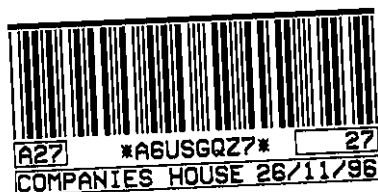


Oxford United Football Club Limited
Company Number 470509

Oxford United Football Club



**Report and Accounts for
the year ended 30th June 1995**

OXFORD UNITED FOOTBALL CLUB LIMITED

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OXFORD UNITED FOOTBALL CLUB LIMITED

DIRECTORS

ii

President

His Grace the Duke of Marlborough

Directors

R J Herd (Chairman)

K A Cox

N J Harris

D Smith (Director of Football)

G E Coppock (Special Director)

Company Secretary

N Towers

Manager

D Smith

Registered Office

Manor Ground
London Road
Headington
Oxford OX3 7RS

Registered Number

470509

These accounts indicate the position of the Club on 30th June 1995. On the following day I became Chairman.

During the 1994/95 season the team played superbly until Boxing Day when they led the league by four points. 1995 saw a deterioration in results and the team eventually finished seventh in Division Two.

The financial results show a dreadful loss from 1st July 1994 to 30th June 1995, although approximately a quarter of the loss was due to the purchase of players. I should also note that had Joey Beauchamp been sold after 1st July 1994 rather than in June of that year, the financial results for this period and last would have been quite different.

Clearly there was no sensible future for the Club unless it could eliminate its underlying trading loss of about £1.5 million per year. Our best players would have had to be sold regularly merely to survive, and the consequences of the Bosman case might well have eliminated that source of income altogether, with calamitous consequences to the Club.

The only way to make the Club profitable and therefore independent of the whims of a benefactor, able to keep its best players and in a position to strengthen its squad was to build a new stadium which would generate an income that our beloved Manor could never achieve. It is intended to have this ready in 1997.

The following aims were established:-

- (1) To obtain planning permission for the new stadium.
- (2) To fund the new stadium.
- (3) To build the new stadium.
- (4) To stop selling those players we want to keep and to ensure their contracts protect us from some of the implications of the Bosman case.
- (5) To find sufficient cash or securities to enable us to keep our team intact until funds are generated by the new stadium - and maybe even to strengthen the team in that period.
- (6) To assist (5) by reducing the underlying loss whilst still at the Manor.
- (7) To resolve the Maxwell litigation.
- (8) To gain promotion to Division 1.
- (9) To improve the non-football organisation of the Club

Some of these aims have been achieved already.

In some areas much work remains to be done, and I must make it clear that the successful conclusion of this work will not be easy and should not be taken for granted. In particular the demanding nature of the work required by the new stadium has exceeded my expectations and has made it impossible to devote as much time to other areas as I would have wished.

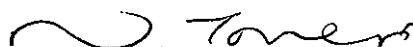
I would like to thank and congratulate Denis Smith and his staff, the non-football staff, the players, the directors and you the supporters for the great strength you have been to me and to the Club since I became Chairman on that 1st July. If we can realise the remaining targets in our list of nine, the future promises to be bright.

R J Herd
Chairman

The Directors present their Report and the Audited Accounts for the year ended 30th June 1995.

