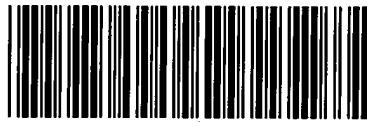


Company Registration No. 10799086

Arena Events Group Limited

**Annual Report and Financial Statements
for the year ended 31 March 2023**

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Arena Events Group Limited

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Arena Events Group Limited

Directors and Professional Advisers

Directors

Peter Abraam
Faisal Abdullah Al Faisal
Paul Michael Berger
Alwyn Dinesh Crasta
Abdullah Mohtaseb

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Independent auditor

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Bankers

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Solicitors

Paul Hastings (Europe) LLP
100 Bishopsgate
London
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Arena Events Group Limited

Strategic Report

The year ending 31 March 2023 marks the first full year of trading post COVID-19, during which all regions experienced a gradual return of trading levels toward pre-pandemic figures. The successful resumption of events across all regions has played a significant role in restoring profitability and driving growth. This positive trend reflects the dedication and resilience of the entire organization in navigating the uncertainties of the pandemic, reinforcing the Arena Events Group Limited ('the Company') and subsidiaries (collectively, 'Arena' or 'the Group') position as a market leader in the temporary infrastructure and event services industry.

Furthermore, this year represents the first full year of new ownership and a new leadership team following the privatization of the Company on 22 February 2022. The transition to new ownership has brought fresh perspectives, strategic direction, and commitment to unify the organization to enhance collaboration, realize operating efficiencies and drive greater long-term growth.

A key pillar of the Group's strategic direction is investment towards a diversification plan which focuses on non-event revenues such as long-term rentals and semi-permanent infrastructure. Additionally, the introduction of an Arena 'Overlay' division, a new venture providing project management and venue management services to global clients, is expected to be a significant growth engine in future financial periods.

Throughout the financial year, the Group has demonstrated resilience, adaptability, and a strong net profit. This strong trading performance, combined with the successful execution of strategic initiatives and the ability to generate sustainable revenues, provides a solid foundation for the Group's continued operations.

HSBC facility extension

On 18 October 2022, Arena completed the refinancing extension of both the Term A Loan and the Group's Term B (CLBILS) Loan with Senior Lender HSBC, for a further 12-month period through to 18 October 2023. Management is now in discussions with HSBC regarding a global debt refinance to put in place a facility of at least \$85m for a 3-year period to enable the Company to successfully execute the growth targets set out in the Group's strategic plan. A draft term sheet has been prepared and is in the process of being finalized for credit approval. The Group's major shareholder, IHC International Holding Company PJSC, has issued a letter of commitment to support the Company through alternative means in the unlikely event bank facilities are not refinanced.

Review of business

During the year Arena delivered the strongest set of financial results on record with all regions contributing to the Company's financial success. Annual total revenue increased 39.7% in the year from £188.5m to £263.3m, of which £139.0m (52.8%) was generated in the US, £65.3m (24.8%) in the UK and Europe, and £59.0m (22.4%) from the Middle East & Asia division. 50% subsidiary, Arena Aztec Shaffer (AAS) is reported within the US figures which contributed to £67.7m revenue growth as 100% of the revenue is recognized in the Group Income Statement to reflect Arena's management control of the entity. Revenue growth was underpinned by a combination of new contract wins e.g., Miami F1 (US), Birmingham Commonwealth Games (UK), President's Cup (US, AAS), year on year contract increases e.g. The Open (UK), Jeddah F1 (MEA), and long-term rental contracts particularly through Arena's entity on the US west coast – Arena Stuart Rentals.

The Gross margin % remained broadly flat year on year at 28.2% (2022: 28.3%), which is within the normalized range for the business. The Group managed to maintain gross margins despite global supply chain challenges and accompanying cost pressures. This has been achieved through selective project take-on, live project margin monitoring and an increased focus on procurement, which will be an area of focus for the global organization in future periods. Gross margins are also influenced by the type of revenue delivered, design and build semi-permanent or permanent installations tend to be lower margin than rental projects therefore an increase in non-rental revenue streams will depress overall Group gross margin, however this will be net profit accretive as revenue should increase with minimal additional operating expenses incurred.

Administrative expenses increased marginally in the year to £57.6m from £56.6m as investment took place in critical functions such as health & safety, finance, legal & compliance, marketing, and the creation of the new division of 'Overlay'. Investment will continue into the next financial year as the organization grows. Once the global platform has been established then the Management team will seek to maximize utilization of resources across the Group and unlock efficiencies through economies of scale.

Arena Events Group Limited

Strategic Report (continued)

Review of business (continued)

Group profitability rose considerably as adjusted EBITDA (pre-IFRS) increased from £15.3m in 2022 to £23.9m in 2023, a 56.2% increase. The Group delivered a Net Profit of £9.2m compared to a Net loss of £9.5m in 2022. The absence of the material acquisition costs incurred in 2022 contributed to this alongside a revaluation gain of £3.8m in 2023 in relation to the 50% non-controlling interest in Arena Aztec Shaffer.

The Group balance sheet movement in the year reflects the increased levels of activity. Property, plant and equipment increased from £57.2m to £73.1m as the Group incurred additions of £21.5m which delivered the revenue and Adjusted EBITDA growth in the year, plus the impact of foreign exchange £5.6m partially offset via net disposal impact of £0.9m and depreciation £10.3m.

The working capital position across the Group reflects a combination of increased trading activity combined with heightened business controls. Trade and other receivables decreased from £27.4m to £24.7m, a 10.9% decrease which is small in the context of annual revenue growth of 39.7%, this reflects the Group's strong debtor book. Trade and other payables increased from £36.9m to £39.8m (7.9% increase) primarily due to a significant uptick in operations. Contract liabilities increased from £18.4m to £20.6m (12.0%) as the business grew year on year.

The Group's cash position decreased by £9.4m in the year, from £26.7m to £17.3m due to debt repayment of £9.2m. As a result, net debt remained broadly flat at £28.3m. Consequently, the Group's net leverage ratio decreased significantly to just 1.19x. This provides the Group with a lower interest rate on the HSBC senior facility and places the Group in a robust financial position for future growth.

The Director's aims are to provide insights into developments that could affect the financial position, operations, and prospects of the Group. The global economy is facing challenges like rising interest rates and inflation, however, there hasn't been a decrease in demand for Arena services. The Groups forecasts strong growth in strategically selected divisions such as Overlay and the emerging markets in the Middle East and Asia.

The Directors have identified two critical internal areas for advancement, these include expansion of the Group's Human Resources capabilities to ensure the Group navigates changing labour market dynamics and continues to successfully hire, retain, and motivate its work force. Secondly, the importance of environmental sustainability. The Group is committed to reducing its carbon footprint and environmental impact. Future developments may entail the adoption of renewable energy sources and increased focus on environmentally responsible supply chain management.

Key financial measures

The Group uses Key Performance measures to reflect our strategic priorities and the particular aspects of financial and operational performance that Directors believe are most relevant for understanding our business progress.

1. **Revenue:** Revenue is a fundamental indicator of our business activity. Monitoring revenue helps assess growth strategy's effectiveness, understand market conditions, and track progress against business objectives.
2. **Gross Margin %:** Gross margin percentage is a key profitability metric that assesses the financial health of the Group. It shows the percentage of total sales revenue that the Group retains after incurring the direct costs associated with producing the goods and services sold.
3. **Adjusted EBITDA (pre-IFRS 16):** Group utilize adjusted EBITDA (pre-IFRS 16) as a measure of operating profitability. EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization, providing a perspective on profitability from core operations, excluding the impact of financing decisions, tax, and depreciation. The adjustments made are primarily to remove the impact of IFRS 16, which relates to lease accounting. Providing this pre-IFRS 16 measure offers a more comparable view of Group performance year-on-year and better reflects the cash earnings of business.
4. **Adjusted EBITDA (pre-IFRS 16) as a % of revenue:** This ratio provides an understanding of the profitability of core operations in relation to total revenue. It allows the Group to benchmark operational efficiency and profitability over time and against industry peers.

Arena Events Group Limited

Strategic Report (continued)

Key financial measures (continued)

5. Net Debt to Adjusted EBITDA (pre-IFRS) ratio: Net debt, calculated as total borrowings minus cash and cash equivalents, is a critical measure of financial health and leverage. It gives an insight into the Group's overall debt situation by netting off the amount of cash and cash equivalents that could potentially be used to pay off debt. Comparing this as a ratio to the Group's Adjusted EBITDA (pre-IFRS) gives context to the size of the Group's debt which enables stakeholders and investors to assess the Group's ability to meet its future obligations.

Adjusted EBITDA (pre-IFRS 16)	Mar-23	Mar-22
	£m	£m
Adjusted EBITDA per Income Statement	28.5	21.5
Less impact of IFRS 16 included in administrative expenses	(4.6)	(6.2)
Adjusted EBITDA (pre-IFRS 16)	23.9	15.3
 Net debt	 Mar-23	 Mar-22
	£m	£m
Cash and cash equivalents	17.3	26.7
Borrowings	(45.6)	(54.8)
Net debt	(28.3)	(28.1)
 Key measures	 Mar-23	 Mar-22
Revenue	£263.3m	£188.5m
Gross margin %	28.2%	28.3%
Adjusted EBITDA (pre-IFRS 16) as a % of revenue	9.1%	8.0%
Reported cash (£m)	£17.3m	£26.7m
Net debt to Adjusted EBITDA (pre-IFRS 16)	1.19x	1.84x

Mitigating risks and uncertainties

The Group's directors continually assess the financial and non-financial risks that may impact the business. The principal risks and uncertainties, along with their mitigations, are outlined below.

- **Brexit**
Having taken effect in late 2020, Brexit is now part of day-to-day operating challenges. Additional paperwork can place delays on the movement of equipment, and customs duty can be levied on goods moving out of or into the country, even on a temporary basis. Controls on the freedom of movement of people may impact the availability of European workers in the UK, tightening the recruitment market.

The Group's existing exposure to cross European border trade remains limited. Potential delays to the movement of goods and additional charges are now better understood and are built into project planning. The freedom of movement of workers and its impact on the availability of suitably qualified staff remains an issue. The Group has sought to maintain as much flexibility in the employment market as possible, identifying key roles and personnel and working to retain those individuals where-ever possible, while also seeking to use more domestically sourced labour wherever possible.
- **Economic risks**
Any economic uncertainty in the regions in which we operate can lead to discretionary or one-off events and projects to be postponed or cancelled. Whilst such contracts make up a relatively small proportion of our overall revenue, the loss of such work can have a material impact on overall profitability given the fixed costs of the Group. Furthermore, recessionary conditions in core markets typically result in a reduction in discretionary spend across corporates and individuals which eventually can lead to reduced event budgets.

Arena Events Group Limited

Strategic Report (continued)

Mitigating risks and uncertainties (continued)

- **Economic risks (continued)**

The Group has a sales and marketing process to identify, price and secure projects each year in addition to the base of contracted and recurring contracts. The pipeline of significant contract bids which is reviewed regularly by the Executive Directors. There is also a growing pipeline of non-event work which includes long term rentals, semi-permanent builds and disaster relief work which provides counterbalance to a reduction in event budgets.

- **Inflation and supply chain shortages**

The combined impact of Brexit and war in Ukraine have had a widely documented impact on both inflation and availability of goods and services through standard supply chain channels. This has the potential to put pressure on project margins and delivery schedules.

Arena maintains detailed pricing models for all major jobs whereby the rising costs of delivery are incorporated into prices to clients for new work. Where longer-term contracts are in place early customer engagement is taking place to communicate the impacts of the inflationary environment to seek remedial measures where possible. Project scheduling is also under review to ensure delivery commitments can be made throughout the year and especially during peak season periods.

- **Potential financial risks for businesses in general**

Arena has in place robust policies and procedures, set by the directors, successfully manage the financial risk usual for a business such as Arena and to ensure the healthy financial performance of the group. The Group does not use derivative financial instruments to manage interest rate risk. The identified financial risks comprise:

Price risk

Arena prides itself on delivering events of the highest quality while achieving optimum value for its clients. Arena works closely with its suppliers to limit price risk in the supply chain and meet the demands to deliver year-on-year value for its customers. Price risk is further mitigated by the size and strength of Arena's operations (which commands a level of supplier power), the Company's financial security, robust policies and procedures.

Throughout its regional markets and robust job take-on procedures means the directors consider Arena's exposure in this area to be low risk.

Credit risk

Arena reviews all new customers for creditworthiness. In advance of committing to large amounts of expenditure on projects, customers are required to pay a proportion in advance. This approach helps to mitigate the risk that some customers may not be able to pay their debts as they fall due. The fact Arena has strong relationships throughout its regional markets and robust job take-on procedures means the directors consider Arena's exposure in this area to be low risk.

