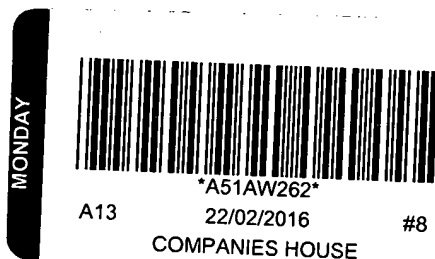


Company Registration No. 02168309 (England and Wales)

**Arena Group Limited**  
**Directors' Report And Financial Statements**  
**For The Year Ended 30 September 2015**



# **ARENA GROUP LIMITED**

## **COMPANY INFORMATION**

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**Directors**

Mr A J Fitzpatrick  
Mr M H Wells  
Mr G J Putson

**Secretary**

Mr A J Fitzpatrick

**Company number**

02168309

**Registered office**

Armitage House  
Thorpe Lower Lane  
Robin Hood  
Wakefield  
WF3 3BQ

**Auditors**

Garbutt & Elliott Audit Limited  
33 Park Place  
Leeds  
LS1 2RY

**Bankers**

Lloyds Bank Commercial Finance  
2nd Floor Lisbon House  
116 Wellington Street  
Leeds  
LS1 4LT

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# **ARENA GROUP LIMITED**

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# **ARENA GROUP LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 30 September 2015.

### **Review of the business**

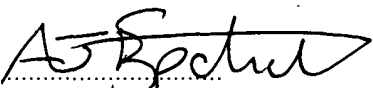
Turnover for the year totalled £17,462,188 (2014 - £16,173,102) and profit before tax for the year totalled £2,564,180 (2014 - £2,041,853). The net asset position at the balance sheet date was £5,768,630 (2014 - £5,243,176). The company has grown in the year, as anticipated, and is expected to continue to grow in the foreseeable future.

The key business risks and uncertainties affecting the company are considered to relate to competition and general economic conditions.

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to a price risk or liquidity risk.

On behalf of the board



Mr A J Fitzpatrick  
**Director**

12/02/2016

# **ARENA GROUP LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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The directors present their report and financial statements for the year ended 30 September 2015.

### **Principal activities**

Arena Group specialises in hard copy and electronic document management. It provides the hardware, software, service and expertise that enables organisations to cut costs, improve efficiencies and become greener.

### **Results and dividends**

The results for the year are set out on page 6.

An interim dividend of £1,402,292 (2014 - £nil) was paid during the year and the directors do not recommend payment of a final dividend.

The directors recommend that the retained profit amounting to £525,454 be taken to reserves.

### **Future developments**

The directors are confident that the company will continue to grow in the foreseeable future and are optimistic about future prospects for the company and its people.

### **Directors**

The following directors have held office since 1 October 2014:

Mr A J Fitzpatrick

Mr M H Wells

Mr R A Doyle

(Resigned 1 October 2015)

Mr G J Putson

### **Auditors**

The auditors, Garbutt & Elliott Audit Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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;
- 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.

# **ARENA GROUP LIMITED**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### **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



Mr A J Fitzpatrick  
Director

12/02/2016

# **ARENA GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARENA GROUP LIMITED**

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We have audited the financial statements of Arena Group Limited for the year ended 30 September 2015 set out on pages 6 to 16. 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 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 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 September 2015 and of its 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.

# **ARENA GROUP LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ARENA GROUP 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.

*Garbutt & Elliott Audit limited*

**Mr Richard Green (Senior Statutory Auditor)  
for and on behalf of Garbutt & Elliott Audit Limited**

17 February 2016

**Chartered Accountants  
Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY



# ARENA GROUP LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	17,462,188	16,173,102
Cost of sales		(10,755,897)	(9,906,551)
<b>Gross profit</b>		<b>6,706,291</b>	<b>6,266,551</b>
Administrative expenses		(4,167,693)	(4,224,492)
<b>Operating profit</b>	<b>3</b>	<b>2,538,598</b>	<b>2,042,059</b>
Other interest receivable and similar income	4	25,582	-
Interest payable and similar charges	5	-	(206)
<b>Profit on ordinary activities before taxation</b>		<b>2,564,180</b>	<b>2,041,853</b>
Tax on profit on ordinary activities	6	(636,434)	(554,560)
<b>Profit for the year</b>	<b>17</b>	<b>1,927,746</b>	<b>1,487,293</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

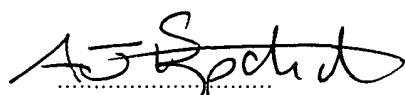
There are no recognised gains and losses other than those passing through the profit and loss account.

