the Valuer. The Valuer has also consented to make the full form of the valuation report, in the form and context in which it is available, available for inspection at the registered office of the Issuer as per the preceding paragraph (*6. Documents available for inspection*).

The full form of the valuation report is available for inspection for information purposes only (as described in Paragraph 6 (*Documents available for inspection*)) and, as far as the Issuer and the Guarantors are aware, no facts have been omitted from the Summary Valuation Report appearing at Section 14 of this Prospectus which would render that Summary Valuation Report inaccurate or misleading.

The address of the Valuer is 13 Hill Street, London W1J 5LQ. The valuation has been prepared in accordance with "*RICS Valuation –Professional Standards (January 2014) Global & UK Edition*" published by the Royal Institute of Chartered Surveyors (RICS). The Issuer and Guarantors affirm that there has been no material change since 23 April 2015. The Valuer is independent of, and has no material interest in, the Issuer, either Guarantor, ACL2006 or the Group.

8. Auditors

The financial statements of Wasps Holdings for the financial years ended 30 June 2013 and 2014 have been audited without qualification by Haines Watts of Sterling House, 5 Buckingham Place, Bellfield Road West, High Wycombe, Buckinghamshire HP13 5HQ, a member firm of the Institute of Chartered Accountants of England and Wales. PricewaterhouseCoopers LLP replaced Hains Watts as auditors of Wasps Holdings in February 2015.

The financial statements of ACL for the financial years ended 31 May 2013 and 2014 have been audited without qualification by Dains LLP of St. Johns Court, Wiltell Road, Lichfield, Staffordshire WS14 9DS, a member firm of the Institute of Chartered Accountants of England and Wales. PricewaterhouseCoopers LLP replaced Dains LLP as auditors of ACL in December 2014.

At the date of this Prospectus, PricewaterhouseCoopers LLP, of 1 Embankment Place, London WC2N 6RH, are appointed as auditors of each of the Issuer, Wasps Holdings and ACL. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

9. Material interests and conflicts of interest in the offer

So far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.

SECTION 11 - IMPORTANT LEGAL INFORMATION

Authorised Offerors

If, in the context of a Public Offer (as defined below), you are offered Bonds by any person, you must check that such person has been given consent to use this Prospectus for the purposes of making such offer before agreeing to purchase any Bonds. The following persons have consent to use this Prospectus in connection with a Public Offer:

- Investec Bank plc (the "**Lead Manager**");
- any financial intermediary specified herein as being an Authorised Offeror (as to which, see listed below under the heading, "*Consent*");
- any other financial intermediary named on the Issuer's website (*www.wasps.co.uk/bonds*) as an Authorised Offeror in relation to the Bonds; and
- any other financial intermediary authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) who has duly published the Acceptance Statement (set out below under the heading, "*Consent*").

The persons referred to above have only been given consent to use the Prospectus during the Offer Period and only in the United Kingdom. Other than as set out above, neither the Issuer nor any Guarantor has authorised the making of any Public Offer by any person and the Issuer has not consented to the use of this Prospectus by any other person in connection with any public offer of the Bonds.

Please see below for certain important legal information relating to Public Offers.

Introduction

This Prospectus has been prepared on a basis that permits a "**Public Offer**" (being an offer of Bonds that is not within an exemption from the requirement to publish a prospectus under Article 5.4 of the Prospectus Directive) in the United Kingdom. Any person making or intending to make a Public Offer of Bonds in the United Kingdom on the basis of this Prospectus must do so only with the Issuer's consent – see "*Consent given in accordance with Article 3.2 of the Prospectus Directive*" below.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of any Public Offer of Bonds in the United Kingdom, each of Wasps Finance plc (the "**Issuer**") and Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**" and together with Wasps Holdings, the "**Guarantors**") accepts responsibility, in the United Kingdom, for the content of this Prospectus under section 90 of FSMA in relation to any person in the United Kingdom to whom an offer of any Bonds is made by a financial intermediary (including Investec Bank plc) to whom each of the Issuer and the Guarantor has given its consent to use the Prospectus, where the offer is made in compliance with all conditions attached to the giving of such consent. Such consent and the attached conditions are described below under "*Consent*" below.

Except in the circumstances described below, none of the Issuer, the Guarantor or the Lead Manager has authorised the making of any Public Offer and neither the Issuer nor either Guarantor has consented to the use of this Prospectus by any other person in connection with any offer of the Bonds. Any offer made without the consent of the Issuer and the Guarantors is unauthorised and none of the Issuer, the Guarantors or the Lead Manager accepts any responsibility in relation to such offer.

If, in the context of a Public Offer, you are offered Bonds by a person which is not the financial intermediary referred to in Section 11 (*Important Legal Information – Consent*) (an "**Authorised Offeror**"), you should check with such person whether anyone is responsible for this Prospectus for the purpose of section 90 of the Financial Services and Markets Act 2000 ("**FSMA**") in the context of the Public Offer and, if so, who that person is. If you are in any doubt about whether you can rely on this Prospectus and/or who is responsible for its contents, you should take legal advice.

Consent

The Issuer and each Guarantor consents to the use of this Prospectus in connection with any Public Offer of Bonds, including any subsequent resale or final placement of Bonds by financial intermediaries, in the United Kingdom during the period commencing from and including the date of this Prospectus until 5 p.m. (London time) on 6 May 2015 (the "**Offer Period**") by:

(i) the Lead Manager;

(ii) Barclays Bank PLC, Equiniti Financial Services Limited, Interactive Investor Trading Limited and Redmayne-Bentley LLP;

(iii) any other financial intermediary appointed after the date of this Prospectus and whose name is published on the website of the Issuer (at *www.wasps.co.uk/bonds*) and identified as an Authorised Offeror in respect of the Public Offer; and

(iv) any other financial intermediary which (a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, including under any applicable implementing measure in each relevant jurisdiction ("**MiFID**"); and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

"*We, [FINANCIAL INTERMEDIARY], refer to the offer of sterling denominated 6.50 per cent. secured bonds due 2022 (the "**Bonds**") described in the Prospectus dated 24 April 2015 (the "**Prospectus**") published by Wasps Finance plc (the "**Issuer**"), Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**" and, together with Wasps Holdings, the "**Guarantors**"). In consideration of the Issuer and Guarantors offering to grant their consent to our use of the Prospectus in connection with the offer of the Bonds in the United Kingdom during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Prospectus), we hereby accept the offer by the Issuer and the Guarantors. We confirm that we are authorised under MiFID to make, and are using the Prospectus in connection with, the Public Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Prospectus.*"

The financial intermediaries referred to in sub-paragraphs (ii), (iii) and (iv) above are together referred to herein as, the "**Authorised Offerors**".

Any Authorised Offeror falling within sub-paragraph (iv) above who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to publish on its website the Acceptance Statement set out above, confirming that it uses the Prospectus in accordance with the consent and conditions attached thereto.

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

(a) is authorised to make such offers under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments ("**MiFID**") (in which regard, you should consult the register of authorised entities maintained by the FCA at *www.fca.org.uk/firms/systems-reporting/register*). MiFID governs the organisation and conduct of the business of investment firms and the operation of regulated markets across the European Economic Area in order to seek to promote cross-border business, market transparency and the protection of investors;

(b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), including the Rules published by the FCA (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Bonds by any person and disclosure to any potential investor;

(c) complies with the restrictions set out under Section 8 (*Subscription and Sale – Selling Restrictions*) in this Prospectus which would apply as if the relevant financial intermediary was the Lead Manager;

(d) ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to investors or potential investors;

(e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under FSMA and/or the Financial Services Act 2012;

(f) complies with and takes appropriate steps in relation to applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(g) retains investor identification records for at least the minimum period required under applicable Rules, and will, if so requested and to the extent permitted by the Rules, make such records available to the Lead Manager, the Issuer and the Guarantors or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantors and/or the Lead Manager in order to enable the Issuer, the Guarantors and/or the Lead Manager to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer, the Guarantors and/or the Lead Manager;

(h) does not, directly or indirectly, cause the Issuer, the Guarantors or the Lead Manager to breach any Rule or subject the Issuer, the Guarantors or the Lead Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(i) immediately gives notice to the Issuer, the Guarantors and the Lead Manager if at any time such Authorised Offeror becomes aware or suspects that they are or may be in violation of any Rules or the terms of this paragraph, and takes all appropriate steps to remedy such violation and comply with such Rules and this paragraph in all respects;

(j) does not give any information other than that contained in this document (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Bonds;

(k) agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer *via* a Regulatory Information Service at the end of the Offer Period will be consistent with the Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Officer has provided it independently from the Issuer and the Guarantors and must expressly confirm that neither the Issuer nor either Guarantor accepts any responsibility for the content of any such communication;

(l) does not use the legal or publicity names of the Lead Manager, the Issuer, either Guarantor or any other name, brand or logo registered by any member of the Group or any material over which any member of the Group retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Bonds;

(m) agrees and undertakes to indemnify each of the Issuer, the Guarantors and the Lead Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor or the Lead Manager; and

(n) agrees and accepts that:

  (i) the contract between the Issuer, the Guarantors and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer and the Guarantors' offer to use the Prospectus with their consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

  (ii) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts; and

  (iii) the Lead Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for its benefit, including the agreements, representations, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Arrangements between you and the financial intermediaries who will distribute the Bonds

None of the Issuer, the Guarantors or the Lead Manager has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

If you intend to acquire or do acquire any Bonds from an Authorised Offeror, you will do so, and offers and sales of the Bonds to you by such an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and you including as to price, allocations and settlement arrangements. Neither the Issuer nor either Guarantor will be a party to any such arrangements with you in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information.

In the event of an offer being made by an Authorised Offeror, such Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.

None of the Issuer, either Guarantor or the Lead Manager or other Authorised Offerors has any responsibility or liability for such information.

Notice to investors

The Bonds may not be a suitable investment for all investors. You must determine the suitability of any investment in light of your own circumstances. In particular, you may wish to consider, either on your own or with the help of your financial and other professional advisers, whether you:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus (and any applicable supplement to this Prospectus);

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on your overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments (sterling) is different from the currency which you usually use;

(d) understand thoroughly the terms of the Bonds and are familiar with the behaviour of the financial markets; and

(e) are able to evaluate possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

No person is or has been authorised by the Issuer, the Guarantors, the Lead Manager or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, the Lead Manager or the Trustee.

Neither the publication of this Prospectus nor the offering, sale or delivery of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Prospectus or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date of this Prospectus or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Lead Manager nor the Trustee undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Issuer, the Guarantors, the Lead Manager or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and any purchase of Bonds should be based upon such investigation as it deems necessary.

The Lead Manager and the Trustee

Neither the Lead Manager nor the Trustee has independently confirmed the information contained in this Prospectus. No representation, warranty or undertaking, express or implied, is made by the Lead Manager or the Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer and/or either Guarantor in connection with the offering of the Bonds. Neither the Lead Manager nor the Trustee accepts liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the offering of the Bonds or their distribution.

The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business.

No incorporation of websites

The contents of the websites of the Group do not form part of this Prospectus, and you should not rely on them.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer and the Guarantors concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

This Prospectus is based on English law in effect as of the date of issue of this Prospectus. Except to the extent required by laws and regulations, the Issuer and the Guarantors do not intend, and do not assume any obligation, to update the Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Prospectus.

CREST depository interests

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated). Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

Selling restrictions

This Prospectus does not constitute or form part of an offer to sell, or the solicitation of an offer to buy, Bonds to any person in any jurisdiction to any person in any jurisdiction to whom or in which such offer or solicitation is unlawful. This Prospectus is not for distribution in the United States, Australia, Canada, the Republic of Ireland or Japan. The Bonds have not been and will not be registered under the United States Securities Act of 1933 or qualified for sale under the laws of the United States or under any applicable securities laws of Australia, Canada, the Republic of Ireland or Japan. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons.

The distribution of this Prospectus and the offer or sale of the Bonds in certain jurisdictions may be restricted by law. No action has been or will be taken by the Issuer, the Guarantors, the Lead Manager or the Trustee anywhere which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction, other than in the United Kingdom. You must inform yourself about, and observe, any such restrictions.

SECTION 12 - TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions substantially in the form to be endorsed on the Bonds in definitive form (if issued):

The issue of sterling denominated 6.50 per cent. secured bonds due 2022 (the "**Bonds**") and the granting of security was authorised by a resolution of the Board of Directors of Wasps Finance plc (the "**Issuer**") passed on 23 April 2015, the guarantee of the Bonds and the granting of security was authorised by resolutions of the respective Boards of Directors of Wasps Holdings Limited ("**Wasps Holdings**") and Arena Coventry Limited ("**ACL**" and, together with Wasps Holdings, the "**Guarantors**") each passed on 23 April 2015 and the granting of security was authorised by a resolution of the Board of Directors of Arena Coventry (2006) Limited ("**ACL2006**") passed on 23 April 2015.

The Bonds are constituted by a trust deed (the "**Trust Deed**") dated 13 May 2015 (the "**Issue Date**") between the Issuer, the Guarantors, ACL2006 and U.S. Bank Trustees Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds (the "**Bondholders**"). Security for, among other things, the Bonds and the Guarantee is created by a security deed dated the Issue Date between the Issuer, the Guarantors, ACL2006 and the Trustee (the "**Security Deed**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (a) the Trust Deed, which includes the form of the Bonds and the interest coupons relating to them (the "**Coupons**") and (b) the Security Deed. Copies of the Trust Deed, the Security Deed and of the paying agency agreement (the "**Agency Agreement**") dated on or around the Issue Date relating to the Bonds between the Issuer, the Guarantors, the Trustee and the initial principal paying agent named in it, are available for inspection during usual business hours at the specified office of the Trustee (presently at Fifth Floor, 125 Old Broad Street, London EC2N 1AR) and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and the other paying agents (if any) for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Security Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1. Form, Denomination and Title

(a) **Form and denomination**: The Bonds are serially numbered and in bearer form in the denomination of £100 each, with Coupons attached on issue.

(b) **Title**: Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. Guarantee, Status and Application of Moneys

(a) **Guarantee**: Each Guarantor has, jointly and severally, unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons. Their respective obligations in that respect (each such guarantee of a Guarantor being referred to collectively in these Conditions as, the "**Guarantee**") are contained in the Trust Deed.

(b) **Status of Bonds and Guarantee**: The Bonds and Coupons constitute direct and unconditional obligations of the Issuer, secured in the manner described in Condition 3, and shall at all times rank *pari passu* and without any preference among themselves. The obligations of each Guarantor under the Guarantee constitute direct and unconditional obligations of the relevant Guarantor, secured in the manner described in Condition 3. The payment obligations of the Issuer under the Bonds and the Coupons and of each Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable law and subject to Conditions 2(c) and 3, at all times rank at least equally with all their respective other present and future unsubordinated obligations.

(c) **Application of Moneys (Post-Enforcement Priority of Payments)**: All moneys received by the Trustee in respect of the Bonds or Coupons or recovered by the Trustee or any Receiver following the enforcement of the Security, despite any appropriation of all or part of any such moneys by the Issuer, any Guarantor, ACL2006 or any other member of the Group (including any moneys which represent principal or interest in respect of Bonds or Coupons which have become void under the Conditions), shall be held by the Trustee on trust to apply them in the following order of priority pursuant to the terms of the Trust Deed:

(i) *firstly*, in or towards satisfaction of or provision for (i) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by the Trustee in preparing and executing the trusts under the Trust Deed and the Security Deed and (ii) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to any Receiver appointed by the Trustee, including in either case the costs of enforcing and/or realising any Security;

(ii) *secondly*, and *pari passu*, in or towards satisfaction of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to the Paying Agents and/or the Account Bank under the Transaction Documents to which they are a party;

(iii) *thirdly*, in or towards payment of all arrears of interest remaining unpaid in respect of the Bonds or Coupons and all principal moneys due on or in respect of the Bonds; and

(iv) *fourthly*, the balance (if any) in payment to the Issuer.

3. Security

(a) **Grant of Security**: The Security is granted by the Issuer, the Guarantors and ACL2006 under the Security Deed in favour of the Trustee, on trust for and on behalf of itself, the Bondholders and the other Secured Creditors on the terms of the Trust Deed and the Security Deed, as security for the Secured Liabilities.

(b) **Security Interests**: The Security comprises:

(i) a first legal mortgage (which shall take effect as an equitable mortgage until requisite registrations have been made by ACL) (and to the extent that they are not subject to a mortgage by way of first fixed charge) granted by ACL with respect to all of its rights, title, interest and benefit existing now and in the future, in and to the property described at the Issue Date as the Ricoh Arena, Phoenix Way, Coventry CV6 6GE (the "**Arena**") (Title numbers: WM877011, MM138 and MM37107);

(ii) a first legal mortgage (which shall take effect as an equitable mortgage until requisite registrations have been made by ACL2006) (and to the extent that they are not subject to a mortgage by way of first fixed charge) granted by ACL2006 with respect to all of its rights, title, interest and benefit existing now and in the future, in and to the Arena (Title numbers: WM882649 and the title number to be allocated to the lease dated 29 January 2015 made between Coventry City Council and ACL2006 (comprising the areas formerly within title numbers WM821429 and MM24578) presently with the Land Registry pending registration together with title number WM949747);

(iii) a first mortgage granted by ACL over all of its rights, title and interest from time to time in and to all of its Shares held in ACL2006 (the "**ACL2006 Shares**");

(iv) a first fixed charge granted by ACL and all of its Related Rights in relation to the ACL2006 Shares, to the extent not validly and effectively mortgaged under Condition 3(b)(iii) above;

(v) a first fixed charge granted by each of ACL and ACL2006 over all of their respective rights, title and interest from time to time in and to any Insurances;

(vi) a first fixed charge granted by the Issuer over all its present and future rights, title, interest and benefit in and to the Interest Service Reserve Account together with all moneys from time to time standing to the credit thereof (including any interest thereon), all debts represented by those amounts and all Related Rights;

(vii) a first fixed charge granted by the Issuer over all its present and future rights, title, interest and benefit in and to the Account Bank Agreement;

(viii) a first fixed charge granted by the Issuer over all its present and future rights, title, interest and benefit in and to any Approved Investments, together with all moneys, income and proceeds payable or due to become payable in respect of such Approved Investments and all interest accruing on them from time to time and all Related Rights;

(ix) an assignment by way of security of all of the Issuer's rights to and title and interest from time to time in the Inter-Company Loans and all Assigned Rights;

(x) a first fixed charge granted over the Inter-Company Loans;

(xi) an assignment by way of security of all the Issuer's and Guarantors' respective present and future rights under the Agency Agreement and all sums derived therefrom;

(xii) a first fixed charge over all moneys held from time to time by the Principal Paying Agent and any other Paying Agent for payment of principal, interest or other amounts in relation to the Bonds or Coupons; and

(xiii) a first floating charge over all of the undertaking and all property, assets and rights, both present and future, of the Issuer, each Guarantor and ACL2006 (including but not limited to the assets expressed to be secured pursuant to any of the other provisions of this Condition 3).

(c) **Trustee not liable for Security**: The Trustee will not be liable for any failure to make any investigations in relation to the property which is the subject of the Security, and shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Issuer, the Guarantors and/or ACL2006 to the Secured Property, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will it have any liability for the limitation on the Trustee's ability to enforce or for any other restrictions or limitations or for the enforceability of the Security whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise.

4. Covenants

(a) **General Security Covenants**: So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer, the Guarantors nor ACL2006 shall, directly or indirectly, create, permit to subsist or have outstanding any Security Interest or any Quasi Security, other than the Security, upon the whole or any part of its or their present or future undertaking, assets or revenues (including uncalled capital), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Security Interest is securing any Financial Indebtedness, except for Permitted Collateral Security Interests.

(b) **Negative Pledge relating to Subsidiaries**: So long as any Bond or Coupon remains outstanding, each Guarantor and ACL2006 shall procure that no other Subsidiary of any of them shall create, permit to subsist or have outstanding any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital), to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds and the Coupons the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution.

(c) **IEC Experience Limited Shares and P-Shares**: So long as any Bond or Coupon remains outstanding, (A) ACL shall not (i) directly or indirectly, create, permit to subsist or have outstanding any Security Interest or any Quasi Security upon the whole or any part of any IECE Shares that it owns, or any interest therein or any income or profits therefrom, or (ii) dispose of any IECE Shares; in each case whether such IECE Shares are owned on the Issue Date or acquired after that date; and (B) Wasps Holdings shall not directly or indirectly, create, permit to subsist or have outstanding any Security Interest or any Quasi Security upon the whole or any part of any P-Shares, or any interest therein or any income or profits therefrom, whether such P-Shares are owned on the Issue Date or acquired after that date.

(d) **Interest Service Reserve Account and Approved Investments**: The Issuer shall maintain the Interest Service Reserve Account in its own name with the Account Bank. The Required Account Balance must be paid into the Interest Service Reserve Account on the Issue Date. The amount standing to the credit of this bank account must at all times be equal to or more than the Required Account Balance. Subject to maintenance at all times of the Required Account Balance, withdrawals from this bank account are only permitted to the extent required for the purposes of making payments as they fall due to Bondholders or Couponholders pursuant to the relevant Transaction Documents. If, on any Interest Payment Date, the Interest Service Reserve Account has not been used for the purposes of making payments as they fall due to Bondholders or Couponholders in accordance with the preceding sentence, the Issuer may withdraw monies from the Interest Service Reserve Account following such Interest Payment Date (subject to maintaining at least the Required Account Balance at all times), provided that the ratio of Consolidated EBITDA to Consolidated Finance Costs as at and for the 12 month period ending on the most recent Reporting Date prior to the relevant Interest Payment Date is at least 1.4 : 1.0.

So long as no Event of Default or Potential Event of Default has occurred and is continuing, withdrawals by the Issuer are also permitted at its option at any time, and from time to time, to invest amounts for the time being in the Interest Service Reserve Account in any investment that is an Approved Investment. The Issuer shall ensure that all Approved Investments are secured in favour of the Trustee, for and on behalf of itself and the other Secured Creditors, by way of first fixed charge and (until such time as the Release Conditions are met) all cash proceeds arising from any Approved Investment must be placed into the Interest Service Reserve Account and secured accordingly.

Once the Release Conditions have been met, the remaining balance of the Interest Service Reserve Account (including any accrued interest standing to the credit of the account) shall be released and the account shall be closed at the option of the Issuer.

(e) **Financial Covenants**: So long as any Bond or Coupon remains outstanding, each Guarantor and ACL2006 shall ensure that:

(i) as at any Valuation Date, the Asset Cover Ratio will be at least 1.4 : 1.0;

(ii) as at and for the 12 month period ending on any Reporting Date falling on or after 30 June 2017, the ratio of Consolidated EBITDA to Consolidated Finance Costs for the same period will be at least 1.5 : 1.0; and

(iii) at any time, Consolidated Senior Debt does not exceed the higher of (y) £40 million and (z) four times Consolidated EBITDA for the most recently ended two full six month periods in respect of which Consolidated Financial Statements are available; provided that, prior to 30 June 2016, Consolidated Senior Debt shall not exceed £40 million.

(f) **Valuation Reports and Financial Information**: (i) the Guarantors shall, promptly after its preparation of any Valuation in accordance with Condition 4(h), (A) deliver to the Trustee a certificate signed by two directors of each Guarantor certifying that the covenant contained in Condition 4(e)(i) has been complied with, upon which certificate the Trustee may rely absolutely without any liability to any person and (B) at the same time procure publication on the Group's website of a summary of any such Valuation, provided that such summary shall only be required to contain such information as is reasonably necessary in order to determine compliance with the covenant contained in Condition 4(e)(i); (ii) within four months of its most recent financial year-end, Wasps Holdings shall send to the Trustee a copy of its audited annual Consolidated Financial Statements for such financial year, together with the report thereon of its independent auditors for the time being; and (iii) within two months of the end of the first half of each financial year, Wasps Holdings shall send to the Trustee a copy of its semi-annual Consolidated Financial Statements as at, and for the period ending on, the end of such period.

(g) **Compliance Certificate**: Wasps Holdings shall, concurrently with the delivery of any directors' certificate and/or the annual and semi-annual Consolidated Financial Statements referred to in Condition 4(f), and also at any other time within 14 days of any request in writing from the Trustee, provide to the Trustee a certificate or certificates signed by two directors of Wasps Holdings confirming compliance with each of the covenants contained in Condition 4 (including, but not limited to, those in Condition 4(e)) as at the most recent Valuation Date and the most recent Reporting Date, as the case may be or, if not compliant with such covenants, setting out the details of such non-compliance and any proposed action to be taken; upon which certificate(s) the Trustee may rely absolutely without any liability to any person for so doing and shall not be obliged independently to, and shall not, monitor, investigate or verify compliance by the Issuer or the Guarantors with the covenants contained in this Condition 4 or the Trust Deed, nor shall it be liable to any person for not so doing.

(h) **Periodic Valuation**:

(i) The Guarantors and ACL2006 shall have the right at any time and from time to time together to require a Valuation for the purposes of these Conditions.

(ii) The Guarantors and ACL2006 undertake that they will together require the Independent Appraiser and/or Valuers, as applicable, to produce a Valuation of all Relevant Assets for the purposes of Condition 4(e)(i): (x) not less than once in each consecutive 24 month period, the first such Valuation Date to be no later than 30 June 2016, (y) within three months prior to any Further Issue, as described in Condition 15 and (z) promptly following the sale of any P-Shares of the Group.