Liquidity risk

Arena has sufficient cash resources, either from its own funds, access to further bank facilities or shareholder support, to mitigate risk in relation to liquidity (difficulty in meeting obligations associated with a Company's financial liabilities). The Company has a responsible and rigorous approach to financial management and a strong corporate governance framework in place.

Interest Rate Risk

Arena's financial structure is specifically designed to incorporate variable rate debts, enabling us to adapt to shifting market conditions. Arena's commitment to continuous monitoring of the interest rate environment allows us to make necessary adjustments to our financial strategies, effectively managing potential risks. Despite the inherent variability, our robust risk management practices and prudent financial policies are designed to mitigate any significant adverse impacts on our profitability and cash flow.

Arena Events Group Limited

Strategic Report (continued)

Considering all our stakeholders (s172)

The Board is mindful of all its stakeholders when considering the likely consequences of our strategy and long-term decisions. However, it is not always possible to provide a positive outcome for all stakeholders, meaning that the Board sometimes has to make decisions based on competing priorities. It is through regular stakeholder engagement that the Board is able to understand the issues that are most important to each group and to carefully consider all the relevant factors and select the course of action that leads to high standards of business conduct and promotes the long-term success of Arena Events Group Limited.

The Board considers its key stakeholders to be its employees, customers, suppliers, shareholders and lenders, the communities in which it operates, the environment, Governments, and industry bodies. Arena's directors seek to ensure their decision-making process considers the Company's purpose, vision, and values, together with its strategic priorities, and reflects, as far as is practical and possible, the interests of all stakeholders.

This section comprises our Section 172 statement, setting out how the Directors have, in performing their duties over the course of the year, had regard to the matters set out in Section 172 (1) (a) to (f) of the Companies Act 2006.

Stakeholder	Engagement examples
Employees	<ul style="list-style-type: none">• The Group continues to invest in HR across the organization to promote consistency of principles and procedures whilst ensuring policies are appropriately tailored for local markets and cultural requirements.• A new global HR Director Corporate has been appointed to oversee the HR function across the Group.• Management circulated new leadership guiding principles and presented the new Company vision and values. This is to create an open and constructive dialogue with the employee base which includes CEO updates, town-hall meetings, employee forums and regular engagement surveys.• One of the pillars of the Group's social value and sustainability policy is 'fairness, inclusion and respect'. The wellbeing of employees is of integral importance for the Group and alongside providing opportunities for volunteering, we also provide training and upskilling to provide opportunities for development.• Arena has a clear Equality and Diversity policy and aims to provide opportunities for a diverse range of backgrounds.
Customers	<ul style="list-style-type: none">• Regular engagement with customers at multiple levels within the organisations.• Detailed feedback sessions held on "what could be done better" and "how can we further improve the Arena Standard" and "building better relationships".• Board-level review of contracts have been implemented to ensure that learnings (for Arena or the customer, or both parties) are understood, and that the customer experience can be improved.• Detailed interaction during project delivery to adapt solutions for changing customer requirements.
Suppliers	<ul style="list-style-type: none">• The Directors recognize the key role that suppliers play in providing Arena with high quality equipment, products, and services.• Most supplier relationships are managed locally, with limited Group-level purchasing or interaction, except for certain areas of professional and advisory services.• With suppliers often working alongside Arena on customer sites, we ensure high standards of safety and that our suppliers carefully manage employee working conditions and wellbeing.• New supplier agreement templates have been prepared across the Group to manage supplier expectations and harmonize supplier treatment/management across areas of operations.

Arena Events Group Limited

Strategic Report (continued)

Considering all our stakeholders (s172) (continued)

Stakeholder	Engagement examples
Shareholders & lenders	<ul style="list-style-type: none"> Periodic board meetings are held with parent company Theta Bidco Limited and the board consisting of shareholder representatives. During these meetings, Arena's Group CEO and CFO present significant developments in the Company over the past quarter. All Company activity is governed by a delegation of authority matrix whereby approvals from shareholders are sought prior to committing to significant business decisions. There is regular engagement with the Group's lenders, particularly HSBC. Frequent meetings are held with the Bank's relationship team and the Group CFO and CEO.
Communities & environment	<ul style="list-style-type: none"> The Group leads a Sustainability Forum covering all global regions, to discuss key issues relating to ESG, as well as providing a communication platform to share best practice across groups. Arena is motivated by supporting the communities in which we work, we have supported charity partnerships across our regions. In the UK we formed a partnership with Chapter One - a charity supporting disadvantaged children to increase reading capabilities, which in turn has a positive social and economic impact. The school is located near to a UK office and the teams have supported the school throughout the academic year. We hope to transcend this partnership across our global regions. The Group is committed to diverting waste from landfill, as such we have investigated our largest waste streams and looked at solutions to reduce waste. One example of this recycling vinyl and carpet, which is pelletised for use in other polypropylene products. The Group is exploring opportunities to reduce our overall carbon footprint. We continue to find solutions to reduce reliance on fossil fuels, including switching to mains power options instead of diesel generators. In our UK operations we have switched to HVO (hydrotreated vegetable oil) across plant and power (where mains power isn't available). This reduces carbon impact by up to 90%.
Governments and industry bodies	<ul style="list-style-type: none"> The Group appointed a General Counsel and Compliance Officer during the financial year to ensure processes are in place to monitor new regulations and compliance requirements that may impact the business, consulting with key advisors where necessary. The Group has appointed a new Corporate Administrator to ensure compliance with regulatory requirements related to, amongst other things, UBO disclosures, economic substance reporting, annual corporate filings etc.

Going Concern

The Directors have conducted a thorough assessment of the going concern status of Arena. Based on the forecast of the Group through to March 2025, which represents a medium-term period for cash flow forecasting, financial support of the Senior lender HSBC and the availability of shareholder funding and support, the Directors have concluded that there are no significant concerns regarding the Company's ability to continue its operations as a going concern.

The forecast of the Group, covering the period up to March 2025, provides a comprehensive analysis of the Group's expected financial performance, having considered a reasonable downside sensitivity scenario, taking into account both internal and external factors. This detailed forecasting exercise has been conducted with diligence and, in the opinion of the Directors', fairly reflects the Group's future prospects.

Arena Events Group Limited

Strategic Report (continued)

Going Concern (continued)

Furthermore, the Group has the ongoing support and commitment of the Senior lender HSBC, the lead bank in the refinancing of the Group's debt current facilities which is in progress at the point of preparing these financial statements. HSBC has supported the Group since 2015, including throughout the COVID-19 pandemic and now is working alongside the management team to put in place a long-term debt package to facilitate the ongoing growth of the Group. The relationship with HSBC demonstrates the confidence of the lending institution in the Group's management, strategy, and ability to meet its financial obligations. Alongside this, the Group's major shareholder, IHC International Holding Company PJSC, has issued a letter of support indicating commitment to provide necessary support through alternative means for the Group to trade and meet its liabilities as and when they fall due for a period of not less than twelve months from the date of approval of these financial statements in the unlikely event the bank facilities are not refinanced.

It is important to note that the assessment of the going concern status is subject to uncertainties and risks inherent in the business environment. The Directors will continue to closely monitor and review the Group's financial performance, market conditions, and funding arrangements to ensure the ongoing viability of the Group as a going concern.

By order of the Board



Paul Michael Berger
Director
28 July 2023

Arena Events Group Limited

Directors' Report

Results & Dividends

The results for the year ended 31 March 2023 are set out in the consolidated income statement on Page 17.

In light of the prevailing trading environment, the Directors chose to reinvest in the business for the year, thus forgoing an interim dividend declaration and the Directors have not recommended a final dividend for the year ended 31 March 2023.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements, were as follows:

Peter Abraam

Prince Faisal Abdullah Al Faisal

Paul Michael Berger

Alwyn Dinesh Crasta

Abdullah Mohtaseb

Financial Risk Management and Financial Instruments

The Group adopts a prudent approach to financial risk management, with an appropriate level of debt facilities (referenced in the Strategic Report - Review of Business) and prepares detailed weekly cash forecasts by region to provide visibility of cash and facility usage. The Group does not enter into any financial derivative transactions, nor trade in financial instruments. The two main financial risks are considered to be as same explained in our Strategic report.

Branches Outside the UK

The Group has overseas subsidiaries as listed in Note 13, and a subsidiary of the Group (Asia Tents Arena SDN BHD) has a branch in South Korea.

Directors' Qualifying Third Party Indemnity Provision (Insurance)

Arena Events Group Limited has indemnified, by means of Directors and Officers liability insurance, the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provisions were in force during the year and are in force as at the date of approving the Directors' Report.

Capital Structure

Details of the issued share capital, together with details of the movements during the year, are shown in Note 22 to the Consolidated Financial Statements. The Company has one class of ordinary share and each ordinary share, carries the right to one vote at general meetings of the Company.

Substantial Shareholdings

Theta Bidco Limited owns 100% of the share capital of Arena Events Group Ltd.

Employee Involvement

The Group places considerable value on the involvement of its employees and keeps them informed on all aspects of the business and its progress, which the Directors consider to be relevant. Communication is affected through regular internal emails, newsletters, and formal town hall meetings. Feedback is also actively sought to better understand any employee concerns or suggestions to improve our employment practices.

The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, gender, ethnic origin, colour, religion, disability, sexual orientation, or marital status.

Arena Events Group Limited

Directors' Report (continued)

Employee Involvement (continued)

The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled, the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

UK Greenhouse Gas Emissions & Energy Use Data

Arena is required to report under the Streamlined Energy & Carbon Reporting (SECR) framework. Our SECR, in the table below, covers the energy consumption and associated Greenhouse Gas (GHG) emissions relating to gas, electricity and transport for the period 1 April 2022 to 31 March 2023 for the UK entities.

We have selected an intensity metric based on the energy consumption per £1,000 of revenue. This is 26 kg of CO₂e per £1,000 of revenue (2022: 69kg). With the inclusion of the offsetting activity this further reduced the figure to 19kg. The main driver behind the reduction this year has been the effort in the reduction of transport usage and types of transport used by introducing hybrid and electric vehicles. These are complemented by the installation of vehicle charging points at all Arena sites in the UK. The second major contributor was the reduction in gas oil usage related to the running of ice rinks during the winter period and even with Ice rink season beginning 4 weeks earlier this year starting in late October and not early December as in previous years, the use of hard power and a reduced number of ice rinks has contributed to this reduction. We will use this ratio to monitor our energy efficiency performance over time. We have used the SECR methodology as specified in the "Government Environmental Reporting Guidelines: Including streamlined energy and carbon reporting and greenhouse gas reporting", data gathered from our own operations and Government's GHG reporting conversion factors.

	Period (Apr 2022 – Mar 2023)	Period (Apr 2021 – Mar 2022)
Total electricity use	1,282,650 kWh	859,297 kWh
Total gas use	84,376 kWh	49,175 kWh
Total transport fuel	2,243,569 kWh	4,187,954 kWh
Total energy from other fuels	3,027,744 kWh	4,807,191 kWh
Total energy use (all sources)	6,638,340 kWh	9,903,617 kWh
Total carbon emissions (electricity)	374 tCO ₂ e	250 tCO ₂ e
Total carbon emissions (gas)	18 tCO ₂ e	10.5 tCO ₂ e
Total carbon emissions (transport fuel)	674 tCO ₂ e	1,264 tCO ₂ e
Total carbon emissions (other sources)	938.7 tCO ₂ e	1,523.7 tCO ₂ e
Total carbon emissions	2,004 tCO ₂ e	3,048 tCO ₂ e
Total estate size	779,849 sqft	796,434 sqft
Carbon intensity Ratio (per sqft)	1.37 kgCO ₂ e per sqft	3.8 kgCO ₂ e per sqft
Carbon Intensity Ratio (turnover)	13.7 kgCO ₂ e per £1,000 turnover	69 kgCO ₂ e per £1,000

Arena Events Group Limited

Directors' Report (continued)

Energy efficiency actions

We are committed to responsible carbon management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Changed out old sodium lights and replaced with LED on outside security lights.
- Moved Company car fleet on to Hybrid/EV (electrification of fleet).
- Installed EV chargers at all sites to support above.
- In early 2023, 80% of the UK Forklift fleet was changed out for EV.
- Light sensors in new buildings based on passive IR.
- Smart meters fitted at all sites to ensure simple monitoring of energy use.
- Re-roofing of old infrastructure to save cost and energy.

We have also offset 500 tCO₂e through a Gold Standard project and planting trees in the UK and this is represented with thin the SECR report to show the effect on the intensity ratio.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all reasonable steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. The auditor, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the Board



Paul Michael Berger

Director

28 July 2023

Arena Events Group Limited

Directors' Responsibility Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards. 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 Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- 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.

