Company Registration No. 02168309 (England and Wales)

Arena Group Limited

Annual Report And Financial Statements

For The Year Ended 30 September 2016

ARENA GROUP LIMITED

COMPANY INFORMATION

Directors	Mr A J Fitzpatrick Mr G J Putson Mr M H Wells
Secretary	Mr A J Fitzpatrick
Company number	02168309
Registered office	Armitage House Thorpe Lower Lane Robin Hood Wakefield WF3 3BQ
Auditor	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

ARENA GROUP LIMITED

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ARENA GROUP LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present the strategic report for the year ended 30 September 2016.

The year ended 30 September 2016 is the company's first year in which it has complied with the requirements of FRS 102. No transitional adjustments arose from the transition to this new accounting standard.

Fair review of the business
Turnover for the year totalled £17,236,647 (2015 - £17,462,188) and profit before tax for the year totalled £2,095,594 (2015 - £2,564,180). The net asset position at the balance sheet date was £6,334,789 (2015 - £5,768,630).

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

Key performance indicators
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.

Financial instruments
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
5/6/17

ARENA GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their annual report and financial statements for the year ended 30 September 2016.

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.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A J Fitzpatrick
Mr G J Putson
Mr M H Wells
Mr R A Doyle (Resigned 1 October 2015)

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

An interim dividend of £1,463,200 (2015 - £1,402,292) 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 £566,159 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.

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board

....
Mr A J Fitzpatrick
Director
5/6/17

ARENA GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARENA GROUP LIMITED

We have audited the financial statements of Arena Group Limited for the year ended 30 September 2016 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S 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

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

9 June 2017

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

ARENA GROUP LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	17,236,647	17,462,188
Cost of sales		(10,805,116)	(10,755,897)
Gross profit		6,431,531	6,706,291
Administrative expenses		(4,384,215)	(4,167,693)
Operating profit	4	2,047,316	2,538,598
Interest receivable and similar income	6	48,278	25,582
Profit before taxation		2,095,594	2,564,180
Taxation	7	(66,235)	(636,434)
Profit for the financial year		2,029,359	1,927,746

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

ARENA GROUP LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Goodwill	9		1,507,054		2,012,062
Tangible assets	10		220,595		260,646
			1,727,649		2,272,708
Current assets					
Stocks	11	805,410		674,698	
Debtors	12	4,218,883		4,001,439	
Cash at bank and in hand		5,084,924		3,120,104	
		10,109,217		7,796,241	
Creditors: amounts falling due within one year	13	(4,591,825)		(4,115,707)	
Net current assets			5,517,392		3,680,534
Total assets less current liabilities			7,245,041		5,953,242
Creditors: amounts falling due after more than one year	14		(880,252)		(154,612)
Provisions for liabilities	17		(30,000)		(30,000)
Net assets			6,334,789		5,768,630
Capital and reserves					
Called up share capital	19		1,100		1,100
Profit and loss reserves			6,333,689		5,767,530
Total equity			6,334,789		5,768,630

The financial statements were approved by the board of directors and authorised for issue on 5/6/17 and are signed on its behalf by:

Mr A J Fitzpatrick
Director

Mr M H Wells
Director

Company Registration No. 02168309

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2014		1,100	5,242,076	5,243,176
Year ended 30 September 2015:				
Profit and total comprehensive income for the year		-	1,927,746	1,927,746
Dividends	8	-	(1,402,292)	(1,402,292)
Balance at 30 September 2015		1,100	5,767,530	5,768,630
Year ended 30 September 2016:				
Profit and total comprehensive income for the year		-	2,029,359	2,029,359
Dividends	8	-	(1,463,200)	(1,463,200)
Balance at 30 September 2016		1,100	6,333,689	6,334,789

1 Accounting policies

Company information

Arena Group Limited is a company limited by shares incorporated in England and Wales. The registered office is Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Arena Group Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

On the grounds that the company's results are consolidated into its parent, as disclosed in note 23, the company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:
Exemption from presenting a statement of cash flows as a primary note to the financial statements;
Exemption from disclosing details of its financial instruments;
Exemption from disclosing key management personnel remuneration.

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by Arena Group Holdings Limited where relevant group companies are all wholly owned.

The ultimate parent company is Arena Group Holdings Limited which is the smallest and largest group into which these Financial Statements are consolidated. Arena Group Holdings Limited registered office is Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	15% straight line
Plant and machinery	25% straight line
Fixtures, fittings and equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.7 Stocks

Stocks are stated at the lower of cost, which comprises hardware, and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded as the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1 Accounting policies **(Continued)**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation and amortisation

The depreciation and amortisation policies have been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation and amortisation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £110,497 (2015 - £113,154), and amortisation charged during the year was £505,008 (2015 - £505,008) which the directors feel is a fair reflection of the benefits derived from the consumption of the assets during the period.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016	2015
	£	£
Turnover		
Sale of goods	4,782,413	5,544,686
Software and service solutions	12,454,234	11,917,502
	17,236,647	17,462,188

Other significant revenue		
Interest income	48,278	25,582

3 Turnover and other revenue (Continucd)

Turnover analysed by geographical market

	2016 £	2015 £
UK	17,207,133	17,439,206
Europe	29,514	22,982
	17,236,647	17,462,188