Principal Activity	The main activity of the Company is the running of a professional football club and activities related thereto.
Results	<p>The trading results for the year ended 30th June 1995 are set out on page 3. The Club recorded a consolidated loss after interest during the year of £1,724,669 compared with a profit of £749,649 in the year ended 30th June 1994.</p> <p>The Directors consider that the inclusion of the current value of players and of the Manor Ground would exceed the deficiency of net assets.</p>
Review of business	A review of the Company's business is included within the Chairman's Statement.
Dividend	The directors do not recommend the payment of a dividend.
Fixed assets	Movements of fixed assets are detailed in Note 7 to the Accounts. As part of the Club's relocation plans it is intended that matches will be played at the new stadium, currently in the course of construction, from the commencement of the 1997/98 season. It is expected that the Manor Ground will be sold at that stage at which time the directors consider the market value of the land and buildings may be significantly higher than the book value at which they are stated in these accounts.
Directors	<p>The directors who held office during the year were as follows:</p> <p>K A Cox D M Clitheroe (Resigned 30th June 1995) N J Harris (Appointed 11th July 1994) P L Lowe (Resigned 30th June 1995) G E Coppock (Special Director)</p> <p>R J Herd was appointed Chairman on 1st July 1995. On the same date D Smith was appointed Director of Football.</p>
Change of Ownership	On 24th May 1995 the entire issued share capital of OU (Holdings) Limited, the Company's immediate parent company, was sold by Energy Holdings Limited to Mr R J Herd.
Directors' Interests	The interests of directors in shares of the Company are set out on page 17.
Auditors	A resolution to re-appoint the auditors, Critchleys, and to fix their remuneration, will be proposed at the Annual General Meeting.
Special Director	A resolution will be proposed at the Annual General Meeting giving minority shareholders an opportunity to elect a Special Director until the next Annual General Meeting to represent their views on the Board of Directors. The current Special Director is Mr G E Coppock.
Allotment of shares	A resolution authorising the Directors to allot shares up to the aggregate of the increased authorised but unissued share capital of the Company for five years was passed at the Annual General Meeting held on 28th April 1994.
Post Balance Sheet Events	On 24th September 1996 the Company acquired 75% of the issued share capital of OUR Limited, the company which will develop and manage the Club's new stadium. On 7th November 1996 a resolution was passed for the name of OUR Limited to be changed to The Oxford Landmark Stadium Company Limited.

By Order of the Board



N Towers
Secretary
21st November 1996

We have audited the accounts on pages 3 to 16 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described below the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the treatment of monies received from PH(US)Inc and various other Maxwell private companies. Details of the circumstances relating to this fundamental uncertainty are described in Notes 11 and 14. Our opinion is not qualified in this respect.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the availability of resources to enable the Company to continue trading. The accounts have been prepared on a going concern basis, the validity of which depends upon the support of the parent company and its principal shareholder which is detailed in Note 1(a).

The accounts do not include any adjustments that would result from the withdrawal of this support. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30th June 1995 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CRITCHLEYS
Chartered Accountants
Registered Auditors

OXFORD

25th November 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In preparing those accounts, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts; prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure the accounts comply with the Companies Act 1985. 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.

OXFORD UNITED FOOTBALL CLUB LIMITED

Consolidated Profit and Loss Account for the year ended 30th June 1995

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		1995 £	1994 £
	Note		
Turnover	1(b)	1,809,856	2,282,239
Direct Operating costs		(2,147,523)	(1,991,566)
Gross (loss)/ profit		(337,667)	290,673
Administration expenses		(686,211)	(810,183)
Net (loss)/gain on transfer dealings	1(e)	(436,330)	1,481,324
Net operating (loss)/profit	3	(1,460,208)	961,814
Interest receivable and similar income		25,934	6,399
Interest payable and similar charge	2	(290,395)	(218,564)
(Loss)/profit before and after tax	15	(1,724,669)	749,649
<u>Statement of total Recognised Gains and Losses for the year ended 30th June 1995</u>			
		1995 £	1994 £
(Loss)/profit for the financial year		(1,724,669)	749,649
Increase in unrealised surplus on revaluation of freehold property (Note 15)		-	2,460
Total gains and losses recognised since the last annual report		(1,724,669)	752,109
<u>Reconciliation of movements in Shareholders' Funds</u>			
		1995 £	1994 £
(Loss)/profit for the financial year		(1,724,669)	749,649
Other recognised gains and losses relating to the year		-	2,460
New share capital subscribed		-	137,000
Net (reduction of)/addition to shareholders' funds		(1,724,669)	889,109
Opening shareholders' funds		(26,678)	(915,787)
Closing shareholders' funds		(1,751,347)	(26,678)

All of the Group's activities are of a continuing nature

The notes on pages 7 to 16 form part of these accounts

Auditors' Report - page 2

OXFORD UNITED FOOTBALL CLUB LIMITED

Consolidated Balance sheet - 30th June 1995

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		1995		1994	
	Note	£	£	£	£
Tangible fixed assets	7		1,860,245		1,895,510
Current assets					
Stocks	9	48,187		31,029	
Debtors	10	880,433		1,160,371	
Bank balances and cash		8,637		421,749	
		<u>937,257</u>		<u>1,613,149</u>	
Creditors - amounts falling due within one year	11	(2,392,659)		(1,778,394)	
Net current liabilities			<u>(1,455,402)</u>		<u>(165,245)</u>
Total assets less current liabilities			404,843		1,730,265
Creditors - amounts falling due after more than one year	11		(2,156,190)		(1,756,943)
Net Liabilities			<u>(1,751,347)</u>		<u>(26,678)</u>
Capital and Reserves					
Called up share capital	13		283,742		283,742
Share premium account			6,426		6,426
Share contribution reserve	14		2,267,286		2,267,286
Revaluation reserve	15		975,336		975,336
Other reserves	15		40,184		40,184
Profit and loss account	15		(5,324,321)		(3,599,652)
Shareholders' Funds			<u>(1,751,347)</u>		<u>(26,678)</u>