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

Opinion on the audit of the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards, and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Arena Events Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and 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 UK adopted international accounting standards, and as regards the Parent Company financial statements, as applied in accordance with the provisions 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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARENA EVENTS GROUP LIMITED (continued)

Other information (continued)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibility Statement, 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 is 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARENA EVENTS GROUP LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group, the Parent Company, and the industry in which they operate, and considered the risk of acts by the Group or the Parent Company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. The procedures carried out included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- consideration of management's controls designed to prevent and detect irregularities;
- review of the financial statements disclosures to underlying support documentation;
- challenging assumptions and judgements made by management in their significant accounting estimates; and
- identifying and testing journal entries, in-particular, journal entries posted with unusual account combinations.

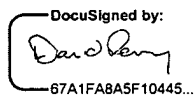
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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David Perry (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

28 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Arena Events Group Limited

Consolidated Income Statement Year ended 31 March 2023

	Note	Year ended 31 March 2023	Year ended 31 March 2022
		£m	£m
Revenue	2,3	263.3	188.5
Cost of sales	4,5	(189.1)	(135.1)
Gross profit		74.2	53.4
Administrative expenses	4,5	(57.6)	(56.6)
Operating profit /(loss)		16.6	(3.2)
Analysed as:			
Adjusted EBITDA		28.5	21.5
Depreciation property, plant, and equipment	5,12	(10.3)	(11.4)
Depreciation right of use assets	5,18	(4.6)	(5.7)
Exceptional expenses	4, 5	(0.3)	(6.2)
Acquisition costs		-	(0.8)
Share option credit	5	-	0.2
Put option revaluation	28	3.8	-
Intangible asset amortisation	5,11	(0.5)	(0.8)
		16.6	(3.2)
Finance costs	8	(5.1)	(4.2)
Profit/(loss) before taxation		11.5	(7.4)
Tax on Profit/(loss) on ordinary activities	9	(2.3)	(2.1)
Profit/(loss) after taxation		9.2	(9.5)
Profit/(loss) attributable to:			
Owners of the parent		9.1	(8.9)
Non-controlling interest		0.1	(0.6)
		9.2	(9.5)

Arena Events Group Limited

Consolidated Statement of Other Comprehensive Income Year ended 31 March 2023

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Profit/(loss) for the year	9.2	(9.5)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	1.4	0.6
Other comprehensive income for the year	1.4	0.6
Total comprehensive income/(loss) for the financial year	10.6	(8.9)
Total comprehensive income/(loss) attributable to:		
Owners of the parent	10.5	(8.3)
Non-controlling interest	0.1	(0.6)
	10.6	(8.9)

Arena Events Group Limited

Consolidated Balance Sheet As at 31 March 2023

	Note	31 March 2023 £m	31 March 2022 £m
Non-current assets			
Goodwill	10	32.1	31.2
Other intangibles	11	7.7	7.8
Property, plant, and equipment	12	73.1	57.2
Right-of-use assets	18	17.4	16.1
Investment in associates		-	0.9
Trade and other receivables due after one year	16	0.2	0.7
		<u>130.5</u>	<u>113.9</u>
Current assets			
Inventories	15	4.7	2.7
Trade and other receivables due within one year	16	24.7	27.4
Contract assets	3, 16	1.7	2.4
Cash and cash equivalents	31	17.3	26.7
		<u>48.4</u>	<u>59.2</u>
Current liabilities			
Trade and other payables	17	(39.8)	(36.9)
Contract liabilities	3	(20.6)	(18.4)
Borrowings	20	(45.6)	(14.0)
Lease liabilities	18	(4.5)	(3.2)
Put option liability	28	(6.7)	-
		<u>(117.2)</u>	<u>(72.5)</u>
Net current liabilities		<u>(68.8)</u>	<u>(13.3)</u>
Total assets less current liabilities		<u>61.7</u>	<u>100.6</u>
Non-current liabilities			
Borrowings	20	-	(40.8)
Put option liability	28	-	(8.5)
Lease liabilities	18	(14.7)	(14.3)
Other creditors		(0.3)	(1.2)
Deferred tax liabilities	19	(2.1)	(1.8)
		<u>(17.1)</u>	<u>(66.6)</u>
Net assets		<u>44.6</u>	<u>34.0</u>

Arena Events Group Limited

Consolidated Balance Sheet (continued) As at 31 March 2023

	Note	31 March 2023 £m	31 March 2022 £m
Equity			
Share capital	22	3.3	3.3
Share premium account	23	96.4	96.4
Merger reserve	24	10.9	10.9
Minority interest put option reserve	28	(8.5)	(8.5)
Minority interest reserve	14	(0.5)	(0.6)
Retranslation reserve		(1.8)	(3.2)
Retained loss		(55.2)	(64.3)
Total equity		44.6	34.0

The financial statements of Arena Events Group Limited, (Company registration number 10799086), were approved by the Board of Directors and authorised for issue 28 July 2023.



Paul Michael Berger
Director

Signed on behalf of the Board of Directors

Arena Events Group Limited

Company Balance Sheet As at 31 March 2023

	Note	31 March 2023 £m	31 March 2022 £m
Non-current assets			
Investments	13	70.4	70.4
Trade and other receivables due after one year	16	18.9	16.5
		<u>89.3</u>	<u>86.9</u>
Current assets			
Trade and other receivables due within one year	16	6.0	0.9
Cash and cash equivalents		1.0	4.2
		<u>7.0</u>	<u>5.1</u>
Current liabilities			
Trade and other payables	17	(6.0)	(0.6)
Borrowings	20	(28.3)	(1.0)
		<u>(34.3)</u>	<u>(1.6)</u>
Net current (liabilities) / assets		<u>(27.3)</u>	<u>3.5</u>
Total assets less current liabilities		<u>62.0</u>	<u>90.4</u>
Non-current liabilities			
Borrowings	20	-	(27.0)
Intercompany loan	20	(4.2)	(3.4)
		<u>(4.2)</u>	<u>(30.4)</u>
Net assets		<u>57.8</u>	<u>60.0</u>
Equity			
Share capital	22	3.3	3.3
Share premium account	23	96.4	96.4
Merger reserve	24	1.1	1.1
Retained loss		(43.0)	(40.8)
Total equity		<u>57.8</u>	<u>60.0</u>

As permitted by Section 408 of the Companies Act 2006, the parent company's income statement has not been presented in these financial statements. The parent company's result for the financial year was a loss of £2.2m (2022: loss of £21.1m). The financial statements of Arena Events Group Limited, (company registration number 10799086), were approved by the Board of Directors and authorised for issue on 28 July 2023.



Paul Michael Berger
Director

Signed on behalf of the Board of Directors

Arena Events Group Limited

Consolidated Statement of Changes in Equity For the year ended 31 March 2023

Group	Share capital	Share premium	Merger reserve	Share option reserve	MI put option reserve	Retranslation reserve	Retained (loss)	Total attributable to equity holders of parent	Non-controlling interest in equity	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 31 March 2021	2.7	89.7	10.9	0.2	-	(3.8)	(55.4)	44.3	-	44.3
Loss for the year	-	-	-	-	-	-	(8.9)	(8.9)	(0.6)	(9.5)
Other comprehensive income:										
Translation of foreign subsidiaries	-	-	-	-	-	0.6	-	0.6	-	0.6
Total comprehensive loss for the year ended 31 March 2022	-	-	-	-	-	0.6	(8.9)	(8.3)	(0.6)	(8.9)
Transactions with owners:										
Issue of share capital	0.6	6.7	-	-	-	-	-	7.3	-	7.3
Acquired through Business Combination	-	-	-	-	(8.5)	-	-	(8.5)	-	(8.5)
Share option credit	-	-	-	(0.2)	-	-	-	(0.2)	-	(0.2)
Total transactions with Owners	0.6	6.7	-	(0.2)	(8.5)	-	-	(1.4)	-	(1.4)
Balance at 31 March 2022	3.3	96.4	10.9	-	(8.5)	(3.2)	(64.3)	34.6	(0.6)	34.0
Profit for the year	-	-	-	-	-	-	9.1	9.1	0.1	9.2
Other comprehensive profit:										
Translation of foreign Subsidiaries	-	-	-	-	-	1.4	-	1.4	-	1.4
Total comprehensive profit for the year ended 31 March 2023	-	-	-	-	-	1.4	9.1	10.5	0.1	10.6
Balance at 31 March 2023	3.3	96.4	10.9	-	(8.5)	(1.8)	(55.2)	45.1	(0.5)	44.6

Arena Events Group Limited

Company Statement of Changes in Equity For the year ended 31 March 2023

Company	Share capital	Share premium	Merger reserve	Share option reserve	Retained loss	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 31 March 2021	2.7	89.7	1.1	0.2	(19.7)	74.0
Loss for the year	-	-	-	-	(21.1)	(21.1)
Total comprehensive loss for the year ended 31 March 2022	-	-	-	-	(21.1)	(21.1)
Transactions with owners:						
Issue of share capital	0.6	6.7	-	-	-	7.3
Share option credit	-	-	-	(0.2)	-	(0.2)
Total transactions with Owners	0.6	6.7	-	(0.2)	-	7.1
Balance at 31 March 2022	3.3	96.4	1.1	-	(40.8)	60.0
Loss for the year	-	-	-	-	(2.2)	(2.2)
Total comprehensive loss for the year ended 31 March 2023	-	-	-	-	(2.2)	(2.2)
Balance at 31 March 2023	3.3	96.4	1.1	-	(43.0)	57.8

Arena Events Group Limited

Consolidated Cash Flow Statement For the year ended 31 March 2023

		Year ended 31 March 2023	Year ended 31 March 2022
	Note	£m	£m
Net cash from operating activities	30	28.2	21.7
Cash flow from investing activities			
Investment in business combinations, net of cash acquired	28	-	(17.3)
Proceeds on disposal of property, plant, and equipment		2.2	2.0
Purchases of property, plant, and equipment	12	(21.5)	(11.6)
Net cash used in investing activities		(19.3)	(26.9)
Cash flow from financing activities			
Increase in borrowings	20	11.5	18.3
Repayment of borrowings	20	(26.6)	(0.2)
Loan drawdown from shareholders	20	2.0	-
Bank interest paid		(1.5)	(1.3)
Lease payments		(5.2)	(6.6)
Proceeds on issue of shares net of costs	22	-	7.3
Payment of shareholder loan notes		-	(2.4)
Payment of loan note interest		(1.2)	(1.7)
Deferred consideration paid		-	(0.1)
Net cash (used in) /from generated from financing activities		(21.0)	13.3
Net (decrease)/increase in cash and cash equivalents		(12.1)	8.1
Cash and cash equivalents at the beginning of year	31	26.7	18.4
Effect of foreign exchange rate changes		2.7	0.2
Cash and cash equivalents at end of year	31	17.3	26.7

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023

1 Principal accounting policies

Basis of preparation

The principal accounting policies of the Company are set out below. The accounting policies have all been applied consistently in the consolidated financial statements in the current year.

The financial statements presented cover the year ended 31 March 2023 and the year ended 31 March 2022.

Arena Events Group Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The consolidated financial statements of Arena Events Group Limited are available from the registered office at Needingworth Industrial Estate, Needingworth Road, St Ives Cambs PE27 4NB.

The principal activities of the Company and its subsidiaries (referred to as “the Group”) and the nature of the Group’s operations are set out in the strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 1.

The financial statements have been prepared for Arena Events Group Limited and its subsidiaries.

The financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards and International Accounting Standards and Interpretations (collectively IFRSs). The financial statements have been prepared using the historical cost convention except as disclosed in the accounting policies. The preparation of the financial statements requires estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions which are based on management’s best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Basis of consolidation

The consolidated financial statements include the results of the Company and all its subsidiary undertakings made up to the same accounting date. All intra-Group balances, transactions, income and expenses are eliminated in full on consolidation. The results of subsidiary undertakings acquired or disposed of during the year are included or excluded from the consolidated income statement from the effective date of acquisition or disposal.

Business combinations

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

If a business combination occurs in stages, the accounting treatment of an entity’s pre-combination interest in an acquiree is consistent with the view that obtaining control is triggered by a significant economic event. The acquirer remeasures any previously held interest at fair value and takes this amount into account in the determination of goodwill. Any resultant gain or loss is recognised in the Consolidated Income Statement as appropriate.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Non-controlling interest

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The proportionate share of net assets upon acquisition is initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Put options

Where a put option liability is created as part of a business combination, this is recorded within financial liabilities in the balance sheet and is debited to minority interest put option reserve at the point the arrangement is entered into. The value is calculated in line with contractual terms of the acquisition, using forecasts of expected cash flows for the relevant measurement period, and is discounted in line with IFRS 9. Subsequent to the initial recognition any change in the financial liability is recognised in Consolidated Income Statement.

Going concern

The Directors have conducted a thorough assessment of the going concern status of Arena. Based on the forecast of the Group through to March 2025 which represents a medium-term period for cash flow forecasting, the support of the Senior lender HSBC and the availability of shareholder funding and support, the Directors have concluded that there are no significant concerns regarding the Company's ability to continue its operations as a going concern. The forecast of the Group, covering the period up to March 2025, provides a comprehensive analysis of the Group's expected financial performance, having considered a reasonable downside sensitivity scenario, taking into account both internal and external factors. This detailed forecasting exercise has been conducted with diligence and, in the opinion of the Directors', fairly reflects the Group's future prospects.