(iii) Following an Event of Default and/or if the Guarantors and ACL2006 fail to provide a Valuation pursuant to Condition 4(h)(ii), the Trustee shall have the right but not the obligation to instruct the Valuers on behalf of the Guarantors and ACL2006, and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, to provide, as soon as reasonably practicable, the same at the expense of the Guarantors and ACL2006. For the avoidance of doubt, the Trustee shall have no obligation to monitor whether a Valuation has been prepared in accordance with Condition 4(h) or to review any Valuation report that may be prepared and shall have no obligation to any person for not so doing.

(iv) In addition to any other Valuation required or made pursuant to this Condition 4(h) or otherwise, if so requested in writing by holders of at least one quarter in nominal amount of the Bonds then outstanding or if directed to do so by Extraordinary Resolution (and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) the Trustee shall instruct the Valuers to provide a Valuation at any time at the expense of the requesting holders, provided that no more than one such Valuation shall be required to be made in any twelve month period.

(i) **Limitation on Restricted Payments**: Neither the Issuer, either Guarantor nor ALC2006 shall, and the Guarantors shall ensure that no other member of the Group shall, directly or indirectly:

(i) declare or pay any dividend, in cash or otherwise, or make any other distribution (whether by way of redemption, acquisition or otherwise) in respect of its share capital or to a direct or indirect holder of its share capital (other than a dividend or other distribution payable to a Guarantor or a Subsidiary of a Guarantor); or

(ii) voluntarily purchase, redeem or otherwise retire for value any Capital Stock or subordinated debt (other than Capital Stock or subordinated debt held by a Guarantor or a Subsidiary of a Guarantor); or

(iii) save for as specified below, pay or repay any amount, in cash or otherwise, in respect of the Shareholder Loan,

(any such action, a "**Restricted Payment**") if either (A) the Release Conditions have not been met or (B) a Potential Event of Default or an Event of Default shall have occurred and be continuing (or would result from making such Restricted Payment).

Nothing herein shall limit: (y) the making a repayment by Wasps Holdings out of net cash proceeds of the issuance by the Issuer of the Bonds (and subsequent on-lending to the Guarantors pursuant to the Inter-Company Loans) of up to £10 million on or after the Issue Date in respect of any amount due and payable pursuant to the terms of the Shareholder Loan or

(z) the making of a repayment of part of the Shareholder Loan, on or prior to 30 June 2016, by Wasps Holdings out of the net cash proceeds received pursuant to any written contractual agreement existing on or prior to the Issue Date, in an aggregate amount not exceeding £3 million.

(j) **P-Shares**: If, at any time while any Bond or Coupon remains outstanding, any P-Shares become eligible to be acquired by a third party, or if the directors of Wasps Holdings believe that any of its P-Shares are reasonably likely to become acquired by a third party, Wasps Holdings shall promptly open a designated sterling cash account with the Account Bank (the "**P-Shares Secured Account**"). Immediately upon the sale of any P-Shares, all proceeds arising from the sale shall be paid into the P-Shares Secured Account and Wasps Holdings shall ensure that the P-Shares Secured Account and all such proceeds are secured in favour of the Trustee, for and on behalf of itself and the other Secured Creditors, by way of first fixed charge, for so long as any Bond or Coupon remains outstanding. Withdrawals from the P-Shares Secured Account shall not be permitted without the prior written consent of the Trustee.

(k) **Maintenance of Insurance**: Each Guarantor and ACL2006 will, and will cause each of its respective Subsidiaries to: (A) obtain and maintain insurance with an insurer or insurers of sufficient standing (in the reasonable judgement of the relevant Guarantor, ACL2006 or the relevant other Subsidiary, as the case may be) against such losses and risks and in such amounts as (y) are prudent and customary in the respective businesses in which it is engaged and in the jurisdiction(s) where it operates and (z) at least comparable to the insurance existing as at the Issue Date and (B) obtain and maintain insurances on those of their properties which are of an insurable nature if and to the extent required under applicable laws of any relevant jurisdiction from time to time.

(l) **Insurance Policies**: Each Guarantor and ACL2006 will procure that every policy of Insurance taken out by it in respect of the Arena and its Fixtures is endorsed with a memorandum of interest of the Trustee as mortgagee or secured creditor and will, if an Event of Default or Potential Event of Default has occurred and is for the time being continuing, direct the relevant insurer(s) to pay any moneys payable under any such policy, at the Trustee's option, directly to the Trustee and each Guarantor and ACL2006 shall duly pay all premiums or other sums payable for the purpose and produce to the Trustee, when so requested, every policy of Insurance and the receipt for the last premium payable thereunder.

(m) **Transactions with Affiliates**: Neither the Issuer, either Guarantor nor ACL2006 shall, and each Guarantor and ACL2006 shall ensure that none of its respective other Subsidiaries will, directly or indirectly, conduct, enter into or permit to exist any transaction or series of related transactions (including the purchase, sale, transfer, assignment, lease, conveyance or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate, including inter-company loans (any such transaction or series of transactions, an "**Affiliate Transaction**"), unless (a) the terms of such Affiliate Transaction taken as a whole are not materially less favourable to the Issuer, the Guarantor, ACL2006 or such Subsidiary, as the case may be, than those that could be obtained in a comparable arms-length transaction for Fair Market Value with a Person who is not such an Affiliate or (b) such Affiliate Transaction constitutes a Permitted Affiliate Transaction.

(n) **Environmental Compliance**: The Issuer, each Guarantor and ACL2006 will, and the Guarantors and ACL2006 will cause each of their respective Subsidiaries to, comply with all Environmental Laws and obtain and maintain any Environmental Licences and take all reasonable steps in anticipation of known or expected future changes to or obligations under the same, except where failure to do so does not and will not have a Material Adverse Effect.

(o) **Compliance with Laws**: Except where failure to be so in compliance would not have a Material Adverse Effect, the Issuer, each Guarantor and ACL2006 will at all times comply, and the Guarantors and ACL2006 shall procure that each of their respective Subsidiaries complies at all times, with all applicable provisions of the laws and directives of government authorities (including planning and health & safety laws and regulations) with the force of law and regulations in England & Wales, or, so far as the Issuer, either Guarantor or ACL2006 is aware, any other law or regulation, in any jurisdiction, affecting it.

(p) **Maintenance of Authorisations**: (i) the Issuer, each Guarantor and ACL2006 will, and will cause each of their respective Subsidiaries to, take all necessary action to obtain and do or cause to be done all things necessary to ensure the continuance of its corporate existence, its business and all intellectual property relating to its business; and (ii) the Issuer, each Guarantor and ACL2006 will, and will cause each of their respective Subsidiaries to, obtain or make, and procure the continuance or maintenance of, all registrations, recordings, filings, consents, licences, approvals and authorisations, which may at any time be required to be obtained or made in any relevant jurisdiction for the purposes of the execution, delivery or performance of the Bonds and the Transaction Documents and for their validity and enforceability.

(q) **Additional Issuer Covenants**: So long as any Bond or Coupon remains outstanding, the Issuer shall not (save as permitted by, or provided for in, the Transaction Documents or with the prior written consent of the Trustee):

(i) **Restriction on Activities**: (A) have or form any subsidiaries or employees or premises, act as a director of any company or maintain any pension scheme; or (B) without the prior written consent of the Trustee, engage in any activity or do any thing other than: (y) carry out the business of a company which has as its purpose raising finance and on-lending such finance for the benefit of the members of itself and the Group and (z) perform any act incidental to or necessary in connection with (y);

(ii) **Equitable Interests**: permit any Person, other than the Trustee and other Secured Creditors, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(iii) **Merger**: consolidate or merge with any other Person or convey or transfer its properties or assets substantially or as an entirety to any other Person;

(iv) **Tax Residence**: do any act or thing, the effect of which would be to make the Issuer resident for tax purposes in any jurisdiction other than the United Kingdom; or

(v) **Waivers or Consents**: permit any of the Transaction Documents to become invalid or ineffective or the priority of the Security created thereby to be reduced, amended, terminated or discharged.

5. Interest

The Bonds bear interest from and including the Issue Date at the rate of 6.50 per cent. per annum, payable semi-annually in arrear in equal instalments of £3.25 per £100 in nominal amount of the Bonds on 13 November and 13 May in each year (each, an "**Interest Payment Date**"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event the relevant Bond shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of: (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) two.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called, an "**Interest Period**".

Interest in respect of any Bond shall be calculated per £100 in nominal amount of the Bonds. The amount of interest payable per £100 for any period shall, save as provided above in relation to equal instalments, be equal to the product of 6.50 per cent., £100 and the day-count fraction for the relevant period, rounding the resulting figure to the nearest penny (half a pence being rounded upwards).

6. Redemption and Purchase

(a) **Final redemption**: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their nominal amount on 13 May 2022 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Redemption for taxation reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable), at their nominal amount, (together with interest accrued to but excluding the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it (or, if the Guarantee were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the relevant Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer (or two directors of the relevant Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the relevant Guarantor, as the case may be) has or will become obliged to pay such additional amounts and the Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

(c) **Redemption at the option of the Issuer**: On and after 13 May 2019 (unless they are to be purchased pursuant to Condition 6(f), in which case at any time), the Issuer may, by giving not less than 30 nor more than 60 days' notice to Bondholders in accordance with Condition 16 (which notice shall specify the date fixed for redemption and shall be irrevocable) redeem in whole, but not in part, the Bonds for the time being outstanding, at the following applicable redemption amounts, plus accrued and unpaid interest on the Bonds (if any), to (but excluding) the applicable date fixed for redemption, the applicable redemption amount to be determined by reference to the date fixed for redemption occurring in the relevant Interest Period beginning on the scheduled Interest Payment Date indicated below:

Date	**Percentage**
13 May 2019	105.85
13 November 2019..	105.36
13 May 2020	104.88
13 November 2020..	104.39
13 May 2021	103.90
13 November 2021..	103.41

(d) **Redemption at the option of the Bondholder**: If a Change of Control Put Event or a Change of Business Event (each as defined in this Condition 6(d) below) occurs, the holder of each Bond will have the option (a "**Put Option**") (unless prior to the giving of the relevant Put Event Notice (as defined below) the Issuer has given notice of redemption under Condition 6(b) above) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Bond on the day (the "**Put Date**") which is seven calendar days after the expiration of the Put Period (as defined below) provided that such day is a day (other than a Saturday or a Sunday) on which banks are generally open for business in London or, if not, the next such day, at its nominal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event or a Change of Business Event has occurred the Issuer shall, and at any time after the Trustee has actual knowledge or receives express notice of such Change of Control Put Event or Change of Business Event, the Trustee may, and if so requested by the holders of at least one quarter in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall, (subject in each case to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) give notice (a "**Put Event Notice**") to the Bondholders in accordance with Condition 16 specifying the nature of the Change of Control Put Event and/or the Change of Business Event, as the case may be, and the procedure for exercising the related Put Option.

To exercise a Put Option, the holder of the Bond must deposit such Bond with any Paying Agent at its specified office at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given to the

Bondholders, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a "**Put Notice**").

The Bond should be delivered together with all Coupons appertaining thereto maturing after the Put Date, failing which the Paying Agent will require payment from or on behalf of the relevant Bondholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed by the Paying Agent to the Bondholder against presentation and surrender of the relevant missing Coupon (or any replacement therefor issued pursuant to Condition 11) at any time after such payment but before the expiry of 10 years from the date on which such Coupon would have become due. The Paying Agent to which such Bond and Put Notice are delivered will issue to the Bondholder concerned a non-transferable receipt in respect of the Bond so delivered.

Payment in respect of any Bond so delivered will be made, if the holder duly specified a bank account (in sterling) in the Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of the non-transferable receipt in respect of such Bond mentioned in the immediately preceding paragraph of this Condition 6(d) at the specified office of any Paying Agent. A Put Notice, once given, shall be irrevocable. For the purposes of these Conditions, receipts issued pursuant to this Condition 6(d) shall be treated as if they were Bonds.

No Bond so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Put Date unless previously redeemed (or purchased) and cancelled.

If 80 per cent. or more in nominal amount of the Bonds originally issued have been redeemed or purchased pursuant to this Condition 6(d), the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (such notice being given within 30 days after the Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their nominal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

The Trustee is under no obligation or responsibility to ascertain or monitor whether a Change of Control Put Event and/or Change of Business Event, or any event which could lead to the occurrence of or could constitute a Put Event, has occurred or will occur, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume without liability that no Change of Control Put Event, Change of Business Event or other such event has occurred.

For the purposes of these Conditions:

(a) A "**Change of Control Put Event**" shall occur if, other than an Approved Controlling Person, any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers), or any Person(s) acting on behalf of such Person(s), shall become interested (within the meaning of Part 22 of the Companies Act 2006) in:

  (i) more than 50 per cent. of the issued or allotted ordinary share capital of Wasps Holdings and/or ACL and/or ACL2006; or

(ii) shares in the capital of Wasps Holdings and/or ACL and/or ACL2006 carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of Wasps Holdings and/or ACL and/or ACL2006; or

(iii) more than 50 per cent. of the issued or allotted ordinary share capital of any direct or indirect Holding Company of Wasps Holdings and/or ACL and/or ACL2006; or

(iv) shares in the capital of any direct or indirect Holding Company of Wasps Holdings and/or ACL and/or ACL2006 carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the direct or indirect Holding Company of Wasps Holdings and/or ACL and/or ACL2006; and

(b) a "**Change of Business Event**" shall occur if: (y) any member of the Group shall engage in any business other than a Permitted Business or (z) Wasps Rugby Club re-locates, whereby the Arena ceases to be the club's principal home rugby match fixture ground. A "**Permitted Business**" means (a) any business, services or activities engaged in by either Guarantor and/or ACL2006 on the Issue Date, (b) the operation of a professional rugby team, along with the development of rugby union and the promotion of the game, retailing of associated merchandise, including through franchises and e-commerce, (c) management of the Arena (comprising of, but not limited to, sports stadium, exhibition, conferences, events and concert facilities, dining, refreshment and banqueting facilities, gambling and entertainment facilities, hotel and office accommodations and car parking) and (d) any businesses, services and activities engaged in by either of them that are related, complementary, incidental or ancillary to any of the foregoing or are extensions or developments or any thereof.

(e) **Notice of redemption**: All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in such notice in accordance with this Condition 6.

(f) **Purchase**: Each of the Issuer, the Guarantors, ACL2006 and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that, if they should be cancelled under Condition 6(g) below, they are purchased together with all unmatured Coupons relating to them). The Bonds so purchased, while held by or on behalf of the Issuer, a Guarantor, ACL2006 or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or passing Extraordinary Resolutions or otherwise for the purposes of these Conditions.

(g) **Cancellation**: All Bonds which are purchased by the Issuer, a Guarantor, ACL2006 or any of their respective Subsidiaries may be held and/or subsequently resold or surrendered to the Principal Paying Agent for cancellation. Any Bonds which are redeemed or otherwise surrendered to the Principal Paying Agent for cancellation shall forthwith be cancelled together with all unmatured Coupons attached thereto or surrendered therewith, and accordingly cannot be held, reissued or sold.

7. Payments

(a) **Method of Payment**: Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in the United Kingdom. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) **Payments subject to Laws:** Save as provided in Condition 8, payments will be subject in all cases to any applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or the Paying Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commission or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) **Surrender of unmatured Coupons**: Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon(s) which the sum of principal so paid bears to the total nominal amount due) will be deducted from the sum due for payment. Each nominal amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 19) for the relevant payment of principal.

(d) **Payments on business days**: A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, a business day in London). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this Condition 8 falling after the due date. In this Condition 7, a "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) **Paying Agents**: The initial Paying Agent(s) and their initial specified offices are listed below these Conditions. The Issuer and the Guarantors reserve the right at any time with the approval in writing of the Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that they will together maintain (i) a Principal Paying Agent, (ii) a Paying Agent (which may be the Principal Paying Agent) having a specified office in London and (iii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 16.

8. Taxation

All payments of principal and interest by or on behalf of the Issuer or any Guarantor in respect of the Bonds and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders and/or the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) **Other connection**: by or on behalf of a holder who is liable to such Taxes in respect of such Bond or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Bond or Coupon or

(b) **Presentation more than 30 days after the Relevant Date**: more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days or

(c) **Payment to individuals**: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or

(d) **Payment by another Paying Agent**: by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 8 or any undertaking given in addition to or substitution for it under the Trust Deed.

9. Events of Default

If any of the following events (each, an "**Event of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least one quarter in nominal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject, in each case, to its being indemnified and/or secured and/or pre-funded to its satisfaction), give notice (an "**Acceleration Notice**") to the Issuer that the Bonds are, and they shall immediately become, due and payable as at such date at their nominal amount together (if applicable) with accrued interest:

(a) **Non-Payment of Interest**: any default is made in the payment of any principal of or interest when due on any of the Bonds and such default continues for a period of 14 days or

(b) **Breach of Other Obligations**: the Issuer, either Guarantor or ACL2006 does not perform or comply with any one or more of its respective other obligations under the Bonds or the Transaction Documents which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer, either Guarantor or ACL2006 by the Trustee or

(c) **Cross-Default**: (i) any other present or future indebtedness of the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds £1 million or its equivalent in any other currency or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries and is not discharged or stayed within 30 days or

(e) **Security Enforced**: any Security Interest, present or future, created or assumed by the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a Receiver, administrator, manager or other similar person) and in any case is not discharged or stayed within 30 days or

(f) **Insolvency**: the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries is (or is, or could be (other than where a demand is made for less than £1 million under Section 123(1)(a) of the Insolvency Act 1986), deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Trustee) a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, a Guarantor, ACL2006 or any of their respective Subsidiaries or

(g) **Winding-up**: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, either Guarantor, ACL2006 or any of their respective Subsidiaries, or the Issuer, either Guarantor or ACL2006 ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution, or (ii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in a Guarantor or one of their respective Subsidiaries or

(h) **Authorisation and Consents**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer, the Guarantors and ACL2006 lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds and the Transaction Documents to which they are a party, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Transaction Documents admissible in evidence in the courts of England & Wales is not taken, fulfilled or done or

(i) **Illegality**: it is or will become unlawful for the Issuer, either Guarantor or ACL2006 to perform or comply with any one or more of its respective obligations under any of the Bonds or the Transaction Documents to which it is a party or

(j) **Security**: the Security Deed is not in full force and effect or does not create the Security which it is expressed to create with the ranking and priority that it is expressed to have or

(k) **Guarantee**: the Guarantee is not (or is claimed in writing by either Guarantor not to be) in full force and effect or

(l) **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 9.

provided that, in the case of paragraph (b), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

The Security, constituted by the Security Deed and held on the terms of the Trust Deed, shall become enforceable upon the delivery of an Acceleration Notice by the Trustee.

10. Prescription

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 7 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

11. Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Guarantors may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

12. Meetings of Bondholders, Modification, Waiver and Substitution

(a) **Meetings of Bondholders**: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Transaction Documents. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in nominal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the nominal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the nominal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, (v) to modify or cancel the Guarantee or (vi) to modify, amend, waive or release any part of the Security, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification and Waiver**: The Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Bonds or the Transaction Documents that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Bonds or the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable in accordance with Condition 16.

(c) **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders or the Couponholders, to the substitution of certain other entities in place of the Issuer or a Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Bonds if requested in writing to do so by the Issuer (or any previous substituted company). In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons, the Trust Deed and/or the Security Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

(d) **Entitlement of the Trustee**: In connection with the exercise of its functions (including but not limited to those referred to in this Condition 12) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer, a Guarantor or ACL2006 any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

13. Enforcement

(a) At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings or take such steps or actions against the Issuer, the Guarantors, ACL2006, or any of them, as it may think fit to enforce the terms of the Transaction Documents, the Bonds and the Coupons and, at any time after the Security has become enforceable the Trustee may, in its discretion and without further notice, take such steps, actions and proceedings as it may see fit to enforce the Security, but it need not take any such steps, actions and proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one quarter in nominal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer, either Guarantor or ACL2006 unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(b) Only the Trustee may enforce the Security, in accordance with and subject to the terms of the Transaction Documents.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings against the Issuer, the Guarantors, ACL2006 and/or any other Person unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantors, ACL2006 and any entity related to the Issuer, either Guarantor and/or ACL2006 without accounting for any profit.

The Trustee may rely without liability on a report, a Valuer confirmation, an Independent Appraiser confirmation or any certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee, the Bondholders and the Couponholders.

15. Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities (any such issue, a "**Further Issue**") either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and secured by the Secured Property, and so that such Further Issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds), or otherwise upon such terms as the Issuer may determine at the time of their issue.

References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

16. Notices

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the Financial Times) or, if the Trustee is satisfied that such publication shall not be practicable, in an English language newspaper of general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition 16.

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law

The Trust Deed, the Security Deed, the Bonds and the Coupons, and any non-contractual obligations arising out of or in connection with them, are governed by and shall be construed in accordance with English law.

19. Definitions

"**Account Bank**" means either (a) Elavon Financial Services Limited, UK Branch in accordance with the terms of the Account Bank Agreement, (b) any bank, building society or financial institution with a rating equal to or higher than (i) A-2 (short-term) (or the equivalent) by S&P; (ii) F2 (short term) (or the equivalent) by Fitch; or (iii) P-2 (short term) (or the equivalent) by Moody's or (c) any other bank, building society or financial institution appointed by the Issuer at its own expense and approved in writing by the Trustee with whom the Interest Service Reserve Account is for the time being maintained by the Issuer.

"**Account Bank Agreement**" means the agreement dated on or around the date of the Trust Deed between the Issuer, the Trustee and the Account Bank, as amended from time to time.

"**Affiliates**" of any specified Person or Persons means any other Persons, directly or indirectly, controlling or controlled by or under direct or indirect control with such specified Person(s), respectively. For the purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing; and the term "**Non-Affiliated**", with respect to any specified Persons, means that such specified Persons are not Affiliates of each other.

"**Approved Controlling Person**" means any Person approved by the Professional Game Board and the Rugby Football Union for the purposes of owning a Premiership Rugby Club.

"**Approved Investments**" means any sterling fixed rate securities, debenture, loan stock, security, note, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) issued or guaranteed by Her Majesty's Government or the European Investment Bank maturing at no later date than two years from the date of their being charged under the Security Deed and whether held directly by or to the order of the Issuer or by any trustee, fiduciary or clearance system on its behalf and all Related Rights.

"**Asset Cover Ratio**" means the ratio of the aggregate Value of the Relevant Assets (as shown by the relevant Valuation) to Consolidated Financial Indebtedness of the Group.

"**Assigned Rights**" means all rights, titles, benefits and interests, whether present or future, of the Issuer in, to or arising under the Inter-Company Loans including rights to any sums payable to the Issuer and the full benefit of any Security Interests, options, indemnities, guarantees and warranties in respect of the Inter-Company Loans.

"**Capital Stock**" means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) of such Person's equity, including any Preferred Stock of such Person, whether now outstanding or issued after the Issue Date, including without limitation, all series and classes of such Capital Stock but excluding any debt securities convertible into or exchangeable for such Capital Stock.

"**Compass Liability**" means the £4,000,000 liability of ACL to Compass Contract Services (UK) Limited, pursuant to a shareholders' agreement dated April 2012 and entered into among Compass Contract Services (UK) Limited, ACL and IEC Experience Limited, as amended from time to time.

"**Consolidated EBITDA**" means, for any period, the profit before income tax for such period minus (i) net finance income, plus (ii) net finance costs, (iii) depreciation and amortisation and excluding (iii) impairment reversals/(losses), in each case of the Group for such period and on a consolidated basis and calculated in accordance with IFRS.

"**Consolidated Finance Costs**" means, for any period, the consolidated finance costs of the Group as shown in the Consolidated Financial Statements for such period but deducting finance costs attributable to the Shareholder Loan for such period.

"**Consolidated Financial Statements**" means Wasps Holdings' audited annual consolidated financial statements or its half-year consolidated financial statements (which may be unaudited), as the case may be, including the relevant accounting policies and notes to the accounts and in each case prepared in accordance with IFRS, consistently applied.

"**Consolidated Financial Indebtedness**" means, as at any date of determination (without duplication), the aggregate Financial Indebtedness of the Group as of such date, in each case on a consolidated basis calculated with reference to the most recent Consolidated Financial Statements.

"**Consolidated Senior Debt**" means any Consolidated Financial Indebtedness, excluding any Subordinated Debt and, for the avoidance of doubt, excluding any indebtedness in respect of the Shareholder Loan. For the avoidance of doubt, Consolidated Senior Debt includes the Bonds and any Further Issue.

"**Environment**" means living organisms including the ecological systems of which they form part and the following media:

(a) air (including air within natural or man-made structures, whether above or below ground);

(b) water (including territorial, coastal and inland waters, water under or within land and water in drains and sewers); and/or land (including land under water).

"**Environmental Laws**" means all laws and regulations of any relevant jurisdiction which:

(a) have as a purpose or effect the protection of, and/or prevention of harm or damage to, the Environment;

(b) provide remedies or compensation for harm or damage to the Environment; and

(c) relate to hazardous substances or health or safety matters.

"**Environmental Licences**" means any authorisation, consent, approval, resolution, licence, exemption, filing or registration required at any time under Environmental Laws.