R J Herd

R J Herd
Chairman

These accounts were approved by the Board of Directors on 21st November 1996

The notes on pages 7 to 16 form part of these accounts

Auditors' Report - page 2

OXFORD UNITED FOOTBALL CLUB LIMITED

Balance Sheet - 30th June 1995

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		1995		1994	
	Note	£	£	£	£
Tangible fixed assets	7		1,842,721		1,872,023
Investments	8		20,862		39,301
			<u>1,863,583</u>		<u>1,911,324</u>
Current assets					
Stocks	9	35,608		18,908	
Debtors	10	878,288		1,157,658	
Bank balances and cash		2,665		409,631	
		<u>916,561</u>		<u>1,586,197</u>	
Creditors - amounts falling due within one year	11	(2,358,881)		(1,753,400)	
Net current liabilities			(1,442,320)		(167,203)
Total assets less current liabilities			421,263		1,744,121
Creditors - amounts falling due after more than one year	11		(2,130,104)		(1,721,415)
Net (Liabilities)/Assets			(1,708,841)		22,706
Capital and Reserves					
Called up share capital	13		283,742		283,742
Share premium account			6,426		6,426
Share contribution reserve	14		2,267,286		2,267,286
Revaluation reserve	15		1,034,547		1,034,547
Profit and loss account	15		(5,300,842)		(3,569,295)
Shareholders' Funds			(1,708,841)		22,706



R J Herd
Chairman

The accounts were approved by the Board of Directors on 21st November 1996

The notes of pages 7 to 16 form part of these accounts

Auditors' Report - page 2

OXFORD UNITED FOOTBALL CLUB LIMITED

Consolidated Cash Flow Statement for the year ended 30th June 1995

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	Note	1995		1994	
		£	£	£	£
Net cash (outflow)/inflow operating activities	17(i)		(1,338,306)		266,011
Returns on investments and servicing of financing					
Interest received		3,379		6,399	
Interest paid		(229,285)		(221,800)	
Interest element of finance lease rental payments		(83)		(499)	
		<u> </u>		<u> </u>	
Net cash outflow from returns on investments and servicing of finance			(225,989)		(215,900)
Investing activities					
Purchase of tangible fixed assets		(6,410)		(35,534)	
Capital grants received		-		22,550	
Sale of tangible fixed assets		16,842		5,341	
		<u> </u>		<u> </u>	
Net cash inflow/(outflow) from investing activities			10,432		(7,643)
Net cash (outflow)/inflow before financing			(1,553,863)		42,468
			<u> </u>		<u> </u>
Financing					
Issue of preference share capital		-		(137,000)	
Loans from parent undertaking		217,439		(513,604)	
New loans from directors and connected persons		(1,382,299)		-	
Repayment of amounts borrowed		5,800		5,800	
Capital element of finance lease rental payments		1,067		6,400	
		<u> </u>		<u> </u>	
Net cash inflow from financing	17(iv)		(1,157,993)		(638,404)
(Decrease)/increase in cash and cash equivalents	17(ii)		(395,870)		680,872
			<u> </u>		<u> </u>
			(1,553,863)		42,468
			<u> </u>		<u> </u>

The notes on pages 7 to 16 form part of these accounts

Auditors' Report - page 2

1.
Principal
accounting
policies

- a) The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of land and buildings. The going concern basis has been used, despite the deficiency of net current assets, because OU Holdings Limited and its principal shareholder have indicated an intention to provide or procure funding sufficient to enable the Group to continue trading for a least one year from the date of approval of these accounts.

The consolidated accounts incorporate the accounts of Oxford United Football Club Limited and its subsidiary. A separate profit and loss account dealing with the results of the Company only has not been presented as permitted by S230 of the Companies Act 1985.