The Group is in compliance with standard covenants testing and has now successfully completed two years of tests post COVID-19 and has sufficient projected headroom through the forecast period to March 2025, inclusive of downside sensitivities around revenue and inflationary cost increases. Management's assessment takes into account the agreed extension on the Group Loan with HSBC due on 18 October 2023. The Group has entered dialogue with HSBC and other lenders to plan the refinancing of both the Term A Loan at the end of its extended period and any amounts outstanding on the Group's Term B (CLBILS) Loan prior to expiry in October 2023. Alongside this, the Group's major shareholder, IHC International Holding Company PJSC, has issued a letter of support indicating commitment to provide necessary support through alternative means for the Group to trade and meet its liabilities as and when they fall due for a period of not less than twelve months from the date of approval of these financial statements in the unlikely event the bank facilities are not refinanced.

Based on the assessment outlined above which has been considered and reviewed by the Directors, the Directors has a reasonable expectation that the Group has access to sufficient liquidity and has adequate resources for the foreseeable future to meet liabilities as they fall due and continue in operational existence and therefore have determined that the financial statements for the year ended 31 March 2023 should be prepared on a going concern basis.

Application of new and revised standards

New and amended IFRS standards that are in issue but not effective yet

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS17	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 1	Disclosure of Accounting Policies, Classification of Liabilities as Current or Non-Current, and Non-Current Liabilities with Covenants
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future years.

Revenue recognition

As per IFRS 15 Revenue from Contracts with customer, Revenue is recognized by the Group when control over the goods or services is transferred to the customer. As per IFRS 15, five steps model is applied for recognising revenue. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties and VAT/sales tax.

The Group recognises revenue from the following major sources:

1. Hire revenue from the supply of temporary seating, structures, interiors and other related products
2. Sales revenue from the design and/or sale of made to order seating and structures
1. Hire Revenue: Hire revenue is split into two elements, services; and rentals.
 - a. Services revenue: Under service revenue the Group provide services from starting from design to build to maintain and operate and then dismantle the structure. These services are considered as one performance obligation. The performance obligation is satisfied over time and revenue is recognised based on input method (estimate of cost plus a margin).
 - b. Rental revenue is recognised in line with IFRS 16 Leases, based over time from the point at which the customer has use of the asset. Where there is no specific rental revenue detailed in the contract an implied amount is calculated along with an estimated margin.
2. Sales Revenue

Revenue from the sale of rental equipment, and consumables, is recognised at the time of delivery to, or collection by, the customer and when all performance obligations under the sale contract have been fulfilled.

UK Government grants and support

During the previous year ended 31 March 2022, the UK Division of the Group complied with the requirements and specified conditions of the Coronavirus Job Retention Scheme (CJRS). The CJRS grant related to staff who had been furloughed due to COVID-19. Initially the Chancellor announced that the scheme would run until October 2020, but this was subsequently extended to the end of September 2021. From October 2020 – July 2021 employers were able to claim 80% of a furloughed employee's wages/salaries up to a maximum of £2,500 plus associated employer's costs (e.g., employer's national insurance contributions). From July to the end of September 2021 employers were able to claim 70% of a furloughed employee's wages/salaries up to a maximum of £2,188 plus associated employer's costs (e.g., employer's national insurance contributions). This grant was paid to the employer by HMRC. The total amount received in the previous year from HMRC was £0.1m. Amounts received have been offset against payroll related expenses in the year.

Foreign currency translation

During the year foreign currency transactions are translated using the exchange rate in operation on the date on which the transaction occurred. Any exchange gain or loss occurring as a result of a business transaction being settled at an exchange rate that differs from that used when the transaction was originally recorded is credited or charged to the income statement.

On consolidation, foreign entities' balance sheets are recorded using the closing rate method with income statements recorded at average rate.

The functional currency for the Company's financial statements is GBP.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Goodwill

Goodwill is measured in line with IFRS 3 Business Combinations, being the excess of the sum of consideration transferred over the amounts of the acquired net assets. Goodwill is not amortised but is reviewed for impairment on an at least an annual basis. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment 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. Any impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Intangible assets

- Customer relationships

Customer relationship costs are an estimated value attributed to key current customers acquired.

The intangible assets arising are being amortised on a straight-line basis over five to eight years from the date the new business assets went into service. This is based on the expected beneficial life of the key customers. The directors consider this represents the useful economic benefit of the key customers acquired.

- Development costs

Development costs are calculated as those costs incurred to develop a new product to add to the businesses offering. The intangible asset arising on development is being amortised on a straight-line basis over fifteen years from the date the new product went into service. The directors consider fifteen years to represent the useful economic benefit of the product.

- Licence costs

Licence costs are those costs incurred on overseas properties in the MEA region.

The intangible asset arising on licences is being amortised on a straight-line basis over eighteen years from the date of the new licence: in line with the term of the licence. The directors consider the term of the licence to represent the useful economic benefit of the licence.

Property, Plant and Equipment

Property, plant and equipment, which include assets acquired for hire, are capitalised at their purchase cost, together with any incidental costs of acquisition. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying value of the asset and is recognised as 'profit/(loss) on disposal of PP&E' within the income statement.

Depreciation is provided by the Company to write off the cost less the estimated residual value of property, plant and equipment on a straight-line basis over their estimated useful economic lives as follows:

Hire equipment (metal)	Between 15 and 25 years
Hire equipment (non-metal)	Between 3 and 10 years
Plant and equipment	Between 2 and 15 years
Motor vehicles	Between 3 and 5 years
Fixtures and fittings	Between 3 and 7 years
Buildings and leasehold improvements	In line with the remaining term of the lease

Investments

Investments in subsidiary undertakings are stated at purchase cost of acquisition (including any incidental cost of acquisition).

Where, in the opinion of the directors, there has been an impairment of the investments, appropriate provisions are made and charged to the income statement.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Business combinations and non-controlling interest

Assets and liabilities acquired in business combinations are recorded at fair value. Difference between net assets acquired and the consideration paid is recognised as goodwill. Initial non-controlling interest is recorded on the balance sheet as a percentage of the net assets acquired with future share of profit or loss recorded in equity.

Inventories

Raw materials are stated at the lower of cost and net realisable value. Raw material cost is determined on a first in first out basis. Provision is made where necessary for obsolete, slow moving and defective stocks.

Work in progress has been valued at the lower of cost and net realisable value and includes costs incurred on long term contracts. Costs include direct materials and direct labour only. Provided that the outcome of any material long-term contracts ongoing at the year-end can be assessed with reasonable certainty, attributable profit earned to date is recognised in the income statement and work in progress is stated net of amounts transferred to cost of sales, net of payments received on account.

Exceptional items

During the year the Group reviews costs that are deemed to be one-off and non-recurring in nature. In order to provide an indication of the Group's underlying business these items are classed as exceptional and presented separately on the face of the income statement and detailed in note 5.

Leases

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. The Group assessed whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration and where applicable has applied exemptions in relation to short-term leases (< 12 months) and low-value items (<\$5,000).

For short-term leases (lease term of 12 month or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Rates were calculated on a regional basis to be in line with CGUs but also to reflect access to bank borrowing at a regional level. The IBR was based on asset class, type of lease and length of term to provide a representative rate. IBRs applied were UKE 2.8%, MEA 3.8% and US 4.3% (2022 UKE 2.8%, MEA 3.8% and US 4.3%).

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

The Group contributes to various defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. Contributions to the schemes are charged to the income statement in the year in which they are incurred.

Financial assets

- Trade receivables

Trade receivables do not carry interest and are stated at face value as reduced by appropriate loss allowances for estimated irrecoverable amounts using an expected credit loss model. This approach requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date so as to reflect changes in credit risk since initial recognition of the trade receivable.

- Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term bank deposits with maturity of three months or less, which are used by the Group in the management of its short-term commitments.

Financial liabilities

- Trade payables

Trade payables are not interest bearing and are stated at fair value and subsequently measured at amortised cost.

- Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct transaction costs where these are integral to the total cost of the borrowing. Where this is not the case, direct transaction costs are recognised separately from the financial liability as a loan commitment asset. Finance charges, including amortisation of direct transaction costs, are charged to the income statement.

Tranches of borrowings and overdrafts which mature on a regular basis are classified as current or non-current liabilities based on the maturity of the facility.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Related party disclosures

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Where applicable transactions between the Group, its directors, senior management, and associates are disclosed.

Critical accounting judgements

The preparation of the Group financial statements requires the use of certain judgements that affect the reported amounts of assets, liabilities, income and expenses. Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in accounting judgements may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience.

- *IFRS 16 lease as lessor*

One of the major revenue sources for the Group is Hire revenue identified as the supply of temporary seating, structures, interiors and other related products. An element of this Hire revenue relates to a rental period of the product and is treated under IFRS 16 spreading the revenue over time from the point at which the customer has use of the asset. Where there is no specific rental revenue detailed in the contract judgement is applied to determine the value of the rental amount within the overall contract price, along with an estimated margin.

- *IFRS 16 lease as lessee*

In assessing lease terms under IFRS 16, Group apply substantial judgment, specifically regarding the likelihood of exercising lease extension options. The decision-making process incorporates various factors, including the strategic importance of the leased asset, any substantial leasehold improvements, and terms of potential extension options. Past trends and instances of similar options being exercised also significantly inform our decision. This judgment is subject to re-evaluation at each reporting date, reflecting any changes in circumstances that may alter the initial lease term assessment.

- *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting period date.

Deferred tax is provided in full on temporary differences that exist at the reporting period date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in the periods in which the temporary differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting period date. Temporary differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Group financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Key sources of estimation uncertainty

The preparation of the Group's financial statements requires the use of certain estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

1 Principal accounting policies (continued)

Key sources of estimation uncertainty (continued)

- Goodwill impairment

When testing for goodwill impairment the Group uses a discounted cash flow methodology. This requires judgement around the forecast in revenue growth, and as such the value-in-use, for each Cash Generating Unit (CGU). Further details of the methodology in relation to the goodwill impairment are set out in note 10.

- Incremental Borrowing Rate (IBR)

A key factor in the calculation of lease liabilities is the discount rate used. Where there is an implicit rate in the lease this is used but where there is no clear rate defined judgement is used to calculate an IBR. Rates are calculated by region based on Group banking facilities: UK 2.8%, MEA 3.8%, and US 4.3%.

- Useful economic life and residual value of assets

The assessment of the useful economic life and residual value of the Group's fixed assets involves a significant amount of judgement based on historical experience with similar assets as well as anticipation of future events which may impact their useful life and residual value. Depreciation and amortisation for the year is £10.3m and £0.5m respectively (2022: £11.4m and £0.8m) These amounts may increase or decrease based on revisions to the useful life estimates.

- Put options

As part of the 50% acquisition of Arena Aztec Shaffer, a put option was created to be settled in cash. There was a requirement to estimate the future liability involving a calculation based on past and anticipated future EBITDA values for a 24-month period. The expected net present value calculation was based on the CAPM model used as part of the goodwill impairment being a discount rate of 14.02%.

2 Segmental Reporting

The Group's revenue from external customers by geographical location are as detailed below.

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Analysis of revenue by geographical destination		
United Kingdom	65.0	37.7
Europe (excluding the United Kingdom)	0.3	1.1
North America	139.0	103.8
Middle East	47.3	43.7
Asia	11.7	2.2
	<u>263.3</u>	<u>188.5</u>
	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Analysis of revenue by type		
Hire	246.6	182.0
Sales	16.7	6.5
	<u>263.3</u>	<u>188.5</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Revenue from contract with customers

	Contract Assets	Contract Assets	Contract Liabilities	Contract Liabilities
	31 March 2023 £m	31 March 2022 £m	31 March 2023 £m	31 March 2022 £m
Contract balances				
As at 1 April	2.4	1.4	(18.4)	(10.6)
Transfers from contract assets recognised at the beginning of the year to receivables	(2.4)	(1.4)	-	-
Performance obligations satisfied in the year that have yet to be transferred to receivables	1.7	2.4	-	-
Revenue recognised against contract liabilities at the beginning of the year	-	-	18.4	10.6
Increase due to cash received, excluding amounts recognised as revenue during the year	-	-	(20.6)	(18.4)
As at 31 March	<u>1.7</u>	<u>2.4</u>	<u>(20.6)</u>	<u>(18.4)</u>

Contract assets and contract liabilities arise from the Group's rental revenue because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts. Contract assets are comprised of the Group's accrued income.

