

FIROKA (OXFORD UNITED STADIUM) LIMITED

ANNUAL REPORT

YEAR ENDED 1 JULY 2004

PKF



FIROKA (OXFORD UNITED STADIUM) LIMITED
(Registered Number 03716040)
ANNUAL REPORT
YEAR ENDED 1 JULY 2004

CONTENTS

DIRECTORS, OFFICERS AND REGISTERED OFFICE	1
DIRECTORS' REPORT	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	3
INDEPENDENT AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7

**FIROKA (OXFORD UNITED STADIUM) LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE**

DIRECTORS

F A Kassam
A Lowry
A D Tawakley

SECRETARY

A Lowry

AUDITORS

PKF
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

REGISTERED OFFICE

1 Kings Cross Road
London
WC1X 9HX

FIROKA (OXFORD UNITED STADIUM) LIMITED
DIRECTORS' REPORT

The directors present their report for the year ended 1 July 2004.

PRINCIPAL ACTIVITY

The principal activities of the company are the operation of a stadium and a conference and exhibition centre.

RESULTS AND REVIEW OF THE BUSINESS

The company achieved a turnover of £1.600m (2003: £1.925m) with an operating profit before interest and taxes of £0.153m (2003: £0.533m). The loss after interest and taxes was £0.22m (2003: profit of £0.217m).

The directors look forward to building upon and increasing the business in the coming year.

DIRECTORS

The directors holding office during the year were as follows:

F A Kassam
A Lowry
A D Tawakley

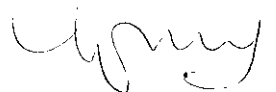
Mr Kassam controls the entire share capital of the ultimate holding company, Firoka (London Park) Limited.

AUDITORS

PKF is eligible for re-appointment as auditor to the company and a resolution proposing its re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

14th December 2004



A LOWRY
Secretary

FIROKA (OXFORD UNITED STADIUM) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the financial statements is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
FIROKA (OXFORD UNITED STADIUM) LIMITED**

We have audited the financial statements of Firoka (Oxford United Stadium) Limited for the year ended 1 July 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements are free from material misstatement, 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 1 July 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London
United Kingdom


PKF
Registered Auditors

17 December 2004

FIROKA (OXFORD UNITED STADIUM) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 1 JULY 2004

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Turnover	2	1,600,170	1,925,421
Cost of sales		(721,813)	(585,830)
Gross profit		<u>878,357</u>	<u>1,339,591</u>
Administrative expenses		(833,669)	(915,385)
Other operating income	3	108,410	108,410
Operating profit	4	153,098	532,616
Interest receivable and similar income		8,621	23,533
Interest payable and similar charges	5	(337,566)	(362,680)
(Loss)/profit for the year before tax		(175,847)	193,469
Tax on (loss)/profit on ordinary activities	7	(44,511)	23,588
Retained (loss)/profit for the year		<u>(220,358)</u>	<u>217,057</u>

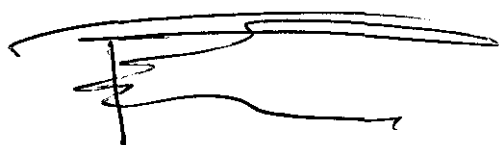
All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

FIROKA (OXFORD UNITED STADIUM) LIMITED
BALANCE SHEET
1 JULY 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
FIXED ASSETS			
Tangible fixed assets	8	10,766,483	11,141,540
CURRENT ASSETS			
Stock	9	13,802	18,479
Debtors	10	540,219	589,111
Cash at bank and in hand		61,622	646,943
		<u>615,643</u>	<u>1,254,533</u>
CREDITORS			
Amounts falling due within one year	11	<u>(1,303,237)</u>	<u>(1,261,463)</u>
NET CURRENT LIABILITIES		<u>(687,594)</u>	<u>(6,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,078,889</u>	<u>11,134,610</u>
CREDITORS			
Amounts falling due after one year	11	(9,846,941)	(10,726,815)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(91,937)</u>	<u>(47,426)</u>
		<u>140,011</u>	<u>360,369</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	139,911	360,269
SHAREHOLDER'S FUNDS	16	<u>140,011</u>	<u>360,369</u>

Approved by the board on 14th December 2004



F A KASSAM

Director

FIROKA (OXFORD UNITED STADIUM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 1 JULY 2004

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The company is dependent on the financial support of its ultimate parent company, Firoka (London Park) Limited. The directors of the ultimate parent have indicated that such support will be forthcoming and on this basis these financial statements are prepared on the going concern basis.