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed.

"**Fair Market Value**" means, with respect to any asset or property, the price which could be negotiated in an arm's length market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be determined in good faith by the Board of Directors of the Issuer (or the relevant Guarantor or ACL2006, as the case may be), whose determination will be conclusive or, in the case of any sale of the Capital Stock of a Subsidiary exceeding £1 million (or its equivalent in another currency), in writing by an Independent Appraiser.

"**Financial Indebtedness**" means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable; (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

"**Fitch**" means Fitch Ratings Ltd. or any successor to its rating business.

"**Fixtures**" means fixtures, fittings and fixed plant, machinery and apparatus.

"**Further Issue**" has the meaning given to it in Condition 15.

"**Group**" means Wasps Holdings and its Subsidiaries taken as a whole.

"**Holding Company**" is means a holding company within the meaning of Section 1159 of the Companies Act 2006.

"**IECE Shares**" means any Shares issued by IEC Experience Limited, the joint venture company owned by ACL and Compass Contract Services (UK) Limited.

"**Independent Appraiser**" means any of Deloitte & Touche LLP, Ernst & Young LLP, KPMG LLP, PricewaterhouseCoopers LLP or such other reputable financial institution, accountancy or appraisal firm(s) appointed at its expense by the Issuer, a Guarantor and/or ACL2006, as the case may be, and approved in writing by the Trustee.

"**Insurance**" or "**Insurances**" of any Person means any contract or policy of insurance of any kind from time to time taken out by or on behalf of it in relation to the Arena, any Fixtures and all Related Rights.

"**Inter-Company Loans**" means the balance(s) outstanding from time to time under the inter-company loan agreements and/or the written agreements in respect thereof, as the case may be, between (i) the Issuer and Wasps Holdings and (ii) the Issuer and ACL, each dated on or prior to the Issue Date, by which the net cash proceeds of the Bonds are loaned to the Guarantors on the Issue Date, and any further contract or agreement designated as such by the Issuer and the Trustee from time to time.

"**Interest Payment Date**" has the meaning given to it in Condition 5.

"**Interest Service Reserve Account**" means the sterling currency account of the Issuer, which may be interest bearing, opened with the Account Bank for the time being pursuant to the terms of the Account Bank Agreement.

"**IFRS**" means the generally accepted accounting practice and principles applicable to the business the Group conducts, which are currently International Financial Reporting Standards as adopted by the European Union.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, property, condition (financial or otherwise), operations or prospects of the Issuer, either Guarantor, ACL2006 and/or the Group as a whole, (b) the Issuer's, Guarantors' and/or ACL2006's respective abilities to perform its or their respective obligations under the Bonds, the Guarantee or the Transaction Documents to which they are a party or (c) the validity, legality or enforceability of the Bonds, Coupons or any Transaction Document to which they are a party; *provided that*, to the extent that the Trustee is directed to take any action by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one quarter in aggregate nominal amount of the Bonds outstanding, and any such action requires the determination of whether an event or occurrence has had a Material Adverse Effect, the Trustee shall have no duty to enquire or satisfy itself as to the existence of an event or occurrence having a Material Adverse Effect and shall be entitled to rely conclusively upon such Extraordinary Resolution or request of the Bondholders regarding the same, and shall bear no liability of any nature whatsoever to the Issuer, either Guarantor, ACL2006, any Bondholder or any other Person for acting upon such Extraordinary Resolution or such request of the Bondholders.

"**Moody's**" means Moody's Investors Service or any successor to its rating business.

"**Permitted Affiliate Transaction**" means any of the following:

(a) any transaction between or among the Issuer and/or either Guarantor and/or ACL2006 and/or any of their Subsidiaries (or entity that becomes a Subsidiary of a Guarantor as a result of such transaction), or between or among any such Subsidiaries;

(b) any Restricted Payment permitted to be made pursuant to the covenant described under "*Limitation on Restricted Payments*";

(c) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, programme, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, a Guarantor or ACL2006, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) and/or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, either Guarantor or ACL2006, as the case may be, in each case in the ordinary course of business;

(d) the payment, in the ordinary course of business, of reasonable fees and compensation to directors, officers, consultants or employees, as applicable, of the Issuer, any Guarantor, ACL2006 or any other Subsidiary of a Guarantor; and

(e) any transaction arising under any arrangement or agreement in effect prior to the Issue Date (or, with respect to any acquired company that becomes a Subsidiary of a Guarantor, on the date of the Group's acquisition of its interest in such company), as any such arrangement or agreement may be amended, modified, supplemented, extended, renewed or refinanced from time to time to the extent not more disadvantageous to the holders in any material respect when taken as a whole than the original agreement in effect on the Issue Date (or, with respect to any acquired company that becomes a Subsidiary of a Guarantor, on the date of the Group's acquisition of its interest in such company).

"**Permitted Collateral Security Interest**" means:

(a) a second ranking security interest in respect of, but not exceeding, monies outstanding under the Shareholder Loan as at the Issue Date; provided that, by its terms, the Shareholder Loan is Subordinated Debt (provided, however, that the Shareholder Loan will not be deemed to be subordinated and junior in right of payment solely by virtue of being unsecured or by virtue of being secured on a second or junior basis);

(b) any Security Interest upon newly acquired real property and/or newly acquired shares in a company owning real property, newly acquired by a member of the Group, but only to the extent that such Security Interest does not continue to subsist for more than 60 days from the later of the date of the acquisition of the property and/or newly acquired shares in a company owning real property and the date of the creation of the Security Interest;

(c) Security Interests imposed by law, including but without limitation, Security Interests of landlords and carriers, warehousemen, mechanics, suppliers, material men, repairmen or other similar Security Interests arising solely in the ordinary course of business;

(d) other than in the case of the Interest Service Reserve Account and the P-Shares Secured Account, if applicable, a right to set-off, a right to combine accounts or any analogous right which any bank or other financial institution may have relating to any credit balance of the Issuer or any member of the Group provided that such right is granted in accordance with the relevant bank or financial institution's standard terms; and

(e) any Security Interest for *ad valorem,* income or property taxes or assessments, customs charges and similar charges which either are not delinquent or are being contested in good faith by appropriate proceedings for which the Issuer or any member of the Group has set aside in its respective accounts reserves to the extent required by IFRS,

and that, in each case, would not materially interfere with the ability of the Trustee or any Receiver to enforce the Security.

"**Person**" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, government, or any agency or subdivision thereof or any other entity.

"**Preferred Stock**", as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of ordinary Capital Stock of any other class of such Person.

"**P-Shares**" means the Shares issued by Premier Rugby Limited and described as such in the Prospectus relating to the Bonds dated 24 April 2015.

"**P-Shares Secured Account**" has the meaning given to it in Condition 4(j).

"**Potential Event of Default**" means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default.

"**Quasi Security**" means a transaction under which the Issuer, a Guarantor or ACL2006 will:

(a) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(b) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(c) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset or undertaking.

"**Receiver**" means a receiver and manager or other receiver (whether appointed pursuant to the Transaction Documents, pursuant to any statute, by a court of otherwise) in respect of all or part of any Secured Property and shall, if allowed by law, include an administrative receiver.

"**Related Rights**" means, in relation to any asset:

(d) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset;

(e) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset;

(f) the proceeds of sale, transfer or other disposal, lease, licence, or agreement for sale, transfer or other disposal, lease or licence of all or any part of that asset;

(g) any other moneys paid or payable in respect of that asset;

(h) any awards or judgments in favour of the Issuer, a Guarantor or ACL2006 in relation to that asset; and

(i) any right against any clearance system and any right under any custodian or other agreement.

"**Release Conditions**" means:

(a) the agreement in respect of the Compass Liability as been amended by the parties thereto or fully replaced by a further agreement, prior to any amount having been paid or having become payable in respect of the Compass Liability, such that no amount shall be re-payable by ACL or any member of the Group pursuant to the terms of the amended agreement or such new agreement or related loan, as the case may be, prior to the Maturity Date (as defined in Condition 6(a)) of the Bonds; and

(b) (i) for a period of not less than two consecutive financial years of the Group, such period commencing and ending on a Reporting Date, the Guarantors and ACL2006 have at all times complied with each of the covenants contained in Condition 4 (including, without limitation, the covenants in Condition 4(e)) and (ii) following the end of such period of not less than two consecutive financial years, Wasps Holdings shall have delivered to the Trustee a certificate signed by two directors of Wasps Holdings confirming compliance with each of such covenants throughout, and on each Valuation Date and each Reporting Date falling during, such period; upon which certificate the Trustee may rely absolutely without any liability to any Person for so doing.

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders.

"**Relevant Assets**" means (a) the Arena, for the time being forming part of the Secured Property and (b) the P-Shares for the time being held by Wasps Holdings or, if the P-Shares have been sold, the sterling cash amount for the time being standing to the credit of the P-Shares Secured Account and forming part of the Secured Property.

"**Relevant Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities in each case which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

"**Reporting Date**" means such annual or semi-annual date or dates as at which Wasps Holdings prepares its annual Consolidated Financial Statements or semi-annual Consolidated Financial Statements, as the case may be; and, as at the Issue Date, the annual and semi-annual Reporting Dates are 31 December and 30 June, respectively.

"**Required Account Balance**" means, on any day (a) prior to the first Interest Payment Date, a sterling amount equal to 9.75 per cent. of the total nominal amount of the Bonds originally issued; (b) prior to the second Interest Payment Date, a sterling amount equal to 6.50 per cent. of the total nominal amount of the Bonds originally issued; (c) from the second Interest Payment Date until such time as the Release Conditions are met, a sterling amount equal to 3.25 per cent. of the total nominal amount of the Bonds originally issued; and (d) after the Release Conditions have been met, zero.

"**S&P**" means Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. or any successor to its rating business.

"**Secured Creditors**" means each of (a) the Trustee, (b) any Receiver appointed by the Trustee, (c) the Paying Agents and the Account Bank, (d) the Bondholders and (e) the Couponholders.

"**Security**" means any Security Interest created, evidenced or conferred by or under the Security Deed.

"**Security Interest**" means any mortgage, lien, charge, assignment, hypothecation or security interest or any other arrangement having a similar effect under the laws of any applicable jurisdiction.

"**Secured Liabilities**" means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer and/or either Guarantor to the Secured Creditors or any of them under or in connection with the Bonds, Coupons or any Transaction Document (in each case, whether alone or jointly, or jointly and severally, with any other Person, whether actually or contingently and whether as principal, guarantor, surety or otherwise).

"**Secured Property**" means the undertaking, property, assets and interests from time to time subject, or expressed to be subject, to the Security or any part of those assets and Related Rights.

"**Shareholder Loan**" means the £20,361,658 subordinated loan from Derek Richardson to Wasps Holdings Limited made pursuant to an amended loan agreement dated 24 April 2015 as further amended and/or supplemented from time to time.

"**Shares**" means, in relation to any Person:

(a) all shares presently issued by such Person and any other shares issued in the future by such Person;

(b) warrants, options and other rights to subscribe for, purchase or otherwise acquire any such shares;

(c) any other securities or investments deriving from any such shares or any rights attaching or relating to any such shares,

in each case including any rights against any custodian, nominee, clearing system or other similar Person holding any such right, title or interest on its behalf, and all dividends and other Related Rights.

"**Subordinated Debt**" means Financial Indebtedness which is subordinated and junior in right of payment to each of the Inter-Company Loans and all Secured Liabilities, pursuant to written contractual agreement to that effect.

"**Subsidiary**" means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

"**Transaction Documents**" means the Trust Deed, the Security Deed, the Agency Agreement, the Account Bank Agreement and any document supplemental thereto or issued in connection therewith.

"**Valuation**" means, in relation to:

(a) the Arena, a valuation made by the Valuers on an open market basis of the individual leasehold titles, as fully equipped and trading entities having regard to their potential as part of the business of the Group; and

(b) the P-Shares, a valuation made by an Independent Appraiser in writing appointed, at its own expense, by Wasps Holdings.

"**Valuation Date**" means, in relation to any Valuation, the date as at which such Valuation was made.

"**Value**" means the value ascribed thereto by a Valuation completed as at a date not more than three months before the date at which such Value falls to be determined.

"**Valuers**" means (a) Strutt & Parker LLP, chartered surveyors or (ii) such other firm or firms of independent professional valuers which is or are members of the Royal Institute of Chartered Surveyors as may from time to time be appointed, at their own expense, by the Guarantors and ACL2006 with the written approval of the Trustee.

SECTION 13 - SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

1. Exchange of Global Bonds for Definitive Bonds in limited circumstances

The Global Bond is exchangeable in whole but not in part (free of charge to the holder) for the Definitive Bonds described below if the Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the holder may give notice to the Principal Paying Agent of its intention to exchange the Global Bond for Definitive Bonds on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date (as defined below) the holder of the Global Bond may surrender the Global Bond to or to the order of the Principal Paying Agent. In exchange for the Global Bond, Wasps Finance plc (the "**Issuer**") shall deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Global Bond, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Bonds.

"**Exchange Date**" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

2. Payments of principal and interest

Payments of principal and interest in respect of Bonds represented by the Global Bond will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Bond to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Bond, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bonds. Condition 7(e)(iii) and Condition 8(d) will apply to the Definitive Bonds only. For the purpose of any payments made in respect of the Global Bond, Condition 7(d) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in the financial centre of the currency of the Bonds.

3. Notices to Bondholders

So long as the Bonds are represented by the Global Bond and the Global Bond is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by Condition 16. Any such notice shall be deemed to have been given to Bondholders on the day after the day on which such notice is delivered to the relevant clearing system.

4. Prescription periods for claims against the Issuer

Claims against the Issuer and Wasps Holdings Limited and Arena Coventry Limited (the "**Guarantors**") in respect of principal and interest on the Bonds while the Bonds are represented by the Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 19).

5. Bondholders' Put Option relating to the Bonds

The Bondholders' put option in Condition 6(d) may be exercised by the holder of the Global Bond, giving notice to the Principal Paying Agent in accordance with the standard procedures of the relevant clearing systems (which may include notice being given on such entitled accountholder's instructions by the relevant clearing systems or any common depository for them to the Principal Paying Agent by electronic means), and in a form acceptable to the relevant clearing systems, of the nominal amount of Bonds in respect of which the option is exercised and presenting the Global Bond for endorsement of exercise within the time limits specified in Condition 6(d).

6. Meetings of Bondholders

The holder of the Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each £100 in nominal amount of Bonds at any meeting of the Bondholders.

Holders of CREST Depository Interests ("**CDIs**") will be required by the clearing systems to make their own arrangements with regard to voting. For further information relating to CDIs, see Section 2 "*Risk Factors – Holding CREST depository interests*" above.

7. Purchase and cancellation of the Bonds

Cancellation of any Bond at the option of the Issuer following its purchase will be effected by reduction in the nominal amount of the Global Bond by endorsement on the relevant part of the Schedule thereto.

8. Trustee's powers

In considering the interests of Bondholders while the Global Bond is held on behalf of a clearing system, U.S. Bank Trustees Limited (the "**Trustee**") may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Bond and may consider such interests as if such accountholders were the holder of the Global Bond.

9. Euroclear and Clearstream, Luxembourg

References in the Global Bond and this summary to Euroclear Bank S.A./N.V. and/or Clearstream Banking, *société anonyme* shall be deemed to include references to any other clearing system approved by the Trustee.

SECTION 14 – SUMMARY VALUATION REPORT

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STRUTT & PARKER

U.S. Bank Trustees Limited (in its capacity as Trustee for and on behalf on behalf of the Bondholders (as defined in the Prospectus))
125 Old Broad Street
London
EC2N 1AR

Direct Dial: +44 (0)20 7495 4039
E-Mail: jonathan.harris@struttandparker.com

Investec Bank plc (as Lead Manager)
2 Gresham Street
London EC2V 7PQ

23 April 2015

Wasps Finance plc (the "Issuer"),
Wasps Holdings Ltd ("Wasps Holdings"),
Arena Coventry Ltd ("ACL" and, together with Wasps Holdings, the "Guarantors"), and
Arena Coventry 2006 ("ACL2006")

Dear Sirs,

Wasps Holdings Limited
Ricoh Arena, Phoenix Way, Coventry, West Midlands, CV6 6GE (the "Property")

1.0 INTRODUCTION

1.1 Instructions

In accordance with the instructions of the Issuer, the Guarantors and ACL2006, we have pleasure in enclosing our Valuation Report (the "Report") and associated valuation appendices.

We have inspected the Property and have made all relevant enquiries in order to provide our opinion of the Market Value (as defined below) of the property as at 23 April 2015 (the "Valuation Date" or the "Date of Valuation"), of the leasehold interests of ACL and ACL 2006 as set out below and on the terms defined within this Report.

1.2 Basis of Valuation

Our valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards (January 2014), Global and UK Edition (the "Red Book"). RICS considers that a valuation complying with the Red Book also complies with international valuation standards.

In accordance with the Red Book, our valuations have been prepared on the basis of Market Value which is defined as follows:

> *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".*

No allowance has been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the Property has been considered free and clear of all mortgages or other charges which may be secured thereon.

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1.3 General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section of this Report. In the event that any of our assumptions are found to be incorrect, no reliance should be placed upon the valuation until it has been reviewed by Strutt & Parker LLP in light of that additional information.

1.4 Date of Valuation

Our opinions of value are as at the date of this report. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.5 Purpose of Valuation

This Report has been specifically prepared for the purpose of inclusion in a prospectus to be dated on or around 27 April 2015 (the "Prospectus") relating to the offer/issue of up to £35,000,000 of secured fixed interest paying bonds with a tenor of around 7 years.

This Report is a summary form of our full report dated 23 April 2015 (the "Full Report") which is available for inspection at Wasps Holdings' registered office.

1.6 Conflict of Interest

Strutt & Parker have in the past provided initial desktop valuation advice in anticipation of secured lending purposes but were not required to report. We consider this to be an arm's length relationship and do not consider that a conflict of interest arises from us in preparing this Report. The client has confirmed to us that they also consider this to be the case.

We are acting as External Valuers as defined in the RICS Red Book for the preparation of this Report.

We are not aware of any conflict of interest preventing us from providing you with an independent valuation of the Property in accordance with the RICS Red Book.

1.7 Valuer Details and Inspection

The valuation has been prepared by Jonathan Harris FRICS and Phillip Johnston MRICS under the direction of Mark Whittingham MRICS, Partner and Head of Commercial Valuation.

We confirm that the personnel responsible for this valuation are qualified for the purpose in accordance with the RICS Valuation – Professional Standards and are RICS registered valuers as defined in the RICS Red Book.

The valuers have the relevant experience and knowledge in order to undertake valuations of this nature, together with assistance from colleagues with specific additional expertise where required.

We confirm that Strutt & Parker LLP are acting as External Valuers as defined in the RICS Red Book.

The Property was inspected on 17 September 2014 by Jonathan Harris FRICS and Phillip Johnston MRICS and then again on 29 January 2015 by Jonathan Harris FRICS and Matthew Hallchurch. All significant areas of the buildings were inspected for valuation purposes, albeit the inspection was limited by the tenant's occupation of the building and the normal business activities underway.

We have not undertaken measured surveys of the Property in accordance with the Code of Measuring Practice issued by the RICS. Information regarding stadium, conferencing and events facilities capacities, and hotel bedroom inventory and ancillary space floor areas has been provided by ACL.

1.8 Extent of Due Diligence Enquiries and Information Sources

We have been provided with the following documents:

- Ricoh Arena – Business, Entertainment and Sport Marketing Brochure
- Site plans prepared by Miller Partnership
- A copy of the Wasps Holdings Takeover Information Memorandum dated June 2014
- Historic trading accounts of Arena Coventry Limited.
- Management accounts for the years 2012 – 2014 and forecasts for operation by Wasps Holdings for the first 3 years.

We have also been provided with a Certificate on Title dated 23 April 2015 relating to the Property prepared by Kennedys Law LLP (the "Certificate of Title") which we have reviewed and reflected in the preparation of our valuations.

In carrying out this valuation we have interviewed senior operational managers at Arena Coventry Limited and Wasps Holdings Limited with regard to operational matters including the trading history, future cashflow forecasts and competition. We have carried out verbal and web-based enquiries in respect of our property and valuation due diligence. We have relied upon this information as being accurate and complete.

We have made informal verbal and web based enquiries of the relevant statutory authorities with regard to town planning, rating and other matters and have relied upon further information contained in the Certificate of Title in respect of legal, planning and other matters.

We have relied upon the information provided to us as being materially accurate in all respects. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.9 Compliance

This Report has been prepared in accordance with Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards January 2014 (incorporating the International Valuation Standards).

The valuations have been undertaken in accordance with the relevant provisions of the Prospectus Rules issued by the Financial Conduct Authority and the ESMA Update of the CESR Recommendations for the Consistent Implementation of Commission Regulation (EU) No. 809/2004 'implementing the Prospectus Directive.

2.0 LOCATION

The Ricoh Stadium and associated buildings are set within a 40 acre site located in the Foleshill district approximately 3.6 miles to the north of Coventry city centre.

Local road infrastructure is excellent, with direct connections to Junction 3 of the M6 motorway which lies approximately 1 mile to the north. Current rail connections are in Coventry city centre. However, these are expected to improve significantly in future as a new railway station is under construction adjoining the Property.

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3.0 THE PROPERTY

The multi-purpose stadium complex was newly constructed with completion in August 2005. It provides a striking contemporarily styled, sporting venue, entertainment, exhibition conferencing and meeting facility, including a hotel, casino and car parking facility. It has the full range of integrated ancillary food, beverage; front and back of house facilities, administrative and other office space.

In summary it provides the following accommodation:

- Stadium Bowl with a maximum capacity of 32,609 seated spectators or a maximum capacity of 40,500 for concerts and other similar event utilising pitch space. This includes directly operated concourse food and beverage outlets, hospitality areas, club shop, sporting, security and management ancillary facilities.
- There is an extensive conferencing, events and meeting facility encompassing ten principal spaces, providing an extremely wide and flexible offering of facilities and capacities from small boardroom-type meeting rooms suitable for up to 30 delegates to the centrepiece Jaguar Exhibition Hall, which is able to accommodate 12,000 concert spectators or 3,528 seated diners.
- A 121 bedroom hotel operated at 4 Star level under a franchise agreement with De Vere Hotels.
- The G Casino let to and operated by Grosvenor Casinos Limited.
- A variety of directly occupied and separately let office spaces.
- 1,063 car parking spaces in two car parks on the site.

4.0 CONDITION

We have not carried out building surveys, tested any of the services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, exposed or inaccessible nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used or are present in any part of the Property. We are unable therefore to give any assurance that the Property is free from defect. We have valued on the assumption that the existing buildings are structurally sound. If this is not the case then this will potentially impact on the values reported.

Our inspection was based on a walk through and therefore does not purport to express an opinion about or advise upon the condition of the Property and should not be taken as doing so.

However, from our very limited inspection, and knowledge that the buildings were newly constructed in 2005, the Property is considered to be in a generally satisfactory condition commensurate with its age, type and use. We would comment that the customer facing areas have been well maintained.

5.0 LEGAL TITLE

The interests valued in the Property are those set out in the Certificate of Title supplied to us. The Title Numbers are WM821429 and MM24578.

We do not undertake searches or inspections of any kind in respect of legal title and have relied entirely upon the Certificate of Title provided to us and prepared by Kennedys Law LLP.

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6.0 DELETERIOUS MATERIALS

We did not carry out any investigation to determine whether or not high aluminous cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials have been used in the construction of the Property or have since been incorporated. However, as the buildings were constructed in the recent past under the control of Coventry City Council as freeholder, it is considered unlikely that such materials were incorporated.

Our valuation assumes that the asbestos register for the building is up to date and that there are no outstanding issues.

7.0 SERVICES, PLANT AND MACHINERY

No detailed inspections or tests have been carried out by us on any of the services or items of equipment at the Property, therefore no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for purpose.

8.0 SITE AND GROUND CONDITIONS

We are not qualified to give assurances on the ground condition of the site and we would confirm that we have not undertaken any formal enquiries to ascertain whether the Property is affected by mining or other works. Furthermore, we have not undertaken any site stability enquiries, investigation works or research. Accordingly, we have specifically assumed for the purpose of this valuation and report that the Property is not adversely affected in this regard, nor is it affected by subsidence and our advice has made no allowance for the cost of any necessary remedial works in this regard.

9.0 ENVIRONMENTAL ISSUES

The Property is known to have been constructed on the site of an old gas works which is likely to have been heavily contaminated. However, as a consequence of conditions imposed by the planning permission, the control of the project by Coventry City Council as freeholder, and the significant excavations involved in the construction process, together with extensive hard landscaping, we assume that a complete program of site clearance and remediation was undertaken.

We have specifically assumed that the Property is not affected by land contamination and that there are no ground conditions which would affect the present or future uses of the Property. From our inspection, we are not aware of any likely issues and do not see the existing and future use of the site for its current use to be contentious.

From our search of the Environmental Agency website we understand the Property is not located in an area considered to be at risk of flood.

10.0 FIXTURES FITTINGS AND EQUIPMENT

The Property contains a number of trading entities, in particular an hotel and extensive conferencing and events facilities with ancillary food and beverage facilities.

