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FIROKA (LONDON PARK) LIMITED
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

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FIROKA (LONDON PARK) LIMITED
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

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FIROKA (LONDON PARK) LIMITED
FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

DIRECTORS

F A Kassam
A Lowry

SECRETARY

Quorum Secretaries Limited

INDEPENDENT AUDITORS

PKF
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

REGISTERED OFFICE

PO Box 292
Eaton House
Seaton Place
St Helier
Jersey
Channel Islands

BRANCH

London Park Hotel
c/o 1 Kings Cross Road
London WC1X 9HX

REGISTERED NUMBERS

Jersey 71427

England and Wales FC021285

**FIROKA (LONDON PARK) LIMITED
DIRECTORS' REPORT**

The directors present their report and the financial statements for the nine month period ended 31 March 2004.

PRINCIPAL ACTIVITY

During the period the company rented out the London Park Hotel as an investment property. It continues to act as an investment holding company. The company ceased its operation of the London Park Hotel in the prior year.

RESULTS AND BUSINESS REVIEW

During the year the turnover increased to £0.45M (2003: £0.27M). The operating loss for the year was £0.87M (2003: £0.450M).

The hotel was sold on 1 April 2004, and the company's operating activities ceased from that date. The company will continue to act as an investment holding company.

DIVIDEND

The directors recommend the payment of a dividend of £nil (2003: £nil).

DIRECTORS

The directors during the year and their interests (including family interests) in the issued ordinary shares of the company, were as follows:

	<u>£1 Ordinary shares</u>	
	<u>Period ended</u> <u>31 March 2004</u>	<u>Year ended</u> <u>4 July 2003</u>
F A Kassam	100,000	100,000
A Lowry	-	-

CHARITABLE DONATIONS

During the year the company made charitable donations of £100,000 (2003 : £100,000).

AUDITORS

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

ON BEHALF OF THE BOARD

14th December 2004



F A Kassam
Director

FIROKA (LONDON PARK) LIMITED
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 at the end of the accounting period and of the profit or loss of the Company for the year. In preparing these accounts, 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 also 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 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.

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 MEMBERS OF
FIROKA (LONDON PARK) LIMITED**

We have audited the financial statements of Firoka (London Park) Limited for the period ended 31 March 2004 which comprise the Profit and Loss Account, the statement of 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 31 March 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

London
United Kingdom

17 December 2004

PKF

PKF
Registered Auditors

FIROKA (LONDON PARK) LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31 MARCH 2004

	<u>Notes</u>	<u>9 Months Ended</u> <u>31 March 2004</u> £	<u>Year Ended</u> <u>3 July 2003</u> £
TURNOVER	2	450,800	271,469
Cost of sales		-	(79,439)
GROSS PROFIT		450,800	192,030
Administrative expenses - normal		(187,575)	642,325
- exceptional	3	(350,000)	-
OPERATING LOSS	3	(86,775)	(450,295)
Exceptional items			
Profit on disposal of fixed assets	4	-	500,000
OPERATING (LOSS)/PROFIT BEFORE INTERST AND TAXATION		(86,775)	49,705
Interest receivable	7	61,438	262,961
Interest payable and similar charges	8	(29,686)	(58,451)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(55,023)	254,215
Tax (charge)/credit on profit on ordinary activities	9	(7,145)	8,000
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	(62,168)	262,215

All amounts above operating (loss)/profit before interest and taxation relate to discontinued operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		<u>2004</u> £	<u>2003</u> £
(Loss)/profit for the period		(62,168)	262,215
Unrealised surplus on revaluation		502,708	7,902,949
Deferred tax on subsequent sale of revalued property	9	(1,600,000)	-
Total recognised (losses)/gains relating to the period		(1,159,460)	8,165,164