- b) Turnover is stated net of value added tax and amounts due to the Football League, Football Association and visiting Football Clubs and includes gate receipts, sponsorships, advertising, fund raising, television fees, Football League pool, donations, Supporters Club bar turnover and sundry related income.
- c) Stocks are valued at the lower of cost and net realisable value.
- d) Depreciation on fixed assets, other than freehold properties, is calculated at rates varying between 10% and 33.33% on a straight line basis. Freehold properties are not depreciated.
- e) Fees payable and receivable on transfers of players' registrations, together with the associated Football League levies (net of refunds), are included in the profit and loss account during the period in which the transfer takes place.

Signing-on fees and loyalty bonuses are charged against the net gain or loss on transfer dealings in the year of payment.

- f) Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of interest charges, are included within creditors. Rentals payable are apportioned between the interest element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

- g) The Company contributes to a defined contribution pension scheme in respect of certain employees. The cost of such contributions to the scheme is charged to the profit and loss account as incurred. The assets of the scheme are held separately from those of the Company in funds administered by the Football League Limited Pension and Life Assurance Scheme.

OXFORD UNITED FOOTBALL CLUB LIMITED

Notes to the Accounts

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		1995 £	1994 £
2.			
Interest payable and similar charges	Interest on bank and other loans wholly repayable within five years	95,242	86,128
	Interest on loans from parent undertakings	157,511	128,902
	Interest on finance leases	83	499
	Interest on loans from directors and connected persons	35,623	3,035
	Other interest	1,936	-
		<u>290,395</u>	<u>218,564</u>

		1995 £	1994 £
3.			
Net operating profit	Net operating (loss)/profit is stated after charging:-		
	Depreciation and amortisation	28,458	33,260
	Auditors' remuneration	9,000	9,000
	Operating lease rentals -		
	Land and buildings	14,900	14,900
	Vehicles and equipment	18,732	6,856
	And after crediting:-		
	Compensation for termination of contract of former Manager and Assistant Manager	-	92,036

4.
Taxation

No provision is necessary for taxation as a result of losses brought forward. At 30th June 1995 the Club had taxation losses carried forward of approximately £5 million (1994 - £3.6 million). Accordingly no provision has been made for deferred taxation as no liability is expected to arise in the foreseeable future.

5.
Directors' emoluments

No directors were paid during the year. Interests of directors in contracts of the Company are set out on page 17.

6.
Employee
information

The average number of persons employed by the Group during the year ended 30th June 1995 is analysed below:-

	1995 number	1994 number
Playing staff (including managers and coaches)	49	58
Ground staff and stewards	84	88
Administration and marketing staff	16	17
Oxford United Supporters Club	18	20
	<u>167</u>	<u>183</u>
Employment costs for the group	1995 £	1994 £
Wages and salaries	1,763,334	1,819,271
Social Security costs	152,085	156,361
Other pension costs	53,888	56,448
	<u>1,969,307</u>	<u>2,032,080</u>

7.
Tangible fixed
assets

	Total £	Freehold Property £	Leasehold Property £	Fixtures and Equipment £	Motor Vehicles £
Group					
Cost or valuation					
At 1st July 1994	2,340,752	1,800,000	13,006	480,736	47,010
Additions	6,410	-	-	6,410	-
Grants receivable	-	-	-	-	-
Disposals	(47,010)	-	-	-	(47,010)
	<u>2,300,152</u>	<u>1,800,000</u>	<u>13,006</u>	<u>487,146</u>	<u>-</u>
At 30th June 1995					
Depreciation					
At 1st July 1994	445,242	-	4,850	408,953	31,439
Charge for the year	28,458	-	544	25,560	2,354
Disposals	(33,793)	-	-	-	(33,793)
	<u>439,907</u>	<u>-</u>	<u>5,394</u>	<u>434,513</u>	<u>-</u>
At 30th June 1995					
Net book value at 30th June 1995	<u>1,860,245</u>	<u>1,800,000</u>	<u>7,612</u>	<u>52,633</u>	<u>-</u>
Net book value at 30th June 1994	<u>1,895,510</u>	<u>1,800,000</u>	<u>8,156</u>	<u>71,783</u>	<u>15,571</u>