The Property is currently trading, and has therefore been valued inclusive of all fixtures, fittings and equipment necessary to continue trading. They are assumed to be free of all leasing or hire purchase agreements.

11.0 LICENSING

The Property has been valued on the basis that all necessary licences, regulations and certificates would be available to any incoming purchaser of the Property to enable the arena, hotel, conferencing, banqueting and events facilities to continue to trade without interruption. There are assumed to be no outstanding environmental health or other matters and the Property is assumed to be fully compliant with all current requirements or Notices.

12.0 APPROACH TO VALUATION

We have valued the long leasehold interest as set out in the Certificate on Title which is a term of 250 years from 19th December 2003 at a peppercorn rent

.

The Property is a trading operational business. The income stream is in part generated by the trading operations, and part contractual rents. Contractual income is derived from the grant of an under lease to Grosvenor Casinos Limited in respect of the Casino and the grant of licences to both Coventry City Football Club and Wasps. for use of the stadium bowl for football and rugby matches respectively. In addition, there are a variety of other minor occupational sub-underleases, licences and tenancies at will as set out in the Certificate on Title.

There is significant current and potential future additional income derived from stadium naming rights and sponsorship.

Our valuation of the whole has therefore been derived from the contribution of three principal elements, namely:

- The income from trading activities undertaken in the stadium bowl, conferencing, banqueting, events and ancillary spaces, including income from the licences and minor subsidiary interests.
- The income from the hotel operated under a franchise agreement by De Vere Hotels.
- The investment created by the letting of space to Grosvenor Casino for the purpose of running a Casino.

Our valuations of the trading elements of the Property have been undertaken by a discounted cash flow method for the projected net earnings, discounted back to the present day value using an appropriate discount rate. The cash flows have been taken over a 10 year period with the discount rate adopted reflecting investors' target rates of return. We have carried out two separate discounted cash flows, the first reflecting the stadium bowl, events, conferencing, banqueting and other facilities (including income from licences), and the second addressing the hotel.

We have carried out an investment valuation in respect of the casino.

In undertaking the valuations we have made our own assessments of net operating profit, having regard to our experience, comparable evidence, historical performance and future projections.

With regard to the commercial investment we have made an assessment based upon comparable evidence and our own experience taking into account size, location, terms, covenant and other material factors.

13.0 SUMMARY OF VALUATION

Market Value

On the basis outlined in this Report we are of the opinion that the Market Value of the long leasehold interest in the Property as a fully fitted, equipped and operational entity, having regard to trading potential and subject to the various franchise agreements, leases and licences on the terms defined herein, as at the valuation date is:

£48,500,000 (Forty Eight Million, Five Hundred Thousand Pounds).

The valuations are exclusive of any VAT.

14.0 TRANSACTION COSTS

No allowance has been made for expenses of realisation nor for taxation which might arise in the event of a disposal of any of the properties such as Capital Gains Tax or Value Added Tax or any other tax liability. We have, however, taken account of purchaser's acquisition costs for investment valuations at 5.75 percent reflecting Stamp Duty, Land Tax, agent's acquisition fees, legal fees and VAT on professional fees.

15.0 RESPONSIBILITY

This Report is provided for the purpose of inclusion in the Prospectus and may be referred to in announcements connected thereto. The basis of valuation might be inappropriate for other purposes and may not be otherwise used without our prior written consent.

Neither the whole nor any part of this Report nor any reference to it may be included in any other published document, circular or statement, nor published in any way without our written approval of the form and context in which it is to appear.

We declare that, to the best of our knowledge (having taken all reasonable care to ensure that such is the case) the information given in this Report is in accordance with the facts. We have relied on these facts as being complete and correct and on their being no undisclosed matters which would effect our valuation.
We confirm that we have given our consent to the inclusion of this Report in the Prospectus and the references thereto and to our name in the form and context in which they are included in the Prospectus.

For the purposes of Prospectus Rule 5.5.4R(2)(f), we accept responsibility for the information contained in this Report and declare that we have taken all reasonable care to ensure that the information contained in this Report is in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex IV item 1.2 of the Prospectus Directive Regulation.

16.0 LIMITATION AND NON PUBLICATION

This Report is made solely for U.S. Bank Trustees Limited (in its capacity as Trustee for and on behalf of the Bondholders) and Investec Bank plc and no liability can be accepted to third parties for the whole or any part of its contents.

Other than its publication in the Prospectus, no part of this Report may be sent to a third party or included in any published document, circular or statement nor published in any way without our written approval.

Signed

Date: 23 April 2015

Mark Whittingham MRICS
Registered Valuer

Signed

Date: 23 April 2015

Jonathan Harris FRICS
Registered Valuer

Signed

Date: 23 April 2015

Philip Johnston MRICS
Registered Valuer

For And On Behalf Of
STRUTT & PARKER LLP

SECTION 15 - FINANCIAL STATEMENTS

Annual report and accounts of Arena Coventry Limited for the financial years ended 31 May 2013 and 31 May 2014

Registered number: 04440684

Arena Coventry Limited

Directors' report and financial statements

for the year ended 31 May 2013

Dains

Arena Coventry Limited

Company Information

Directors	P W Knatchbull-Hugessen C T West P M Harris R E Moon (appointed 29 January 2014) C P Robinson (appointed 30 January 2014)
Alternate director	M F Knatchbull-Hugessen
Registered number	04440684
Registered office	Ricoh Arena 71 Phoenix Way Foleshill Coventry CV6 6GE
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	HSBC Bank plc 55 Corporation Street Coventry CV1 1GX
Solicitors	Wragge & Co 55 Colmore Row Birmingham B2 3AG

Arena Coventry Limited

Company Information

Directors	P W Knatchbull-Hugessen C T West P M Harris R E Moon (appointed 29 January 2014) C P Robinson (appointed 30 January 2014)
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Solicitors	Wragge & Co 55 Colmore Row Birmingham B2 3AG

Contents

The directors present their report and the financial statements for the year ended 31 May 2013.

Principal activities and business review

Arena Coventry Limited ("ACL") is a joint venture company between North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, and Football Investors Limited, a subsidiary of The Alan Edward Higgs Charity.

The principal activity of the group is the management of the Ricoh Arena in Coventry. The company leases the Ricoh Arena from its subsidiary Arena Coventry (2006) Limited, which purchased the head lease in June 2006 from Coventry North Regeneration Limited, a subsidiary of Coventry City Council.

The Ricoh Arena business principally comprises of the following activities:

- A 6,000 square metre exhibition, events and concert facility;
- A 15,000 square metre convention and banqueting centre;
- A 4,200 square metre entertainment centre leased to Rank Grosvenor;
- Office accommodation with mixed tenancies;
- A 121 bedroom hotel;
- A Bistro, Costa Coffee;
- A 32,500 seat capacity sports stadium; and further bespoke meeting room facilities

Arena Coventry Limited has made significant progress from its inception as a catalyst for urban regeneration, economic development and job creation within the Coventry area. The arena employs over 80 personnel with a further 450 staff on flexible contracts. During the last eight years the Ricoh Arena has been recognised as a World Class facility hosting a range of international events such as being a football venue during the 2012 Olympics, and continues to have a positive economic impact on the local community with measurable business driven to hotels and restaurants in the local area.

The Conference and Exhibition business continues to attract blue chip clients including, for example, Boots and Whitbread. Together with building long-term relationships there is continued focus on attracting new business with innovative offerings alongside nurturing and expanding existing relationships.

From an entertainment perspective, the indoor arena with an increased capacity of 12,000, played host to Florence and the Machine in December 2012 with a capacity audience. The stadium bowl attracted both Muse and Bruce Springsteen in 2013. 2014 takes the Ricoh in an exciting new direction with the UK's largest multimedia gaming festival and an indoor multi stage dance music event both confirmed for early spring.

In April 2012 ACL formed a joint venture company, IEC Experience Limited ("IECE"), with Compass Group UK ("Compass"), its existing partner in the catering and facilities management of the Ricoh Arena. This new subsidiary, of which ACL owns 77%, has ensured ACL's long term growth in partnership with a globally established leader in the provision of food and support services. At the time of incorporation Compass invested £4,000,000 in the Arena to facilitate the strategic expansion of the hotel and the Arena's infrastructure and create a solid platform to develop the subsidiary Company. The incorporation of IECE has also transformed ACL's business. Its headline turnover figure has increased from £7.8m in 2012 to £14.5m in 2013.

In summary, this has been a year of continued progress. The on-going focus for the company and its subsidiary IECE is to continue to grow and expand the conference and exhibition business supported by the strategic hotel investment. The first phase of this investment saw, in January 2013, the opening of 41 new hotel rooms increasing the number of bedrooms stock to 121 bringing the arena to the forefront of the conference and exhibition market space. Over the last year the hotel has seen significant growth in revenue, room rates and occupancy. The company continues to explore the potential increase of onsite hotel rooms to over 200 which will allow IECE to access further conference and event business.

Financial Highlights

ACL completed the year ending 31 May 2013 delivering turnover of £14,490,703 (2012 - £7,782,519) and a net profit of £775,465 (2012 - £1,086,886).

ACL continued to strengthen its balance sheet with year on year increases in Net Assets to £7,308,593 (2012 - £6,594,122).

Outlook

Whilst the 2012 Olympics raised the profile of the Arena, City and Region, it restricted normal trading for the three months between June and August 2012 significantly. Trading would have been even stronger if not for this constraint.

The outlook for ACL is positive with confidence in the business sector definitely strengthening and this being reflected in the sales activity and confirmed bookings within the IECE. This will result in further significant growth in the conference and exhibition sectors, as the company continues to build on its reputation in this market. The Arena boasts a wide range of office and retail space for lease which will provide additional long term stable revenue.

Principal Risks and Uncertainties

Following Coventry City Football Club's decision to cease meeting its lease and licence obligations in April 2012, and later relocate from the Ricoh Arena, ACL has subsequently restructured its operations, created a new company IECE in which ACL owns a 77% stake and has refinanced a bank loan and interest rate hedge with a total value of over £19m with a new loan of £14.4m on more affordable terms. These actions have enabled the complete mitigation of lost revenue previously generated from the football club. There is significant scope to expand its conferencing and exhibition business, supported by the continuing plans to facilitate the development of further hotel bedrooms in the vicinity of the Ricoh Arena, as well as to use the stadium bowl for other sporting, business and cultural events.

Following the administration of Coventry City Football Club Limited ("CCFC Ltd") and the failure to secure an exit from that via a Company Voluntary Agreement ("CVA"), Otium Entertainment Group Limited ("OEG"), who had purchased the assets of CCFC Ltd, made an agreement with the The Football League to secure the future of the football club. This agreement required OEG to pay ACL a sum estimated at £590k, the same sum that ACL would have received had the CVA been approved. This is in line with normal Football League rules. ACL awaits payment of this sum and is in dialogue with the Football League to secure it. While not disclosed in these financial statements as a contingent asset, it remains an important issue for ACL.

ACL looks forward in confidence following a challenging period in the Arena's history. A year has passed however since the events of April 2012 and all focus has long been harnessed on the opportunity to drive the conference and exhibition business with the team and investment expertly positioned to deliver the ultimate customer journey at the Ricoh Arena.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £775,465 (2012 - £1,086,886).

Directors

The directors who served during the year were:

N Carter (Non-executive chairman) (resigned 31 August 2013)
D G Gidney (Chief Executive Officer) (resigned 17 September 2012)
P W Knatchbull-Hugessen (Shareholder nominated non-executive director)
C T West (Shareholder nominated non-executive director)
M R Reeves (Shareholder nominated non-executive director) (resigned 17 January 2014)
P M Harris (Shareholder nominated non-executive director)

R E Moon and C P Robinson were appointed to the Board on 29 January 2014 and 30 January 2014 respectively.

Directors' responsibilities statement

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Provision of information to auditors

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

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

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 February 2014 and signed on its behalf.

C P Robinson
Director

Independent auditors' report to the members of Arena Coventry Limited

We have audited the financial statements of Arena Coventry Limited for the year ended 31 May 2013, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2013 and of the group's profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Mark Hargate FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

26 February 2014

Arena Coventry Limited

Consolidated profit and loss account
for the year ended 31 May 2013

	Note	2013 £	2012 £
Turnover	1,2	**14,490,703**	7,782,519
Cost of sales		**(3,246,397)**	(441,444)
Gross profit		**11,244,306**	7,341,075
Administrative expenses		**(10,189,173)**	(5,261,107)
Operating profit	3	**1,055,133**	2,079,968
Exceptional items			
Other exceptional items	8	**475,761**	-
Profit on ordinary activities before interest		**1,530,894**	2,079,968
Interest receivable	6	**1,318**	2,545
Interest payable	7	**(817,741)**	(995,627)
Profit on ordinary activities before taxation		**714,471**	1,086,886
Tax on profit on ordinary activities	9	**-**	-
Profit on ordinary activities after taxation		**714,471**	1,086,886
Minority interests		**60,994**	-
Profit for the financial year	17	**775,465**	1,086,886

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 12 to 26 form part of these financial statements.

Arena Coventry Limited
Registered number: 04440684

Consolidated balance sheet
as at 31 May 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		**24,818,306**		24,016,340
Current assets					
Debtors	12	**2,250,671**		2,128,153	
Cash at bank and in hand		**852,940**		3,876,141	
		3,103,611		6,004,294	
Creditors: amounts falling due within one year	13	**(1,646,560)**		(2,225,806)	
Net current assets			**1,457,051**		3,778,488
Total assets less current liabilities			**26,275,357**		27,794,828
Creditors: amounts falling due after more than one year	14		**(14,260,975)**		(14,893,358)
Accruals and deferred income	15		**(4,705,789)**		(6,307,348)
Net assets			**7,308,593**		6,594,122
Capital and reserves					
Called up share capital	16		**3,516,112**		3,516,112
Profit and loss account	17		**2,933,457**		2,157,992
Shareholders' funds	18		**6,449,569**		5,674,104
Minority interests	19		**859,024**		920,018
			7,308,593		6,594,122

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 February 2014.

C P Robinson
Director

The notes on pages 12 to 26 form part of these financial statements.

Arena Coventry Limited
Registered number: 04440684

Company balance sheet
as at 31 May 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		**24,739,608**		24,016,340
Investments	11		**79**		79
			24,739,687		24,016,419
Current assets					
Debtors	12	**16,184,201**		19,459,184	
Cash at bank and in hand		**585,545**		1,507,769	
		16,769,746		20,966,953	
Creditors: amounts falling due within one year	13	**(1,242,510)**		(2,076,155)	
Net current assets			**15,527,236**		18,890,798
Total assets less current liabilities			**40,266,923**		42,907,217
Creditors: amounts falling due after more than one year	14		**(36,026,243)**		(36,721,775)
Accruals and deferred income	15		**(4,686,591)**		(5,997,871)
Net (liabilities)/assets			**(445,911)**		187,571
Capital and Reserves					
Called up share capital	16		**3,516,112**		3,516,112
Profit and loss account	17		**(3,962,023)**		(3,328,541)
Shareholders' (deficit)/funds	18		**(445,911)**		187,571

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 February 2014.

C P Robinson
Director

The notes on pages 12 to 26 form part of these financial statements.

Arena Coventry Limited

Consolidated cash flow statement
for the year ended 31 May 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	**81,584**	2,429,586
Returns on investments and servicing of finance			
Interest paid		**(817,741)**	(1,005,444)
Interest received		**1,318**	2,545
Net cash outflow from returns on investments and servicing of finance		**(816,423)**	(1,002,899)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		**(2,155,002)**	(609,279)
Receipts of grants and contributions		-	54,674
Repayment of asset contribution		-	(2,065,000)
Proceeds on disposal of tangible fixed assets		-	500,000
Net cash outflow from capital expenditure and financial investment		**(2,155,002)**	(2,119,605)
Financing			
Repayment of borrowing		**(14,533,360)**	(641,323)
Issue of ordinary shares in IEC Experience Limited		-	4,000,000
Receipt from borrowing		**14,400,000**	-
Net cash (outflow)/inflow from financing		**(133,360)**	3,358,677
(Decrease)/increase in cash in the year		**(3,023,201)**	2,665,759

Arena Coventry Limited

Reconciliation of net cash flow to movement in net debt
for the year ended 31 May 2013

	Note	2013 £	2012 £
Decrease/(increase) in cash in the year		**(3,023,201)**	2,665,759
Cash outflow from decrease in debt and lease financing		**133,360**	641,323
Change in net debt resulting from cash flows		**(2,889,841)**	3,307,082
Other non-cash changes		**1,067,558**	-
Movement in net debt in the year		**(1,822,283)**	3,307,082
Net debt at 1 June 2012	21	**(11,697,659)**	(15,004,741)
Net debt at 31 May 2013		**(13,519,942)**	(11,697,659)

The notes on pages 12 to 26 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

As has been widely publicised, and as described in the directors report on page 2, despite the best efforts of the group it has not been possible to reach agreement with Coventry City Football Club to identify a sustainable way forward for both businesses and the football club has taken the decision to relocate away from the Ricoh Arena. The directors acknowledge that the outlook presents challenges in terms of generating alternative sales and have therefore instituted measures to preserve cash, cut operating costs and secure longer term finance on more affordable terms. Notably, in 2013, ACL refinanced a Bank loan and interest rate hedge with a total value of over £19m with a new loan of £14.4m on more affordable terms. There has also been a major review of staffing, management and overhead costs that has saved approximately £700,000 per annum.

Cash flow forecasts have been prepared through to 31 May 2015. The directors believe that the principal uncertainty over achieving these cash flows is if actual turnover is lower than forecast in the projections, which is dependent on the ability of the group both to generate additional revenue streams and grow existing business following the departure of the football club. As noted in the directors report the group is now fully focussed on securing retained business and driving new business, particularly conference and exhibitions, and has made significant progress recently with new events being booked to take place at the Ricoh Arena for the first time with a growing pipeline of strong enquiries following a strengthening of the sales and marketing functions.

On the basis of the forecasts prepared, the directors are satisfied that the group has sufficient finance facility available to be able to continue to trade for a period of at least twelve months from the date of approval of these financial statements. They therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Arena Coventry Limited and its subsidiary undertakings drawn up to 31 May 2013, using acquisition accounting.

1.3 Turnover

Turnover is derived from the commercial activities of the group and is stated net of value added tax. Sponsorship, rental and service charge income are recognised over the period that services are offered. Hospitality, catering and facilities management services income is recognised at the point that the services are provided. Revenue received in advance of events is recorded as deferred income.

1. Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	life of the lease
Fixtures and fittings	-	2-33% per annum
Computer and office equipment	-	7-33% per annum
Catering equipment	-	33% per annum

Residual value is calculated on prices prevailing at the date of acquisition

1.5 Investments

Investments in subsidiaries are stated at cost less provision for impairment.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Grants and contributions

Grants and contributions relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

1. Accounting policies (continued)

1.10 Pensions

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and a director's defined contribution private pension schemes that are payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	**890,601**	923,514
- held under finance leases	**462,435**	462,435
Auditors' remuneration	**30,000**	22,000
Auditors' remuneration - non-audit	**24,975**	12,500
Operating lease rentals:		
- plant and machinery	**-**	1,241
Amortisation of grants	**(50,505)**	(186,525)

Auditors fees for the company were £20,000 (2012 - £20,000)

4. Staff costs

Staff costs, including executive directors' remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	829,814	1,277,939
Social security costs	91,181	118,286
Other pension costs	38,936	38,109
	959,931	1,434,334

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
Operations staff	10	10
Commercial staff	3	5
Administrative staff	5	8
	18	23

5. Directors' remuneration

	2013	2012
	£	£
Remuneration	170,673	256,907
Company pension contributions to defined contribution pension schemes	3,433	10,300
Compensation for loss of office	26,003	-

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £143,528 (2012 - £191,772).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,433 (2012 - £10,300).

No payments were made to the four directors appointed by the two shareholders, North Coventry Holdings Limited and Football Investors Limited (2012 - £Nil).

6. Interest receivable

	2013 £	2012 £
Bank interest receivable	1,318	2,545

7. Interest payable

	2013 £	2012 £
On bank loans and overdrafts	544,949	995,627
On other loans	272,792	-
	817,741	995,627

8. Exceptional items

	2013 £	2012 £
Fundamental restructuring	475,761	-

During the year the group has been fundamentally restructured which has resulted in a restructuring of long term finance facilities which are now provided by the Council of the City of Coventry. The net gain on the settlement of the previous indebtedness to Yorkshire Bank, after offsetting legal and professional costs associated with the restructuring, amounts to £475,761.

9. Taxation

	2013	2012
	£	£
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rates of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below:

	2013	2012
	£	£
Profit on ordinary activities before tax	714,471	1,086,886
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	171,473	282,590
Effects of:		
Expenses not deductible for tax purposes	15,769	(73,853)
Depreciation in the year in excess of capital allowances	11,049	28,195
Adjustments in respect of finance lease	13,918	12,714
Non taxable income	-	(301,207)
Short term timing differences leading to an increase in taxation	2,562	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(230,671)	-
Capital gains	-	18,977
Unrelieved tax losses carried forward	13,713	47,266
Other timing differences/rate changes	1,189	(14,682)
Charge on income	998	-
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to a combination of future capital allowances and unrelieved losses as the directors believe there to be insufficient evidence that it is more likely than not that the asset will be recovered. The asset will be recovered when relevant profits are earned against which the timing differences concerned can be offset. The amount of the asset not recognised at 31 May 2013 is approximately £5.2 million at 23% (2012 - £5.4 million at 24%).

10. Tangible fixed assets

Group	Leasehold Land and Buildings £	Fixtures and fittings £	Computer and office equipment £	Catering Equipment £	Total £
Cost					
At 1 June 2012	22,158,348	10,806,680	1,207,944	-	34,172,972
Additions	-	2,071,280	77,091	6,631	2,155,002
At 31 May 2013	22,158,348	12,877,960	1,285,035	6,631	36,327,974
Depreciation					
At 1 June 2012	2,928,756	6,130,211	1,097,665	-	10,156,632
Charge for the year	462,435	847,517	42,714	370	1,353,036
At 31 May 2013	3,391,191	6,977,728	1,140,379	370	11,509,668
Net book value					
At 31 May 2013	18,767,157	5,900,232	144,656	6,261	24,818,306
At 31 May 2012	19,229,592	4,676,469	110,279	-	24,016,340

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

Group and Company

	2013 £	2012 £
Leasehold land and buildings	18,767,157	19,229,592

10 Tangible fixed assets (continued)

Company	Leasehold Land and Buildings £	Fixtures and fittings £	Computer and office equipment £	Total £
Cost				
At 1 June 2012	22,158,348	10,806,680	1,207,944	34,172,972
Additions	-	1,988,846	75,492	2,064,338
At 31 May 2013	22,158,348	12,795,526	1,283,436	36,237,310
Depreciation				
At 1 June 2012	2,928,756	6,130,211	1,097,665	10,156,632
Charge for the year	462,435	836,099	42,536	1,341,070
At 31 May 2013	3,391,191	6,966,310	1,140,201	11,497,702
Net book value				
At 31 May 2013	18,767,157	5,829,216	143,235	24,739,608
At 31 May 2012	19,229,592	4,676,469	110,279	24,016,340

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 June 2012 and 31 May 2013	79
Net book value	
At 31 May 2013	79
At 31 May 2012	79

The company holds the whole of the equity share capital of Arena Coventry (2006) Limited, a company incorporated in England and Wales. Its principal activity is the managing of the lease of the Ricoh Arena in Coventry to Arena Coventry Limited.

The company holds 77% of the equity share capital of IEC Experience Limited, a company incorporated in England and Wales. Its principal activity is the provision of hospitality, catering and facilities management services in relation to the Ricoh Arena and Hotel.

Both subsidiaries' results are included in the consolidated accounts.

12. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	1,386,116	1,202,371	536,149	836,191
Amounts owed by group undertakings	-	-	15,019,256	17,900,665
Other debtors	116,044	74,091	105	72,711
Prepayments and accrued income	742,197	845,377	622,377	643,303
Tax recoverable	6,314	6,314	6,314	6,314
	2,250,671	2,128,153	16,184,201	19,459,184

13. Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	-	680,442	-	680,442
Other loans	111,907	-	111,907	-
Amounts owed to group undertakings on finance lease contracts	-	-	63,148	57,990
Trade creditors	1,415,134	569,244	886,896	361,603
Amounts owed to group undertakings	-	-	149,283	-
Social security and other taxes	111,332	361,342	23,089	361,342
Other creditors	8,187	614,778	8,187	614,778
	1,646,560	2,225,806	1,242,510	2,076,155

On 2 June 2006, Arena Coventry (2006) Limited purchased the finance lease from Coventry North Regeneration Limited that the company had entered into on 26 January 2006 for the Ricoh Arena. The term of the lease is 50 years less 3 days from 19 December 2003 when the development agreement was entered into.

The company had a loan of £Nil (2012 - £15,573,800) with Yorkshire Bank which bore interest at the rate of 1.265% above LIBOR rate. The loan was repayable in quarterly instalments with the final payment due on 1 June 2026. However, as detailed in note 8, this loan was settled in full during the year. The loan was secured by a debenture creating a fixed and floating charge over the assets of the group and a legal first charge over the 50 year lease.