FIROKA (LONDON PARK) LIMITED
BALANCE SHEET
AT 31 MARCH 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
FIXED ASSETS			
Tangible assets	10	15,502,728	15,000,000
Investments	11	129,792	129,629
		<hr/>	<hr/>
		15,632,520	15,129,629
CURRENT ASSETS			
Debtors due within one year	12	17,326	24,471
Debtors due after one year	12	11,055,027	9,238,112
Bank balances and cash		610,075	555,174
		<hr/>	<hr/>
		11,682,428	9,817,757
CREDITORS			
Due within one year	13	(2,736,936)	(641,478)
		<hr/>	<hr/>
NET CURRENT ASSETS		8,945,492	9,176,279
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,578,012	24,305,908
CREDITORS			
Due after one year	13	(924,666)	(1,093,122)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	16	(1,600,000)	-
		<hr/>	<hr/>
		22,053,346	23,212,786
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	17	100,000	100,000
Share premium	18	6,462,822	6,462,822
Revaluation reserve	18	6,805,677	7,902,949
Profit and loss account	18	8,684,847	8,747,015
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	19	22,053,346	23,212,786
		<hr/>	<hr/>

Approved by the board on 14th December 2004

F A Kassam

A Lowry

Directors

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

1 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts have been prepared on the historical cost basis, as modified by the revaluation of investment property, and in accordance with applicable United Kingdom accounting standards.

(b) Consolidated financial statements

The group qualifies as medium sized within the definition set out in section 246 of the Companies Act 1985. Accordingly, by virtue of section 248 of the Companies Act 1985 consolidated financial statements are not presented and these financial statements present the results and position of the company as an individual undertaking.

(c) Depreciation

In the prior year, depreciation was provided on tangible fixed assets in order to write off their costs over their estimated useful lives at the following rates:-

Building core	- 2% straight line
Building surface finishes and services	- 4% straight line
Plant and machinery	- 10% on written down value
Furniture and fittings	- 15% straight line
Computer equipment	- 25% straight line

No depreciation was provided on freehold land.

(d) Investment property

A contract was entered into partway through the prior year to rent the freehold property to a third party and from that date it is treated as an investment property under Statement of Standard Accounting Practice No. 19 ("SSAP 19"). Accordingly, it is stated in the balance sheet at open market value. Revaluation surpluses and deficits are taken to the revaluation reserve except to the extent that they represent reversals of deficits previously recognised through the profit and loss account.

Also in accordance with SSAP 19 no depreciation is provided in respect of investment property. This is a departure from the requirement of the Companies Act 1985 which requires all assets having a limited useful economic life to be depreciated. The directors consider this treatment necessary in order to show a true and fair view.

(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 tax is not provided on timing differences arising from the revaluation of certain fixed assets in the financial statements.

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

2 TURNOVER

Turnover is attributable to the company's principal activities and arose in the United Kingdom. Rental income is recognised evenly across the period of each receipt. Income from hotel operations was recognised as services were provided.

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

3 OPERATING LOSS

	<u>9 Months Ended</u> <u>31 March 2004</u>	<u>Year Ended</u> <u>3 July 2003</u>
	£	£
Stated after charging/(crediting):		
Auditors' remuneration - audit	4,000	4,500
- taxation	10,141	-
Depreciation of fixed assets	-	210,702
Rentals receivable	(450,000)	(210,586)
Provision against balance due from subsidiary	350,000	-
	<u> </u>	<u> </u>

In the period ended 31 March 2004, the company made a provision of £350,000 against the balance due from Oxford United Football Club Limited, a subsidiary undertaking (note 12).

Depreciation in 2003 arose prior to the reclassification of the freehold property as an investment property.

4 EXCEPTIONAL ITEMS

	<u>9 Months Ended</u> <u>31 March 2004</u>	<u>Year Ended</u> <u>3 July 2003</u>
	£	£
Profit on disposal of fixed assets	-	500,000
	<u> </u>	<u> </u>

An agreement was made to sell the hotel in August 2002, and a deposit of £500,000 was received from the purchaser. However, the sale was not completed and the deposit was forfeited and taken to income in last year's accounts.