The vast majority of the Group's contracts are for the delivery of services within the next 12 months for which the practical expedient as per paragraph 121(a) of IFRS 15 applies.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Contract Liabilities	Contract Liabilities
	31 March 2024 £m	31 March 2025 £m
At 31 March 2023		
Delivery of services	<u>20.6</u>	<u>-</u>
	<u>20.6</u>	<u>-</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

3 Revenue from contract with customers (continued)

As of 31 March 2022, the amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Contract Liabilities	Contract Liabilities
	31 March 2023	31 March 2024
At 31 March 2022	£m	£m
Delivery of services	18.4	-
	<u>18.4</u>	<u>-</u>

4 Expenses by nature

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Employees remuneration and benefits	57.3	43.2
Changes in inventories of finished goods and work in progress	33.1	48.5
Subcontracted labour	28.2	18.0
Transportation, carriage, and packing	18.1	11.1
Depreciation and amortisation expenses	10.8	17.9
Expected credit loss expense	0.3	0.2
Other expenses *	98.9	52.8
	<u>246.7</u>	<u>191.7</u>

* Other expenses mainly include hire rentals, insurance, rents, rates and tax, etc.

Analysis of expenses by nature

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Cost of sales	189.1	135.1
Administrative expenses	<u>57.6</u>	<u>56.6</u>
	<u>246.7</u>	<u>191.7</u>

Other expenses include £0.3m (2022: £6.2m) of items exceptional in nature which have been disclosed separately on the face of the income statement in order to disclose underlying results. Neither 'adjusted EBITDA' nor 'exceptional items' are defined by IFRS however the directors believe that the disclosures presented in this manner provide clear presentation of the financial performance of the Group.

The current year exceptional items are detailed in note 5.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

5 Operating Profit/(loss)

Group operating profit/(loss) is stated after charging/(crediting):

	Note	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Amortisation of intangible assets	11	0.5	0.8
Depreciation:			
Property, plant and equipment	12	10.3	11.4
Right of use assets	18	4.6	5.7
(Gain)/Loss on disposal of property, plant and equipment		(1.2)	0.7
Coronavirus Job Retention Scheme		-	(0.1)
Share option credit		-	(0.2)
Revaluation of put option	28	(3.8)	-
Items of an exceptional nature:			
Restructuring costs		0.4	3.2
Legal costs		-	0.9
Property costs		-	0.6
Other costs		(0.1)	1.5

For the year ended 31 March 2022, restructuring costs were incurred as part of the take private by IHC International Holding Company PJSC and Tasheel Holding Group LLC, legal costs relate to the US DOJ claim, property costs relate to dilapidations provision with other costs reflecting one-off costs within the MEA region. For the year ended 31 March 2023, the £0.4m exceptional charges related to the restructuring programme.

All costs shown as exceptional are considered to be one-off and material and are presented as exceptional items so as to provide an indication of the Group's underlying business.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

5 Operating profit/(loss) (continued)

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Auditor's remuneration		
Fees payable to Company's auditor for the audit of the Company's annual accounts	0.3	0.1
Fees payable to the Company's auditor for other services to the group: The audit of the Company's subsidiaries	0.3	0.4
Total audit fees	<u>0.6</u>	<u>0.5</u>
Total non-audit fees *	<u>0.1</u>	<u>-</u>

*Non-audit fees include services related to reporting to parents of the Group for their statutory accounts.

6 Directors' emoluments

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Aggregate emoluments	0.4	2.5
Company contributions to money purchase pension schemes	-	-
	<u>0.4</u>	<u>2.5</u>

For the year ended 31 March 2023 directors' emoluments include termination costs of nil (2022: £0.7m).

Highest paid director

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Aggregate emoluments	0.4	1.2
Company contributions to money purchase pension schemes	-	-
	<u>0.4</u>	<u>1.2</u>

There is only one director to whom emolument is paid for the year ended 31 March 2023 (2022: four).

The highest paid director had no retirement benefits accruing under a money purchase pension scheme (2022: nil).

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

7 Employee information

The average annual number of persons (including executive directors) employed by the Group for the year ended 31 March 2023 was:

		Year ended 31 March 2023 Number	Year ended 31 March 2022 Number
Group			
By activity			
Administration and finance		226	159
Sales and marketing		100	106
Technical support and maintenance		59	49
Warehouse, site, transport and distribution		783	657
		<u>1,168</u>	<u>971</u>
		Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Staff costs (for the above persons)			
Wages and salaries		53.7	40.2
Social security costs		3.0	2.5
Other pension costs		0.6	0.5
		<u>57.3</u>	<u>43.2</u>
		Year ended 31 March 2023 Number	Year ended 31 March 2022 Number
Company			
By activity			
Administration and finance		1	4
		<u>1</u>	<u>4</u>
		Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Staff costs (for the above persons)			
Wages and salaries		0.1	0.9
Social security costs		0.0	0.2
		<u>0.1</u>	<u>1.1</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

8 Finance costs

		Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
	Note		
Interest payable on bank loans and overdrafts		2.8	2.7
Finance charges payable under lease liabilities		0.8	1.0
Amortisation of bank refinance costs		0.4	0.5
Unwinding of put option liability	28	1.1	-
		<u>5.1</u>	<u>4.2</u>

9 Tax on profit/(loss) on ordinary activities

		Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
	Note		
Current tax			
UK corporation tax on profit/(loss) of the year		-	-
		<u>-</u>	<u>-</u>
Overseas tax		2.1	1.2
		<u>2.1</u>	<u>1.2</u>
Total current tax charge		<u>2.1</u>	<u>1.2</u>
Deferred taxation			
Origination and reversal of timing differences		0.3	0.1
Adjustments in respect of prior year		-	0.8
Effect of changes in tax laws		(0.1)	-
		<u>0.2</u>	<u>0.9</u>
Total deferred taxation charge	19	<u>0.2</u>	<u>0.9</u>
Tax charge on profit/(loss) on ordinary activities		<u>2.3</u>	<u>2.1</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

9 Tax on profit/(loss) on ordinary activities (continued)

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	Year ended 31 March 2023	Year ended 31 March 2022
	£m	£m
Profit/(Loss) on ordinary activities before taxation	11.5	(7.4)
Profit /(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	2.2	(1.4)
Effects of:		
Expenses not deductible for tax purposes	-	13.7
Other non-taxable income	(0.3)	(12.4)
Differences in overseas tax rates	0.1	1.6
Effects of other tax rates	-	(0.5)
Amounts not recognised	0.3	1.4
Adjustment in respect of prior year	-	(0.3)
	<u>2.3</u>	<u>2.1</u>
Income tax charge reported in the income statement		

The UK corporation tax expense within these financial statements has been provided for at the rate of 19% (2022: 19%). On 3 March 2021 the Government announced that the main rate of Corporation Tax would remain at 19% (effective 06 April 2021) increasing to 25% in 2023. Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date and accordingly deferred tax has been recognised within these financial statements at 25% (2022: 25%).

10 Goodwill

	£m
Cost	
At 1 April 2021	47.0
Foreign exchange	0.3
Adjustments	0.9
	<u>48.2</u>
At 31 March 2022	48.2
At 1 April 2022	48.2
Foreign exchange	0.9
	<u>49.1</u>
At 31 March 2023	49.1

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

10 Goodwill (continued)

Accumulated impairment losses	
At 1 April 2021	(16.1)
Adjustments	(0.9)
	<hr/>
At 31 March 2022	(17.0)
At 1 April 2022	(17.0)
	<hr/>
At 31 March 2023	(17.0)
Carrying amount	
At 31 March 2023	32.1
	<hr/>
At 31 March 2022	31.2
	<hr/>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	31 March 2023 £m	31 March 2022 £m
CGU		
UK and Europe ("UKE")	17.7	17.7
Middle East and Africa/Asia	5.1	5.1
US	9.3	8.4
	<hr/>	<hr/>
	32.1	31.2
	<hr/>	<hr/>

The US segment comprises two CGUs (2022: two). The UKE and MEA segments are considered individual CGUs in both the financial years.

The recoverable amounts of the CGUs are determined from the value in use calculations. The value in use calculations is based on a five-year forecast with a terminal value applied based on a long-term growth rate of 2% (2022: 2%).

The key assumptions are those regarding discount rates, forecast revenue growth rates and terminal growth rate.

By 2028 adjusted EBITDA % margins are expected to settle at 12.9% UKE, 17.3% MEA and 20.1% US (2022 by 2027: 12.3% UKE, 8.1% MEA and 20.4% US). Capex has been projected to be incurred at a rate of 3.5% to 9.5% of revenue (2022: 2.8% to 9.1%).

The rates used to discount the CGU cash flows are a pre-tax discount rate derived from WACC and as terminal value based on a 2% long term growth rate. The WACC rates used are: UKE 11.3%, MEA 13.0% and US 10.2% (2022: UKE 10.0%, MEA 9.7% and US 8.1%). The WACC calculation used the cost of equity based on the CAPM model using available market information in relation to the risk-free rate, beta coefficient and equity risk premium.

There was no impairment following the review. The review demonstrates there to be headroom of: £25.8m UKE, £88.6m MEA and £146.0m US (2022: £1.2m UKE, £33.6m MEA and £112.1m US)

The Group has conducted a sensitivity analysis on the impairment test of the UKE, MEA and US CGUs. An increase in the applied WACC of 1%, would not leave the carrying value of goodwill in excess of the recoverable amounts in relation to the any CGUs. In addition, adjusting long terminal growth rate % from 2% to 0.5% would also not trigger any impairment in the any CGUs.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

11 Other intangible assets

Group	Customer relationships £m	Licence £m	Development costs £m	Brand £m	Total £m
Cost					
At 01 April 2021	5.2	3.4	0.3	-	8.9
Addition in the year	0.9	-	-	0.8	1.7
At 31 March 2022	6.1	3.4	0.3	0.8	10.6
Foreign exchange	0.5	-	-	0.1	0.6
At 31 March 2023	6.6	3.4	0.3	0.9	11.2
Accumulated amortisation					
At 01 April 2021	1.1	0.6	0.3	-	2.0
Amount charged to administrative expenses during the year	0.5	0.3	-	-	0.8
At 31 March 2022	1.6	0.9	0.3	-	2.8
Amount charged to administrative expenses during the year	0.4	0.1	-	-	0.5
Foreign exchange	0.1	0.1	-	-	0.2
At 31 March 2023	2.1	1.1	0.3	-	3.5
Net book value					
At 01 April 2021	4.1	2.8	-	-	6.9
At 31 March 2022	4.5	2.5	-	0.8	7.8
At 31 March 2023	4.5	2.3	-	0.9	7.7

Note: The Company has no other intangible assets.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

12 Property, Plant and Equipment

	Buildings and leasehold improvements	Plant and equipment and hire equipment	Motor vehicles	Fixtures and fittings	Total
Group	£m	£m	£m	£m	£m
Cost					
At 1 April 2021	4.2	78.5	0.5	2.5	85.7
Foreign exchange	0.1	1.8	0.1	-	2.0
Additions	-	11.0	0.3	0.3	11.6
Acquisition (note 28)	-	12.4	0.2	0.3	12.9
Transfers	0.2	0.9	-	-	1.1
Disposals	(0.2)	(12.4)	(0.3)	(0.1)	(13.0)
At 31 March 2022	4.3	92.2	0.8	3.0	100.3
Foreign exchange	0.4	9.2	0.2	0.5	10.3
Additions	0.1	20.5	0.3	0.6	21.5
Disposals	-	(4.3)	(0.1)	-	(4.4)
At 31 March 2023	4.8	117.6	1.2	4.1	127.7
Accumulated depreciation					
At 1 April 2021	1.1	37.3	0.3	2.0	40.7
Foreign exchange	-	0.8	-	0.1	0.9
Charge for the financial year	0.4	10.3	0.3	0.4	11.4
Transfer	-	0.2	-	-	0.2
Disposals	(0.2)	(9.5)	(0.3)	(0.1)	(10.1)
At 31 March 2022	1.3	39.1	0.3	2.4	43.1
Foreign exchange	0.1	4.1	0.1	0.4	4.7
Charge for the financial year	0.4	9.3	0.2	0.4	10.3
Disposals	-	(3.4)	(0.1)	-	(3.5)
At 31 March 2023	1.8	49.1	0.5	3.2	54.6
Net book value					
At 31 March 2023	3.0	68.5	0.7	0.9	73.1
At 31 March 2022	3.0	53.1	0.5	0.6	57.2

Note: Depreciation of property, plant and equipment is recognised within administration expenses.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

13 Investments

Company Cost and net book value	Shares in subsidiary undertakings £m
At 1 April 2022	70.4
Addition in the year	-
Transfers in the year	-
Impairment in the year	-
At 31 March 2023	70.4

The following information relates to the subsidiary undertakings of the Company as at 31 March 2023:

Name of Company	Percentage of ordinary shares held, %	Nature of business	Registered address
AES EMEA Limited	100	Holding Company	Needingworth Industrial Estate,
AES Americas Limited	100	Holding Company	Needingworth Road, St. Ives, England,
AES MEA Limited	100	Holding Company	PE27 4NB
Arena Event Services Group Limited	100	Temporary infrastructure	
Arena Event Services PTE Limited	100	Temporary structures	35 Selegie Road, 09-14/15 Parklane Shopping Mall Singapore 188307
AMEA Gulf Limited	100	Temporary structures	Palm Grove House, PO Box 438, Road Town, Tortola, British Virgin Islands
TGP Holdings Limited	100	Exhibitions and Graphics	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Arena Saudi Company for Industry LLC	100	Temporary structures	PO Box 10000, Riyadh, KSA
Arena Gulf Events LLC	100	Temporary structures	Office # 110, Level 1, B1 Cubes Park ICT Mussafah, Abu Dhabi, United Arab Emirates
Asia Tents Arena SDN BHD	100	Temporary structures	Lot 863, Jalan Subang 8, Taman Perindustrian Subang, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Arena Hong Kong Limited	100	Temporary infrastructure	Room 1307-08 Dominion Centre, Wan Chai, Hong Kong Island, Hong Kong
Ironmonger Group Limited	100	Event services	
Arena Event Services Inc. (AES Inc.)	100	Temporary structures	c/o Corporations Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808
Arena Aztec Shaffer LLC (AAS LLC)	100	Temporary structures	
Arena Stuart Rentals Inc.	100	Temporary structures	
AAS Holdco LLC	50	Holding Company	c/o Corporations Service Company, 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808
AES France	100	Temporary infrastructure Event services	231, rue Saint-Honoré 75001 Paris

The Group has no fixed asset investments outside of the Company's investments in subsidiaries noted above.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

13 Investments (continued)

AES EMEA Limited and AES Americas Limited are direct subsidiaries of Arena Events Group Limited. All other subsidiaries are indirect subsidiaries of Arena Events Group Limited.