The company had a loan of £14,372,882 (2012 - £Nil) with the Council of the City of Coventry which bears interest at the rate of 5%. The loan was repayable in quarterly instalments with the final payment due on 16 December 2053. The loan was secured by a debenture creating a fixed and floating charge over the assets of the group and a legal first charge over the 50 year lease.

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

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	-	14,893,358	-	14,893,358
Other loans	14,260,975	-	14,260,975	-
Amounts owed to group undertakings on finance lease contracts	-	-	21,765,268	21,828,417
	14,260,975	14,893,358	36,026,243	36,721,775

Included within the above are amounts falling due as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between one and two years				
Bank loans	-	721,948	-	721,948
Other loans	117,608	-	117,608	-
Between two and five years				
Bank loans	-	2,440,974	-	2,440,974
Other loans	390,009	-	390,009	-
Over five years				
Bank loans	-	11,730,436	-	11,730,436
Other loans	13,753,358	-	13,753,358	-

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Repayable by instalments	13,753,358	11,730,436	35,204,649	33,270,519

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Between two and five years	-	-	313,977	288,334
After five years	-	-	21,451,291	21,540,083
	-	-	21,765,268	21,828,417

15. Accruals and deferred income

	Group		Company	
	2013	2012	**2013**	2012
	£	£	**£**	£
Accruals	**1,505,701**	1,971,146	**559,761**	1,430,864
Lease assignment fee	**2,785,960**	3,747,090	**-**	-
Deferred income	**414,128**	589,112	**4,126,830**	4,567,007
	4,705,789	6,307,348	**4,686,591**	5,997,871

Accruals comprise amounts incurred in the day to day operation of the Ricoh Arena not yet paid at the year end.

The lease assignment fee represents an inducement payment received by the group in 2009 for accepting the transfer of a lease of land and buildings which is being released to the profit and loss account over 7 years.

Deferred income includes sponsorship, other revenue and grants and contributions received relating to future financial years.

16. Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
1,758,056 "A" Ordinary shares of £1 each	**1,758,056**	1,758,056
1,758,056 "B" Ordinary shares of £1 each	**1,758,056**	1,758,056
	3,516,112	3,516,112

Rights of shares

Each Ordinary share shall confer upon the holder of that share one vote on a show of hands and one vote per share on a poll. Each share shall have full rights to receive dividends and capital distributions, including on winding up. They do not confer any rights of redemption.

Appointment of directors

The holders of a majority of "A" shares may appoint up to two persons to be directors.
The holders of a majority of "B" shares may appoint up to two persons to be directors.
The holders of the "A" and "B" shares shall jointly appoint and remove not more than three independent directors.

17. Reserves

Group	Profit and loss account £
At 1 June 2012	2,157,992
Profit for the year	775,465
At 31 May 2013	2,933,457

Company	Profit and loss account £
At 1 June 2012	(3,328,541)
Loss for the year	(633,482)
At 31 May 2013	(3,962,023)

18. Reconciliation of movement in shareholders' funds

Group	2013 £	2012 £
Opening shareholders' funds	5,674,104	1,507,236
Profit for the financial year	775,465	1,086,886
IEC Experience Limited	-	3,079,982
Closing shareholders' funds	6,449,569	5,674,104

Company	2013 £	2012 £
Opening shareholders' funds/(deficit)	187,571	(4,268,293)
(Loss)/profit for the financial year	(633,482)	4,455,864
Closing shareholders' (deficit)/funds	(445,911)	187,571

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £633,482 (2012 - profit £4,455,864).

19. Minority interests

Equity	£
At 1 June 2012	920,018
Result for year	(60,994)
At 31 May 2013	859,024

20. Net cash flow from operating activities

	2013 £	2012 £
Operating profit	1,055,133	2,079,968
Exceptional restructuring costs	(591,797)	-
Depreciation of tangible fixed assets	1,276,475	1,385,949
Loss/(profit) on disposal of tangible fixed assets	76,561	(282,222)
Amortisation of grants	(50,505)	(186,525)
Release of lease assignment fee	(961,130)	(961,130)
Increase in debtors	(122,518)	(458,292)
(Decrease)/increase in creditors	(600,635)	851,838
Net cash inflow from operating activities	81,584	2,429,586

21. Analysis of changes in net debt

	1 June 2012 £	Cash flow £	Other non-cash changes £	31 May 2013 £
Cash at bank and in hand	3,876,141	(3,023,201)	-	852,940
Debt:				
Debts due within one year	(680,442)	568,535	-	(111,907)
Debts falling due after more than one year	(14,893,358)	(435,175)	1,067,558	(14,260,975)
Net debt	(11,697,659)	(2,889,841)	1,067,558	(13,519,942)

22. Contingent liabilities

The group does not have any contingent liabilities at the balance sheet date (2012 - none).

23. Capital commitments

At 31 May 2013 the group had capital commitments as follows:

	2013	2012
	£	£
Contracted for but not provided in these financial statements	-	1,803,741

24. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and a director's defined contribution private pension schemes that are payable in the period. The pension cost charge represents contributions payable by the group to the fund and amounted to £38,936 (2012 - £38,109). Contributions totalling £5,046 (2012 - £6,730) were payable to the fund at the balance sheet date and are included in creditors.

25. Related party transactions

M R Reeves and C T West were senior officers of Coventry City Council during the year. The group incurred rates and operating expenses to the value of £530,986 (2012 - £299,935) and £342,290 was due to Coventry City Council as at 31 May 2013 (2012 - £183,200). During the year sales to the value of £254,398 (2012 - £876,658) were made to Coventry City Council and £129,398 (2012 - £Nil) was due from Coventry City Council as at 31 May 2013.

As detailed in note 13, a loan was made by Coventry City Council to Arena Coventry Limited during the year. This loan was given on an arms length basis and interest rates charged are in line with market rates. A balance of £14,372,882 was due to Coventry City Council as at 31 May 2013.

Arena Coventry Limited owns 77% of the shares in IEC Experience Limited. On 25 April 2012 the company sold the rights to provide hospitality, catering and facilities management services at the Ricoh Arena to IEC Experience Limited for an initial term of 15 years. The consideration for these rights was £4,000,000.

During the year expenses recharged to IEC Experience Limited totalled £1,970,373 (2012: £395,724). Expenses recharged to Arena Coventry Limited totalled £31,042 (2012: £Nil). At the balance sheet date £149,283 was owed to IEC Experience Limited

26. Rent deposit guarantee

Arena Coventry Limited previously held a deposit with Yorkshire Bank under a Rent Deposit Deed with Coventry City Football Club Limited. The balance has now been fully drawn down such that the balance as at 31 May 2013 is £Nil (2012 - £315,218).

The purpose of the deposit bank account was to provide a guarantee against the football club defaulting on its agreement to pay Arena Coventry Limited annual rent for use of the football stadium. Arena Coventry Limited was entitled to withdraw from the deposit account any amounts it was due, including debts that were unpaid for 14 days.

27. Controlling party

The company is a joint venture company between North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, and Football Investors Limited, a subsidiary of The Alan Edward Higgs Charity.

Arena Coventry Limited

Company detailed trading and profit and loss account for the year ended 31 May 2013

	Page	2013 £	2012 £
Turnover	28	**8,820,965**	6,661,998
Less: Overheads			
Administration expenses	28	**(9,466,003)**	(6,506,410)
Operating (loss)/profit		**(645,038)**	155,588
Interest receivable	29	**353,536**	295,903
Interest payable	29	**(817,741)**	(995,627)
Investment income	29	**-**	5,000,000
Exceptional items	29	**475,761**	-
(Loss)/profit for the year		**(633,482)**	4,455,864

Arena Coventry Limited

Schedule to the detailed accounts
for the year ended 31 May 2013

	2013 £	2012 £
Turnover		
Sales	**8,820,965**	6,661,998

	2013 £	2012 £
Administration expenses		
Directors remuneration	**170,486**	256,700
Directors pension costs - money purchase schemes	**3,433**	10,300
Compensation for loss of office as director	**26,003**	-
Staff salaries	**665,863**	793,864
Staff national insurance	**91,181**	118,286
Staff pension costs	**35,503**	27,809
Staff training	**11,600**	10,601
Staff welfare	**40**	25
Motor running costs	**104**	138
Entertainment	**13,382**	28,453
Travel	**7,403**	16,236
Printing and stationery	**5,741**	5,129
Postage	**3,480**	4,837
Telephone and fax	**32,015**	34,344
Computer costs	**194,569**	203,655
Advertising and promotion	**114,863**	165,198
Trade subscriptions	**18,870**	17,385
Legal and professional	**134,315**	(65,111)
Auditors' remuneration	**20,000**	20,000
Auditors' remuneration - non-audit	**3,200**	12,500
Accountancy fees	**3,860**	5,875
Equipment hire	**4,974**	4,652
Leasing of equipment	**-**	1,241
Bank charges	**1,581**	2,246
Bad debts	**1,130,157**	15,877
Sundry expenses	**4,318**	32,493
Rates	**370,820**	221,020
Water	**96,350**	82,381
Light and heat	**832,004**	895,972
Cleaning	**49,400**	87,931
Service charges	**266,225**	274,760
Insurances	**173,058**	149,776
Repairs and maintenance	**203,170**	166,142
Depreciation - fixtures, fittings and equipment	**878,635**	923,514
Depreciation - leasehold land and buildings	**462,435**	462,435
Loss/(profit) on sale of tangible assets	**-**	(282,222)
Temporary staff	**-**	52,829
Recruitment costs	**-**	9,000
Arena lease finance charge	**1,842,009**	1,846,745
Car parking expenses	**-**	13,216
Major events costs	**1,645,461**	66,703
Contributions towards assets	**(50,505)**	(186,525)
	9,466,003	6,506,410

Schedule to the detailed accounts
for the year ended 31 May 2013

	2013	2012
	£	£
Interest receivable		
Bank interest receivable	**1,318**	2,545
Group interest receivable	**352,218**	293,358
	353,536	295,903

	2013	2012
	£	£
Interest payable		
Bank loan & overdraft interest payable	**544,949**	995,627
Other loan interest payable	**272,792**	-
	817,741	995,627

	2013	2012
	£	£
Investment income		
Income from investments in group companies	**-**	5,000,000

	2013	2012
	£	£
Exceptional items		
Other exceptional items	**475,761**	-

Registered number: 04440684

Arena Coventry Limited

Directors' report and financial statements

for the year ended 31 May 2014

DAINS
ACCOUNTANTS

Arena Coventry Limited

Company Information

Directors	N J Eastwood (appointed 8 October 2014) D Richardson (appointed 8 October 2014)
Alternate director	D Armstrong (appointed 8 October 2014)
Registered number	04440684
Registered office	Ricoh Arena 71 Phoenix Way Foleshill Coventry CV6 6GE
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	HSBC Bank plc 55 Corporation Street Coventry CV1 1GX
Solicitors	Wragge & Co 55 Colmore Row Birmingham B2 3AG

Arena Coventry Limited

Contents

Business review

The principal activity of the group is the management of the Ricoh Arena in Coventry. Arena Coventry Limited ("ACL") leases the Ricoh Arena from its subsidiary Arena Coventry (2006) Limited, which purchased the head lease in June 2006 from Coventry North Regeneration Limited, a subsidiary of Coventry City Council.

In April 2012 ACL formed a joint venture company, IEC Experience Limited ("IEC"), with Compass Group UK ("Compass"), its then existing partner in the catering and facilities management of the Ricoh Arena. The incorporation of IEC transformed ACL's headline turnover figure from £7.8M in 2012 to £12.1M in 2014.

On 14 November 2014 London Wasps Holdings Limited ("Wasps"), the English Premiership Rugby Union team, completed the acquisition of a 100% shareholding in Arena Coventry Limited, owners of the Ricoh Arena, one of Europe's largest multi-purpose venues, by acquiring a 50% shareholding from The Alan Edward Higgs Charity. Wasps had previously acquired a 50% interest in Arena Coventry Limited from North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council on 8 October 2014.

In addition to the exciting arrival of Wasps who play their first home game at the Ricoh Arena in December 2014 against London Irish, 2014 also marked the return of Coventry City Football Club ("CCFC") whose match on the 6th of September 2014 brought the League One team back to its 'home' ground some sixteen months after it departed amidst a rent strike and subsequent financial difficulties resulting in the club's administration. After extensive negotiation an agreement was reached which secures the future of football at the Ricoh Arena for up to four years on a license agreement.

The inaugural dual sports franchise season will be seven league matches short of the full complement but already promises significant revenue boosts to ACL and IEC, and despite the rapid expansion and success of the Conference & Exhibition ("C&E") business the impact of rugby and football match days could not have been achieved without utilising the stadium bowl- one of few spaces in the arena in general terms with availability in the C&E calendar.

C&E generated in excess of £1M of turnover in March and September 2014 where changes implemented by the CEO and board with respect to senior positions within the sales team and hotel management brought record trading months. The hotel is on track to achieving 90% of budget by the end of 2014.

Sport remains an integral facet of the venue with Champion of Champions Snooker, British Weightlifting, British Gymnastics and boxing all taking place over the last year bringing the household names in the sports to the Arena.

The Ricoh Arena business principally comprises of the following activities:

- A 32,500 seat capacity sports stadium;
- A 6,000 square metre exhibition, events and concert facility;
- A 15,000 square metre convention and banqueting centre;
- A 13,000 square metre entertainment centre leased to Rank Grosvenor;
- Office accommodation with mixed tenancies;
- A 121 bedroom hotel;
- A Bistro, Costa Coffee; and several further bespoke meeting room facilities

Technology firm ParentPay moved to the arena occupying the former Yorkshire Bank offices on a ten year lease from the 1st of August 2014. Fifty ParentPay personnel are now based at the arena as demand in the midlands has grown for the company's software which enables secure online payment for items such as school meals, trips and clubs.

The maintained buoyancy of the property market has seen an increased interest in office space at the arena with clients from various industry sectors expressing an interest in the currently available space. Further tenancies are expected to be announced in early 2015 based on current discussions.

Business review (continued)

From an entertainment perspective the arena is championing the emerging market of multimedia gaming events, hosting two major Insomnia events in 2014 with two more confirmed for autumn winter 2014/15. These events have captured a new audience at the arena.

2015 sees the opening of the Arena Railway station as part of the NUCKLE project which will improve the existing rail line between Coventry and Nuneaton. NUCKLE is being delivered by Coventry City Council, Centro and Warwickshire County Council to provide Ricoh visitors with a direct link to the mainline station in Coventry which in turn improves links with key onward destinations such as Birmingham International Airport and London Marylebone.

The annual footfall at the Ricoh Arena is estimated to be in excess of 1.2M growing each year, and each week over 300,000 vehicles drive past the location which is within a two hour drive of 75% of the rest of the country. Innovative social media marketing and a dedicated following has seen the arena compete with venues such as Sweden's Friends Arena, the Bushy Park Circuit in Barbados and Frankfurt's Commerzbank Arena for international events such as the Race of Champions, the world renowned knockout motor sport event featuring some of the world's greatest drivers.

In summary, despite the challenges of the last year the C&E business has continued to grow as has trading in the hotel which has seen the 121 bedroom development establish itself as a quality destination in the midlands for event clients and transient business alike. Two sports franchises will be based at the venue from December 2014 which will increase the reputation of the Ricoh Arena both nationally and internationally.

Outlook

The outlook for ACL is extremely positive with continued growth across all market sectors. The upturn in the property market has already seen a new tenant take residence in 2014 and there is interest in other currently vacant office and retail spaces within the building which will provide long-term revenues to ACL.

The imminent opening of the Arena Railway station as part of the NUCKLE project will provide a further dimension to travel to the venue which will encourage more conference visitors from further afield.

The return of CCFC to the venue and the arrival of Wasps to play at their new home ground will raise the profile of the venue throughout the UK and Europe and attract commercial opportunities and investment befitting of the world class destination that it is.

Principal risks and uncertainties

The established business, as has been proven over the past eighteen months, can sustain the loss of a sports franchise but now with a four year agreement with CCFC and Wasps permanently relocating to Coventry the future of regular sporting activity at the venue is secured.

Financial key performance indicators

ACL completed the year ending 31 May 2014 delivering turnover of £12,161,639 (2013 - £14,490,703) and a net loss of £392,299 (2013 - profit of £775,465).

ACL's Consolidated balance sheet saw a year on year decrease in net assets to £6,855,300 (2013 - £7,308,593).

This report was approved by the board on 1 December 2014 and signed on its behalf.

N J Eastwood
Director

The director presents his report and the financial statements for the year ended 31 May 2014.

Results

The loss for the year, after taxation and minority interests, amounted to £392,299 (2013 - profit £775,465).

Directors

The directors who served during the year were:

P W Knatchbull-Hugessen (Shareholder nominated non-executive director) (resigned 14 November 2014)
C T West (Shareholder nominated non-executive director) (resigned 8 October 2014)
P M Harris (Shareholder nominated non-executive director) (resigned 14 November 2014)
R E Moon (Shareholder nominated non-executive director)
(appointed 29 January 2014 & resigned 8 October 2014)
C P Robinson (Non-executive Chairman) (appointed 30 January 2014 & resigned 22 October 2014)
M R Reeves (Shareholder nominated non-executive director) (resigned 17 January 2014)
N Carter (Non-executive Chairman) (resigned 31 August 2013)
D Cockroft (Alternate director) (appointed 30 July 2014 & resigned 8 October 2014)

N J Eastwood, D Armstrong and D Richardson were appointed to the Board on 8 October 2014.

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's reports may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- 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 and the group's auditors are aware of that information.

Auditors

The auditors, Dains LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 1 December 2014 and signed on its behalf.

N J Eastwood
Director

We have audited the financial statements of Arena Coventry Limited for the year ended 31 May 2014, which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

Respective responsibilities of director and auditors

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Mark Hargate FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

1 December 2014

Arena Coventry Limited

Consolidated profit and loss account
for the year ended 31 May 2014

	Note	2014 £	2013 £
Turnover	1,2	**12,161,639**	14,490,703
Cost of sales		**(3,599,404)**	(3,246,397)
Gross profit		**8,562,235**	11,244,306
Administrative expenses		**(8,307,518)**	(10,189,173)
Operating profit	3	**254,717**	1,055,133
Exceptional items			
Other exceptional items	8	**-**	475,761
Profit on ordinary activities before interest		**254,717**	1,530,894
Interest receivable	6	**-**	1,318
Interest payable	7	**(708,010)**	(817,741)
(Loss)/profit on ordinary activities before taxation		**(453,293)**	714,471
Tax on (loss)/profit on ordinary activities	9	**-**	-
(Loss)/profit on ordinary activities after taxation		**(453,293)**	714,471
Minority interests		**60,994**	60,994
(Loss)/profit for the financial year	17	**(392,299)**	775,465

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 13 to 26 form part of these financial statements.

Arena Coventry Limited
Registered number: 04440684

Consolidated balance sheet
as at 31 May 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	10		**23,661,941**		24,818,306
Current assets					
Debtors	12	**2,681,254**		2,250,671	
Cash at bank and in hand		**692,455**		852,940	
		3,373,709		3,103,611	
Creditors: amounts falling due within one year	13	**(1,858,421)**		(1,646,560)	
Net current assets			**1,515,288**		1,457,051
Total assets less current liabilities			**25,177,229**		26,275,357
Creditors: amounts falling due after more than one year	14		**(14,143,367)**		(14,260,975)
Accruals and deferred income	15		**(4,178,562)**		(4,705,789)
Net assets			**6,855,300**		7,308,593
Capital and reserves					
Called up share capital	16		**3,516,112**		3,516,112
Profit and loss account	17		**2,541,158**		2,933,457
Shareholders' funds	18		**6,057,270**		6,449,569
Minority interests	19		**798,030**		859,024
			6,855,300		7,308,593

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2014.

N J Eastwood
Director

The notes on pages 13 to 26 form part of these financial statements.

Arena Coventry Limited
Registered number: 04440684

Company balance sheet
as at 31 May 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	10		23,528,612		24,739,608
Investments	11		79		79
			23,528,691		24,739,687
Current assets					
Debtors	12	15,775,699		16,184,201	
Cash at bank and in hand		553		585,545	
		15,776,252		16,769,746	
Creditors: amounts falling due within one year	13	(1,208,400)		(1,242,510)	
Net current assets			14,567,852		15,527,236
Total assets less current liabilities			38,096,543		40,266,923
Creditors: amounts falling due after more than one year	14		(35,839,870)		(36,026,243)
Accruals and deferred income	15		(4,513,936)		(4,686,591)
Net liabilities			(2,257,263)		(445,911)
Capital and Reserves					
Called up share capital	16		3,516,112		3,516,112
Profit and loss account	17		(5,773,375)		(3,962,023)
Shareholders' deficit	18		(2,257,263)		(445,911)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 December 2014.

N J Eastwood
Director

The notes on pages 13 to 26 form part of these financial statements.

Arena Coventry Limited

Consolidated cash flow statement
for the year ended 31 May 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	20	**828,522**	81,584
Returns on investments and servicing of finance			
Interest paid		**(708,010)**	(817,741)
Interest received		-	1,318
Net cash outflow from returns on investments and servicing of finance		**(708,010)**	(816,423)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		**(169,090)**	(2,155,002)
Financing			
Repayment of borrowing		**(111,907)**	(14,533,360)
Receipt from borrowing		-	14,400,000
Net cash outflow from financing		**(111,907)**	(133,360)
Decrease in cash in the year		**(160,485)**	(3,023,201)

Reconciliation of net cash flow to movement in net debt for the year ended 31 May 2014

	Note	2014 £	2013 £
Decrease in cash in the year		**(160,485)**	(3,023,201)
Cash outflow from decrease in debt and lease financing		**111,907**	133,360
Change in net debt resulting from cash flows		**(48,578)**	(2,889,841)
Other non-cash changes		**-**	1,067,558
Movement in net debt in the year		**(48,578)**	(1,822,283)
Net debt at 1 June 2013	21	**(13,519,942)**	(11,697,659)
Net debt at 31 May 2014		**(13,568,520)**	(13,519,942)

The notes on pages 13 to 26 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

As detailed in the strategic report, on 14 November 2014 London Wasps Holdings Limited ("Wasps") completed the acquisition of a 100% shareholding of Arena Coventry Limited by acquiring a 50% shareholding from The Alan Edward Higgs Charity. Wasps had previously acquired a 50% shareholding in Arena Coventry Limited from the City of Coventry Council on 8 October 2014.

In addition to the exciting arrival of Wasps, 2014 also marked the return of Coventry City Football Club ("CCFC") some sixteen months after it departed amidst a rent strike and subsequent financial difficulties resulting in the club's administration. The directors now believe that the outlook for the group is extremely positive with continued growth across all market sectors. The return of CCFC and arrival of Wasps will raise the profile of the venue throughout the UK and Europe and attract commercial opportunities and investment befitting of the world class destination that it is. Economic upturn in the period has secured additional rental income from new tenancies and commercial sponsorship opportunities are being realised with stadium stand sponsorship and advertising revenues returning.

Cash flow forecasts have been prepared through to 31 December 2015 incorporating the significant revenue boosts the dual sports franchise will bring, continued growth in the conference and exhibition business and reflecting the impact of the reduced cost base and improved longer term finance arrangements implemented in 2013. The directors believe that the principal uncertainty over achieving these cash flows is if actual turnover is lower than forecast in the projections, which is dependent on the ability of the group both to generate additional revenue streams and grow existing business.

On the basis of the forecasts prepared, the directors are satisfied that the group has sufficient finance facilities available to be able to continue to trade for a period of at least twelve months from the date of approval of these financial statements. They therefore consider it appropriate to continue to prepare the financial statements on a going concern basis.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Arena Coventry Limited and its subsidiary undertakings drawn up to 31 May 2014, using acquisition accounting.

1.3 Turnover

Turnover is derived from the commercial activities of the group and is stated net of value added tax. Sponsorship, rental and service charge income are recognised over the period that services are offered. Hospitality, catering and facilities management services income is recognised at the point that the services are provided. Revenue received in advance of events is recorded as deferred income.

1. **Accounting policies (continued)**

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	life of the lease
Fixtures and fittings	-	2-33% per annum
Computer and office equipment	-	7-33% per annum
Catering equipment	-	33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

1.5 Investments

Investments in subsidiaries are stated at cost less provision for impairment.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.9 Grants and contributions

Grants and contributions relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

1. Accounting policies (continued)

1.10 Pensions

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and a director's defined contribution private pension scheme that are payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	863,020	890,601
- held under finance leases	462,435	462,435
Auditors' remuneration	35,000	30,000
Auditors' remuneration - non-audit	6,000	24,975
Amortisation of grants	(46,430)	(50,505)

Auditors fees for the company were £20,000 (2013 - £20,000)

4. Staff costs

Staff costs, including executive directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	613,675	829,814
Social security costs	68,571	91,181
Other pension costs	19,821	38,936
	702,067	959,931

The average monthly number of employees, including the director, during the year was as follows:

	2014 No.	2013 No.
Operations staff	10	10
Commercial staff	3	3
Administrative staff	4	5
	17	18

5. Director's remuneration

	2014 £	2013 £
Remuneration	22,500	170,528
Company pension contributions to defined contribution pension schemes	-	3,433
Compensation for loss of office	-	26,003

During the year retirement benefits were accruing to no directors (2013 - 1) in respect of defined contribution pension schemes.

No payments were made to the directors appointed by the two shareholders, North Coventry Holdings Limited and Football Investors Limited (2013 - £Nil).