(b) Turnover

Turnover represents net invoiced sales of goods and services provided in the period, excluding value added tax.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives once the assets are brought into use.

Freehold buildings	2%
Plant, machinery, fixtures and fittings	10%

Freehold land is not depreciated.

(d) Grants

Grants received in respect of capital expenditure are treated as deferred income and released to profit evenly over the life of the fixed asset to which they relate.

(e) Deferred tax

As required by FRS 19 "Deferred Tax", full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation, except for those timing differences in respect of which the standard specifies that deferred tax should not be recognised.

Deferred liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

(f) Stocks

Stock of goods for resale is valued at the lower of cost and net realisable value.

2 TURNOVER

Turnover is attributable to the company's continuing principal activities and arose in the United Kingdom.

3 OTHER OPERATING INCOME

	<u>2004</u> £	<u>2003</u> £
Release of grant income and other deferred income	108,410	108,410

4 OPERATING PROFIT

	<u>2004</u> £	<u>2003</u> £
Stated after charging/(crediting):		
Auditors' remuneration – audit fees	5,500	4,350
– other services	4,262	6,303
Depreciation	436,369	430,238
Rental income	278,524	265,568

FIROKA (OXFORD UNITED STADIUM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 1 JULY 2004

5	INTEREST PAYABLE AND SIMILAR CHARGES	<u>2004</u> £	<u>2003</u> £
	Bank loans and overdrafts	323,037	362,680
	Other loans	14,529	-
		<hr/> 337,566	<hr/> 362,680
		<hr/>	<hr/>
6	STAFF COSTS		
	Wages and salaries	342,578	258,244
	Social security costs	28,329	20,439
		<hr/> 370,907	<hr/> 278,683
		<hr/>	<hr/>
		No.	No.
	Number of employees during the year	35	30
		<hr/>	<hr/>
	No directors received any emoluments (2003: £Nil).		
7	TAX ON(LOSS)/PROFIT ON ORDINARY ACTIVITIES		
	Analysis of charge for the year	£	£
	Current tax		
	UK corporation tax on (losses)/profits for the year	-	-
	Deferred tax:		
	Origination and reversal of timing differences (note 13)	44,511	(23,588)
		<hr/>	<hr/>
	Total tax (credit)/charge	44,511	(23,588)
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(175,847)	193,469
	(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(52,754)	58,041
	Effects of:		
	Expenses not deductible for tax purposes	(58,133)	15,000
	Capital allowances in excess of depreciation	-	(76,240)
	Losses surrendered to group companies	60,234	3,199
	Depreciation in excess of capital allowances	50,653	-
		<hr/>	<hr/>
	Current tax charge	-	-
		<hr/>	<hr/>

FIROKA (OXFORD UNITED STADIUM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 1 JULY 2004

8 TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> £	<u>Plant and machinery</u> £	<u>Fixtures, fittings, tools and equipment</u> £	<u>Total</u> £
Cost				
At 4 July 2003	9,294,330	2,332,000	374,730	12,001,060
Additions	-	-	61,312	61,312
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 July 2004	9,294,330	2,332,000	436,042	12,062,372
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 4 July 2003	319,130	466,400	73,990	859,520
Charge for year	159,565	233,200	43,604	436,369
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 July 2004	478,695	699,600	117,594	1,295,889
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 July 2004	8,815,635	1,632,400	318,448	10,766,483
	<hr/>	<hr/>	<hr/>	<hr/>
At 4 July 2003	8,975,200	1,865,600	300,740	11,141,540
	<hr/>	<hr/>	<hr/>	<hr/>

9 STOCKS

	<u>2004</u> £	<u>2003</u> £
Consumables	13,802	18,479
	<hr/>	<hr/>

10 DEBTORS

Due within one year		
Trade debtors	163,908	136,821
Amounts due from group undertakings	366,864	448,756
Other debtors	-	684
Prepayments	9,447	2,850
	<hr/>	<hr/>
	540,219	589,111
	<hr/>	<hr/>

Amounts due from group undertakings include £169,200 (2002: £169,200) receivable from Firoka (Oxford) Limited, the immediate parent company, and £156,602 (2002: £271,496) due from Oxford United Football Club Limited, a fellow subsidiary company.