# ARENA GROUP LIMITED

## BALANCE SHEET AS AT 30 SEPTEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Intangible assets	8	2,012,062		2,517,070	
Tangible assets	9	260,646		312,763	
		<u>2,272,708</u>		<u>2,829,833</u>	
<b>Current assets</b>					
Stocks	10	674,698		549,271	
Debtors	11	4,001,439		4,289,564	
Cash at bank and in hand		3,120,104		1,172,667	
		<u>7,796,241</u>		<u>6,011,502</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(4,115,707)</u>		<u>(3,437,625)</u>	
<b>Net current assets</b>		<u>3,680,534</u>		<u>2,573,877</u>	
<b>Total assets less current liabilities</b>		<u>5,953,242</u>		<u>5,403,710</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	(154,612)		(126,534)	
<b>Provisions for liabilities</b>	14	(30,000)		(34,000)	
		<u>5,768,630</u>		<u>5,243,176</u>	
<b>Capital and reserves</b>					
Called up share capital	16	1,100		1,100	
Profit and loss account	17	5,767,530		5,242,076	
<b>Shareholders' funds</b>	18	<u>5,768,630</u>		<u>5,243,176</u>	

Approved by the Board and authorised for issue on 12/02/2016



Mr A J Fitzpatrick  
Director



Mr M H Wells  
Director

Company Registration No. 02168309

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

---

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 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).

#### 1.3 Turnover

Turnover represents amounts receivable net of VAT and trade discounts for sales of software and hardware, which is recognised on installation and delivery respectively, and the service and expertise provided, which is recognised on completion of the service and periodic meterage readings.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	15% straight line
Plant and machinery	25% straight line
Fixtures, fittings and equipment	20% straight line
Leased assets	Over the life of the lease

#### 1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.7 Stock

Stock is valued at the lower of cost, which comprises actual invoice price, and net realisable value, which is based on estimated selling price.

#### 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 at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 2 Turnover

During the year the company made sales under operating lease agreements of £298,281 (2014 - £317,579).

#### Geographical market

	Turnover	
	2015	2014
	£	£
UK	17,439,206	16,151,811
Europe	22,982	21,291
	<u>17,462,188</u>	<u>16,173,102</u>

### 3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	505,008	505,008
Depreciation of tangible assets	113,154	105,493
Loss on disposal of tangible assets	480	-
Loss on foreign exchange transactions	469	535
Operating lease rentals		
- Plant and machinery	415,096	411,184
Auditors' remuneration	10,000	10,000
and after crediting:		
Profit on disposal of tangible assets	-	(731)
	<u>-</u>	<u>(731)</u>

### 4 Investment income

	2015	2014
	£	£
Other interest	25,582	-
	<u>25,582</u>	<u>-</u>

### 5 Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	-	206
	<u>-</u>	<u>206</u>

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

6	Taxation	2015 £	2014 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	640,434	560,560
	<b>Total current tax</b>	640,434	560,560
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(4,000)	(6,000)
		636,434	554,560
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	2,564,180	2,041,853
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.50% (2014 - 22.00%)	525,657	449,208
	Effects of:		
	Non deductible expenses	6,983	3,515
	Depreciation add back	125,697	133,210
	Capital allowances	(17,958)	(25,142)
	Chargeable disposals	98	-
	Other tax adjustments	(43)	(231)
		114,777	111,352
	<b>Current tax charge for the year</b>	640,434	560,560
7	<b>Dividends</b>	2015 £	2014 £
	Ordinary interim paid	1,402,292	-

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 8 Intangible fixed assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 October 2014 & at 30 September 2015	5,025,000
<b>Amortisation</b>	
At 1 October 2014	2,507,930
Charge for the year	505,008
At 30 September 2015	3,012,938
<b>Net book value</b>	
At 30 September 2015	2,012,062
At 30 September 2014	2,517,070

### 9 Tangible fixed assets

	<b>Leasehold improvements £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 October 2014	16,081	422,987	759,532	1,198,600
Additions	-	33,961	29,309	63,270
Disposals	-	(2,130)	(2,841)	(4,971)
At 30 September 2015	16,081	454,818	786,000	1,256,899
<b>Depreciation</b>				
At 1 October 2014	12,932	179,972	692,933	885,837
On disposals	-	(994)	(1,744)	(2,738)
Charge for the year	627	76,700	35,827	113,154
At 30 September 2015	13,559	255,678	727,016	996,253
<b>Net book value</b>				
At 30 September 2015	2,522	199,140	58,984	260,646
At 30 September 2014	3,149	243,015	66,599	312,763

At the balance sheet date the gross amount of plant and machinery held for use in operating leases totalled £378,553 (2014 - £346,722) with accumulated depreciation totalling £187,687 (2014 - £115,481).