6. Interest receivable

	2014 £	2013 £
Bank interest receivable	-	1,318

7. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	-	544,949
On other loans	708,010	272,792
	708,010	817,741

8. Exceptional items

	2014 £	2013 £
Fundamental restructuring	-	475,761

During the prior year the group was fundamentally restructured which resulted in a restructuring of long term finance facilities which are now provided by the Council of the City of Coventry. The net gain on the settlement of the previous indebtedness to Yorkshire Bank, after offsetting legal and professional costs associated with the restructuring, amounted to £475,761.

9. Taxation

	2014 £	2013 £
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rates of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(453,293)	714,471
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	(104,257)	171,473
Effects of:		
Expenses not deductible for tax purposes	22,569	15,769
Capital allowances for year in excess of depreciation	(139,305)	11,049
Adjustments in respect of finance lease	14,524	13,918
Short term timing differences leading to a (decrease)/increase in taxation	(1,134)	2,562
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(221,060)	(230,671)
Unrelieved tax losses carried forward	428,663	13,713
Other timing differences/rate changes	-	1,189
Charge on income	-	998
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of timing differences relating to a combination of future capital allowances and unrelieved losses as the directors believe there to be insufficient evidence that it is more likely than not that the asset will be recovered. The asset will be recovered when relevant profits are earned against which the timing differences concerned can be offset. The amount of the asset not recognised at 31 May 2014 is approximately £6.9 million at 21% (2013 - £5.2 million at 23%).

10. Tangible fixed assets

Group	Leasehold land and buildings £	Fixtures and fittings £	Computer and office equipment £	Catering equipment £	Total £
Cost					
At 1 June 2013	22,158,348	12,877,960	1,285,035	6,631	36,327,974
Additions	-	143,023	17,383	8,684	169,090
At 31 May 2014	22,158,348	13,020,983	1,302,418	15,315	36,497,064
Depreciation					
At 1 June 2013	3,391,191	6,977,728	1,140,379	370	11,509,668
Charge for the year	462,435	798,237	61,100	3,683	1,325,455
At 31 May 2014	3,853,626	7,775,965	1,201,479	4,053	12,835,123
Net book value					
At 31 May 2014	18,304,722	5,245,018	100,939	11,262	23,661,941
At 31 May 2013	18,767,157	5,900,232	144,656	6,261	24,818,306

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

Group

	2014 £	2013 £
Leasehold land and buildings	18,304,722	18,767,157

10 Tangible fixed assets (continued)

Company	**Leasehold land and buildings £**	**Fixtures and fittings £**	**Computer and office equipment £**	**Total £**
Cost				
At 1 June 2013	22,158,348	12,795,526	1,283,436	36,237,310
Additions	-	70,753	17,383	88,136
At 31 May 2014	22,158,348	12,866,279	1,300,819	36,325,446
Depreciation				
At 1 June 2013	3,391,191	6,966,310	1,140,201	11,497,702
Charge for the year	462,435	776,130	60,567	1,299,132
At 31 May 2014	3,853,626	7,742,440	1,200,768	12,796,834
Net book value				
At 31 May 2014	18,304,722	5,123,839	100,051	23,528,612
At 31 May 2013	18,767,157	5,829,216	143,235	24,739,608

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

Company	**2014 £**	2013 £
Leasehold land and buildings	18,304,722	18,767,157

11. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 June 2013 and 31 May 2014	**79**
Net book value	
At 31 May 2014	**79**
At 31 May 2013	79

The company holds the whole of the equity share capital of Arena Coventry (2006) Limited, a company incorporated in England and Wales. Its principal activity is the managing of the lease of the Ricoh Arena in Coventry to Arena Coventry Limited.

The company holds 77% of the equity share capital of IEC Experience Limited, a company incorporated in England and Wales. Its principal activity is the provision of hospitality, catering and facilities management services in relation to the Ricoh Arena and Hotel.

Both subsidiaries' results are included in the consolidated accounts.

12. Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Trade debtors	**1,729,768**	1,386,116	**723,938**	536,149
Amounts owed by group undertakings	**-**	-	**14,334,268**	15,019,256
Other debtors	**102,538**	116,044	**1,873**	105
Prepayments and accrued income	**842,634**	742,197	**709,306**	622,377
Tax recoverable	**6,314**	6,314	**6,314**	6,314
	2,681,254	2,250,671	**15,775,699**	16,184,201

13. Creditors:
Amounts falling due within one year

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Bank loans and overdrafts	**-**	-	**155,857**	-
Other loans	**117,608**	111,907	**117,608**	111,907
Amounts owed to group undertakings on finance lease contracts	**-**	-	**68,765**	63,148
Trade creditors	**1,566,085**	1,415,134	**790,764**	886,896
Amounts owed to group undertakings	**-**	-	**-**	149,283
Social security and other taxes	**171,521**	111,332	**72,199**	23,089
Other creditors	**3,207**	8,187	**3,207**	8,187
	1,858,421	1,646,560	**1,208,400**	1,242,510

On 2 June 2006, Arena Coventry (2006) Limited purchased the finance lease from Coventry North Regeneration Limited that the company had entered into on 26 January 2006 for the Ricoh Arena. The term of the lease is 50 years less 3 days from 19 December 2003 when the development agreement was entered into.

The company has a loan of £14,260,975 (2013 - £14,372,882) with the Council of the City of Coventry which bears interest at the rate of 5%. The loan is repayable in quarterly instalments with the final payment due on 16 December 2053. The loan is secured by a debenture creating a fixed and floating charge over the assets of the group and a legal first charge over the 50 year lease.

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

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Other loans	**14,143,367**	14,260,975	**14,143,367**	14,260,975
Amounts owed to group undertakings on finance lease contracts	-	-	**21,696,503**	21,765,268
	14,143,367	14,260,975	**35,839,870**	36,026,243

Included within the above are amounts falling due as follows:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Between one and two years				
Other loans	**123,599**	117,608	**123,599**	117,608
Between two and five years				
Other loans	**409,879**	390,009	**409,879**	390,009
Over five years				
Other loans	**13,609,889**	13,753,358	**13,609,889**	13,753,358

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Repayable by instalments	**13,609,889**	13,753,358	**34,964,491**	35,204,649

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2014	2013	**2014**	2013
	£	£	**£**	£
Between two and five years	-	-	**341,901**	313,977
After five years	-	-	**21,354,602**	21,451,291
	-	-	**21,696,503**	21,765,268

15. Accruals and deferred income

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accruals	1,859,956	1,505,701	572,650	559,761
Lease assignment fee	1,824,830	2,785,960	-	-
Deferred income	493,776	414,128	3,941,286	4,126,830
	4,178,562	4,705,789	4,513,936	4,686,591

Accruals comprise amounts incurred in the day to day operation of the Ricoh Arena not yet paid at the year end.

The lease assignment fee represents an inducement payment received by the group in 2009 for accepting the transfer of a lease of land and buildings which is being released to the profit and loss account over 7 years.

Deferred income includes sponsorship, other revenue and grants and contributions received relating to future financial years.

16. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
1,758,056 "A" Ordinary shares of £1 each	1,758,056	1,758,056
1,758,056 "B" Ordinary shares of £1 each	1,758,056	1,758,056
	3,516,112	3,516,112

Rights of shares

Each Ordinary share shall confer upon the holder of that share one vote on a show of hands and one vote per share on a poll. Each share shall have full rights to receive dividends and capital distributions, including on winding up. They do not confer any rights of redemption.

Appointment of directors

The holders of a majority of "A" shares may appoint up to two persons to be directors.
The holders of a majority of "B" shares may appoint up to two persons to be directors.
The holders of the "A" and "B" shares shall jointly appoint and remove not more than three independent directors.

17. Reserves

Group	Profit and loss account £
At 1 June 2013	2,933,457
Loss for the year	(392,299)
At 31 May 2014	2,541,158

Company	Profit and loss account £
At 1 June 2013	(3,962,023)
Loss for the year	(1,811,352)
At 31 May 2014	(5,773,375)

18. Reconciliation of movement in shareholders' funds

Group	2014 £	2013 £
Opening shareholders' funds	6,449,569	5,674,104
(Loss)/profit for the financial year	(392,299)	775,465
Closing shareholders' funds	6,057,270	6,449,569

Company	2014 £	2013 £
Opening shareholders' (deficit)/funds	(445,911)	187,571
Loss for the financial year	(1,811,352)	(633,482)
Closing shareholders' deficit	(2,257,263)	(445,911)

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £1,811,352 (2013 - £633,482).

19. Minority interests

Equity	£
At 1 June 2013	859,024
Result for year	(60,994)
At 31 May 2014	798,030

20. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	254,717	1,055,133
Exceptional restructuring costs	-	(591,797)
Depreciation of tangible fixed assets	1,325,455	1,276,475
Loss on disposal of tangible fixed assets	-	76,561
Amortisation of grants	(46,430)	(50,505)
Release of lease assignment fee	(961,130)	(961,130)
Increase in debtors	(492,759)	(122,518)
Increase/(decrease) in creditors	748,669	(600,635)
Net cash inflow from operating activities	828,522	81,584

21. Analysis of changes in net debt

	1 June 2013 £	Cash flow £	Other non-cash changes £	31 May 2014 £
Cash at bank and in hand	852,940	(160,485)	-	692,455
Debt:				
Debts due within one year	(111,907)	111,907	(117,608)	(117,608)
Debts falling due after more than one year	(14,260,975)	-	117,608	(14,143,367)
Net debt	(13,519,942)	(48,578)	-	(13,568,520)

22. Contingent liabilities

The group does not have any contingent liabilities at the balance sheet date (2013 - none).

23. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and a director's defined contribution private pension scheme that are payable in the period. The pension cost charge represents contributions payable by the group to the fund and amounted to £19,821 (2013 - £38,936). Contributions totalling £3,888 (2013 - £5,046) were payable to the fund at the balance sheet date and are included in creditors.

24. Related party transactions

C T West was a senior officer of Coventry City Council during the year. The group incurred rates and operating expenses to the value of £420,298 (2013 - £530,986) and £313,392 was due to Coventry City Council as at 31 May 2014 (2013 - £342,290). During the year sales to the value of £60,000 (2013 - £254,398) were made to Coventry City Council and £Nil (2013 - £129,398) was due from Coventry City Council as at 31 May 2014.

As detailed in note 13, a loan has been provided by the Council of the City of Coventry to Arena Coventry Limited. This loan is provided on an arms length basis and interest rates charged are in line with market rates. A balance of £14,260,975 (2013 - £14,372,882) was due to Coventry City Council as at 31 May 2014.

During the year sales to the value of £40,931 were made to The Alan Higgs Centre Trust, a company in which PW Knatchbull-Hugessen is a director. A balance of £3,763 (2013 - £Nil) was due from The Alan Higgs Trust as at 31 May 2014.

Arena Coventry Limited owns 77% of the ordinary share capital in IEC Experience Limited. During the year expenses recharged to IEC Experience Limited totalled £2,203,599 (2013 - £1,970,373). Expenses recharged to Arena Coventry Limited totalled £31,263 (2013 - £31,042). At the balance sheet date £74,129 was owed from IEC Experience Limited (2013 - £149,283 owed to IEC Experience Limited).

25. Controlling party

At the year end, the company was a joint venture company between North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, and Football Investors Limited, a subsidiary of The Alan Edward Higgs Charity.

26. Post balance sheet events

On 14 November 2014, London Wasps Holdings Limited ("Wasps") completed the acquisition of a 100% shareholding in Arena Coventry Limited by acquiring a 50% shareholding from The Alan Edward Higgs Charity. Wasps had previously acquired a 50% interest in Arena Coventry Limited from North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, on 8 October 2014.

Arena Coventry Limited

Company detailed trading and profit and loss account for the year ended 31 May 2014

	Page	2014 £	2013 £
Turnover	28	**5,371,918**	8,820,965
Less: Overheads			
Administration expenses	28	**(6,801,108)**	(9,466,003)
Operating loss		**(1,429,190)**	(645,038)
Interest receivable	29	**325,848**	353,536
Interest payable	29	**(708,010)**	(817,741)
Exceptional items	29	**-**	475,761
Loss for the year		**(1,811,352)**	(633,482)

	2014	2013
	£	£
Turnover		
Sales	5,371,918	8,820,965

	2014	2013
	£	£
Administration expenses		
Directors remuneration	22,500	170,486
Directors pension costs - money purchase schemes	-	3,433
Compensation for loss of office as director	-	26,003
Staff salaries	591,175	665,863
Staff national insurance	68,571	91,181
Staff pension costs	19,821	35,503
Staff training	8,727	11,600
Staff welfare	1,226	40
Motor running costs	3,129	104
Entertainment	13,686	13,382
Travel	9,027	7,403
Printing and stationery	4,299	5,741
Postage	4,667	3,480
Telephone and fax	29,048	32,015
Computer costs	218,101	194,569
Advertising and promotion	101,525	114,863
Trade subscriptions	16,778	18,870
Legal and professional	416,118	134,315
Auditors' remuneration	20,000	20,000
Auditors' remuneration - non-audit	2,500	3,200
Accountancy fees	(571)	3,860
Equipment hire	18,543	4,974
Bank charges	4,743	1,581
Bad debts	73,849	1,130,157
Sundry expenses	29,958	4,318
Rates	375,759	370,820
Water	70,225	96,350
Light and heat	952,263	832,004
Cleaning	41,739	49,400
Service charges	244,570	266,225
Insurances	203,332	173,058
Repairs and maintenance	138,247	203,170
Depreciation - fixtures, fittings and equipment	836,697	878,635
Depreciation - leasehold land and buildings	462,435	462,435
Recruitment costs	8,000	-
Arena lease finance charge	1,836,851	1,842,009
Major events costs	-	1,645,461
Contributions towards assets	(46,430)	(50,505)
	6,801,108	9,466,003

	2014 £	2013 £
Interest receivable		
Bank interest receivable	-	1,318
Group interest receivable	**325,848**	352,218
	325,848	353,536

	2014 £	2013 £
Interest payable		
Bank loan & overdraft interest payable	-	544,949
Other loan interest payable	**708,010**	272,792
	708,010	817,741

	2014 £	2013 £
Exceptional items		
Other exceptional items	-	475,761

Annual report and accounts of Wasps Holdings Limited for the financial years ended 30 June 2013 and 30 June 2014

Company Registration No. 04187289 (England and Wales)

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

LONDON WASPS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M A Rigby R N Dawbarn I A Montlake	Chairman
Company number	04187289	
Registered office	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Auditors	Haines Watts Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire HP13 5HQ	
Business address	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Bankers	Barclays Commercial Bank Level 27 1 Churchill Place London E14 5HP	
Solicitors	Kennedys 25 Fenchurch Avenue London EC3M 5AD	

LONDON WASPS HOLDINGS LIMITED

CONTENTS

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and financial statements for the year ended 30 June 2013.

Principal activities and review of the business

The principal activity of the company is the operation of a professional rugby team, along with the development of grass roots rugby union and the promotion of the game within the community.

The key priority for the club in the year was to secure a long-term owner and stabilise the financial position of the club; this was achieved in April 2013.

The directors consider the following risks and uncertainties to be key to the future of the company.

Relegation from the Premiership
Impact: reduced revenues that would necessarily involve a reduction in expenditure to compensate for loss of revenue.
Mitigation: continued investment in playing squad and coaching staff to ensure playing standards are maintained.

Reduced funding from RFU and PRL
Impact: reduced revenue from central contracts.
Mitigation: continued development of players who will feature in England squads maximises elements of revenue from the RFU and PRL.

Inability to attract and retain top class players
Impact: ability to maintain London Wasps as a leading English club is compromised.
Mitigation: investment in playing staff and player support maintains London Wasps reputation for developing international players.

The performance of the business is measured both on and off the pitch, using financial and non-financial measures, with the team's league position and the number of season and matchday tickets sold considered the key performance indicators, as follows:

Indicator	Year ended 30 June 2013	Year ended 30 June 2012
Sales Revenue (£'000)	£6,057	£6,719

Sales revenue decreased primarily as a result of a reduction in sponsorship revenues, mainly due to a lack of front of shirt sponsor.

League Position	8th	11th

Following the 11th placed finish in last season's Aviva Premiership, the team performed creditably in 2012/13 finishing in 8th place. The team also qualified for a home Amlin Challenge Cup against Leinster, having won their pool in that competition.

Average Attendance	6,654	6,745

Attendances were broadly flat year on year.

Season tickets sold	2,730	2,771

Season tickets were broadly flat year on year, which ended a recent trend of annual decreases.

Results and dividends
The results for the year are set out on page 6.

The directors do not recommend payment of an ordinary dividend.

Future developments
The change of ownership of the club during the year has provided the club with the stability and outlook necessary for the development of a long term vision and plan. The key priorities in the short to medium term will be the continued development of the playing resources and the growth in commercial and match day revenues, with a view to building a sustainable business model for the club.

Directors
The following directors have held office since 1 July 2012:

M A Rigby	
L B Dallaglio	(Resigned 2 November 2012)
R N Dawbarn	(Appointed 5 November 2012)
S E Hayes	(Resigned 12 September 2012)
I A Montlake	
C J Thomas	(Resigned 12 September 2012)
D C Thorne	(Appointed 5 November 2012 and resigned 5 April 2013)

Statement of directors' responsibilities
The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements 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 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

....
M A Rigby
Director
Date: ....

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

We have audited the financial statements of London Wasps Holdings Limited for the year ended 30 June 2013 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Gary Heywood (Senior Statutory Auditor)
for and on behalf of Haines Watts ....

Chartered Accountants
Statutory Auditor

Sterling House
5 Buckingham Place
Bellfield Road West
High Wycombe
Buckinghamshire
HP13 5HQ

LONDON WASPS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 £	2012 £
Turnover	**2**	6,056,746	6,718,891
Cost of sales		(7,280,772)	(7,722,271)
Gross loss		(1,224,026)	(1,003,380)
Administrative expenses		(1,880,776)	(1,722,200)
Operating loss	**3**	(3,104,802)	(2,725,580)
Interest payable and similar charges	**4**	(158,237)	(131,498)
Loss on ordinary activities before taxation		(3,263,039)	(2,857,078)
Tax on loss on ordinary activities	**5**	-	-
Loss for the year	**13**	(3,263,039)	(2,857,078)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LONDON WASPS HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2013

	2013 £	2012 £
Loss for the financial year	(3,263,039)	(2,857,078)
Unrealised gain on revaluation of fixed asset investment	1,766,426	-
Total recognised gains and losses relating to the year	(1,496,613)	(2,857,078)

LONDON WASPS HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2013

	Notes		2013		2012
		£	£	£	£
Fixed assets					
Tangible assets	6		76,773		32,646
Investments	7		5,000,000		3,233,574
			5,076,773		3,266,220
Current assets					
Debtors	8	560,805		491,162	
Cash at bank and in hand		340,338		16,641	
		901,143		507,803	
Creditors: amounts falling due within one year	9	(3,591,215)		(4,783,630)	
Net current liabilities			(2,690,072)		(4,275,827)
Total assets less current liabilities			2,386,701		(1,009,607)
Creditors: amounts falling due after more than one year	10		(16,648,049)		(11,755,128)
			(14,261,348)		(12,764,735)
Capital and reserves					
Called up share capital	12		775,550		775,550
Share premium account	13		6,340,989		6,340,989
Revaluation reserve	13		5,000,000		3,233,574
Profit and loss account	13		(26,377,887)		(23,114,848)
Shareholders' deficit	14		(14,261,348)		(12,764,735)

Approved by the Board and authorised for issue on ....

....

M A Rigby

Director

Company Registration No. 04187289

LONDON WASPS HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

		2013		2012
	£	£	£	£
Net cash outflow from operating activities		(3,223,083)		(2,051,119)
Returns on investments and servicing of finance				
Interest paid	(158,237)		(131,498)	
Net cash outflow for returns on investments and servicing of finance		(158,237)		(131,498)
Capital expenditure				
Payments to acquire tangible assets	(79,493)		(30,114)	
Net cash outflow for capital expenditure		(79,493)		(30,114)
Net cash outflow before management of liquid resources and financing		(3,460,813)		(2,212,731)
Financing				
Increase in borrowings	4,829,104		3,638,892	
Repayment of borrowings	(1,044,594)		(251,729)	
Net cash inflow from financing		3,784,510		3,387,163
Increase in cash in the year		323,697		1,174,432

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

1	**Reconciliation of operating loss to net cash outflow from operating activities**	**2013**	**2012**
		£	**£**
	Operating loss	(3,104,802)	(2,725,580)
	Depreciation of tangible assets	35,366	45,237
	Decrease in stocks	-	134,789
	(Increase)/decrease in debtors	(69,643)	75,735
	(Decrease)/Increase in creditors within one year	(84,004)	418,700
	Net cash outflow from operating activities	(3,223,083)	(2,051,119)

2	**Analysis of net debt**	**1 July 2012**	**Cash flow**	**Other non-cash changes**	**30 June 2013**
		£	**£**	**£**	**£**
	Net cash:				
	Cash at bank and in hand	16,641	323,697	-	340,338
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(1,890,942)	693,023	415,388	(782,531)
	Debts falling due after one year	(11,755,128)	(4,477,533)	(415,388)	(16,648,049)
		(13,646,070)	(3,784,510)	-	(17,430,580)
	Net debt	(13,629,429)	(3,460,813)	-	(17,090,242)

3	**Reconciliation of net cash flow to movement in net debt**	**2013**	**2012**
		£	**£**
	Increase in cash in the year	323,697	1,174,432
	Cash inflow from increase in debt	(3,784,510)	(3,387,163)
	Movement in net debt in the year	(3,460,813)	(2,212,731)
	Opening net debt	(13,629,429)	(11,416,698)
	Closing net debt	(17,090,242)	(13,629,429)

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

1.2 Going concern

The company made a loss of £3,263,039 in the financial year and had net liabilities of £14,261,348 at the year end.

The company's major creditor, its holding company Canmango Limited, has confirmed that the year end balance due by the company of £10,617,799 will not be called until at least beyond 30 June 2014.

D Richardson, the ultimate controlling party, has confirmed that he will support the company for the foreseeable future to enable it to continue normal trading operations and meet its liabilities as they fall due.

The Board has considered the above and believes that the going concern basis of accounting remains appropriate in preparing these annual financial statements.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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

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

Income received relating to future periods is included as deferred income within creditors until the relevant revenue recognition event has occurred.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	33.3% per annum on a straight line basis
Computer equipment	33.3% per annum on a straight line basis
Fixtures, fittings & equipment	33.3% per annum on a straight line basis

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1 Accounting policies **(continued)**

1.7 Investments

Fixed asset investments are stated at valuation, less any provision for permanent diminution in value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is provided for only where there is reasonable certainty that taxable profits will be generated in the future. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	**2013**	**2012**
	£	**£**
Operating loss is stated after charging:		
Depreciation of tangible assets	35,366	45,237
Operating lease rentals (other)	533,110	697,194
Auditors' remuneration	25,143	32,225

4 Interest payable	**2013**	**2012**
	£	**£**
On bank loans and overdrafts	2,554	13,227
Other interest	155,683	118,271
	158,237	131,498

		2013	2012
5	**Taxation**		
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(3,263,039)	(2,857,078)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	(750,499)	(685,699)
	Effects of:		
	Non deductible expenses	23,055	8,771
	Depreciation add back	8,405	11,535
	Capital allowances	(25,386)	(12,932)
	Unrelieved tax losses	781,515	735,929
	Changes in effective tax rate	(37,090)	(57,604)
		750,499	685,699
	Current tax charge for the year	-	-

The company has estimated losses of £21,682,156 (2012 - £18,410,094) available for carry forward against future trading profits.

No provision has been made in these accounts for the deferred tax asset of £4,336,431 (2012: £3,682,019) resulting from carrying forward trading losses. A deferred tax asset would only be recognised where there is reasonable certainty that sufficient taxable profits will be generated in future.

6 Tangible fixed assets

	Land and buildings leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2012	212,800	218,168	191,367	622,335
Additions	6,886	25,849	46,758	79,493
At 30 June 2013	219,686	244,017	238,125	701,828
Depreciation				
At 1 July 2012	201,728	215,893	172,068	589,689
Charge for the year	11,190	2,081	22,095	35,366
At 30 June 2013	212,918	217,974	194,163	625,055
Net book value				
At 30 June 2013	6,768	26,043	43,962	76,773
At 30 June 2012	11,072	2,275	19,299	32,646

7 Fixed asset investments

	Shares in participating interests £
Cost or valuation	
At 1 July 2012	3,233,574
Revaluation	1,766,426
At 30 June 2013	5,000,000
Net book value	
At 30 June 2013	5,000,000
At 30 June 2012	3,233,574

The company's investment at the balance sheet date represents the directors' valuation of its shares in Premier Rugby Limited.

In line with guidance provided to all members of Premier Rugby Limited, the company decided to revalue its shares in Premier Rugby Limited during the year to reflect the increase in values of central commercial contracts. The valuation was calculated on the net present value of contracted cashflows the company was entitled to as a member of Premier Rugby Limited on a rolling contract basis. The discount rate used in the valuation was 7%.

