

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
ARENA TELEVISION LIMITED**

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4
Income Statement	5
Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11
Reconciliation of Equity	17
Reconciliation of Profit	19

ARENA TELEVISION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016**

The directors present their strategic report for the year ended 31 December 2016.

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

Arena Television Limited and Arena Aviation Limited are the two trading subsidiaries of Arena Holdings Limited. Arena significantly grew both its market share and turnover during 2016 generating a healthy level of cash. This allowed us to invest in new technology that saw Arena become the first company in the world to launch new game-changing IP technology. Revolutionising the workflow and allowing IP data to be used from the camera right the way through the transmission chain to the end viewer. The production team are provided with greater flexibility and IP helps future-proof the overall investment.

Pioneering this technology saw Arena selected for the 2017 Parliamentary review as a leading technology innovator. 2016 was also a strong year for the business. Ongoing contracts include the Premier League football, England football internationals, the Six Nations rugby, Springwatch, Glastonbury and The Voice UK. In 2016 we also covered the European football championships, the Olympics and Paralympics for ITV, the BBC and Channel 4 respectively. Several of the shows we worked on have since won industry awards.

The Directors would like to reference Accruals in the balance sheet which for clarity includes deposits paid on-account towards a further new UHD OB Unit. Due to low rates of interest, bank cash deposits were reduced. Allowing funds to be used to help make stage payments and invest in new assets. This was considered to be a better use of resource.

The outlook for the business remains strong with the sector as a whole producing more content than ever before as more streaming platforms appear alongside traditional broadcasters.

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.

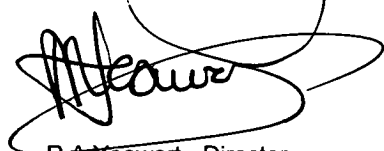
FINANCIAL RISK

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 Yeoward - Director

6 March 2017

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 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.

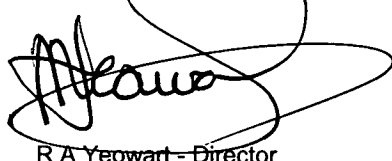
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 2017

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

We have audited the financial statements of Arena Television Limited for the year ended 31 December 2016 on pages five to nineteen. 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 Financial Reporting Standard 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 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.

Respective responsibilities of directors and auditors

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. 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 Strategic Report and the Report of the Directors 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 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.



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 2017

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
TURNOVER		25,682,314	23,750,510
Cost of sales		<u>9,185,481</u>	<u>8,877,831</u>
GROSS PROFIT		16,496,833	14,872,679
Administrative expenses		<u>12,773,046</u>	<u>11,326,118</u>
		3,723,787	3,546,561
Other operating income		<u>40,000</u>	<u>40,000</u>
OPERATING PROFIT	4	3,763,787	3,586,561
Interest receivable and similar income		<u>230</u>	<u>50</u>
		3,764,017	3,586,611
Interest payable and similar expenses	5	<u>1,390,405</u>	<u>1,266,909</u>
PROFIT BEFORE TAXATION		2,373,612	2,319,702
Tax on profit	6	<u>373,451</u>	<u>390,545</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,000,161</u>	<u>1,929,157</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

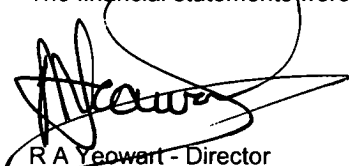
	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		2,000,161	1,929,157
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,000,161</u>	<u>1,929,157</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2016

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		42,027,673		36,464,067
CURRENT ASSETS					
Debtors	8	4,007,642		1,870,558	
Cash at bank and in hand		262,032		1,206,987	
		<u>4,269,674</u>		<u>3,077,545</u>	
CREDITORS					
Amounts falling due within one year	9	12,791,164		11,457,202	
NET CURRENT LIABILITIES			<u>(8,521,490)</u>		<u>(8,379,657)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>33,506,183</u>		<u>28,084,410</u>
CREDITORS					
Amounts falling due after more than one year	10		(14,065,103)		(11,029,988)
PROVISIONS FOR LIABILITIES	13		<u>(1,099,250)</u>		<u>(1,112,753)</u>
NET ASSETS			<u><u>18,341,830</u></u>		<u><u>15,941,669</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		4,900,000		4,500,000
Retained earnings	15		13,441,830		11,441,669
SHAREHOLDERS' FUNDS			<u><u>18,341,830</u></u>		<u><u>15,941,669</u></u>

The financial statements were approved by the Board of Directors on 6 March 2017 and were signed on its behalf by:



