

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
ARENA TELEVISION LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2019

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ARENA TELEVISION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS: R A Yeowart
R Hopkinson

SECRETARY: R A Yeowart

REGISTERED OFFICE: 17 Hanover Square
London
W1S 1BN

REGISTERED NUMBER: 02261678 (England and Wales)

AUDITORS: McKenzies
Chartered Accountants
Statutory Auditors
2 Station Road West
Oxted
Surrey
RH8 9EP

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their strategic report for the year ended 31 December 2019.

The Strategic Report provides a review of the business for the financial year and describes how we manage risks within the business. The report outlines the developments and performance of the Company during the financial year and discusses the main trends and factors that could affect the future.

REVIEW OF BUSINESS

Market consolidation in the UK means that Arena Television is now the only British owned tier one supplier left in the market. The other two large operators are either US or EU owned multinationals. We expect that British broadcasters will continue to see the merits of supporting a British owned company that pays all its taxes in the UK. 2019 saw the business celebrate '30 Years of Innovation' having been founded in 1989. The business is not for sale and will remain in the same family ownership for many years to come.

2019 was another solid year for the company which has continued to pioneer with the roll-out of new IP based remote and decentralised production technology.

The company services numerous high profile contracts for all the UK's main broadcasters holding contracts that typically run for up to 4 years at a time. An additional high volume contract was secured in 2019 covering Cricket. The company continues to be extremely proactive in the market and expects further growth in 2020 and beyond.

The key financial performance indicators for the year ended 31 December 2019 are set out below:

Turnover: 2019: £29.63m 2018: £28.45m

Gross profit 2019: £20.10m 2018: £18.65m

EBITDA 2019 £14.99m 2018: £13.45m

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have a strong emphasis on risk management which endeavours to identify and manage all business risks.

STRATEGIC AND COMMERCIAL RISK

There are risks of changes to the competitive and economic environment. This is mitigated by a robust strategy and planning process, and regular monitoring of the economic and competitive environment.

FINANCIAL RISK

There is a risk of reducing business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows and close relationships with important stakeholders within the business.

OPERATIONAL RISK

This is a risk of losses arising from inadequate or failed internal processes, from personnel and external events. These are mitigated by regularly monitoring the business risk register against occurring events and business continuity planning.

ON BEHALF OF THE BOARD:

R A Yeowart - Director

6 March 2020

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

R A Yeowart
R Hopkinson

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, McKenzies, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R A Yeowart - Director

6 March 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARENA TELEVISION LIMITED

Opinion

We have audited the financial statements of Arena Television Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ARENA TELEVISION LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Colin McCoy BA FCA (Senior Statutory Auditor)
for and on behalf of McKenzies
Chartered Accountants
Statutory Auditors
2 Station Road West
Oxted
Surrey
RH8 9EP

6 March 2020

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER		29,638,732	28,446,916
Cost of sales		<u>9,535,987</u>	<u>9,801,504</u>
GROSS PROFIT		20,102,745	18,645,412
Administrative expenses		<u>14,800,275</u>	<u>14,346,005</u>
		5,302,470	4,299,407
Other operating income		<u>40,000</u>	250,000
OPERATING PROFIT	4	5,342,470	4,549,407
Interest receivable and similar income		<u>969</u>	201
		5,343,439	4,549,608
Interest payable and similar expenses	5	<u>1,497,178</u>	1,510,941
PROFIT BEFORE TAXATION		3,846,261	3,038,667
Tax on profit	6	<u>247,409</u>	702,835
PROFIT FOR THE FINANCIAL YEAR		<u>3,598,852</u>	<u>2,335,832</u>

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		3,598,852	2,335,832
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>3,598,852</u>	<u>2,335,832</u>

BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	7		58,600,513		54,053,916
CURRENT ASSETS					
Debtors	8	2,492,785		2,563,197	
Cash at bank and in hand		<u>708,301</u>		<u>684,520</u>	
		3,201,086		3,247,717	
CREDITORS					
Amounts falling due within one year	9	<u>13,793,523</u>		<u>13,430,381</u>	
NET CURRENT LIABILITIES			<u>(10,592,437)</u>		<u>(10,182,664)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			48,008,076		43,871,252
CREDITORS					
Amounts falling due after more than one year	10		(19,327,220)		(19,037,145)
PROVISIONS FOR LIABILITIES	13		<u>(1,459,311)</u>		<u>(1,461,414)</u>
NET ASSETS			<u>27,221,545</u>		<u>23,372,693</u>
CAPITAL AND RESERVES					
Called up share capital	14		5,750,000		5,500,000
Retained earnings	15		<u>21,471,545</u>		<u>17,872,693</u>
SHAREHOLDERS' FUNDS			<u>27,221,545</u>		<u>23,372,693</u>