OXFORD UNITED FOOTBALL CLUB LIMITED

Notes to the Accounts

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7.
Tangible fixed
assets

	Total £	Freehold Property £	Leasehold Property £	Fixtures and Equipment £	Motor Vehicles £
Company					
Cost or valuation					
At 1st July 1994	2,268,648	1,800,000	13,006	408,632	47,010
Additions	6,340	-	-	6,340	-
Grants receivable	-	-	-	-	-
Disposals	(47,010)	-	-	-	(47,010)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 1995	2,227,978	1,800,000	13,006	414,972	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1st July 1994	396,625	-	4,850	360,336	31,439
Charge for the year	22,425	-	544	19,527	2,354
Disposals	(33,793)	-	-	-	(33,793)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 1995	385,257	-	5,394	379,863	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 30th June 1995	1,842,721	1,800,000	7,612	35,109	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value at 30th June 1994	1,872,023	1,800,000	8,156	48,296	15,571
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The fixed assets are shown at cost except for the freehold property of the Company which is stated at the valuation carried out by Chartered Surveyors on an open market basis as at 30th June 1990. The cost of the freehold property under the historical cost accounting rules would be £676,157 (1994 : £676,157). Movements on the cost of freehold property are written off against the revaluation reserve.

8.
Invest-
ments

Investment in subsidiary undertaking:-

	1995 £	1994 £
Investment at cost	2	2
Amounts receivable	20,860	39,299
	<u> </u>	<u> </u>
	20,862	39,301
	<u> </u>	<u> </u>

The Company holds 100% (1994 - 100%) of the issued share capital of Oxford United Supporters Club Limited, the accounts of which are included in the Group consolidation. Oxford United Supporters Club Limited is registered in England and carries on the business of running a football supporters' club.

9. Stocks	1995		1994	
	Group £	Company £	Group £	Company £
Playing gear	10,000	10,000	10,000	10,000
Goods for resale	34,678	23,526	17,558	6,613
Consumable items	3,509	2,082	3,471	2,295
	<u>48,187</u>	<u>35,608</u>	<u>31,029</u>	<u>18,908</u>

The replacement cost of stock held at 30th June 1995 was not significantly different from the historical cost shown above.

10. Debtors	1995		1994	
	Group £	Company £	Group £	Company £
Trade debtors	61,137	60,473	810,558	809,669
Other debtors	734,926	734,926	340,563	340,563
Amounts due from parent undertakings	67,308	67,308	-	-
Prepayments and accrued income	17,062	15,581	9,250	7,426
	<u>880,433</u>	<u>878,288</u>	<u>1,160,371</u>	<u>1,157,658</u>

Other debtors includes £702,052 due to be repaid by the company which will develop the proposed new stadium (1994: £198,163).

Amounts due from parent undertakings fall due after more than one year.

11. Creditors	1995		1994	
	Group £	Company £	Group £	Company £
Amounts falling due within one year:-				
Bank loan and overdraft (see note 12)	846,470	846,470	863,712	863,712
Season ticket income in advance	155,417	155,417	144,212	144,212
Other income received in advance	17,076	15,988	4,488	3,209
Trade Creditors	484,834	469,800	421,089	416,283
Taxation and social security	58,120	53,078	275,868	268,221
Loans from directors and connected persons	756,171	756,171	-	-
Other loans	8,900	-	8,400	-
Accruals	65,671	61,957	59,558	56,696
Obligations under finance leases	-	-	1,067	1,067
	<u>2,392,659</u>	<u>2,358,881</u>	<u>1,778,394</u>	<u>1,753,400</u>
Amounts falling due after more than one year:-				
Amounts due to parent undertakings	-	-	1,721,415	1,721,415
Loans from directors and connected persons	626,128	626,128	-	-
Other loans	1,530,062	1,503,976	35,528	-
	<u>2,156,190</u>	<u>2,130,104</u>	<u>1,756,943</u>	<u>1,721,415</u>

OXFORD UNITED FOOTBALL CLUB LIMITED

Notes to the Accounts

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11.

Creditors
(continued)

The 1994 figure has been restated to deduct a figure of £358,904 which had previously been treated as a loan from PH(US) inc and various Maxwell private companies falling due after more than one year. Following a review of the circumstances which led to the previous accounting treatment the directors now hold the opinion that the treatment was incorrect and the amount should properly be included in the Share Contribution Reserve.

12.

Secured
borrowings

The Bank loan and overdraft are secured by way of a fixed charge on the freehold property of the Company and a floating charge on the other assets of the Company. The amounts due to the former ultimate parent company are secured by a second charge over the freehold property of the Company. Loans from directors and connected persons are secured by a further legal charge over the freehold property of the Company.

13.