8 Debtors

	2013 £	2012 £
Trade debtors	469,397	35,014
Other debtors	-	331,730
Prepayments and accrued income	91,408	124,418
	560,805	491,162

9 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	643,876	709,807
Taxes and social security costs	518,675	901,247
Director's loan	-	1,480,000
Other loans	782,531	410,942
Other creditors	17,007	38,301
Accruals and deferred income	1,629,126	1,243,333
	3,591,215	4,783,630

The previously disclosed director's loan belonging to S E Hayes is now repayable under a formal agreement. £415,388 of the loan outstanding as at 30 June 2013 has been reassigned to Other loans above. The remaining balance of £415,388 has been reassigned to Other loans falling due after more than one year. As at 30 June 2013 the balance of the loan was £830,776 (2012: £1,480,000). The loan is interest free and is secured by a fixed and floating charge over the assets of the company.

Also included within Other loans above is the short term element of the Close Leasing Limited loan as described in note 10, Creditors: amounts falling due after more than one year, amounting to £367,143 (2012: £410,942).

10 Creditors: amounts falling due after more than one year	**2013**	**2012**
	£	**£**
Director's loan	-	10,617,799
Other loans	6,030,250	1,137,329
Amount owed to parent company (secured)	10,617,799	-
	16,648,049	11,755,128
Analysis of loans		
Not wholly repayable within five years by instalments	14,448,903	10,617,799
Wholly repayable within five years by installments	2,981,677	1,548,271
	17,430,580	12,166,070
Included in current liabilities	(782,531)	(410,942)
	16,648,049	11,755,128
Loan maturity analysis		
In more than one year but not more than two years	819,482	454,740
In more than two years but not more than five years	1,379,664	682,589
In more than five years	14,448,903	10,617,799

During the year D Richardson, the ultimate controlling party, advanced the company £3,831,104 on an interest free basis. This is reflected in Other loans above. The loan is secured by a fixed and floating charge over the assets of the company and has no set repayment date. The balance owing as at 30 June 2013 was £3,831,104 (2012: £nil).

The long term director's loan totalling £10,617,799 was assigned to Canmango Limited, the immediate parent company, for £1 consideration on the sale of shares in the company by S E Hayes during the year. This loan is secured by way of a debenture over the company's assets.

During the year Close Leasing Limited advanced further monies to the company totalling £998,000 and this is included under Other loans. This loan is secured by a charge over the P Capital shares and P Income shares in Premier Rugby Limited held by London Wasps Holdings Limited. The balance owing as at 30 June 2013 was £2,150,901 (2012: £1,548,271) of which £367,143 is shown in Other loans less than one year.

11 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the company for the year	6,414	-

12 Share capital

	2013	2012
	£	£
Allotted, called up and fully paid		
775,550 Ordinary shares of £1 each	775,550	-
329,850 Ordinary 'A' shares of £1 each	-	329,850
50,000 Ordinary 'B' shares of £1 each	-	50,000
197,850 Ordinary 'C' shares of £1 each	-	197,850
197,850 Ordinary 'D' shares of £1 each	-	197,850
	775,550	775,550

On 12 September 2012 the company redesignated all of the 'A', 'B', 'C' and 'D' Ordinary shares into Ordinary shares.

13 Statement of movements on reserves

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance at 1 July 2012	6,340,989	3,233,574	(23,114,848)
Loss for the year	-	-	(3,263,039)
Revaluation during the year	-	1,766,426	-
Balance at 30 June 2013	6,340,989	5,000,000	(26,377,887)

14 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Loss for the financial year	(3,263,039)	(2,857,078)
Other recognised gains and losses	1,766,426	-
Net depletion in shareholders' funds	(1,496,613)	(2,857,078)
Opening shareholders' funds	(12,764,735)	(9,907,657)
Closing shareholders' funds	(14,261,348)	(12,764,735)

15 Financial commitments

At 30 June 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2014:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Between two and five years	505,000	505,000	3,600	3,600

16 Directors' remuneration

	2013 £	2012 £
Remuneration for qualifying services	-	22,106

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
Players	67	61
Management and administration	29	28
	96	89

Employment costs	2013 £	2012 £
Wages and salaries	4,833,983	4,985,090
Social security costs	601,764	552,819
Other pension costs	6,414	-
	5,442,161	5,537,909

18 Control

On 31 August 2012 Canmango Limited, a company incorporated in England and Wales, acquired all the 'A', 'C' and 'D' Ordinary shares and 34,489 'B' Ordinary shares in the company.

On 5 April 2013, 100% of Canmango Limited was purchased by Moonstone Limited, an entity controlled by D Richardson, who became the ultimate controlling party of London Wasps Holdings Limited as at that date.

The ultimate parent company is Moonstone Limited, a company registered in Malta.

Moonstone Limited prepares group financial statements and copies can be obtained from: Sardonyx, Triq Ghajn Tuffieha, Mgarr, Malta.

19 Post balance sheet events

On 17 July 2013 London Wasps Holdings Limited received a further tranche of loan monies against the P Capital shares and P Income shares in Premier Rugby Limited from Close Leasing Limited amounting to £698,600.

20 Related party relationships and transactions

Loans from directors

Transactions in relation to loans from directors during the year are outlined in the table below.

Description	Opening Balance	Amounts Novated	Interest Charged	Amounts Repaid	Closing Balance
	£	£	£	£	£
S E Hayes - Loan	12,097,799	(10,617,799)	-	(649,224)	830,776
	12,097,799	(10,617,799)	-	(649,224)	830,776

During the year as part of the sale agreement to Canmango Limited, the long term director's loan of £10,617,799 was assigned to Canmango Limited, the immediate parent company, for £1 consideration and reclassified within Creditors: amounts falling due after more than one year (Note 10). The remaining balance of £830,776 has been reanalysed as described in Creditors: amounts falling due within one year (Note 9).

Other transactions

During the year London Wasps Holdings Limited received matchday ticket sales and paid out prizes on behalf of London Wasps Academy Fund Limited, a company connected through common directorship, resulting in £11,857 being owed by London Wasps Holdings Limited at the balance sheet date and is included in other creditors, (2012: £35,412 owed to London Wasps Holdings Limited and included in other debtors).

During the year London Wasps Holdings Limited received CoacHclass income and other related income and met a number of expenses on behalf of London Wasps Community Foundation Limited. At 30 June 2013 London Wasps Holdings Limited owed £1,312 to London Wasps Community Foundation Limited and is included in other creditors, (2012: London Wasps Community Foundation Limited owed London Wasps Holdings Limited £28,935 and was included in other debtors).

During the year Sportcorp Limited, a company controlled by D C Thorne, charged London Wasps Holdings Limited management fees totalling £113,306 (2012: £3,180).

During the year D Richardson, the ultimate controlling party, made loans to the company totalling £3,831,104 (2012: £nil) all of which were outstanding at 30 June 2013.

LONDON WASPS HOLDINGS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

		2013		2012
	£	£	£	£
Turnover				
Gate receipts		1,576,016		1,396,593
Sales and marketing		501,396		1,428,586
Events		59,727		101,348
Merchandising		186,156		287,646
Food & beverage		85,980		55,598
Media		1,421		44
Other income		3,646,050		3,449,076
		6,056,746		6,718,891
Cost of sales				
Purchases	270,010		730,214	
Wages and salaries (excl. N.I.)	4,522,170		4,404,471	
Employer's N.I. contributions	568,476		535,960	
Rugby costs	1,542,903		1,512,629	
Match expenses	97,213		120,585	
Rent re operating leases	280,000		418,412	
		(7,280,772)		(7,722,271)
Gross loss		(1,224,026)		(1,003,380)
Administrative expenses		(1,880,776)		(1,722,200)
Operating loss		(3,104,802)		(2,725,580)
Interest payable				
Bank interest paid	2,554		13,227	
Other interest paid	155,683		118,271	
		(158,237)		(131,498)
Loss before taxation		(3,263,039)		(2,857,078)

LONDON WASPS HOLDINGS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	£	£
Administrative expenses		
Wages and salaries (excl. N.I.)	311,813	558,513
Directors' remuneration	-	22,106
Employer's N.I. contributions	33,288	16,859
Staff pension costs	6,414	-
Rent re operating leases	253,110	278,782
Audit fees	25,143	32,225
Bad and doubtful debts	23,628	91,040
Ground and building costs	56,860	27,111
Administration costs	1,135,154	650,327
Amortisation on short leasehold	11,190	25,471
Depreciation on FF & E	22,095	17,825
Depreciation on computer equipment	2,081	1,941
	1,880,776	1,722,200

Company Registration No. 04187289 (England and Wales)

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

LONDON WASPS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M A Rigby	Chairman
	R N Dawbarn	
	N J Eastwood	
	R W Gray	
	I A Montlake	
	D A Richardson	
Company number	4187289	
Registered office	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Auditors	Haines Watts Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire HP13 5HQ	
Business address	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Bankers	Barclays Commercial Bank Level 27 1 Churchill Place London E14 5HP	
Solicitors	Kennedys Law LLP 25 Fenchurch Avenue London EC3M 5AD	

LONDON WASPS HOLDINGS LIMITED

CONTENTS

LONDON WASPS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and financial statements for the year ended 30 June 2014.

The primary business of London Wasps Holdings Limited, "Wasps", is the playing of Rugby Union in the Aviva Premiership and European competitions, together with management of the associated costs and revenues. The control of costs, development of revenues and cash management are the key objectives of the business.

These company objectives are directly linked with the performance of the Wasps rugby team on the field. Consequently the club builds a team squad, within the limits of the salary cap, and coaching staff to improve team performance year on year.

For 2014/15 the team's objective is to finish in the top six of the Aviva Premiership having finished 7th in2013/14. A top four finish will qualify the Wasps team for the Premiership play offs and also for the second season of the European Rugby Championship. This will lead to enhanced revenues for the company. The business model is that of a premiership club that, until 14th November 2014, did not own its own ground but rents stadium space away from the training ground and administrative headquarters. The change of ownership in 2012/13 provided the club with the stability and outlook necessary for the development of a long-term vision and plan. The key priorities in the short and medium term remain to be the continued development of the playing resources and the growth in commercial and match day revenues. These objectives, coupled with the prudent management of the company's cash resources, will aid the building of a stable business model for the company.

On 14 November 2014, London Wasps Holdings Limited ("Wasps") completed the acquisition of a 100% shareholding in Arena Coventry Limited by acquiring a 50% shareholding from The Alan Edward Higgs Charity. Wasps had previously acquired a 50% interest in Arena Coventry Limited from North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, on 8 October 2014.

The acquistion of Arena Coventry Limited will give the company much needed geographical security as it provides a permanent home for the forseeable future.

Business environment

The internal environment is that of a stable and growing Aviva Premiership club which continues to attract and retain top class players and coaching staff. Externally the game of Rugby Union continues to grow both in the UK and worldwide. This will be further enhanced in 2015 with England hosting the Rugby World Cup.

Principal risks and uncertainties

· Relegation from the Premiership

- Impact: Reduced revenues that would necessarily involve a reduction in expenditure to compensate for loss of revenue.

- Mitigation: Continued investment in the playing squad and coaching staff to ensure playing standards are at the very least maintained.

· Reduced funding from the RFU and PRL.

- Impact: Reduced revenue from central contracts.

- Mitigation: Continued development of players who will feature in England squads thus maximising certain elements of revenue from the RFU and PRL.

· Inability to attract and retain top class players.

- Impact: Ability to maintain Wasps as a leading English club is compromised.

- Mitigation: Continued investment in playing staff and player support maintains Wasps reputation for developing international players.

LONDON WASPS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

Employee, social and community

The company maintains and updates its HR procedures in line with current legislation to ensure that all
employees are treated fairly and their human rights are not adversely impacted.

The company is associated with the women's rugby team at Wasps, ladies team having provided several players to the England Women's Team which won the Women's Rugby World Cup in 2014.

The company is heavily involved with the Wasps Community Foundation which is responsible for developing rugby amongst boys and girls in the wider community.

Business Performance

The performance of the business is measured both on and off the pitch using both financial and non-financial measures. The company's key performance indicators are listed below:-

KPI	30th JUNE 2014	30th JUNE 2013	COMMENT REF
Turnover (£'000)	6,511	6,057	1
League position	7th	8th	2
Average attendance	8,846	6,654	3
Season tickets sold	2,893	2,730	4

Comments

1. Sales revenues increased as a result of increased sponsorship revenues and the re-introduction of the "Stinger" game at Twickenham.
2. The improvement in performance on the pitch led to qualification for the new European Champions Cup for the 2014/15 season. The Team also also got through to the semi-final of the Amlin Cup, having won all of its pool matches.
3. Average attendance increased with the successful "Stinger" fixture against Gloucester.
4. Season tickets increased, reversing the recent trend of annual decreases.

On behalf of the board

....

N Eastwood

Director

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LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

Principal activities and review of the business

The principal activity of the company is the operation of a professional rugby team, along with the development of grass roots rugby union and the promotion of the game within the community.

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 July 2013:

M A Rigby	
R N Dawbarn	
N J Eastwood	(Appointed 1 May 2014)
R W Gray	(Appointed 1 May 2014)
I A Montlake	
D A Richardson	(Appointed 1 March 2014)

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements 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 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.

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

....

N Eastwood

Director

Date: ....

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of London Wasps Holdings Limited for the year ended 30 June 2014 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent's company's affairs as at 30 June 2014 and of the groups profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Gary Heywood (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor

Sterling House

5 Buckingham Place

Bellfield Road West

High Wycombe

Buckinghamshire

HP13 5HQ

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 £	2013 £
Turnover	2	6,510,662	6,056,746
Cost of sales		(8,566,260)	(7,401,941)
Gross loss		(2,055,598)	(1,345,195)
Administrative expenses		(1,948,807)	(1,759,607)
Operating loss	3	(4,004,405)	(3,104,802)
Exceptional items			
Release of Negative Goodwill	5	10,617,798	-
Profit/(Loss) on ordinary activities before interest		6,613,393	(3,104,802)
Interest payable and similar charges	4	(259,477)	(158,237)
Profit/(Loss) on ordinary activities before taxation		6,353,916	(3,263,039)
Tax on loss on ordinary activities	6	-	-
Profit/(Loss) for the year	16	6,353,916	(3,263,039)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	£	£
Profit/(Loss) for the financial year	6,353,916	(3,263,039)
Unrealised surplus on revaluation of fixed asset investment	-	1,766,426
Total recognised gains and (losses) relating to the year	6,353,916	(1,496,613)

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	9		80,278		76,773
Investments	10		5,000,000		5,000,000
			5,080,278		5,076,773
Current assets					
Debtors	11	364,085		560,805	
Cash at bank and in hand		90,146		340,338	
		454,231		901,143	
Creditors: amounts falling due within one year	12	(2,691,745)		(3,591,215)	
Net current liabilities			(2,237,514)		(2,690,072)
Total assets less current liabilities			2,842,764		2,386,701
Creditors: amounts falling due after more than one year	13		(10,750,196)		(16,648,049)
			(7,907,432)		(14,261,348)
Capital and reserves					
Called up share capital	15		775,550		775,550
Share premium account	16		6,340,989		6,340,989
Revaluation reserve	16		5,000,000		5,000,000
Profit and loss account	16		(20,023,971)		(26,377,887)
Shareholders' deficit	17		(7,907,432)		(14,261,348)

Approved by the Board and authorised for issue on ....

....

N Eastwood

Director

Company Registration No. 04187289

LONDON WASPS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	9		80,278		76,773
Investments	10		5,000,001		5,000,000
			5,080,279		5,076,773
Current assets					
Debtors	11	364,085		560,805	
Cash at bank and in hand		90,146		340,338	
		454,231		901,143	
Creditors: amounts falling due within one year	12	(2,691,745)		(3,591,215)	
Net current liabilities			(2,237,514)		(2,690,072)
Total assets less current liabilities			2,842,765		2,386,701
Creditors: amounts falling due after more than one year	13		(21,367,995)		(16,648,049)
			(18,525,230)		(14,261,348)
Capital and reserves					
Called up share capital	15		775,550		775,550
Share premium account	16		6,340,989		6,340,989
Revaluation reserve	16		5,000,000		5,000,000
Profit and loss account	16		(30,641,769)		(26,377,887)
Shareholders' deficit	17		(18,525,230)		(14,261,348)

Approved by the Board and authorised for issue on ....

....

N Eastwood

Director

Company Registration No. 04187289

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

		2,014		2013
	£	£	£	£
Net cash outflow from operating activities		(4,630,681)		(3,223,083)
Returns on investments and servicing of finance				
Interest paid	(259,477)		(158,237)	
Net cash outflow for returns on investments and servicing of finance		(259,477)		(158,237)
Capital expenditure				
Payments to acquire tangible assets	(45,546)		(79,493)	
Acquisitions and disposals				
Payment to acquire Canmango Limited	(1)		-	
Net cash outflow for capital expenditure		(45,547)		(79,493)
Net cash outflow before management of liquid resources and financing		(4,935,705)		(3,460,813)
Financing				
Increase in borrowings	5,398,800		4,829,104	
Repayment of borrowings	(713,287)		(1,044,594)	
Net cash inflow from financing		4,685,513		3,784,510
(Decrease)/increase in cash in the year		(250,192)		323,697

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

1 Reconciliation of operating loss to net cash outflow from operating activities

	2014	2013
	£	£
Operating Profit/(loss)	6,613,393	(3,104,802)
Release of Negative Goodwill	(10,617,798)	-
Depreciation of tangible assets	42,041	35,366
Decrease/(increase) in debtors	196,720	(69,643)
Decrease in creditors within one year	(865,037)	(84,004)
Net cash outflow from operating activities	(4,630,681)	(3,223,083)

2 Analysis of net debt

	01-Jul-13	Cash flow	Other non-cash changes	30-Jun-14
	£	£	£	£
Net cash:				
Cash at bank and in hand	340,338	(250,192)	-	90,146
	340,338	(250,192)	-	90,146
Debt:				
Debts falling due within one year	(782,531)	34,433	-	(748,098)
Debts falling due after one year	(16,648,049)	(4,719,946)	10,617,799	(10,750,196)
	(17,430,580)	(4,685,513)	10,617,799	(11,498,294)
Net debt				
	(17,090,242)	(4,935,705)	10,617,799	(11,408,148)

3 Reconciliation of net cash flow to movement in net debt

	2,014	2,013
	£	£
(Decrease)/increase in cash in the year	(250,192)	323,697
Other non-cash changes	10,617,799	-
Cash inflow from increase in debt	(4,685,513)	(5,264,510)
Movement in net debt in the year	5,682,094	(4,940,813)
Opening net debt	(17,090,242)	(12,149,429)
Closing net debt	(11,408,148)	(17,090,242)

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

1.2 Going concern

The Group made a profit of £6,353,916 in the financial year and had net liabilities of £7,907,432 at the year end.

D A Richardson, the ultimate controlling party, has confirmed that he will support the company for the foreseeable future to enable it to continue normal trading operations and meet its liabilities as they fall due and he has also confirmed that he has no intention of calling upon the repayment of the loan due to him at 30 June 2014, totalling £8,531,104 at least during the next twelve months.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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

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

Income received relating to future periods is included as deferred income within creditors until the relevant revenue recognition event has occurred.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold-	50% Per Annum on a Straight Line Basis
Computer equipment-	Between 20% and 50% per annum on a Straight Line Basis
Fixtures, fittings & equipment-	As above

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at valuation, less any provision for permanent diminution in value.

1 Accounting policies (continued)

1.8 Basis of Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 June 2014. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is provided for only where there is reasonable certainty that taxable profits will be generated in the future. The deferred tax balance has not been

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating loss	**2014**	**2013**
Operating loss is stated after charging:	£	£
Release of Negative Goodwill	(10,617,798)	-
Depreciation of tangible assets	42,041	35,366
Operating lease rentals (other)	504,153	533,110
Auditors' remuneration-Audit	15,000	15,000
Auditors' remuneration-Non audit services	8,325	10,143

4 Interest payable	**2014**	**2013**
	£	£
On bank loans and overdrafts	5,250	2,554
Other interest	254,227	155,683
	259,477	158,237

5 Exceptional item

On 26 June 2014 London Wasps Holdings Limited, "Wasps", acquired 100% of the issued share capital of Canmango Limited from Moonstone Holdings Limited. The consideration was £1. The debt owed by Wasps to Camango of £10,617,799 as per Note 13 to these accounts had, in the accounts of Canmango been written down to £1 on the grounds of recoverability. As a consequence, upon consolidation, negative goodwill of £10,617,778 was created because the fair value of the asset acquired was deemed to be substantially higher than the consideration paid. The £10,617,798 negative goodwill has then been written back through the consolidated profit and loss account this year.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

6 Taxation

	2014	2013
	£	£
Total current tax	-	-
Factors affecting the tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	6,353,916	(3,263,039)
Profit/ Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	1,334,322	(750,499)
Effects of:		
Non deductible expenses	(1,411)	23,055
Non taxable Exceptional item	(2,229,738)	-
Depreciation add back	9,669	8,405
Capital allowances	(11,169)	(25,386)
Unrelieved tax losses	983,604	781,515
Changes in effective tax rate	(85,277)	(37,090)
	(1,334,322)	750,499
Current tax charge for the year	-	-

The company has estimated losses of £25,815,308 (2013 - £21,682,156) available for carry forward against future trading profits.

No provision has been made in these accounts for the deferred tax asset of £5,163,062 (2013: £4,336,431) resulting from carrying forward trading losses. A deferred tax asset would only be recognised where there is reasonable certainty that sufficient taxable profits will be generated in future.

7 Profit / (Loss) for the year

As permitted by Section 408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The Profit / (Loss) for the year includes the Holding company's (loss) for the year of £4,263,882 (2013: £3,263,039 loss)

8 **Intangible fixed assets**

Group

	Negative Goodwill
	£
Cost at 1 July 2013	
Addition At 30 June 2014	(10,617,798)
	(10,617,798)
Amortisation	
At 1 July 2013	-
Written back through the Group's consolidated profit and loss account	10,617,798
At 30 June 2014	10,617,798
Net book value	
At 30 June 2014	-

9 **Tangible fixed assets**

Group and Company

	Land and buildings leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2013	219,686	244,017	238,125	701,828
Additions	-	17,163	28,383	45,546
At 30 June 2014	219,686	261,180	266,508	747,374
Depreciation				
At 1 July 2013	212,918	217,974	194,163	625,055
Charge for the year	5,157	10,298	26,586	42,041
At 30 June 2014	218,075	228,272	220,749	667,096
Net book value				
At 30 June 2014	1,611	32,908	45,759	80,278
At 30 June 2013	6,768	26,043	43,962	76,773

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

10 Fixed asset investments
Group

	Unlisted Investments
	£
Cost or valuation	
At 1 July 2013 and at 30 June 2014 (1)	5,000,000
Net book value	
At 30 June 2014	5,000,000
At 30 June 2013	5,000,000

Fixed asset investments
Company

	Shares in group undertakings	Unlisted investments	Total
Cost or Valuation At 1 July 2013	-	5,000,000	5,000,000
Addition (2)	1	-	1
30 June 2014	1	5,000,000	5,000,001
Net book value			
30 June 2014	1	5,000,000	5,000,001

(1) The company's investment at the balance sheet date represents the directors' valuation of its shares in Premier Rugby Limited.

In line with guidance provided to all members of Premier Rugby Limited, the company revalued its shares in Premier Rugby Limited during the previous year to reflect the increase in values of central commercial contracts. The valuation was calculated on the net present value of contracted cashflows the company was entitled to as a member of Premier Rugby Limited on a rolling contract basis. The discount rate used in the valuation was 7%.

(2) The company acquired 100% of the ordinary share capital of Canmango Limited, a company registered in England and Wales on 26 June 2014

11 Debtors	Group & Company 2014	2013
	£	£
Trade debtors	170,392	469,397
Other debtors	109,461	-
Prepayments and accrued income	84,232	91,408
	364,085	560,805

12 Creditors: amounts falling due within one year	Group & company	
	2014	2013
	£	£
Trade creditors	97,344	643,876
Taxes and social security costs	698,204	518,675
Other loans	748,098	782,531
Other creditors	38,282	17,007
Accruals and deferred income	1,109,817	1,629,126
	2,691,745	3,591,215

Other loans include amounts owed to S E Hayes a former director which are repayable under a formal agreement. As at 30 June 2014 the balance of this loan was £415,388 (2013: £415,388). The loan is interest free and is secured by a fixed and floating charge over the assets of the company.

Also included within Other loans is the short term element of the Close Leasing Limited loan as described in note 12, Creditors: amounts falling due after more than one year, amounting to £332,710 (2013: £367,143).

13 Creditors: amounts falling due after more than one year	Company 2014 £	2013 £	Group 2014 £	2013 £
Other loans	10,750,196	6,030,250	10,750,196	6,030,250
Amount owed to Canmango Limited (secured)	10,617,799	10,617,799	-	10,617,799
	21,367,995	16,648,049	10,750,196	16,648,049
Analysis of loans				
Not wholly repayable within five years by instalments	19,679,007	14,448,903	9,061,208	14,448,903
Wholly repayable within five years by installments	2,437,086	2,981,677	2,437,086	2,981,677
	22,116,093	17,430,580	11,498,294	17,430,580
Included in current liabilities	(748,098)	(782,531)	(748,098)	(782,531)
	21,367,995	16,648,049	10,750,196	16,648,049
Loan maturity analysis				
In more than one year but not more than two years	365,195	819,482	365,195	819,482
In more than two years but not more than five years	1,323,793	1,379,664	1,323,793	1,379,664
In more than five years	19,679,007	14,448,903	9,061,208	14,448,903

During the year D A Richardson, the ultimate controlling party, advanced the company £4,700,000 (2013: £3,831,104) on an interest free basis. This is included in Other loans due after one year above. The loan is secured by a fixed and floating charge over the assets of the company and has no set repayment date. The balance owing as at 30 June 2014 was £8,531,104 (2013: £3,831,104).