The financial statements were approved by the Board of Directors on 6 March 2020 and were signed on its behalf by:

R A Yeowart - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	5,200,000	15,536,861	20,736,861
Changes in equity			
Issue of share capital	300,000	-	300,000
Total comprehensive income	-	2,335,832	2,335,832
Balance at 31 December 2018	<u>5,500,000</u>	<u>17,872,693</u>	<u>23,372,693</u>
Changes in equity			
Issue of share capital	250,000	-	250,000
Total comprehensive income	-	3,598,852	3,598,852
Balance at 31 December 2019	<u>5,750,000</u>	<u>21,471,545</u>	<u>27,221,545</u>

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	14,027,434	13,078,814
Interest paid		(27,966)	(45,081)
Interest element of hire purchase payments paid		(1,469,212)	(1,465,860)
Tax paid		(350,000)	(285,784)
Net cash from operating activities		<u>12,180,256</u>	<u>11,282,089</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(268,129)	(10,123)
Sale of tangible fixed assets		475,000	4,500
Interest received		969	201
Net cash from investing activities		<u>207,840</u>	<u>(5,422)</u>
Cash flows from financing activities			
Capital repayments in year		(12,744,997)	(10,653,343)
Share issue		250,000	300,000
Net cash from financing activities		<u>(12,494,997)</u>	<u>(10,353,343)</u>
(Decrease)/increase in cash and cash equivalents		<u>(106,901)</u>	<u>923,324</u>
Cash and cash equivalents at beginning of year	2	591,362	(331,962)
Cash and cash equivalents at end of year	2	<u>484,461</u>	<u>591,362</u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS	2019	2018
	£	£
Profit before taxation	3,846,261	3,038,667
Depreciation charges	9,647,679	8,914,905
Profit on disposal of fixed assets	(475,000)	(4,500)
Inter company balances	(1,048,339)	(619,073)
Finance costs	1,497,178	1,510,941
Finance income	(969)	(201)
	<u>13,466,810</u>	<u>12,840,739</u>
Decrease in trade and other debtors	96,979	971,392
Increase/(decrease) in trade and other creditors	463,645	(733,317)
Cash generated from operations	<u>14,027,434</u>	<u>13,078,814</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	708,301	684,520
Bank overdrafts	(223,840)	(93,158)
	<u>484,461</u>	<u>591,362</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	684,520	15,942
Bank overdrafts	(93,158)	(347,904)
	<u>591,362</u>	<u>(331,962)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19	Cash flow	Other non-cash changes	At 31.12.19
	£	£	£	£
Net cash				
Cash at bank and in hand	684,520	23,781		708,301
Bank overdrafts	(93,158)	(130,682)		(223,840)
	<u>591,362</u>	<u>(106,901)</u>		<u>484,461</u>
Debt				
Finance leases	(28,629,473)	12,744,997	(13,926,146)	(29,810,622)
	<u>(28,629,473)</u>	<u>12,744,997</u>	<u>(13,926,146)</u>	<u>(29,810,622)</u>
Total	<u>(28,038,111)</u>	<u>12,638,096</u>	<u>(13,926,146)</u>	<u>(29,326,161)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. **STATUTORY INFORMATION**

Arena Television Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the value of the services supplied to date based on a proportion of the total considered at completion.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 10% on cost, over term of lease and straight line over 7 years
Fixtures and fittings	- 10% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a sum of the digits basis, and the capital element which reduces the outstanding obligation for future instalments.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	3,891,364	3,846,838
Social security costs	476,382	465,180
Other pension costs	190,053	153,296
	<u>4,557,799</u>	<u>4,465,314</u>

The average number of employees during the year was as follows:

	2019	2018
Production	89	88
Administrative	7	7
Management	9	9
	<u>105</u>	<u>104</u>