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2016 £	2015 £
Exchange losses	568	469
Fees payable to the company's auditor for the audit of the company's financial statements	10,500	10,000
Depreciation of owned tangible fixed assets	110,497	113,154
(Profit)/loss on disposal of tangible fixed assets	(1,216)	480
Amortisation of intangible assets	505,008	505,008
Cost of stocks recognised as an expense	6,571,628	6,635,577
Operating lease charges	494,639	415,096

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Sales / Service	109	107
Admin / IT	48	48
	157	155

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	5,007,159	4,911,771
Social security costs	523,516	477,602
Pension costs	115,124	112,763
	5,645,799	5,502,136

6 Interest receivable and similar income

	2016	2015
	£	£
Interest income		
Interest on bank deposits	10,416	-
Other interest income	37,862	25,582
Total income	48,278	25,582

7 Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax on profits for the current period	66,235	640,434
Deferred tax		
Origination and reversal of timing differences	-	(4,000)
Total tax charge	66,235	636,434

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016	2015
	£	£
Profit before taxation	2,095,594	2,564,180
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.50%)	419,119	525,657
Tax effect of expenses that are not deductible in determining taxable profit	127,687	132,734
Tax relief on share options	(461,210)	-
Other tax adjustments	(19,361)	(21,957)
Tax expense for the year	66,235	636,434

8 Dividends

	2016	2015
	£	£
Interim paid	1,463,200	1,402,292

9 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 October 2015 and 30 September 2016	5,025,000
Amortisation and impairment	
At 1 October 2015	3,012,938
Amortisation charged for the year	505,008
At 30 September 2016	3,517,946
Carrying amount	
At 30 September 2016	1,507,054
At 30 September 2015	2,012,062

10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 October 2015	16,081	454,818	786,000	1,256,899
Additions	1,650	26,413	50,516	78,579
Disposals	-	(19,799)	(4,778)	(24,577)
At 30 September 2016	17,731	461,432	831,738	1,310,901
Depreciation and impairment				
At 1 October 2015	13,559	255,678	727,016	996,253
Depreciation charged in the year	875	75,690	33,932	110,497
Eliminated in respect of disposals	-	(14,197)	(2,247)	(16,444)
At 30 September 2016	14,434	317,171	758,701	1,090,306
Carrying amount				
At 30 September 2016	3,297	144,261	73,037	220,595
At 30 September 2015	2,522	199,140	58,984	260,646

11 Stocks

	2016	2015
	£	£
Finished goods and goods for resale	805,410	674,698

12 Debtors

Amounts falling due within one year:	2016 £	2015 £
Trade debtors	2,656,362	2,735,204
Corporation tax recoverable	253,108	-
Other debtors	867,617	826,851
Prepayments and accrued income	441,796	439,384
	4,218,883	4,001,439

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,721,317	1,897,279
Amounts due to group undertakings	1,334,692	127,457
Corporation tax	-	348,071
Other taxation and social security	437,267	485,545
Other creditors	376,591	208,661
Accruals and deferred income	721,958	1,048,694
	4,591,825	4,115,707

14 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	880,252	154,612

15 Loans and overdrafts

	2016 £	2015 £
Director loans	1,256,751	363,181

Director loans are included within other creditors, including a split between within and after more than one year. No interest is charged on loans to the company by directors, with no fixed date for repayment or security provided.

16 Provisions for liabilities

		2016 £	2015 £
Deferred tax liabilities	17	30,000	30,000
		30,000	30,000

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016	Liabilities 2015
Balances:	**£**	**£**
Accelerated capital allowances	30,000	30,000

There were no deferred tax movements in the year.

18 Retirement benefit schemes

	2016	2015
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	115,124	112,763

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2016	2015
	£	**£**
Ordinary share capital		
Issued and fully paid		
1,100 Ordinary shares of £1 each	1,100	1,100

20 Operating lease commitments

Lessee
Operating lease payments represent rentals payable by the company for certain properties and vehicles. Leases are negotiated for an average term of 8 years for properties and 3 years for vehicles, and rentals are fixed.

20 Operating lease commitments (Continued)

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	£	£
Within one year	647,011	507,585
Between two and five years	930,100	878,132
In over five years	560,000	700,000
	2,137,111	2,085,717

21 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

	Services received		Interest received	
	2016	2015	2016	2015
	£	£	£	£
Other related parties	-	19,389	37,862	25,582

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance	Net	Balance	Net
	£	£	£	£
Other related parties	886,012	886,012	814,924	814,924
	886,012	886,012	814,924	814,924

Details of outstanding balances as at the year end are given in notes 12 and 13.

No guarantees have been given or received.

The company has taken advantage of the disclosure exemption in section 33.1A of FRS102 which permits it to not present details of its transactions with members of the group where relevant group companies are wholly owned.

22 Directors' transactions

The directors have provided loans to the company as disclosed in note 15.

In addition, the company rents premises owned by two directors. Rent payable to the directors in the year amounted to £140,000 (2015 - £126,088).

23 Controlling party

The company's immediate and ultimate parent company is Arena Group Holdings Limited, with the registered office Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ.

In the opinion of the directors there is no ultimate controlling party.

Arena Group Holdings Limited is the smallest and largest group into which Arena Group Limited is consolidated.

24 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	233,543	230,935
Company pension contributions to defined contribution schemes	80,369	80,366
	313,912	311,301

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2015 - 3).

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

	2016 £	2015 £
Remuneration for qualifying services	197,534	196,948
Company pension contributions to defined contribution schemes	369	366