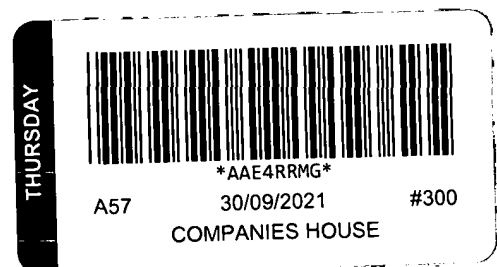


Arena Group Holdings Limited

Registered number: 03735943

Annual report and unaudited financial statements

For the year ended 31 December 2020



ARENA GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors

A W Arthurton (appointed 23 March 2020)
D B Dyas (appointed 27 January 2020)
D M Benoit (appointed 27 January 2020, resigned 23 March 2020)
A J Fitzpatrick (resigned 27 January 2020)
C T Fitzpatrick (resigned 27 January 2020)
A M McPhillips (resigned 15 March 2020)
G J Putson (resigned 27 January 2020)

Registered number 03735943

Registered office

Armitage House Thorpe Lower Lane
Robin Hood
Wakefield
West Yorkshire
WF3 3BQ

ARENA GROUP HOLDINGS LIMITED

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ARENA GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Directors are pleased to present their Strategic Report for the year ended 31 December 2020.

Business review

The principal activity of the Company continues to be the holding company of a group engaged in the supply and support of multi-functional devices, mstore, its own in-house developed electronic document management and workflow software, and other software solutions. It also offers outsourced bureau scanning and consultancy services.

Operating from its headquarters in Wakefield and across 2 other sites, the business provides a UK wide service in conjunction with its key business partners, Xerox and Epson.

Principal risks and uncertainties

The key risk to the business, other than the impact of COVID-19, continues to be the very competitive nature of the industry sector. Some manufacturers' aggressive pursuit of market share is causing hardware and service margins to be squeezed.

The business mitigates this risk in several ways: by relentlessly pursuing process improvements in all areas of the business; by maintaining a broad portfolio of customers, suppliers and products; by investing heavily in the training of our customer-facing staff to identify cost saving opportunities for our existing and prospective clients; by ensuring that all colleagues deliver the Group-wide unequivocal commitment to our customers' total satisfaction.

The Directors do not believe that the impact of the United Kingdom exiting the European Union will have a material impact on the future trading of the Company. The Directors opinion on the impact of the COVID-19 pandemic is included in note 2.2 of the financial statements.

Financial key performance indicators

The Directors review and monitor all aspects of the business, but consider turnover, gross margins and EBITDA as key performance indicators for the business, with its key aim of long term sustainable growth.

Other key performance indicators

The Company have non-financial key performance indicators that cover a high standard of customer service, health and safety compliance and environmental issues.

This report was approved by the board on Sep 28, 2021 and signed on its behalf.

A. Arthurton
A. Arthurton (Sep 28, 2021 11:41 GMT+1)

A W Arthurton
Director

ARENA GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £37,822 (2019 - profit £76,723).

During the current year no dividends were paid (2019: £199,000).

Directors

The directors who served during the year were:

A W Arthurton (appointed 23 March 2020)
D B Dyas (appointed 27 January 2020)
D M Benoit (appointed 27 January 2020, resigned 23 March 2020)
A J Fitzpatrick (resigned 27 January 2020)
C T Fitzpatrick (resigned 27 January 2020)
A M McPhillips (resigned 15 March 2020)
G J Putson (resigned 27 January 2020)

Future developments

The Company continues to invest in systems, training, people and infrastructure ensuring that the business is well positioned to take advantage of growth opportunities over the coming year.

ARENA GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the board on Sep 28, 2021 and signed on its behalf.

A. Arthurton
A. Arthurton (Sep 28, 2021 11:41 GMT+1)

A W Arthurton
Director

ARENA GROUP HOLDINGS LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF ARENA GROUP HOLDINGS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020**

In accordance with our engagement letter dated 19 May 2021 and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the Company for the year ended 31 December 2020 which comprise the Profit and loss account, the Statement of financial position, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance/.

Respective responsibilities of directors and accountants

You have acknowledged on the balance sheet for the year ended 31 December 2020 your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and loss. You consider that the Company is exempt from the statutory requirement for an audit for the year.

This report is made solely to the Board of directors of Arena Group Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 19 May 2021. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to the Board of directors, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the Company and its Board of directors, as a body, for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of Arena Group Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Mazars LLP
Mazars LLP (Sep 28, 2021 12:06 GMT+1)

Mazars LLP

Chartered Accountants

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: Sep 28, 2021

ARENA GROUP HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Year ended 31 December 2020 £	15 months ended 31 December 2019 £
	Note		
Administrative expenses		(33,877)	(122,135)
Other operating income	4	-	120,000
Operating loss		<u>(33,877)</u>	<u>(2,135)</u>
Income from fixed asset investments		-	180,000
Interest receivable and similar income	6	1,230	18,465
Interest payable and similar expenses	7	(5,175)	(119,607)
(Loss)/profit before tax		<u>(37,822)</u>	<u>76,723</u>
(Loss)/profit for the financial year		<u><u>(37,822)</u></u>	<u><u>76,723</u></u>

The notes on pages 9 to 17 form part of these financial statements.