R A Yeoward - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	4,150,000	9,512,512	13,662,512
Changes in equity			
Issue of share capital	350,000	-	350,000
Total comprehensive income	-	1,929,157	1,929,157
Balance at 31 December 2015	<u>4,500,000</u>	<u>11,441,669</u>	<u>15,941,669</u>
Changes in equity			
Issue of share capital	400,000	-	400,000
Total comprehensive income	-	2,000,161	2,000,161
Balance at 31 December 2016	<u>4,900,000</u>	<u>13,441,830</u>	<u>18,341,830</u>

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	10,172,931	10,819,384
Interest paid		(44,193)	(44,901)
Interest element of hire purchase payments paid		(1,346,212)	(1,222,008)
Tax paid		(431,805)	(612,190)
Net cash from operating activities		8,350,721	8,940,285
Cash flows from investing activities			
Purchase of tangible fixed assets		(432,637)	(146,297)
Sale of tangible fixed assets		20,000	53,690
Interest received		230	50
Net cash from investing activities		(412,407)	(92,557)
Cash flows from financing activities			
Capital repayments in year		(9,502,761)	(7,998,529)
Share issue		400,000	350,000
Net cash from financing activities		(9,102,761)	(7,648,529)
(Decrease)/increase in cash and cash equivalents		(1,164,447)	1,199,199
Cash and cash equivalents at beginning of year	2	978,128	(221,071)
Cash and cash equivalents at end of year	2	(186,319)	978,128

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	2,373,612	2,319,702
Depreciation charges	8,230,417	7,412,821
Profit on disposal of fixed assets	(20,000)	(53,690)
Inter company balances	598,059	(589,075)
Finance costs	1,390,405	1,266,909
Finance income	(230)	(50)
	<u>12,572,263</u>	<u>10,356,617</u>
Increase in trade and other debtors	(2,189,646)	(333,869)
(Decrease)/increase in trade and other creditors	<u>(209,686)</u>	<u>796,636</u>
Cash generated from operations	<u>10,172,931</u>	<u>10,819,384</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 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	262,032	1,206,987
Bank overdrafts	(448,351)	(228,859)
	<u>(186,319)</u>	<u>978,128</u>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	1,206,987	74,461
Bank overdrafts	(228,859)	(295,532)
	<u>978,128</u>	<u>(221,071)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016

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

	2016 £	2015 £
Wages and salaries	3,109,676	2,738,064
Social security costs	376,982	343,588
Other pension costs	94,893	65,721
	<u>3,581,551</u>	<u>3,147,373</u>

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

	2016	2015
Production	68	59
Administrative	7	7
Management	9	9
	<u>84</u>	<u>75</u>

	2016 £	2015 £
Directors' remuneration	132,625	129,000
Directors' pension contributions to money purchase schemes	<u>6,013</u>	<u>6,013</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):

	2016 £	2015 £
Hire of plant and machinery	170,959	163,822
Depreciation - owned assets	8,224,418	7,412,820
Profit on disposal of fixed assets	(20,000)	(53,690)
Auditors' remuneration	<u>15,100</u>	<u>12,650</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Bank interest	44,193	44,901
Hire purchase and finance lease interest	<u>1,346,212</u>	<u>1,222,008</u>
	<u>1,390,405</u>	<u>1,266,909</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

6. TAXATION**Analysis of the tax charge**

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

	2016 £	2015 £
Current tax:		
UK corporation tax	386,954	471,805
Deferred tax - current year	(13,503)	(81,260)
Tax on profit	<u>373,451</u>	<u>390,545</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:

	2016 £	2015 £
Profit before tax	<u>2,373,612</u>	<u>2,319,702</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	474,722	469,740
Effects of:		
Expenses not deductible for tax purposes	5,055	3,769
Income not taxable for tax purposes	(4,100)	(10,375)
Depreciation in excess of capital allowances	2,129	23,237
Utilisation of tax losses	(90,852)	(14,485)
Adjustments to tax charge in respect of previous periods	-	(81)
Deferred taxation	(13,503)	(81,260)
Total tax charge	<u>373,451</u>	<u>390,545</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 January 2016	76,079,347	303,253	76,382,600
Additions	13,769,000	19,024	13,788,024
Disposals	(6,500)	-	(6,500)
At 31 December 2016	<u>89,841,847</u>	<u>322,277</u>	<u>90,164,124</u>
DEPRECIATION			
At 1 January 2016	39,634,698	283,835	39,918,533
Charge for year	8,215,919	8,499	8,224,418
Eliminated on disposal	(6,500)	-	(6,500)
At 31 December 2016	<u>47,844,117</u>	<u>292,334</u>	<u>48,136,451</u>
NET BOOK VALUE			
At 31 December 2016	<u>41,997,730</u>	<u>29,943</u>	<u>42,027,673</u>
At 31 December 2015	<u>36,444,649</u>	<u>19,418</u>	<u>36,464,067</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