Share Capital

1995 and 1994

	Authorised	Issued and fully paid
Ordinary Shares of £7 each	5,600	5,600
Ordinary shares of £1 each	1,354,400	138,142
5.25% preference shares of £1 each	140,000	140,000
	<u>1,500,000</u>	<u>283,742</u>

The Company has 433 shareholders (1994 : 433)

The rights conferred by the ordinary shares are as follows:

- Ordinary shares carry one vote for every £1 of nominal capital. Subject to this, the ordinary shares of £7 each and the ordinary shares of £1 each rank pari passu in all respects and constitute one class.
- No dividend can exceed the maximum allowed from time to time by the Football Association. Subject thereto and the Companies Act 1985 interim dividends may be declared and paid by the directors in their discretion if the profits so justify. Subject as above the payment of final dividends requires an ordinary resolution.
- Ordinary shares are not redeemable.
- On a winding up the ordinary shares rank behind the preference shares in respect of any surplus assets but if such surplus assets are more than sufficient to pay to members the whole amount paid up on their shares, the balance shall be given to the Football Association Benevolent Fund or to some other similar club or institute in Oxfordshire.

The rights conferred by the preference shares are as follows:-

- Holders are entitled to a fixed preferential dividend at the rate of 5.25% per annum on the amounts for the time being paid up thereon. This dividend ranks for payment in priority to the payment on other shares of the Company and is payable in respect of any accounting reference period (if and so far as, in the opinion of the Directors, the profits of the Company justify such payment) six months after the accounting reference date which concludes that period, provided such preference shares were in issue during the whole of such period.
- On a winding up or other repayment of capital, holders are entitled to have the assets of the Company available for distribution amongst the members applied, in priority to any other class of shares, in paying to them pari passu the capital paid up on their preference shares.
- Holders are not entitled to receive notice of or attend or vote at any General Meeting unless the business of the meeting includes the consideration of a resolution for winding up the Company or reducing its share capital.
- Holders do not have the right to any further or other participation in the profits or assets of the Company.
- Preference shares are not redeemable.

14.

Share
Contribution
Reserve

The share contribution reserve represents amounts contributed to the Company during the period July 1989 to February 1991 by PH(US)Inc and various other Maxwell private companies. In the accounts for the year ended 30th June 1991, the amounts contributed were treated as a loan on which interest was accrued. The current Directors considered that the use of the share contribution reserve was a more appropriate treatment, and the accounts for the year ended 30th June 1992 and subsequent years have been presented accordingly. Interest has not been accrued on the share contribution reserve.

15.

Reserves

	1995		1994	
	Group £	Company £	Group £	Company £
Revaluation reserve				
At 1st July 1994	975,336	1,034,547	972,876	1,032,087
Write off of freehold property movements	-	-	2,460	2,460
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 1995	975,336	1,034,547	975,336	1,034,547
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other reserves				
Preacquisition reserves re subsidiary	40,184	-	40,184	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit and loss account				
At 1st July 1994	(3,599,652)	(3,569,295)	(4,349,301)	(4,317,789)
(Loss)/profit for the year	(1,724,669)	(1,731,547)	749,649	748,494
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30th June 1995	(5,324,321)	(5,300,842)	(3,599,652)	(3,569,295)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All Shareholders' Funds, with the exception of preference share capital of £140,000 (1994: £140,000) relate to equity shares.

16.

Provisions for
liabilities and
charges

Provision for capital gains tax of approximately £313,000 (1994: £323,000) which could arise on the sale of the freehold property has not been made as such tax will be deferred by rollover relief on the development of the new site.

OXFORD UNITED FOOTBALL CLUB LIMITED

Notes to the Accounts

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17.

Notes to the
cash flow
statement

- (i) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	1995 £	1994 £
Operating (loss)/profit	(1,460,208)	961,814
Depreciation charges	28,458	33,260
(Profit)/loss on sale of tangible fixed assets	(3,625)	1,843
(Increase)/decrease in stocks	(17,158)	12,883
Decrease/(increase) in debtors	302,493	(1,060,192)
(Decrease)/increase in creditors	(185,124)	318,959
Write off of loans by way of discount	(3,142)	(2,556)
	<u>(1,338,306)</u>	<u>266,011</u>

- (ii) Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
At 1st July 1994	(441,963)	(1,122,835)
Net cash (outflow)/inflow	<u>(395,870)</u>	<u>680,872</u>
At 30th June 1995	<u>(837,833)</u>	<u>(441,963)</u>