The long term plan totalling £10,617,799 owed to Canmango Limited, a subdidiary company and also under the ultimate control of D A Richardson, is secured by way of a debenture over the company assets

During the year Close Leasing Limited advanced further monies to the company totalling £698,800 (2013: £998,000) and this is included under Other loans. This loan is secured by a charge over the P Capital shares and P Income shares in Premier Rugby Limited held by London Wasps Holdings Limited. The balance owing as at 30 June 2014 was £2,551,802 (2013: £2,150,901) of which £332,710 (2013: £367,143) is shown in Other loans due in less than one year.
Also included in the long term other loans is nil (2013: £415,388) owed to S E Hayes, a former director, and which is secured by a fixed and floating charge over the assets of the company.

14 Pension and other post-retirement benefit commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	Group & company 2014	2013
	£	£
Contributions payable by the company for the year	181,110	56,414

15 Share capital	**2,014**	**2,013**
	£	£
Allotted, called up and fully paid		
775,550 Ordinary shares of £1 each	775,550	775,550

16 Statement of movements on reserves	Group & Company Share premium	Group & Company Revaluation reserve	Group Profit and loss account	Company Profit and loss account
	£	£	£	£
Balance at 1 July 2013	6,340,989	5,000,000	(26,377,887)	(26,377,887)
Loss for the year	-	-	6,353,916	(4,263,882)
Balance at 30 June 2014				
	6,340,989	5,000,000	(20,023,971)	(30,641,769)

17 Reconciliation of movements in shareholders' funds	Company 2014	Group 2014	Group & Company 2013
	£	£	£
Profit/ (Loss) for the financial year	(4,263,882)	6,353,916	(3,263,039)
Other recognised gains and losses		-	1,766,426
Net increase/ (depletion) in shareholders' funds	(4,263,882)	6,353,916	(1,496,613)
Opening shareholders' funds	(14,261,348)	(14,261,348)	(12,764,735)
Closing shareholders' funds	(18,525,230)	(7,907,432)	(14,261,348)

18 Financial commitments

At 30 June 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2015:

	Group & company Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	505,000	-	-	-
Between two and five years	-	505,000	-	3,600
	505,000	505,000	-	3,600

19 Directors' remuneration	2014	2013
	£	£
Remuneration for qualifying services	20,000	-
Company pension contributions to defined contribution schemes	2,500	-
	22,500	-

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 0).

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	Group & company	
	2014	**2013**
	Number	**Number**
Players	61	67
Management and administration	46	29
	107	96

Employment costs	**2014**	**2013**
	£	£
Wages and salaries	5,802,545	5,315,367
Social security costs	637,433	601,764
Other pension costs	181,110	56,414
	6,621,088	5,973,545

21 Control

The immediate parent company of London Wasps Holdings Limited is Moonstone Holdings Limited, a company registered in Malta.

The ultimate parent company is MGI Fiduciary Services Limited also registered in Malta and is controlled by D A Richardson.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

22 Related party relationships and transactions **Group & company**

Loans from directors

Transactions in relation to loans from directors during the year are outlined in the table below:

Description	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
D A Richardson - Loan	3,831,104	4,700,000	-	-	8,531,104
	3,831,104	4,700,000	-	-	8,531,104

Other transactions

During the year London Wasps Academy Fund Limited, a company connected through common directorship, did not trade and remained dormant throughout the current year. It repaid its inter-company balance to London Wasps Holdings Limited. At the balance sheet date £ nil was owed to London Wasps Holdings Limited (2013: £11,857 and included in other creditors).

During the year London Wasps Holdings Limited received coach-class income, other related income and met a number of expenses on behalf of London Wasps Community Foundation (Limited by Guarantee) amounting to £36,619 (2013: £7,253). London Wasps Community Foundation (Limited by Guarantee) also paid a total of £27,500 (2013: £37,500) to London Wasps Holdings Limited. At the balance sheet date London Wasps Community Foundation (Limited by Guarantee) owed London Wasps Holdings Limited £7,807 and is included in other debtors (2013: £1,312 was owed to London Wasps Community (Limited by Guarantee) and included in other creditors).

23 Post balance sheet events

On 14 November 2014, London Wasps Holdings Limited ("Wasps") completed the acquisition of a 100% shareholding in Arena Coventry Limited by acquiring a 50% shareholding from The Alan Higgs Charity.

Wasps had previously acquired a 50% interest in Arena Coventry Limited from North Coventry Holdings Limited, a wholly owned subsidiary of the City of Coventry Council, on 8 October 2014.

Half year statement of Arena Coventry Limited for the six months ended 30 November 2013 and 30 November 2014

Registered number: 04440684

Arena Coventry Limited

Unaudited interim non-statutory financial statements
for the six months ended 30 November 2014

Arena Coventry Limited

Overview for the six months ended 30 November 2014

Objective

The objective of this interim review of the Arena Coventry Group financial performance is to provide insight into trading following the acquisition of Arena Coventry Limited ("ACL") by London Wasps (Holdings) Limited ("Wasps") in the first quarter of the financial year ending June 2015.

Coventry City Council ("CCC") and the Higgs Charity each held a 50% shareholding in ACL until the sale of the CCC shareholding in October 2014 and the Higgs Charity shareholding in November 2014 to Wasps.

The head lease of the venue (the "Head Lease") was purchased in June 2006 from Coventry North Regeneration Limited, a subsidiary of CCC, by Arena Coventry (2006) Limited, a wholly owned subsidiary of ACL and from which ACL leases the building. In January 2015 the Head Lease was extended to a period of 250 years until 2256.

Business Review

The principal activity of Arena Coventry Limited ("ACL") is the management and operation of the Ricoh Arena Complex which includes all aspects of hard facility management for the building, all matters relating to mandatory and legal compliance including, for example, the Safety Certificate and match-day safety, sponsorships including naming rights and the lease of office space and entertainment space in the building.

ACL also has a formal joint venture company, IEC Experience Ltd. ("IEC"), with its operating partner, Compass Group UK (a subsidiary of Compass Group PLC). ACL is the majority shareholder in IEC with a 77% shareholding in the company, with IEC reporting directly to ACL. IEC provides the "soft services" throughout the venue which include; hospitality, retail catering services, operation of the on-site hotel, conference and event sales, and cleaning services.

The Ricoh Arena is centrally located within 2 hours drive of 75% of the country and as such is ideally situated as a leading venue for business, entertainment and sport.

The unique venue comprises:-

- A stadium which can be configured as a 32,500 seat capacity stadium for sporting events (rugby, football etc.) or as a music and entertainment venue with a capacity of 42,500. Eleven concerts have taken place since 2005 including Bruce Springsteen, Coldplay, Take That and Oasis.
- A 6,000 square meter multi-use flexible exhibition, events and concert facility which can be divided into two separate spaces of 2,000 square metres and 4,000 square metres with conference capacity of 7,000 guests, a standing concert capacity of 12,000 visitors and the facilities to host 5,000 guests for seated banqueting.

Arena Coventry Limited

Overview for the six months ended 30 November 2014 (continued)

Business Review (continued)

- A 13,000 square metre conference and banqueting facility located across four levels. The function rooms in the facility can accommodate up to a 1000 guests in an open, pillar free space.
- An auditorium boasting 650 retractable seats which has recently hosted televised national wrestling events.
- An on-site restaurant.
- 19 concourse retail outlets with innovative branded concepts.
- A 4,200 square meter entertainment centre currently leased to Grosvenor Casinos.
- A 121 bedroom hotel.
- 1,250 on-site car parking spaces with a further 750 spaces available on car park C, an adjacent car park leased by ACL from Coventry City Council. The arena green travel initiative ensures that further car parking spaces are available for use on off-site car parks during a major sporting or music event.
- A dedicated railway station, scheduled to be opened in May 2015, is located on the perimeter of the site and will provide access to both Coventry and Nuneaton main line stations.

Outlook

The outlook for ACL is positive with continued solid growth across all market sectors with repeat and new clients. The upturn in the property market saw new occupational tenancies in 2014 on competitive rates and there is interest in the remaining vacant office and retail spaces which will provide long-term sustainable revenues to ACL.

Principal risks and uncertainties

The established business, as has been proven over the past eighteen months, can sustain the loss of a sports franchise but with a minimum four year agreement with Coventry City Football Club ("CCFC") and Wasps permanent relocation to the arena, the future of regular sporting activity at the venue is secured.

Results

The loss for the period, after taxation and minority interests, amounted to £497,058 (6 months to 30 November 2013 - loss £432,573).

Arena Coventry Limited

Consolidated profit and loss account for the six months ended 30 November 2014

	Note	6 months ended 30 November 2014 £	6 months ended 30 November 2013 £	12 months ended 31 May 2014 £
Turnover	1	**7,092,160**	5,922,173	12,161,639
Cost of sales		**(2,412,641)**	(2,350,945)	(3,599,404)
Gross profit		**4,679,519**	3,571,228	8,562,235
Administrative expenses		**(4,857,062)**	(3,684,300)	(8,307,518)
Operating (loss) / profit		**(177,543)**	(113,072)	254,717
(Loss) / profit on ordinary activities before		**(177,543)**	(113,072)	254,717
Interest payable		**(350,012)**	(349,998)	(708,010)
Loss on ordinary activities before taxation		**(527,555)**	(463,070)	(453,293)
Tax on loss on ordinary activities		-	-	-
Loss on ordinary activities after taxation		**(527,555)**	(463,070)	(453,293)
Minority interests		**30,497**	30,497	60,994
Loss for the financial year		**(497,058)**	(432,573)	(392,299)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

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Arena Coventry Limited

Consolidated balance sheet as at 30 November 2014

	30 November 2014 £	30 November 2013 £	31 May 2014 £
Fixed Assets			
Tangible assets	**23,163,460**	24,208,335	23,661,941
Current assets			
Debtors	**1,896,905**	1,335,311	2,681,254
Cash at bank and in hand	**2,357,866**	731,794	692,455
	4,254,771	2,067,105	3,373,709
Creditors :amounts falling due within one year	**(2,405,960)**	(1,141,788)	(1,858,421)
Net current assets	**1,848,811**	925,317	1,515,288
Total assets less current liabilities	**25,012,271**	25,133,652	25,177,229
Creditors: amounts falling due after more than one year	**(13,807,584)**	(14,204,318)	(14,143,367)
Accruals and deferred income	**(4,876,942)**	(3,995,986)	(4,178,562)
Net assets	**6,327,745**	6,933,348	6,855,300
Capital and reserves			
Called up share capital	**3,516,112**	3,516,112	3,516,112
Profit and loss account	**2,044,100**	2,588,709	2,541,158
Shareholders' funds	**5,560,212**	6,104,821	6,057,270
Minority interests	**767,533**	828,527	798,030
	6,327,745	6,933,348	6,855,300

Approved by the Board on 15 April 2015
and signed on its behalf by David Armstrong ....

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Arena Coventry Limited

Consolidated cash flow statement for the six months ended 30 November 2014

	Note	6 months to 30 November 2014 £	6 months to 30 November 2013 £	12 months to 31 May 2014 £
Net cash flow from operating activities	2	**2,222,056**	437,011	828,522
Returns on investments and servicing of finance				
Interest paid		**(350,012)**	(349,998)	(708,010)
Net cash outflow from returns on investments and servicing of finance		**(350,012)**	(349,998)	(708,010)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		**(148,559)**	(152,901)	(169,090)
Net cash outflow for capital expenditure and financial investment		**(148,559)**	(152,901)	(169,090)
Financing				
Repayment of borrowing		**(1,058,074)**	(55,258)	(111,907)
Receipt from borrowing		**1,000,000**	-	-
Net cash outflow from financing		**(58,074)**	(55,258)	(111,907)
Increase / (decrease) in cash in the year		**1,665,411**	(121,146)	(160,485)

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Arena Coventry Limited

Reconciliation of net cash flow to movement in net debt for the six months ended 30 November 2014

	Note	6 months to 30 November 2014 £	6 months to 30 November 2013 £	12 months to 31 May 2014 £
Increase / (decrease) in cash in the year		**1,665,411**	(121,146)	(160,485)
Cash outflow from decrease in debt and lease financing		**58,074**	55,258	111,907
Change in net debt resulting from cash flows		**1,723,485**	(65,888)	(48,578)
Other non-cash changes		-	-	-
Movement in net debt in the year		**1,723,485**	(65,888)	(48,578)
Net debt at beginning of period	3	**(13,568,520)**	(13,519,942)	(13,519,942)
Net debt at end of period		**(11,845,035)**	(13,585,830)	(13,568,520)

Arena Coventry Limited

Notes to the unaudited interim non statutory financial statements for the six months ended 30 November 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and on a going concern basis and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Arena Coventry Limited and its subsidiary undertakings drawn up to 30 November 2014 using acquisition accounting.

1.3 Turnover

Turnover is derived from the commercial activities of the group and is stated net of value added tax. Sponsorship, rental and service charge income are recognised over the period that services are offered. Hospitality, catering and facilities management services income is recognised at the point that the services are provided. Revenue received in advance of events is recorded as deferred income.

1.4 Administrative expenses

Included within administrative expenses for the six month period ending 30 November 2014 is the receipt of debt previously written off from Coventry City Football Club of £471,177.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	life of the lease
Fixtures and fittings	-	2-33% per annum
Computer and office equipment	-	7-33% per annum
Catering equipment	-	33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

1.6 Investments

Investments in subsidiaries are stated at cost less provision for impairment.

1.7 Leasing and Hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Arena Coventry Limited

Notes to the unaudited interim non statutory financial statements for the six months ended 30 November 2014 (Continued)

1.8 Operating Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Grants and contributions

Grants and contributions relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

1.11 Pensions

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions to the staff and a director's defined contribution private pension scheme that are payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.12 Turnover

All turnover arose within the United Kingdom.

Arena Coventry Limited

Notes to the unaudited interim non statutory financial statements for the six months ended 30 November 2014 (Continued)

2 Net cash flow from operating activities

	6 months to 30 November 2014 £	6 months to 30 November 2013 £	12 months to 31 May 2014 £
Operating (loss) / profit	**(177,543)**	(113,072)	254,717
Depreciation of tangible fixed assets	**647,040**	665,228	1,325,455
Amortisation of grants	**(22,578)**	(23,465)	(46,430)
Release of lease assignment fee	**(480,565)**	(480,565)	(961,130)
Decrease / (increase) in debtors	**784,349**	915,360	(492,759)
Increase / (decrease) in creditors	**1,471,353**	(526,475)	748,669
Net cash inflow from operating activities	**2,222,056**	437,011	828,522

3 Analysis of changes in net debt

	1 June 2014 £	Cash flow £	Non-cash changes £	30 November 2014 £
Cash at bank and in hand	692,455	1,665,411	-	**2,357,866**
Debt:				
Debts due within one year	(117,608)	(277,709)	-	**(395,317)**
Debts falling due after more than one year	(14,143,367)	335,783	-	**(13,807,584)**
Net debt	(13,568,520)	1,723,485	-	**(11,845,035)**

Half year statement of Wasps Holdings Limited for the six months ended 31 December 2013 and 31 December 2014

Registered number: 04187289

LONDON WASPS HOLDINGS LIMITED

Unaudited interim non-statutory financial statements
for the six months ended 31 December 2014

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LONDON WASPS HOLDINGS LIMITED

OVERVIEW FOR THE SIX MONTHS ENDING 31 DECEMBER 2014

BUSINESS REVIEW

The primary business of London Wasps Holdings Limited ("Wasps") continues to be the playing of Rugby Union in the Aviva Premiership and European competitions, together with management of the associated costs and revenues. Cost control, development of revenues and cash management are the key objectives of the business.

These company objectives are directly linked with the performance of the Wasps rugby team on the field. Consequently Wasps builds a team squad, within the limits of the salary cap, and coaching staff to improve team performance year on year.

For 2014/15 the team's objective is to finish in the top six of the Aviva Premiership. A top six finish will qualify the Wasps team for the second season of the European Rugby Championship and a top four finish would qualify Wasps for the Aviva Premiership play offs. Until November 2014 the business model was a premiership club that, until 14 November 2014, did not own its own ground but rented stadium space away from the training ground and administrative headquarters. This changed in November 2014 when Wasps completed the acquisition of Arena Coventry Limited ("ACL").

For the purpose of these unaudited interim financial statements, the ACL Group has not been consolidated post its acquisition in November 2014.

The Acquisition of ACL will give Wasps much needed geographical security as it provides, amongst other things, a permanent home for the foreseeable future. The Wasps team played its last home game at Adams Park on 14 December 2014 and its first home game at the Ricoh on 21 December 2014 attracting a near capacity crowd.

Even with the enhanced revenue opportunities associated with playing in a larger stadium and controlling food and beverage revenues, the key priorities in the short and medium term remain to be the continued development of the playing resources and the growth in commercial and match day revenues. These objectives, coupled with the prudent management of the company's cash resources, will aid the building of a viable business model for the company.

RESULTS

The loss for the period after taxation amounted to £(2,053,034) (6 months to 31 December 2013 - loss £(1,890,878)).

BUSINESS ENVIRONMENT

The internal environment is that of a stable and growing Aviva Premiership club which continues to attract and retain top class players and coaching staff. Externally the game of Rugby Union continues to grow both in the UK and worldwide. This will be further enhanced in 2015 with England hosting the Rugby World Cup.

PRINCIPAL RISK AND UNCERTAINTIES

For the Wasps rugby business the principal risks and uncertainties continue to be:

- **Relegation from the Premiership**

Impact: Reduced revenues that would necessarily involve a reduction in expenditure to compensate for loss of revenue.

Mitigation: Continued investment in the playing squad and coaching staff to ensure playing standards are at the very least maintained.

- **Reduced funding from the RFU and PRL.**

Impact: Reduced revenue from central contracts.

Mitigation: Continued development of players who will feature in England squads thus maximising certain elements of revenue from the RFU and PRL.

- **Inability to attract and retain top class players.**

Impact: Ability to maintain Wasps as a leading English club is compromised.

Mitigation: Continued investment in playing staff and player support maintains Wasps reputation for developing international players.

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	6 months ended 31 December 2014 £	6 months ended 31 December 2013 £	12 months ended 30 June 2014 £
Turnover	**3,764,441**	2,998,507	6,510,662
Cost of sales	**(4,235,887)**	(3,769,156)	(8,566,260)
Gross Loss	**(471,446)**	(770,649)	(2,055,598)
Administrative expenses	**(1,469,270)**	(1,017,244)	(1,948,807)
	(1,940,716)	(1,787,893)	(4,004,405)
Exceptional item – release of negative goodwill goodwill	**-**	-	10,617,798
(Loss) / profit on ordinary activities before interest	**(1,940,716)**	(1,787,893)	6,613,393
Interest payable and similar charges	**(112,318)**	(102,985)	(259,477)
(Loss) / profit on ordinary activities before taxation	**(2,053,034)**	(1,890,878)	6,353,916
Tax on loss or ordinary activities	-	-	-
(Loss) / profit of the period / year	**(2,053,034)**	(1,890,878)	6,353,916

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014

	31 December 2014 £	31 December 2013 £	30 June 2014 £
Fixed Assets			
Tangible assets	**156,681**	68,829	80,278
Investments	**10,950,667**	5,000,000	5,000,000
	11,107,348	5,068,829	5,080,278
Current assets			
Debtors: amounts falling due after more than one year	**1,000,000**	-	-
Debtors: amounts falling due within one year	**1,106,201**	882,402	364,085
Cash at bank and in hand	**515,380**	1,441	90,146
	2,621,581	883,843	454,231
Creditors :amounts falling due within one year	**(3,361,989)**	(3,416,672)	(2,691,745)
Net current liabilities	**(740,408)**	(2,532,829)	(2,237,514)
Total assets less current liabilities	**10,366,940**	2,536,000	2,842,764
Creditors: amounts falling due after more than one year	**(20,327,405)**	(18,688,225)	(10,750,196)
Net liabilities	**(9,960,465)**	(16,152,225)	(7,907,432)
Capital and reserves			
Called up share capital	**775,550**	775,550	775,550
Share premium account	**6,340,989**	6,340,989	6,340,989
Revaluation reserve	**5,000,000**	5,000,000	5,000,000
Profit and loss account	**(22,077,004)**	(28,268,764)	(20,023,971)
Total shareholder's deficit	**(9,960,465)**	(16,152,225)	(7,907,432)

Approved by the Board on 15 April 2015
and signed on its behalf by David Armstrong ....

LONDON WASPS HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDING 31 DECEMBER 2014

	Note	6 months to 31 December 2014 £	6 months to 31 December 2013 £	12 months to 30 June 2014 £
Net cash outflow from operating activities	3	**(2,576,862)**	(2,599,673)	(4,630,681)
Returns on investments and servicing of finance				
Interest paid		**(112,318)**	(102,985)	(259,477)
Net cash outflow from returns on investments and servicing of finance		**(112,318)**	(102,985)	(259,477)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		**(112,604)**	(11,569)	(45,546)
Payment to acquire Canmango Limited		-	-	(1)
Payment to acquire Arena Coventry Limited		**(5,950,667)**	-	-
Net cash outflow for capital expenditure and financial investment		**(6,063,271)**	(11,569)	(45,547)
Financing				
Increase in borrowings		**9,755,554**	2,455,564	5,398,800
Repayment of borrowings		**(577,869)**	(80,234)	(713,287)
Net cash inflow from financing		**9,177,685**	2,375,330	4,685,513
Increase /(decrease) in cash		**425,234**	(338,897)	(250,192)

LONDON WASPS HOLDINGS LIMITED

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE SIX MONTHS ENDING 31 DECEMBER 2014

	6 months to 31 December 2014 £	6 months to 31 December 2013 £	12 months to 30 June 2014 £
Increase / (decrease) in cash in the period / year	**425,234**	(338,897)	(250,192)
Other non-cash movements	**-**	-	10,617,799
Cash inflow from increase in debt	**(9,177,685)**	(2,375,330)	(4,685,513)
Movement on net debt in the period / year	**(8,752,451)**	(2,714,227)	5,682,094
Opening net debt	**(11,408,148)**	(17,090,242)	(17,090,242)
Closing net debt	**(20,160,599)**	(19,804,469)	(11,408,148)

NOTES TO THE UNAUDITED INTERIM NON STATUTORY FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

1.2 Going concern

The Group made a loss in the period of £2,053,034 and had net liabilities of £9,960,465 at the period end. DA Richardson, the ultimate controlling party, has confirmed that he intends to support the company for the foreseeable future to enable it to continue normal trading operations and to meet its liabilities as the fall due. He has also confirmed that he has no intention of calling upon the repayment of the loan due to him at 31 December 2014, totalling £18,286,658, at least during the next twelve months.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised in respect of match-day income, including season tickets, match-day tickets, executive boxes, hospitality packages and other match-day income, when the relevant matches take place.

For annual income streams such as central funding and sponsorship arrangements, revenue is recognised in equal instalments across the relevant period. Income received relating to future periods is included as deferred income within creditors until the relevant revenue recognition event has occurred.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	50% Per Annum on a Straight Line Basis
Computer equipment	Between 20% and 50% per annum on a Straight Line Basis
Fixtures, fittings & equipment	Between 20% and 50% per annum on a Straight Line Basis

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at valuation, less any provision for permanent diminution in value.

1.8 Basis of Consolidation

To the extent that a subsidiary company was part of the Group at 30 June 2014 its results have been consolidated with those of London Wasps Holdings Limited at 31 December 2014. Any subsidiary acquired post 30 June 2014, and before 31 December 2014, is shown as a fixed asset investment, and its results will be consolidated with those of the Group as at 30 June 2015.

1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is provided for only where there is reasonable certainty that taxable profits will be generated in the future. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Net cash flow from operating activities

	6 months to 31 December 2014 £	6 months to 31 December 2013 £	12 months to 30 June 2014 £
Operating (loss) / profit	**(1,940,716)**	(1,787,893)	6,613,393
Release of negative goodwill	-	-	(10,617,798)
Depreciation of tangible fixed assets	**36,202**	19,513	42,041
(Increase) / decrease in debtors	**(1,742,116)**	(321,597)	196,720
Increase / (decrease) in creditors	**1,069,768**	(509,696)	(865,037)
Net cash outflow from operating activities	**(2,576,862)**	(2,599,673)	(4,630,681)

4 Analysis of changes in net debt

	1 July 2014 £	Cash flow £	Non-cash changes £	31 December 2014 £
Cash at bank and in hand	90,146	425,234	-	**515,380**
Debt:				
Debts due within one year	(748,098)	577,869	(178,345)	**(348,574)**
Debts falling due after more than one year	(10,750,196)	(9,755,554)	178,345	**(20,327,405)**
Net debt	(11,408,148)	(8,752,451)	-	**(20,160,599)**

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