The following subsidiary companies are exempt from audit of their accounts under section 479A of the Companies Act 2006: Parent Undertaking Declaration of Guarantee.

<u>Company</u>	<u>Registered number</u>
AES MEA Limited	07889154
AES Americas Limited	07889158
AES EMEA Limited	06048693
Arena Event Services Group Limited	04069053

14 Non-controlling interests

Arena Aztec Shaffer LLC, a 50% owned subsidiary of AAS Holdco LLC by virtue of the Group's control over the company, which was acquired in the year ended 31 March 2022, has material non-controlling interests (NCI). All other subsidiaries are 100% owned by the Group. (For further details refer note 28).

Summarised financial information in relation to Arena Aztec Shaffer LLC, before intra-group eliminations, is presented below together with amounts attributable to NCI:

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Summarised Profit & Loss		
Revenue	68.1	43.4
Cost of sales	(53.4)	(34.3)
Gross profit	14.7	9.1
Administrative expenses	(13.0)	(8.5)
Operating profit	1.7	0.6
Finance costs	(1.3)	(1.8)
Profit/(loss) before taxation	0.4	(1.2)
Tax on profit/(loss) on ordinary activities	(0.1)	(0.1)
Profit/(loss) after taxation	0.3	(1.3)
Profit/(Loss) allocated to NCI	0.1	(0.7)
Summarised Cash Flow		
Cash flows from operating activities	8.4	7.5
Cash used in investing activities	(6.8)	(18.1)
Cash flows used/generated from financing activities	(5.2)	15.4
Balance carried forward	4.8	-
Net cash inflows	1.2	4.8

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

14 Non-controlling interests (continued)

Summarised Balance Sheet	31 March 2023 £m	31 March 2022 £m
Assets		
Other intangibles	1.6	1.6
Property, plant and equipment	17.7	11.9
Inventories	0.4	0.1
Trade and other receivables	5.8	6.4
Cash and cash equivalents	1.2	4.8
Liabilities		
Trade and other creditors	(13.3)	(7.9)
Loans and other borrowings	(11.5)	(14.6)
Accumulated non-controlling interest	(0.5)	(0.7)

15 Inventories

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
Consumables	2.0	-	1.2	-
Work in progress	2.7	-	1.5	-
	<u>4.7</u>	<u>-</u>	<u>2.7</u>	<u>-</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

16 Trade and other receivables

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
Amounts due in less than one year				
Trade receivables – gross	16.6	-	19.5	-
Loss allowance	(2.4)	-	(1.3)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Trade receivables – net	14.2	-	18.2	-
Amounts due from other Group undertakings	-	6.0	-	0.9
Contract assets	1.7	-	2.4	-
Prepayments and other debtors	10.5	-	9.2	-
	<hr/>	<hr/>	<hr/>	<hr/>
	26.4	6.0	29.8	0.9
Amounts due in more than one year				
Trade receivables	-	-	0.6	-
Amounts due from other Group undertakings	-	18.9	-	16.5
Prepayments and other debtors	0.2	-	0.1	-
	<hr/>	<hr/>	<hr/>	<hr/>
	0.2	18.9	0.7	16.5
	<hr/>	<hr/>	<hr/>	<hr/>
Total trade and other receivables	<hr/> 26.6 <hr/>	<hr/> 24.9 <hr/>	<hr/> 30.5 <hr/>	<hr/> 17.4 <hr/>

All of the other receivables and prepayment balances above are deemed to be not past due normal payment terms, the disclosures below relate only to the trade receivables balance.

The directors review the recoverability of trade receivables and in line with IFRS 9 Financial Instruments, the Group applies the following provisions in line with the aging profile: current 1%, 60 – 90 days 2% and 90 days 4%.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. There is no customer that accounts for more than 10% of the remaining trade receivables balance. Accordingly, the directors believe that there is no further credit provision risk required in excess of the allowance for doubtful debts.

The directors do not consider any of the trade receivables balances to be fully impaired, rather they are either in dispute or are only expected to be partially settled. Accordingly, no ageing of impaired trade receivables is presented. Gross trade receivables are presented in the table above.

Included within amounts due from group undertakings (non-current) for the Company is £18.9m (2022: £16.5m) relating to intercompany loans receivable and included in amounts due from group undertakings (current) for the Company is £3.1m (2022: £nil) relating to intercompany loans receivable.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

16 Trade and other receivables (continued)

	31 March 2023 £m	31 March 2022 £m
Group		
60-90 days	1.2	0.7
90+ days	2.3	2.3
	<hr/>	<hr/>
Total past due trade receivables	3.5	3.0
Current	13.1	17.1
	<hr/>	<hr/>
Total trade receivables	16.6	20.1
	<hr/> <hr/>	<hr/> <hr/>
Movement in the allowance for doubtful debts		
Balance at start of the period	1.3	1.2
Expected credit losses written off	(0.1)	(1.0)
Increase in expected credit loss estimate	1.2	1.1
	<hr/>	<hr/>
Balance at end of period	2.4	1.3
	<hr/> <hr/>	<hr/> <hr/>

17 Trade and other payables falling due within one year

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
Trade creditors	12.4	0.2	13.3	-
Accruals	23.8	0.2	20.4	0.3
Amounts due to other Group undertakings	-	5.3	-	-
Taxation and social security	0.3	-	0.3	-
Corporation tax	0.9	-	0.6	-
Loan interest	0.4	0.3	-	-
Other creditors	2.0	-	2.3	0.3
	<hr/>	<hr/>	<hr/>	<hr/>
	39.8	6.0	36.9	0.6
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Trade creditors

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 59 days (2022: 36 days). For most suppliers, no interest is charged on the trade payables. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

18 Leases

Right of use assets

	Land and buildings £m	Plant and equipment £m	Other £m	Total £m
Cost				
At 01 April 2021	21.9	1.9	1.9	25.7
Acquired on acquisition	0.1	1.1	0.6	1.8
Additions	1.5	-	1.5	3.0
Disposals	(0.4)	(1.7)	(1.1)	(3.2)
Remeasurement	0.7	-	-	0.7
Transfer	-	(1.1)	-	(1.1)
Foreign exchange	0.6	0.1	(0.3)	0.4
At 31 March 2022	24.4	0.3	2.6	27.3
Additions	2.4	0.3	-	2.7
Disposals	(2.9)	(0.1)	(1.5)	(4.5)
Remeasurement	1.8	-	0.2	2.0
Foreign exchange	2.3	0.0	0.3	2.6
At 31 March 2023	28.0	0.5	1.6	30.1
Accumulated Depreciation				
At 01 April 2021	5.4	0.6	1.2	7.2
Charge for the period	3.4	1.3	1.0	5.7
Acquired on acquisition	1.0	-	0.7	1.7
Disposals	(0.4)	(1.7)	(1.1)	(3.2)
Foreign exchange	-	(0.2)	-	(0.2)
Transfer to PPE	0.2	-	(0.2)	-
At 31 March 2022	9.6	-	1.6	11.2
Charge for the year	3.9	0.1	0.6	4.6
Disposals	(2.9)	(0.1)	(1.5)	(4.5)
Foreign exchange	0.8	0.5	0.1	1.4
At 31 March 2023	11.4	0.5	0.8	12.7
Net book value				
At 31 March 2023	16.6	-	0.8	17.4
At 31 March 2022	14.8	0.3	1.0	16.1

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

18 Leases (continued)

Lease liabilities

	Land and buildings £m	Plant and equipment £m	Other £m	Total £m
At 01 April 2021	17.6	0.6	0.7	18.9
Additions	0.1	1.1	0.6	1.8
Interest expense	0.8	-	0.2	1.0
Acquired on acquisition	1.5	-	1.5	3.0
Repayment of lease liabilities	(3.6)	(1.5)	(2.1)	(7.2)
At 31 March 2022	16.4	0.2	0.9	17.5
Additions	2.3	0.3	-	2.6
Interest expense	0.8	-	-	0.8
Foreign exchange	3.7	(0.6)	0.4	3.5
Repayment of lease liabilities	(4.7)	0.1	(0.6)	(5.2)
At 31 March 2023	18.5	-	0.7	19.2

Where the interest rate is detailed or implied in the contract or agreement of a lease this is used, but where there is no clear rate defined then an Incremental Borrowing Rate (IBR) is calculated. In line with the CGUs, a regional approach is taken. In 2023 and 2022 the IBRs were UK 2.8%, MEA 3.8% and US 4.3%.

The following table shows the breakdown of the lease expense between amounts charged to operating profit/(loss) and amounts charged to finance costs:

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m
Depreciation of right of use assets:		
Land & Buildings	3.9	3.4
Plant & Equipment	0.1	1.3
Other	0.6	1.0
Charge to operating profit/(loss)	4.6	5.7
Interest expense related to lease liabilities	0.8	1.0
Charge to profit/(loss) before tax	5.4	6.7

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

18 Leases (continued)

The maturity of lease liabilities at 31 March 2023 were as follows:

	£m
Financial year:	
2024	5.5
2025	4.4
2026	2.3
2027	1.6
2028	1.6
Later years	7.7
	<hr/> 23.1
Effect of discounting	(3.9)
Total discounted lease liability	<hr/> 19.2
Aged as:	
Short-term lease liability	4.5
Long-term lease liability	14.7
	<hr/> 19.2

The maturity of lease liabilities at 31 March 2022 were as follows:

	£m
Financial year:	
2023	3.9
2024	2.9
2025	2.6
2026	1.6
2027	1.5
Later years	8.5
	<hr/> 8.5
Effect of discounting	(3.5)
Total discounted lease liability	<hr/> 17.5
Aged as:	
Short-term lease liability	3.2
Long-term lease liability	14.3
	<hr/> 17.5

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

19 Deferred tax

	Accelerated capital allowances	Short term timing differences	Total
	£m	£m	£m
At 1 April 2021	(0.3)	(0.7)	(1.0)
Charged to the income statement	-	(0.9)	(0.9)
At 1 March 2022	(0.3)	(1.6)	(1.9)
Charged to the income statement	(2.5)	2.3	(0.2)
At 31 March 2023	(2.8)	0.7	(2.1)

The Company has a deferred tax balance of nil (2022: nil), in respect of short-term timing differences. The Group has an unrecognised deferred tax asset of £4.2m (2022: £3.9m) in respect of UK tax losses carried forward, due to uncertainty over the level of future profitability across each UK Company and therefore the usability of those losses. No deferred tax has been recognised on a group level in respect of those losses (2022: nil).