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

<b>10</b>	<b>Stocks</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Finished goods and goods for resale	674,698	549,271
		<u>          </u>	<u>          </u>
<b>11</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade debtors	2,735,204	2,341,415
	Amounts owed by parent and fellow subsidiary undertakings	-	914,235
	Other debtors	826,851	804,897
	Prepayments and accrued income	439,384	229,017
		<u>          </u>	<u>          </u>
		4,001,439	4,289,564
		<u>          </u>	<u>          </u>
<b>12</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	-	8,140
	Trade creditors	1,897,279	1,571,661
	Amounts owed to parent and fellow subsidiary undertakings	127,457	158,969
	Corporation tax	348,071	343,763
	Other taxes and social security costs	485,545	477,584
	Directors' current accounts	208,569	320,000
	Other creditors	92	92
	Accruals and deferred income	1,048,694	557,416
		<u>          </u>	<u>          </u>
		4,115,707	3,437,625
		<u>          </u>	<u>          </u>
<b>13</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Other loans	154,612	126,534
		<u>          </u>	<u>          </u>
	<b>Loan maturity analysis</b>		
	In more than one year but not more than two years	154,612	126,534
		<u>          </u>	<u>          </u>

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 October 2014	34,000
Profit and loss account	(4,000)
Balance at 30 September 2015	<u>30,000</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>30,000</u>	<u>34,000</u>

### 15 Retirement Benefits

#### Defined contribution scheme

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 the following:

	2015 £	2014 £
Contributions payable by the company for the year	<u>112,763</u>	<u>370,090</u>

### 16 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 1,100 Ordinary shares of £1 each	<u>1,100</u>	<u>1,100</u>



# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2014	5,242,076
Profit for the year	1,927,746
Dividends paid	(1,402,292)
Balance at 30 September 2015	<u>5,767,530</u>

### 18 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	1,927,746	1,487,293
Dividends	(1,402,292)	-
Net addition to shareholders' funds	<u>525,454</u>	<u>1,487,293</u>
Opening Shareholders' funds	5,243,176	3,755,883
Closing Shareholders' funds	<u>5,768,630</u>	<u>5,243,176</u>

### 19 Financial commitments

At 30 September 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	140,134	126,222	69,603	106,020
Between two and five years	55,340	31,731	383,247	214,796
	<u>195,474</u>	<u>157,953</u>	<u>452,850</u>	<u>320,816</u>

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

20 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	230,935	211,084
Company pension contributions to defined contribution schemes	80,366	370,090
	<u>311,301</u>	<u>581,174</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	196,948	9,423
Company pension contributions to defined contribution schemes	366	200,000
	<u>196,948</u>	<u>200,000</u>

## 21 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Sales / Service	107	104
Admin / IT	48	44
	<u>155</u>	<u>148</u>

### Employment costs

	2015 £	2014 £
Wages and salaries	4,911,771	4,491,579
Social security costs	477,602	430,300
Other pension costs	112,763	370,090
	<u>5,502,136</u>	<u>5,291,969</u>

## 22 Control

The ultimate parent company is Arena Group Holdings Limited. In the opinion of the directors there is no ultimate controlling party.

The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is Arena Group Holdings Limited. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

# ARENA GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 23 Related party relationships and transactions

#### Loans from directors

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr A J Fitzpatrick	-	309,476	150,000	-	(142,464)	317,012
Mr M H Wells	-	137,058	-	-	(90,889)	46,169
		<u>446,534</u>	<u>150,000</u>	<u>-</u>	<u>(233,353)</u>	<u>363,181</u>

At the balance sheet date, the amount owed to the directors totalled £363,181 (2014 - £446,534), of which £208,569 (2014 - £320,000) is included within Creditors: amounts falling due within one year; Directors' current accounts and £154,612 (2014 - £126,534) is included within Creditors: amounts falling due after more than one year, Other loans.

#### Other transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### Transactions with directors

Mr A J Fitzpatrick and Mr M H Wells jointly own the premises rented by the company. Rent payable to the directors in the year amounted to £126,088 (2014 - £126,088).

During the year, the company made payments of £19,389 (2014 - £19,107) to Radish Investments in respect of consultancy work undertaken by Mr R A Doyle, a director of the company.

During the year, the company advanced funds amounting to £nil (2014 - £430,000) and charged interest of £25,582 (2014 - £nil) to Stratas Business Solutions LLP, a limited liability partnership in which Mr M H Wells and Mr A J Fitzpatrick have an interest. At the balance sheet date, Stratas Business Solutions LLP owed the company a loan of £776,377 (2014 - £774,000), which is included within Debtors; Other debtors, and a trade debtor of £38,547 (2014 - £68,063), which is included within Debtors; Trade debtors.