FIROKA (OXFORD UNITED STADIUM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 1 JULY 2004

11 CREDITORS	<u>2004</u>	<u>2003</u>
	£	£
Amounts falling due within one year		
Bank loans (note 12)	729,384	671,863
Trade creditors	182,533	204,376
Amounts owed to group undertakings	9,514	24,183
Taxation and social security	95,311	46,356
Accruals and other deferred income	286,495	314,685
	<hr/>	<hr/>
	1,303,237	1,261,463
	<hr/>	<hr/>
Amounts falling due after one year		
Bank loans (note 12)	5,844,534	6,578,347
Amounts due to group undertakings	1,502,237	1,489,888
Deferred grant income	2,400,170	2,508,580
Other deferred income	100,000	150,000
	<hr/>	<hr/>
	9,846,941	10,726,815
	<hr/>	<hr/>

Amounts due to group undertakings include £1,467,447 (2003: £1,467,918) due to Firoka (Kings Cross) Limited, a company under common control, and £34,790 (2003: £34,790) due to Firoka (London Park), the ultimate parent company. The amount due to Firoka (Kings Cross) Limited includes interest charged at 4% per annum from 1 April 2004.

12 BANK LOANS	<u>2004</u>	<u>2003</u>
	£	£
Due within one year	729,384	671,863
Due between one and two years	717,995	1,441,112
Due between two and five years	2,411,558	1,580,221
Due after more than five years	2,714,981	3,557,014
	<hr/>	<hr/>
	6,573,918	7,250,210
	<hr/>	<hr/>

The bank loan is secured by a fixed and a floating charge over the company's freehold property. The loan is due for repayment by 13 June 2012 and attracts interest at a rate of 0.85% above base rate. A cross guarantee exists as security for the bank loan with Firoka (Kings Cross) Limited, a company under common control.

13 DEFERRED TAX	£
Accelerated capital allowances	
At 4 July 2003	47,426
Charged to profit and loss account (note 7)	44,511
	<hr/>
At 1 July 2004	91,937
	<hr/>

FIROKA (OXFORD UNITED STADIUM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 1 JULY 2004

14	CALLED UP SHARE CAPITAL	<u>2004</u> £	<u>2003</u> £
	Authorised		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted and fully paid		
	Ordinary shares of £1 each	100	100
		<hr/>	<hr/>
15	RESERVES		
		£	
	Profit and loss account		
	At 4 July 2003	360,269	
	(Loss) for the year	(220,358)	
		<hr/>	
	At 1 July 2004	139,911	
		<hr/>	
16	SHAREHOLDERS' FUNDS	<u>2004</u> £	<u>2003</u> £
	Shareholders' funds at 4 July 2003	360,369	143,312
	(Loss)/profit for the year	(220,358)	217,057
		<hr/>	<hr/>
	Shareholders' funds at 1 July 2004	140,011	360,369
		<hr/>	<hr/>

17 RELATED PARTIES

During the year the company received rent of £278,524 (2003: £265,568) and £120,000 (2003: £120,000) relating to recovery of overheads from Oxford United Football Club Limited a fellow subsidiary company. These amounts are included within the reported turnover figure. £28,279 was spent by the company on accommodation at Firoka (Oxford Hotels) Limited, a fellow subsidiary company.

18 PARENT UNDERTAKING

The company is a wholly owned subsidiary of Firoka (Oxford) Limited, a company incorporated in England and Wales. The ultimate parent company is Firoka (London Park) Limited, a company registered in Jersey. The ultimate controlling party is Mr F A Kassam.