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

20 Bank and other borrowings

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
a) Revolving credit facility (Arena Events Group Ltd)	23.5	23.5	24.3	24.3
b) CLBILS (Arena Events Group Ltd)	2.8	2.8	3.8	3.8
c) Revolving credit facility (AAS LLC)	11.5	-	-	-
d) Revolving credit facility (AES Inc.)	5.8	-	10.5	-
e) Revolving demand note (AES Inc)	-	-	2.2	-
f) Term loan (AAS LLC)	-	-	13.5	-
g) Term loan interest (AAS LLC)	-	-	0.9	-
h) Shareholder loan (Arena Events Group Ltd)	2.0	2.0	-	-
i) Intercompany loan	-	4.2	-	3.4
	<u>45.6</u>	<u>32.5</u>	<u>55.2</u>	<u>31.5</u>
Less unamortised issue costs	-	-	(0.4)	(0.1)
	<u>45.6</u>	<u>32.5</u>	<u>54.8</u>	<u>31.4</u>

The HSBC facility {(a), (b) & (d)} above includes senior debt of £37.8m (2022: £38.8m) split into a revolving credit facility (RCF) of £30.0m (2022: £30.0m), an accordion loan of £5.0m (2022: £5.0m) and CLBILS of £2.8m (2022: £3.8m). At 31 March 2023 the Group had drawn £32.1m {(a), (b) & (d)} of the total facility (2022: £38.6m). Of the total £32.1m, £26.3m was drawn in GBP by Arena Events Group Limited {(a) & (b)} (2022: £28.1m) and £5.8m was drawn in USD by AES Inc. {(d)} (2022: £10.5m). This debt was secured by fixed and floating charges over the assets of each of the entities within Group. On 18 October 2022, Group completed the refinancing extension of both the Term A Loan {(a) & (d)} above and the Group's Term B (CLBILS) Loan {(b)} above, with Senior Lender HSBC, for a further 12-month period through to 18 October 2023. Management is now in discussions with HSBC regarding a global debt refinance {(a), (b), (c) & (d)} above, to put in place a facility of at least \$85 million for a 3-year period to enable the Group to successfully execute the growth targets set out in the Group's strategic plan.

Arena Aztec Shaffer LLC {(c)} above has a total revolving loan facility of \$ 20.0m. As of 31 March 2023, \$13.8m was drawn down under the facility. Interest rates were 1.25% above Prime or 2.35% above SOFR. This debt was secured by fixed and floating charges over the assets of the Arena Aztec Shaffer LLC. This facility is part of the global debt refinance plan discussed above.

Arena Event Services Inc. {(e)} above, have a \$3.0m Revolving Demand Note with HSBC USA with a parent guarantee from Arena Events Group Ltd. Interest rates were 1.2% above Prime or 2.45% above SOFR for the applicable interest period. At 31 March 2023, Nil (2022: \$2.9m) of the demand note had been drawn.

Term loan (AAS LLC) {(f)} above of £ 13.5m has been paid during the year ended 31 March 2023.

Arena Events Group Ltd. {(h)} above, the Groups has drawdown a loan from Tasheel Holding Group LLC for the sum of £2.0 million. The loan was issued on 01 October 2022 and bears interest at 4.0% per annum on a reducing balance basis. Repayment of the loan and interest are detailed as £1m repayable on or before 30 April 2023 and the balance including any accrued interest payable on or before 31 October 2023. Subsequent to the balance sheet date £1m was paid on the due date.

On 13 October 2022, Arena Events Group Ltd. entered into a loan agreement with IHC Industrial Holding LLC for the sum of AED 50.0m (£10.0m). The loan is to be drawn in tranches to support new projects and bears interest at a rate of 4.0% per annum. Any amounts drawn plus accrued interest are payable in full on or before the 31 December 2023.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

20 Bank and other borrowings (continued)

The analysis of the borrowings is as follows:

	Weighted average interest rate	31 March 2023 £m	Weighted average interest rate	31 March 2022 £m
Revolving credit facility (Arena Events Group Limited)	4.4%	23.5	2.6%	24.3
Revolving credit facility (AAS LLC)	5.7%	11.5	-	-
CLBILS	5.1%	2.8	2.6%	3.8
Revolving credit facility (AES Inc)	5.2%	5.8	2.3%	10.5
Revolving demand note (AES Inc)	-	-	3.2%	2.2
Term loan A (AAS LLC)	-	-	10.0%	11.2
Term loan B (AAS LLC)	-	-	16.1%	3.2
Shareholder loan	4.0%	2.0	-	-
Unamortised bank amendment fees	-	-	-	(0.4)
Total borrowings	4.9%	45.6	4.8%	54.8

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
Maturity of borrowings				
Less than one year	45.6	28.3	14.0	1.0
Between one and five years	-	-	41.2	27.1
	45.6	28.3	55.2	28.1
Less unamortised issue costs	-	-	(0.4)	(0.1)
	45.6	28.3	54.8	28.0

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

20 Bank and other borrowings (continued)

The tables below show changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

Group Reconciliation of liabilities arising from financing activities	As at 1 April 2022 £m	Financing Cash flow £m	Other movements £m	Exchange movements £m	As at 31 March 2023 £m
Revolving credit facility (Arena Events Group Ltd)	24.3	(0.8)	-	-	23.5
CLBILS(Arena Events Group Ltd)	3.8	(1.0)	-	-	2.8
Revolving credit facility (AAS LLC)	-	11.5	-	-	11.5
Revolving credit facility (AES Inc.)	10.5	(6.1)	-	1.4	5.8
Revolving demand note (AES Inc)	2.2	(2.5)	-	0.3	-
Term loan (AAS LLC)	13.5	(15.3)	-	1.8	-
Term loan interest (AAS LLC)	0.9	(0.9)	-	-	-
Shareholder loan notes (Arena Event Group Ltd)	-	2.0	-	-	2.0
Liabilities from financing activities before lease liabilities	55.2	(13.1)	-	3.5	45.6
Lease liabilities	17.5	(5.2)	3.4	3.5	19.2
Total liabilities from financing activities	72.7	(18.3)	3.4	7.0	64.8
Reconciliation of liabilities arising from financing activities	As at 1 April 2021 £m	Financing Cash flow £m	Other movements £m	Exchange movements £m	As at 31 March 2022 £m
Revolving credit facility (Arena Events Group Limited)	24.3	-	-	-	24.3
CLBILS	-	3.8	-	-	3.8
Revolving credit facility (AES Inc.)	10.2	-	-	0.3	10.5
Revolving demand note (AES Inc)	2.1	-	-	0.1	2.2
Term loan (AAS LLC)	-	13.2	-	0.3	13.5
Term loan interest (AAS LLC)	-	-	0.9	-	0.9
Shareholder loan notes	2.4	(2.4)	-	-	-
Liabilities from financing activities before lease liabilities	39.0	14.6	0.9	0.7	55.2
Lease liabilities	18.9	(6.6)	5.2	-	17.5
Total liabilities from financing activities	57.9	8.0	6.1	0.7	72.7

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

20 Bank and other borrowings (continued)

Company

Reconciliation of liabilities arising from financing activities

	As at 1 April 2022 £m	Financing Cash flow £m	Other movements £m	Exchange movements £m	As at 31 March 2023 £m
Revolving credit facility (Arena Events Group Limited)	24.3	(0.8)	-	-	23.5
CLBILS	3.8	(1.0)	-	-	2.8
Shareholder loan notes	-	2.0	-	-	2.0
Loans from group undertakings	3.4	0.8	-	-	4.2
	<u>31.5</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>32.5</u>
Total liabilities from financing activities	<u>31.5</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>32.5</u>

Reconciliation of liabilities arising from financing activities

	As at 1 April 2021 £m	Financing Cash flow £m	Other movements £m	Exchange movements £m	As at 31 March 2022 £m
Revolving credit facility (Arena Events Group Limited)	24.3	-	-	-	24.3
CLBILS	-	3.8	-	-	3.8
Shareholder loan notes	2.4	(2.4)	-	-	-
Loans from group undertakings	4.5	(1.1)	-	-	3.4
	<u>31.2</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>31.5</u>
Total liabilities from financing activities	<u>31.2</u>	<u>0.3</u>	<u>-</u>	<u>-</u>	<u>31.5</u>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

21 Financial instruments

	Group 31 March 2023 £m	Group 31 March 2022 £m
Categories of financial instruments recorded on an amortised cost basis		
Cash and cash equivalents	17.3	26.7
Trade receivables and other receivables	15.9	21.2
Trade and other payables	(39.8)	(37.2)
Lease liabilities	(19.2)	(17.5)
Borrowings	(45.6)	(54.8)
	<u>(71.4)</u>	<u>(61.6)</u>
	Group 31 March 2023 £m	Group 31 March 2022 £m
Categories of financial instruments recorded on at fair value		
Put Option Liability	(6.7)	(8.5)
	<u>(6.7)</u>	<u>(8.5)</u>

The put option liability is valued in line with Fair Value Level 3 hierarchy being valued using a discounted cashflow model which applies a discount rate to estimates of future cashflows.

Carrying value of financial assets

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and lease liabilities approximates their fair value.

Interest rate sensitivity analysis

If interest rates on all borrowings had been 0.5% (2022: 0.5%) higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2023 would decrease/increase by £200,000 (2022: £30,000). This has been calculated by applying the amended interest rate to the weighted average rate of borrowings for the year ended to 31 March 2023, other than borrowings which are held at a fixed interest rate as those borrowings are not sensitive to external variables, such as movement in interest rates.

Maturity of financial liabilities

The maturity of borrowings is included in the table below. Intercompany balances have no fixed repayment date but are payable on demand. All other financial liabilities are expected to mature within six months of the year-end. The directors consider that the carrying amount of the other financial liabilities is approximate to their fair value.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

21 Financial instruments (continued)

As at 31 March 2023 Consolidated Group	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>More than 5 years</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Financial assets			
Cash and cash equivalents	17.3	-	-
Trade and other receivables	15.9	0.2	-
Total financial assets	<u>33.2</u>	<u>0.2</u>	<u>-</u>
Financial liabilities			
Trade and other payables	39.5	0.3	-
Lease liabilities	4.5	8.2	6.5
Put option liability	6.7	-	-
Borrowings	45.6	-	-
Total financial liabilities	<u>96.3</u>	<u>8.5</u>	<u>6.5</u>

As at 31 March 2022 Consolidated Group	<u>Less than 1 year</u>	<u>1 – 5 years</u>	<u>More than 5 years</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Financial assets			
Cash and cash equivalents	26.7	-	-
Trade and other receivable	20.6	0.6	-
Total financial assets	<u>47.3</u>	<u>0.6</u>	<u>-</u>
Financial liabilities			
Trade and other payables	36.0	1.2	-
Lease liabilities	3.2	7.2	7.1
Put option liability	-	8.5	-
Borrowings	14.0	40.8	-
Total financial liabilities	<u>53.2</u>	<u>57.7</u>	<u>7.1</u>

Credit risk

In the opinion of the directors, the only financial instrument that is subject to credit risk is the trade receivables. The directors believe that the bad debt provision as disclosed in note 16 represents the directors' best estimate of the maximum expected exposure to credit risk at year-end. In order to minimise credit risk all new customers to whom credit is granted are checked through a credit rating company. Trade receivables aging is reviewed as part of the overall cash management process. Any potential risks are highlighted, and sanctions taken where appropriate.

Fair value of financial instruments

In the opinion of the directors, the fair value of the financial assets and liabilities are approximate to their book values.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

21 Financial instruments (continued)

Liquidity risk management

The directors believe that the receivables are not impaired and that the customers with outstanding balances have sufficient net assets to repay the balances. Any potential liquidity risk is kept to a minimum by the use of continual cash flow forecasting and evaluation.

Capital risk management

As stated in the directors' report, the directors believe that the Group is cash generative and self-sufficient and does not require additional external finance. The borrowings were taken out for acquisition purposes, not working capital funding. The directors maintain detailed cash forecasts which are frequently revised to actuals to ensure that the Group has sufficient liquid resources to meet its requirements. The capital structure of the Group consists of debt as described in note 20, cash and cash equivalents and equity attributable to equity holders of the parent.

Foreign currency financial assets and liabilities

Included within the above table are £32.9m (2022: £39.4m) of assets and £61.2m (2022: £69.1m) of liabilities relating to the overseas subsidiaries which have been translated in the consolidation at the year-end rate. These balances are subject to movements in exchange rates, as shown in the statement of changes in equity. The directors do not believe the risk is significant enough to warrant hedging against the investments in overseas companies.

Also included within the above table are foreign currency denominated external trade payables and receivables of £9.4m (2022: £9.6m) and £19.2m (2022: £15.8m) respectively. These are denominated in AED, SGD, USD, HKD, SAR and MYR. The table below shows the Group's sensitivity to changes in foreign exchange rates on these balances.

	As at 31 March 2023 £m	As at 31 March 2022 £m
10% appreciation of the above foreign currencies	1.0	0.6
10% depreciation of the above foreign currencies	(1.0)	(0.7)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the year. The analysis assumes that all other variables remain constant.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

22 Share capital

Group and Company

	Group 31 March 2023 £m	Company 31 March 2023 £m	Group 31 March 2022 £m	Company 31 March 2022 £m
Authorised, allotted and issued				
326,282,261 fully paid ordinary shares of £0.01 each (2022: 326,282,261)	3.3	3.3	3.3	3.3

Authorised share capital is unlimited.

Following the take private of the Group, on 24 February 2022 the shares were cancelled from trading on the Alternative Investment Market (AIM).

As at the end of 31 March 2023 and 31 March 2022 there were 326,282,261 ordinary shares at £0.01 in issue resulting in £3.3m share capital and £96.4m of share premium. All shares carry equal rights.