5 STAFF COSTS

	<u>9 Months Ended</u> <u>31 March 2004</u>	<u>Year Ended</u> <u>3 July 2003</u>
	£	£
Wages and salaries	82,932	168,831
Social security costs	10,183	17,879
	<u> </u>	<u> </u>
	93,115	186,710
	<u> </u>	<u> </u>

Staff numbers are as set out below

	No.	No.
Operations	1	4
	<u> </u>	<u> </u>

6 DIRECTORS' REMUNERATION

	£	£
Directors' emoluments	93,115	111,670
	<u> </u>	<u> </u>

7 INTEREST RECEIVABLE

On bank deposit account	6,923	173,010
From subsidiary undertaking (note 12)	54,515	89,951
	<u> </u>	<u> </u>
	61,438	262,961
	<u> </u>	<u> </u>

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

8	INTEREST PAYABLE	<u>2004</u> £	<u>2003</u> £
	Bank and other loans	29,686	58,451

9	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>9 Months Ended</u> <u>31 March 2004</u> £	<u>Year Ended</u> <u>3 July 2003</u> £
	Analysis of charge for the year		
	Current tax:		
	UK Corporation Tax on profits for the year	54,000	12,000
	Adjustments in respect of prior years	(46,855)	(20,000)
	Total current tax charge/(credit)	<u>7,145</u>	<u>(8,000)</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(55,023)	254,215
	(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(16,507)	76,265
	Effects of:		
	Expenses not deductible for tax purposes	112,406	15,000
	Depreciation in excess of capital allowances	-	75,835
	Roll over of capital gain on property sale	-	(150,000)
	Group relief claimed	(41,899)	(5,100)
	Adjustments in respect of prior years	(46,855)	(20,000)
	Total current tax charge/(credit)	<u>7,145</u>	<u>(8,000)</u>

Provision has been made for deferred tax on gains recognised on revaluing the investment property to its market value and its subsequent sale. Such tax has become payable since the property has been sold without claiming rollover relief. The total amount provided for is £1.6 million and has been recognised in the statement of total recognised gains and losses.

10	TANGIBLE FIXED ASSETS	<u>Investment</u> <u>property</u> £
	Cost or valuation	
	As at 4 July 2003	15,000,000
	Revaluation	502,728
	As at 31 March 2004	<u>15,502,728</u>
	Net book value	
	As at 31 March 2004	<u>15,502,728</u>
	As at 4 July 2003	<u>15,000,000</u>

At 31 March 2004, the freehold property is included in the balance sheet at a valuation by the directors, representing the subsequent sales proceeds.

The historical cost of the property is £8,696,485.

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

11 INVESTMENTS	<u>31 March 2004</u>	<u>3 July 2003</u>
	£	£
Investment in subsidiary undertakings		
Cost at 4 July 2003	129,629	129,629
Additional investment in subsidiary undertakings	163	-
Cost at 31 March 2004	<u>129,792</u>	<u>129,629</u>

<u>Direct subsidiaries</u>	<u>Issued share capital (% held)</u>	<u>Reserves at 3 July 2003</u>	<u>Profit/(loss) for the period ended 3 July 2003</u>	<u>Principal activity</u>
		£	£	
Oxford United Football Club Ltd*	800 £7 ord shares (26.0%) 138,142 £1 ord shares (92.0%) 140,000 5.25% pref shares (97.9%)	(2,018,206)	(116,783)	Professional football club
Firoka (Oxford) Ltd	2 £1 ord shares (100%)	9,500	1,287	Non-trading
<u>Subsidiary of Oxford United Football Club Limited</u>				
Oxford United Supporters Club Ltd*	2 £1 ord shares (100%)	33,459	-	Football club supporters
<u>Subsidiaries of Firoka (Oxford) Limited</u>				
Firoka (Oxford Leisure) Ltd	2 £1 ord shares (100%)	(18,272)	(30,624)	Operation of public house and leisure development
Firoka (Oxford United Stadium) Ltd	100 £1 ord shares (100%)	360,369	217,057	Operation of football stadium and conference centre
Firoka (Oxford Hotels) Ltd	2 £1 ord shares (100%)	(110,754)	(110,754)	Operation of hotel

All subsidiaries are incorporated in England and Wales.

* Subsidiaries year end 30 June 2003

12 DEBTORS	<u>31 March 2004</u>	<u>3 July 2003</u>
	£	£
Due within one year		
Other debtors	15,450	15,450
Prepayments and accrued income	1,021	1,021
Corporation tax	855	8,000
	<u>17,326</u>	<u>24,471</u>
Due after one year		
Amounts owing from subsidiary undertakings	11,055,027	8,556,711
Other debtors	-	681,401
	<u>11,072,353</u>	<u>9,262,583</u>

Amounts owing from subsidiary undertakings comprises loans of £1,502,438 to Oxford United Football Club Limited (2003: £1,647,922) against which a provision of £350,000 has been made, £9,867,799 to Firoka (Oxford Leisure) Limited (2003: £6,873,999) £34,790 to Firoka (Oxford United Stadium) Limited (2003: £34,790) all being subsidiaries of the company. Other debtors due after one year are amounts of £nil (2003: £681,401) due from Firoka (Kings Cross) Ltd, a company under common control. The loan to Oxford United Football Club Limited loan attracts interest at 3% over LIBOR. All other inter-company loans were non-interest bearing to 31 March 2004.