7. TANGIBLE FIXED ASSETS - continued

Included within tangible fixed assets are assets held under hire purchase and finance lease agreements with a net book value of £32,754,592 (2015 - £28,342,061). The depreciation charge for the year in respect of such assets was £3,869,175 (2015 - £4,204,554).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	3,327,400	1,562,347
Amounts owed by group undertakings	56,948	109,510
Prepayments and accrued income	623,294	198,701
	<u>4,007,642</u>	<u>1,870,558</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Bank loans and overdrafts (see note 11)	448,351	228,859
Hire purchase contracts (see note 12)	8,730,678	7,913,167
Trade creditors	2,073,869	1,820,593
Amounts owed to group undertakings	597,493	51,996
Tax	226,954	271,805
Social security and other taxes	137,788	114,027
VAT	235,068	702,731
Other creditors	109,231	52,312
Accruals and deferred income	231,732	301,712
	<u>12,791,164</u>	<u>11,457,202</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
Hire purchase contracts (see note 12)	<u>14,065,103</u>	<u>11,029,988</u>

11. LOANS

Included within bank overdrafts are:
Invoice discounting facility

	<u>267,647</u>	<u>105,675</u>
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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	
	2016 £	2015 £
Net obligations repayable:		
Within one year	8,730,678	7,913,167
Between one and five years	14,065,103	11,029,988
	<u>22,795,781</u>	<u>18,943,155</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

12. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	100,124	16,374
Between one and five years	140,958	282,643
	<u>241,082</u>	<u>299,017</u>

13. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	<u>1,099,250</u>	<u>1,112,753</u>
		Deferred tax
		£
Balance at 1 January 2016		1,112,753
Credit to Income Statement during year		(13,503)
Balance at 31 December 2016		<u>1,099,250</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
4,500,000	Ordinary	£1	<u>4,900,000</u>	<u>4,500,000</u>

400,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

15. RESERVES

	Retained earnings £
At 1 January 2016	11,441,669
Profit for the year	<u>2,000,161</u>
At 31 December 2016	<u>13,441,830</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 £94,893 (2015 - £65,721). There were no amounts outstanding in respect of pension contributions as at 31 December 2016 and 31 December 2015.

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 in Financial Reporting Standard 8 "Related party disclosures" 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.

RECONCILIATION OF EQUITY
1 JANUARY 2015
(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		34,457,854	-	34,457,854
CURRENT ASSETS				
Debtors		1,689,403	-	1,689,403
Cash at bank and in hand		74,461	-	74,461
		1,763,864	-	1,763,864
CREDITORS				
Amounts falling due within one year		(10,940,268)	-	(10,940,268)
NET CURRENT LIABILITIES		(9,176,404)	-	(9,176,404)
TOTAL ASSETS LESS CURRENT LIABILITIES		25,281,450	-	25,281,450
CREDITORS				
Amounts falling due after more than one year		(10,424,925)	-	(10,424,925)
PROVISIONS FOR LIABILITIES		(1,194,013)	-	(1,194,013)
NET ASSETS		13,662,512	-	13,662,512
CAPITAL AND RESERVES				
Called up share capital		4,150,000	-	4,150,000
Retained earnings		9,512,512	-	9,512,512
SHAREHOLDERS' FUNDS		13,662,512	-	13,662,512

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		36,464,067	-	36,464,067
CURRENT ASSETS				
Debtors		1,870,558	-	1,870,558
Cash at bank and in hand		1,206,987	-	1,206,987
		3,077,545	-	3,077,545
CREDITORS				
Amounts falling due within one year		(11,457,202)	-	(11,457,202)
NET CURRENT LIABILITIES		(8,379,657)	-	(8,379,657)
TOTAL ASSETS LESS CURRENT LIABILITIES		28,084,410	-	28,084,410
CREDITORS				
Amounts falling due after more than one year		(11,029,988)	-	(11,029,988)
PROVISIONS FOR LIABILITIES		(1,112,753)	-	(1,112,753)
NET ASSETS		15,941,669	-	15,941,669
CAPITAL AND RESERVES				
Called up share capital		4,500,000	-	4,500,000
Retained earnings		11,441,669	-	11,441,669
SHAREHOLDERS' FUNDS		15,941,669	-	15,941,669

The notes form part of these financial statements

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	23,750,510	-	23,750,510
Cost of sales	(8,877,831)	-	(8,877,831)
GROSS PROFIT	14,872,679	-	14,872,679
Administrative expenses	(11,326,118)	-	(11,326,118)
Other operating income	40,000	-	40,000
OPERATING PROFIT	3,586,561	-	3,586,561
Interest receivable and similar income	50	-	50
Interest payable and similar expenses	(1,266,909)	-	(1,266,909)
PROFIT BEFORE TAXATION	2,319,702	-	2,319,702
Tax on profit	(390,545)	-	(390,545)
PROFIT FOR THE FINANCIAL YEAR	1,929,157	-	1,929,157

The notes form part of these financial statements