In the year ended 31 March 2022 the following issues of £0.01 ordinary shares were made:

Tranche Two

Following the passing by Shareholders of certain Resolutions at the General Meeting held on 14 April 2021, the second tranche consisting of the Second Placing Shares and the Second Subscription Shares were admitted to trading on AIM on 15 April 2021. The second tranche consisted of a subscription for 7,336,410 new Ordinary Shares and a placing of 46,463,935 new Ordinary Shares, in each case at a price of 14 pence per share.

Tranche One

In the year ended 31 March 2021 the following issues of £0.01 ordinary shares were made:

On the 15 April 2020, the Company raised £9.5m (before fees and expenses) by way of a subscription for 60,000,000 new Ordinary Shares and a placing of 35,000,000 new Ordinary Shares, in each case at a price of 10 pence per share. The net proceeds of the Capital Raising were to fund working capital requirements.

On the 29 March 2021, the Group announced the conditional raising of £11m (before fees and expenses) by way of a subscription for 10,714,285 new Ordinary Shares and a placing of 67,857,143 new Ordinary Shares, in each case at a price of 14 pence per share. As well as strengthening the Group's balance sheet, the net proceeds of the capital raise were used to take advantage of the opportunities presented by the COVID-19 affected market to acquire attractive assets on favourable terms, including the acquisition of the business and assets of Aztec Shaffer.

23 Share premium account

	Group at 31 March 2023 £m	Company at 31 March 2023 £m	Group at 31 March 2022 £m	Company at 31 March 2022 £m
Balance	96.4	96.4	96.4	96.4

24 Merger reserve

The movement on the merger reserve is as set out in the consolidated statement of changes in equity. There was no movement for the year ended 31 March 2023 (2022: nil). The merger reserve was created as an effect of reverse acquisition accounting on creation of Arena Events Group Ltd. in July 2017.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

25 Capital commitments

There are \$1.5m (£1.3m) (2022 \$5.8m (£4.3m)) contracted capital commitments within the US region and £0.4m (2022: nil) contracted capital commitments in UK region but not provided in the financial statements for the Group (2022: nil) and no amounts contracted with the Company (2022: nil).

26 Contingent liabilities

The Group has contingent liabilities in relation to its US division as of 31 March 2023 and 2022. AES Inc. agreed a settlement with the United States' Attorney's Office for the Southern District of Georgia to resolve the US government's investigation of AES Inc. (the "Settlement"). The Settlement includes the payment by AES Inc. of \$4.8m (£3.53m) in equal instalments over five years (being \$960,000 (£707,000) per annum). The fourth settlement payment of \$960,000 (£707,000) was made in 2023 (2022: no settlement as a revised payment schedule was negotiated during COVID) and the fifth instalment is already accrued in the books. Subsequent to the balance sheet date the final instalment is also made. In addition, there is the potential for additional contingent payments of \$600,000 (£442,000) per year in any of the five years, 2018 to 2022, if certain financial hurdles are exceeded. These hurdles are AES Inc. achieving revenue greater than \$150m (£110m) or net profits greater than \$2.5m (£1.8m) based on calendar year results to 31 December. The \$600,000 (£442,000) contingent payment was not triggered in the 12 months to December 2022 (12 months to December 2021: \$600,000).

27 Pension commitments

Group

The Group operates various defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds. The Group incurs further costs in contributions to employees' own schemes. The cost of contributions to the defined contribution schemes amounts to £0.3m (2022: £0.5m) in the year. The outstanding balance at 31 March 2023 was £69,222 (2022: £10,000). All unpaid contributions were paid within 1 month of the year end.

Company

The Company operated a pension scheme in the period and the cost of contributions to the defined contribution scheme amounted to £5,366 (2022: £25,000). The outstanding balance at 31 March 2023 was £412 (2022: £1,500). All unpaid contributions were paid within 1 month of the year end.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

28 Acquisition of Aztec Shaffer Assets

	Fair value recognised on acquisition
	£m
Intangible: customer relationships	0.9
Intangible: brand	0.8
Tangible assets	12.7
Other assets and liabilities	1.4
Loan	(13.4)
Total identifiable net assets at fair value	<u>2.4</u>
Arena shareholders' funds	1.2
Non-controlling share of equity	1.2
Purchase consideration transferred	<u>2.4</u>
Satisfied by:	
Cash paid	2.4
	<u><u>2.4</u></u>

On 25 March 2021, AAS Opco LLC was set up as a 100% owned subsidiary of AAS Bidco LLC with the latter being a 100% owned subsidiary of AES Americas Limited. On 2 April 2021, Arena Aztec Shaffer LLC (formerly AAS Opco LLC) made a bid for Aztec Shaffer's business and assets as part of a Court-led auction process pursuant to Section 363 of the United States Bankruptcy Code. This bid was confirmed as successful on 6 April 2021 and was approved at the sale hearing at the United States Bankruptcy Court for the Southern District of Texas on 16 April 2021. The purchase agreement being signed with an effective date of 23 April 2021. The total value of the bid to the secured lender (AIG) and including amounts payable to the parties that provided interim funding through the bankruptcy process was \$25.6m. This value included \$4m of deal related costs. This purchase price was funded by an equity contribution of \$3.35m by the Company (via its subsidiary, AES Americas Limited) in return for a 50% equity stake in Arena Aztec Shaffer LLC (with management control) alongside an \$18.25m debt financing package provided by the Company's Co-Bidders. At the moment of acquisition, the Company's Co-Bidders assumed 50% ownership of AAS Holdco LLC (formerly AAS Bidco LLC) with AAS Holdco LLC retaining 100% ownership of Arena Aztec Shaffer LLC.

On acquisition the Group identified leases which has extension options available to it. The Group have recorded the right-of-use asset and corresponding lease liability to the initial expiry date and will reconsider the position once the put option disclosed below have been settled.

As a part of acquisition, a put option was created to be settled in cash. The put option liability reflects the expected net present value of the remaining 50% interest in Arena Aztec Shaffer created as a result of the acquisition in April 2021. The put option can be exercised by the holders in October 2023 and if not exercised, the non-controlling interest may be called by the group in April 2024.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

28 Acquisition of Aztec Shaffer Assets (continued)

Put Option Liability

	Group £m	Company £m
At 01 April 2022	8.5	-
Unwinding of put option liability (unwind @ 11.75%, recognized under finance cost)	1.1	-
Put option revaluation (recognized in consolidated income statement)	(3.8)	-
Impact of foreign exchange	0.9	-
	<hr/>	<hr/>
At 31 March 2023	6.7	-
	<hr/>	<hr/>
	Group £m	Company £m
At 1 April 2021	-	-
Increase in the year	8.5	-
	<hr/>	<hr/>
At 31 March 2022	8.5	-
	<hr/>	<hr/>

29 Related party transactions

Group

As at the reporting date, balances with related parties were as follows:

Included in Trade receivables and other receivables	Relationship	31 March 2023 £m	31 March 2022 £m
Abu Dhabi Land General Contracting LLC	Fellow subsidiary	<hr/> 1.1 <hr/>	<hr/> - <hr/>
Included in Trade payables and other payables	Relationship	31 March 2023 £m	31 March 2022 £m
TasHeel Modern Support Services Co	Other related party	<hr/> 0.1 <hr/>	<hr/> - <hr/>

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

29 Related party transactions (continued)

Key transactions with related parties during the year were as follows:

Included in Revenue	Relationship	Year ended March 2023 £m	Year ended March 2022 £m
Abu Dhabi Land General Contracting LLC	Fellow subsidiary	1.3	-
RG Procurement RSC LTD	Fellow subsidiary	0.1	-
		<u>1.4</u>	<u>-</u>
Included in Cost of goods sold	Relationship		
TasHeel Modern Support Services Co	Other related party	<u>0.1</u>	<u>-</u>

Remuneration of key management personnel

The remuneration of key management personnel of the Group is set out below in aggregate for each of the relevant categories specified in IAS 24 Related Party Disclosures. Key management are identified as Group board members and those senior managers who are key decision makers at a regional level:

	Year ended March 2023 £m	Year ended March 2022 £m
Short-term employee benefits	1.1	3.1
Termination benefits	-	0.7
	<u>1.1</u>	<u>3.8</u>

Of the key management personnel, none (2022: two) have retirement benefits accruing under a money purchase pension scheme. Included in the numbers above are short-term employee benefits of £0.4m (2022: £2.5m) that relate to the Company. The Group does not have any post-employment benefit accruing in relation to the key management personnel.

For the year ended 31 March 2022, the remuneration detailed above includes £1.8m of short-term employee benefits borne by Theta Bidco Limited as part of the take-private deal in February 2022, there was no such amount in 2023.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

29 Related party transactions (continued)

Company

In 2023, the Company drew down £2m from a loan facility provided by its minority shareholder, TasHeel Holding Group; this facility is due for repayment in 2024 and therefore the full £2m is recorded as a liability within the Group and Company results as of 31 March 2023.

In 2022, the Company repaid £2.4m of the outstanding loan notes and interest due to one of its previous shareholders Lombard Odier Asset Management (Europe) Limited, this loan was therefore nil in 2023.

Amounts due to Company from related parties (subsidiaries within the Group)

	Year ended March 2023 £m	Year ended March 2022 £m
AES MEA Ltd.	1.8	-
AES EMEA Ltd.	0.0	13.1
AMEA Gulf Ltd.	5.4	3.4
Arena Aztec Shaffer LLC	0.4	0.4
Arena Event Services Group Ltd.	16.5	0.8
Arena Saudi Company (Branch) for Service LLC	0.8	-
Arena Stuart Rentals Inc.	-	0.9
	<u>24.9</u>	<u>18.6</u>

Amounts due from the Company to related parties (subsidiaries within the Group)

	Year ended March 2023 £m	Year ended March 2022 £m
AES Americas Ltd.	5.3	0.4
Arena Event Services Inc.	4.3	4.7
	<u>9.6</u>	<u>5.1</u>

Ultimate parent Company and controlling party

Theta Bidco Limited is the immediate parent undertaking of the Company. As 70% shareholder of Theta Bidco Limited, IHC International Holding Company PJSC is the ultimate parent undertaking of the group:

The consolidated financial statements of Arena Events Group Limited are available from the registered address Unit 10 Needingworth Industrial Estate, Needingworth, St Ives, Cambridgeshire, PE27 4NB. The consolidated financial statements of IHC International Holding Company PJSC are available from the registered address 13 Al Halawi Street, Al Muntazah, Abu Dhabi, United Arab Emirates.

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

30 Net cash flow from operating activities

Group

		Year Ended 31 March 2023	Year Ended 31 March 2022
		£m	£m
	Note		
Retained profit/(loss) for the year		9.2	(9.5)
Adjustments for:			
Tax on profit/(loss) on ordinary activities	9	2.3	2.1
Finance costs	8	5.1	4.2
Depreciation of property, plant, and equipment	12	10.3	11.4
Depreciation of right-of-use assets	18	4.6	5.7
Amortisation of intangible assets	11	0.5	0.8
(Gain)/loss on disposal of property, plant, and equipment	5	(1.2)	0.7
Share option credit		-	(0.2)
Revaluation of put options	8, 28	(2.7)	-
Loss allowance	16	1.1	0.1
Operating cashflows before changes in working capital		29.2	15.3
(Increase) in inventories		(1.7)	(0.3)
Decrease/(increase) in receivables		7.8	(17.0)
(Decrease)/Increase in payables		(5.0)	24.7
Cash generated by operations		30.3	22.5
Other finance charges		-	(0.4)
Corporation tax		(2.1)	(0.4)
Net cash inflow from operating activities		28.2	21.7

31 Cash and cash equivalents

	31 March 2023 £m	31 March 2022 £m
Cash and bank balances	17.3	26.7
	17.3	26.7

Arena Events Group Limited

Notes to the financial statements For the year ended 31 March 2023 (continued)

32 Dividends

Paid or to be paid

There was no interim dividend paid or final dividend recommended for the year ended 31 March 2023 (2022: none).

Received

The Company did not receive any dividends for the year ended 31 March 2023 (2022: none).

33 Post balance sheet events

Paris 2024 Olympics contract

In June 2023, AES France (a subsidiary of the Group) has signed a contract with the Olympic Organizing committee to provide temporary infrastructure design and implementation services ("overlay") to at least 13 competition venues, including some of the most iconic venues of the Olympic and Paralympic Games Paris 2024. Group will therefore contribute to Paris 2024's commitment to organise Olympic and Paralympic Games based on 95% existing and temporary infrastructures. As part of the contract, Group receives Official Olympic Supporter status and will supply modular structures such as bungalows and containers, temporary stands, scaffolding, tents, and interior fittings, etc. Design, planning and procurement activities will commence in the financial year ending 31 March 2024 (FY24) followed by the delivery of services on site, which are expected to take place from April 2024 (FY25).