- (iii) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change in Year £
Bank balances and cash	8,637	421,749	(413,112)
Bank loan and overdraft	<u>(846,470)</u>	<u>(863,712)</u>	<u>17,242</u>
	<u>(837,833)</u>	<u>(441,963)</u>	<u>(395,870)</u>

17. Notes to the cash flow statement (continued)
- (iv) Analysis of changes in financing during the year

	1995		1994	
	Share Capital £	Loans and finance lease obligations £	Share Capital £	Loans and finance lease obligations £
At 1st July 1994	283,742	1,766,410	146,742	1,267,562
Cash inflows from financing	-	1,157,993	137,000	501,404
Write off of loans by way of discount	-	(3,142)	-	(2,556)
At 30th June 1995	<u>283,742</u>	<u>2,921,261</u>	<u>283,742</u>	<u>1,766,410</u>

18. Capital Commitments
- At 30th June 1995 the Company had no capital commitments contracted for and none authorised but not contracted for (1994: £nil).

19. Operating lease Commitments
- Rentals payable in the next year under operating leases terminating:-

	1995		1994	
	Vehicles and Equipment £	Land and Buildings £	Vehicles and Equipment £	Land and Buildings £
In 2 to 5 years	9,574	-	9,574	-
Over 5 years	-	14,900	-	14,900
	<u>9,574</u>	<u>14,900</u>	<u>9,574</u>	<u>14,900</u>

20. Assets held under finance leases
- Included within the total net book value of motor vehicles in Note 7 (for both the company and the Group) is £nil (1994: £13,162) in respect of assets held under finance leases. Depreciation for the year on those assets (for both the Company and the Group) was £1,580 (1994: £6,318).

21. Directors' interests in transactions
- The interests of directors in shares and in contracts of the Company are set out on page 17.

OXFORD UNITED FOOTBALL CLUB LIMITED

Notes to the Accounts

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22.

Contingencies

- (i) On 18th September 1995 a writ was issued against the Company by Headington Holdings Limited (In Administration) claiming the sum of £2,597,947 together with interest and costs. Liability is denied and the Club has served a Defence and Counterclaim. The claim is being strongly resisted. No provision has been made for this claim in the accounts.
- (ii) The directors are also aware of certain amounts paid by the Company during previous years for which no consideration appears to have been received. They will continue to pursue all options in respect of monies rightfully due to the Company and believe that a contingent gain exists but that such a gain cannot be quantified.

23.

Ultimate parent
Company

The Company is a subsidiary of OU Holdings Limited, a company registered in England. The ultimate parent company was Energy Holdings Limited, a company incorporated in Jersey, until 24th May 1995 on which date OU Holdings Limited became the ultimate parent company

- (i) Interests in shares Interests of directors holding office at 30th June 1995 and their families as shown in the Company's Register of Directors' Interests are as follows:-

30th June 1995 and
30th June 1994

Ordinary shares

£1 £7

K A Cox	200	-
D M Clitheroe	150	-
P L Lowe	130	-
G E Coppock	189	62

- (ii) Material interests in contracts Mr K A Cox and Mr D M Clitheroe are partners in Cox Clitheroe, a firm which provides legal services to the Company. The Company incurred expenditure of £6,297 (including disbursements of £6,297) in respect of such services during the year ended 30th June 1995 (1994: £89,060 including disbursements of £7,432). Of this total £6,297 (1994: £37,115) will be refunded by the company which will develop the proposed new stadium.

Mr P L Lowe is a partner in Darbys, a firm which provides legal services to the Company. The company incurred expenditure of £1,130 (including disbursements of £45) in respect of such services during the year ended 30th June 1995 (1994: £10,056 including disbursements of £1,575). Darbys also sponsor the Company; amounts received by the Company in respect of such sponsorship packages totalled £1,250 during the year ended 30th June 1995 (1994: £2,505).

- (iii) Loans Loans disclosed as being made to the Club by directors and connected parties all relate to amounts lent by Mr R J Herd and his associates. Interest has been accrued on these loans for the year ended 30th June 1995 but in order to assist the Club Mr Herd has not taken payment for this.

The above loans include £257,287 (1994: £nil) from Biomass Recycling Limited, a company of which Mr K A Cox is also a director. The related interest charge for the year was £9,390 (1994: £nil).