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

13	CREDITORS	<u>31 March 2004</u> £	<u>3 July 2003</u> £
	Due within one year:		
	Bank loans (Note 15)	199,807	187,960
	Trade creditors	-	9,271
	Social security and other taxes	4,653	1,995
	Other creditors	2,239,435	225,047
	Accruals and deferred income	293,041	217,205
		<hr/> 2,736,936 <hr/>	<hr/> 641,478 <hr/>

Other creditors includes £2,011,810 (2003: £nil) owed to Firoka (Kings Cross) Limited, a company under common control.

14	CREDITORS	<u>31 March 2004</u> £	<u>3 July 2003</u> £
	Due after one year:		
	Bank loans (Note 15)	749,666	918,122
	Other creditors	175,000	175,000
		<hr/> 924,666 <hr/>	<hr/> 1,093,122 <hr/>

Other creditors is an amount of £175,000 (2003: £175,000) due to Firoka (Oxford) Ltd, a subsidiary of the company..

15	BANK LOANS	<u>31 March 2004</u> £	<u>3 July 2003</u> £
	Due within one year	199,807	187,960
	Due between two and five years	749,666	918,122
		<hr/> 949,473 <hr/>	<hr/> 1,106,082 <hr/>

The bank loans are secured by a fixed charge over the company's investment property. The loan attracts interest at a rate of 0.85% above base rate. The loan was repaid on 4 April 2004.

16	DEFERRED TAX	£
	Origination and reversal of timing differences	
	At 4 July 2003	-
	Charged to statement of total recognised gains and losses (note 9)	1,600,000
		<hr/> 1,600,000 <hr/>
	At 31 March 2004	<hr/> 1,600,000 <hr/>

17	CALLED UP SHARE CAPITAL	<u>31 March 2004</u> £	<u>3 July 2003</u> £
	Authorised:		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<hr/>	<hr/>
	Allotted, issued and fully paid:		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<hr/>	<hr/>

FIROKA (LONDON PARK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 MARCH 2004

18 STATEMENT OF MOVEMENTS ON RESERVES

	<u>Revaluation reserve</u> £	<u>Share premium account</u> £	<u>Profit and loss account</u> £
At 4 July 2003	7,902,949	6,462,822	8,747,015
Retained loss for the period	-	-	(62,168)
Revaluation of investment property	502,728	-	-
Deferred tax on subsequent sale of revalued property	(1,600,000)	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2004	<u>6,805,677</u>	<u>6,462,822</u>	<u>8,684,847</u>

19 MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>31 March 2004</u> £	<u>3 July 2003</u> £
Retained (loss)/profit for the period	(62,168)	262,215
Revaluation of investment property	502,728	7,902,949
Deferred tax on subsequent sale of revalued property	(1,600,000)	-
Balance at 4 July 2003	<u>23,212,786</u>	<u>15,047,622</u>
	<hr/>	<hr/>
Balance at 31 March 2004	<u>22,053,346</u>	<u>23,212,786</u>

20 COMMITMENTS

The company has indicated its intention, barring unforeseen circumstances, to provide or procure funding sufficient to enable its subsidiaries, Oxford United Football Club Limited and Firoka (Oxford United Stadium) Limited to continue trading for at least one year from the date of approval of its accounts.

21 RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY

Details of intercompany borrowings are disclosed in notes 12, 13 and 14. The directors consider Mr F A Kassam to be the company's ultimate controlling party.

22 POST BALANCE SHEET EVENTS

On 1 April 2004 the company completed the sale of its principal asset, London Park Hotel. The investment property is being carried in the company's accounts at an amount equivalent to its post balance sheet sales price. Following the sale of the hotel, a dividend of £12.5m was proposed and paid.