ARENA GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 03735943

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Fixed asset investments	8	9,507,261	9,117,261
		<u>9,507,261</u>	<u>9,117,261</u>
Current assets			
Debtors: amounts falling due within one year	9	40,328	15,029
Cash at bank and in hand	10	237,240	411,106
		<u>277,568</u>	<u>426,135</u>
Creditors: amounts falling due within one year	11	(8,886,080)	(5,970,159)
Net current liabilities		<u>(8,608,512)</u>	<u>(5,544,024)</u>
Total assets less current liabilities		<u>898,749</u>	<u>3,573,237</u>
Creditors: amounts falling due after more than one year	12	-	(2,750,000)
Net assets		<u><u>898,749</u></u>	<u><u>823,237</u></u>
Capital and reserves			
Called up share capital	13	2,638	2,638
Share premium account	14	90,467	90,467
Capital redemption reserve	14	3,518	3,518
Profit and loss account	14	802,126	726,614
		<u><u>898,749</u></u>	<u><u>823,237</u></u>

ARENA GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 03735943

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Sep 28, 2021

A. Arthurton
A. Arthurton (Sep 28, 2021 11:41 GMT+1)

A W Arthurton
Director

The notes on pages 9 to 17 form part of these financial statements.

ARENA GROUP HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	2,638	90,467	3,518	726,614	823,237
Comprehensive income for the year					
Loss for the year	-	-	-	(37,822)	(37,822)
Total comprehensive income for the year	-	-	-	(37,822)	(37,822)
Adjustment to purchase of own shares carried out in a previous period	-	-	-	113,334	113,334
Total transactions with owners	-	-	-	113,334	113,334
At 31 December 2020	2,638	90,467	3,518	802,126	898,749

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	2,638	90,467	3,518	649,891	746,514
Comprehensive income for the year					
Profit for the year	-	-	-	76,723	76,723
Total comprehensive income for the year	-	-	-	76,723	76,723
At 31 December 2019	2,638	90,467	3,518	726,614	823,237

The notes on pages 9 to 17 form part of these financial statements.

ARENA GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Arena Group Holdings Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ.

The company's principal activity is disclosed in the Directors' Report.

These financial statements have been presented in pound sterling which is the functional currency of the Company, and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Xerox (UK) Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

2.3 Going concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties relating to cashflows, liquidity position and its trading activities.

Having assessed these factors the directors continue to adopt the going concern basis in preparing the financial statements.

ARENA GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 Financial instruments (continued)

position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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

Critical judgements

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

1) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ii) Estimating value in use

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flow expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Other operating income

	2020	2019
	£	£
Other operating income	-	120,000
	<u>-</u>	<u>120,000</u>

5. Employees

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	-	117,122
	<u>-</u>	<u>117,122</u>

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

	2020	2019
	No.	No.
Employees	3	3
	<u>3</u>	<u>3</u>

6. Interest receivable

	2020	2019
	£	£
Other interest receivable	1,230	18,465
	<u>1,230</u>	<u>18,465</u>

7. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	5,175	119,607
	<u>5,175</u>	<u>119,607</u>

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	9,117,261
Additions	390,000
At 31 December 2020	<u>9,507,261</u>
Net book value	
At 31 December 2020	<u>9,507,261</u>
At 31 December 2019	<u>9,117,261</u>

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Arena Group Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
Fovia (Innovation) Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
Acorn Business Machines (Holmfirth) Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
Docucentric Holdings Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	90%
Copytrend Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
Mitral Systems Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
M&S Reprographics Limited	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	100%
B2 Business Systems Limited*	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	90%
Business Systems (North Wales) Limited*	Armitage House, Thorpe Lower Lane, Robin Hood, Wakefield, WF3 3BQ	Ordinary	90%

* - Indirect subsidiary undertakings

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Debtors

	2020	2019
	£	£
Other debtors	3,429	15,029
Prepayments and accrued income	36,899	-
	<u>40,328</u>	<u>15,029</u>

10. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>237,240</u>	<u>411,106</u>

11. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank loans	-	1,100,000
Trade creditors	20,280	88,200
Amounts owed to group undertakings	8,852,400	4,755,641
Accruals and deferred income	13,400	26,318
	<u>8,886,080</u>	<u>5,970,159</u>

12. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	-	2,750,000
	<u>-</u>	<u>2,750,000</u>

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
18,256 (2019 - 39,380) Ordinary A shares of £0.05 each	913	1,969
3,291 (2019 - 1,860) Ordinary B shares of £0.10 each	329	186
1 (2019 - 1) Ordinary C share of £0.10	-	-
4,830 (2019 - 4,830) Ordinary D shares of £0.10 each	483	483
18,256 (2019 - Nil) Ordinary E shares of £0.05 each	913	-
	<hr/> 2,638	<hr/> 2,638

All classes of shares are ranked pari-passu, with equal voting, dividend and capital rights, with the exception of B Ordinary shareholders who are only entitled to capital distributions after payment of founder net asset value.

During the year the Company reclassified 21,124 Ordinary A shares into Ordinary B shares and Ordinary E shares.

14. Reserves**Share premium account**

This reserve represents the amounts paid for shares above the value of the share capital.

Capital redemption reserve

The capital redemption reserve arose on the buy back of shares by the Company.

Profit and loss account

The reserve represents cumulative profits and losses.

During the year an adjustment was made in respect of the consideration paid as part of the company purchase of own shares carried out on 6 April 2018.

15. Related party transactions

During the year the Company received interest from an entity with joint control of £3,155 (2019: £47,328).

ARENA GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Controlling party

The ultimate parent undertaking, controlling party and the largest group in which the results of Arena Group Holdings Limited are consolidated is that of Xerox Holdings Corporation, which is incorporated in the United States of America. Copies of these financial statements are available to the public and may be obtained from:

The Investor Relations Department
Xerox Corporation
201 Merritt 7
Norwalk
CT 06851-1056
United States of America
World Wide Web <http://www.xerox.com>

The Company's immediate parent and controlling undertaking is Xerox (UK) Limited which is incorporated in the United Kingdom. This is also the smallest group in which the results of the company are consolidated.