	2019	2018
	£	£
Directors' remuneration	150,362	144,072
Directors' pension contributions to money purchase schemes	<u>7,747</u>	<u>9,848</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Other operating leases	133,365	133,373
Depreciation - owned assets	9,647,678	8,914,905
Profit on disposal of fixed assets	(475,000)	(4,500)
Auditors' remuneration	<u>16,000</u>	<u>16,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	27,966	44,900
Other interest	-	181
Hire purchase and finance lease interest	<u>1,469,212</u>	<u>1,465,860</u>
	<u>1,497,178</u>	<u>1,510,941</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	249,512	302,241
Deferred tax - current year	<u>(2,103)</u>	400,594
Tax on profit	<u>247,409</u>	<u>702,835</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>3,846,261</u>	<u>3,038,667</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	730,790	577,347
Effects of:		
Expenses not deductible for tax purposes	3,125	4,025
Income not taxable for tax purposes	-	(855)
Capital allowances in excess of depreciation	(484,403)	(278,276)
Deferred taxation	<u>(2,103)</u>	400,594
Total tax charge	<u>247,409</u>	<u>702,835</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2019	118,677,069	338,824	119,015,893
Additions	14,192,872	1,403	14,194,275
Disposals	(788,895)	-	(788,895)
At 31 December 2019	<u>132,081,046</u>	<u>340,227</u>	<u>132,421,273</u>
DEPRECIATION			
At 1 January 2019	64,648,179	313,798	64,961,977
Charge for year	9,638,040	9,638	9,647,678
Eliminated on disposal	(788,895)	-	(788,895)
At 31 December 2019	<u>73,497,324</u>	<u>323,436</u>	<u>73,820,760</u>
NET BOOK VALUE			
At 31 December 2019	<u>58,583,722</u>	<u>16,791</u>	<u>58,600,513</u>
At 31 December 2018	<u>54,028,890</u>	<u>25,026</u>	<u>54,053,916</u>

Included within tangible fixed assets are assets held under hire purchase and finance lease agreements with a net book value of £50,138,285 (2018 - £46,269,833). The depreciation charge for the year in respect of such assets was £5,922,864 (2018 - £5,139,341).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

8.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
		£	£
	Trade debtors	1,596,398	1,691,508
	Amounts owed by group undertakings	727,612	701,045
	Prepayments and accrued income	168,775	170,644
		<u>2,492,785</u>	<u>2,563,197</u>
9.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	2018
		£	£
	Bank loans and overdrafts (see note 11)	223,840	93,158
	Hire purchase contracts (see note 12)	10,483,402	9,592,328
	Trade creditors	2,039,191	2,002,819
	Amounts owed to group undertakings	88,379	1,110,150
	Tax	39,621	140,109
	Social security and other taxes	162,788	161,394
	VAT	347,105	73,222
	Other creditors	62,837	79,545
	Accruals and deferred income	346,360	177,656
		<u>13,793,523</u>	<u>13,430,381</u>
10.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2019	2018
		£	£
	Hire purchase contracts (see note 12)	<u>19,327,220</u>	<u>19,037,145</u>
11.	LOANS		
	Included within bank overdrafts are:		
	Invoice discounting facility	<u>267,647</u>	<u>105,675</u>
	The bank loans and overdrafts are secured by fixed and floating charges over the current and future assets of the company.		
12.	LEASING AGREEMENTS		
	Minimum lease payments fall due as follows:		
		Hire purchase contracts	
		2019	2018
		£	£
	Net obligations repayable:		
	Within one year	10,483,402	9,592,328
	Between one and five years	19,327,220	19,037,145
		<u>29,810,622</u>	<u>28,629,473</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

12. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2019	2018
	£	£
Within one year	44,574	64,634
Between one and five years	8,942	53,516
	<u>53,516</u>	<u>118,150</u>

13. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	<u>1,459,311</u>	<u>1,461,414</u>
		Deferred tax
		£
Balance at 1 January 2019		1,461,414
Provided during year		(2,103)
Balance at 31 December 2019		<u>1,459,311</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2019	2018
Number:	Class:		£	£
4,500,000	Ordinary	£1	<u>5,750,000</u>	<u>5,500,000</u>

15. RESERVES

	Retained earnings
	£
At 1 January 2019	17,872,693
Profit for the year	3,598,852
At 31 December 2019	<u>21,471,545</u>

16. PENSION 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 and amounted to £182,306 (2018 - £143,448). There were no amounts outstanding in respect of pension contributions as at 31 December 2019 and 31 December 2018.

17. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Arena Holdings Limited, a company registered in England & Wales.

18. **RELATED PARTY DISCLOSURES**

As a subsidiary undertaking of Arena Holdings Limited, the company has taken advantage of the exemption from disclosing transactions with other members of the group headed by Arena Holdings Limited.

Arena Holdings Limited is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the accounts are available from Arena Holdings Limited, Hangar 7, Redhill Aerodrome, Kings Mill Lane, Redhill, Surrey, RH1 5JY.

19. **ULTIMATE CONTROLLING PARTY**

The company is under the direct control of R A Yeowart, director and majority shareholder of Arena Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.