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**FIROKA (LONDON PARK) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2006**

PKF (UK) LLP

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**FIROKA (LONDON PARK) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

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**FIROKA (LONDON PARK) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

**DIRECTORS**

F A Kassam  
A Lowry

**SECRETARY**

Quorum Secretaries Limited

**INDEPENDENT AUDITORS**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

**REGISTERED OFFICE**

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

**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 year ended 31 March 2006.

### **PRINCIPAL ACTIVITY**

The company's principal fixed asset, the London Park 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 and will continue to look at opportunities to acquire or commence new operating activities.

### **RESULTS AND BUSINESS REVIEW**

The loss for the year was £0.236M (2005: profit of £0.479M).

### **DIVIDEND**

The directors do not recommended the payment of a dividend (2005: £12.5M).

### **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>Year ended</u> <u>31 March 2006</u>	<u>Year ended</u> <u>31 March 2005</u>
F A Kassam	100,000	100,000
A Lowry	-	-

### **CHARITABLE DONATIONS**

During the year the company made charitable donations of £Nil (2005 : £Nil).

### **STATEMENT OF INFORMATION PROVIDED TO AUDITORS**

Each of the directors has confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **BASIS OF PREPARATION**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**FIROKA (LONDON PARK) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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 and then apply them consistently;
- make judgments 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 that 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Approved by the Board of Directors and signed on behalf of the Board on 9 February 2007**



**A LOWRY**  
Director

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIROKA (LONDON PARK) LIMITED

We have audited the financial statements of Firoka (London Park) Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes. The 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 ('United Kingdom Generally Accepted Accounting Practice') 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you our opinion as to whether the information given in the directors' report is consistent with the financial statements. Additionally we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

London, UK  
14 February 2007

**PKF(UK)LLP**  
**PKF (UK) LLP**  
Registered auditors

**FIROKA (LONDON PARK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2006**

	<u>Notes</u>	Year ended 31 March <u>2006</u> £	Year ended 31 March <u>2005</u> £
Administrative expenses - normal		(18,075)	(76,419)
- exceptional	2	(386,491)	-
<b>OPERATING LOSS BEFORE INTEREST AND TAXATION</b>		<b>(404,566)</b>	<b>(76,419)</b>
Loss on disposal of fixed asset investment	8	(199,725)	-
Interest receivable	5	453,792	615,810
Interest payable and similar charges	6	(86,263)	(83,064)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(236,762)</b>	<b>456,327</b>
Tax credit on profit on ordinary activities	7	1,169	22,653
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	15	<b>(235,593)</b>	<b>478,980</b>

All amounts above operating loss before interest and taxation relate to discontinued operations.

There are no other realised gains or losses other than shown above.

**FIROKA (LONDON PARK) LIMITED**  
**NOTE OF HISTORICAL COST PROFIT AND LOSSES**  
**YEAR ENDED 31 MARCH 2006**

	Year ended 31 March <u>2006</u> £	Year ended 31 March <u>2005</u> £
<b>NOTE OF HISTORICAL COST PROFIT AND LOSSES</b>		
Reported (loss)/profit on ordinary activities before taxation	<b>(236,762)</b>	456,327
Realisation of property revaluation gains of previous years	-	6,805,677
	<hr/>	<hr/>
Historical cost (loss)/profit on ordinary activities	<b>(236,762)</b>	7,262,004
	<hr/>	<hr/>
Historical cost loss for the period retained after taxation	<b>(235,593)</b>	7,284,657
	<hr/>	<hr/>

**FIROKA (LONDON PARK) LIMITED**  
**BALANCE SHEET**  
**AT 31 MARCH 2006**

	<u>Notes</u>	<u>£</u>	<u>2006</u>	<u>£</u>	<u>£</u>	<u>2005</u>	<u>£</u>
<b>FIXED ASSETS</b>							
Investments	8			2		129,815	
				2		129,815	
<b>CURRENT ASSETS</b>							
Current asset investments	9	1,375,549			-		
Debtors due within one year	10	115,539			24,393		
Debtors due after one year	10	9,139,719			10,772,688		
Bank balances and cash		1,994,809			2,423,794		
			12,625,616		13,220,875		
<b>CREDITORS</b>							
Due within one year	11	(2,828,885)			(3,143,364)		
<b>NET CURRENT ASSETS</b>				9,796,731		10,077,511	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				9,796,733		10,207,326	
<b>CREDITORS</b>							
Due after one year	12			-		(175,000)	
<b>PROVISION FOR LIABILITIES AND CHARGES</b>							
Deferred taxation	13			-		-	
				9,796,733		10,032,326	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	14		100,000			100,000	
Share premium	15		6,462,822			6,462,822	
Profit and loss account	15		3,233,911			3,469,504	
<b>SHAREHOLDERS' FUNDS</b>	16		9,796,733			10,032,326	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 February 2007.

  
**F A Kassam**  
**Director**

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The accounts have been prepared on the historical cost basis 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) 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 liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

**(d) Investments**

Fixed asset investments are stated at cost less any provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

**2 OPERATING LOSS**

	Year ended 31 March <u>2006</u> £	Year ended 31 March <u>2005</u> £
Stated after charging/(crediting):		
Auditors' remuneration - audit	4,850	4,000
- taxation	8,600	3,500
Exceptional credit due to reversal of bad debt provision	(113,509)	-
Exceptional charge due to provision against balance due from subsidiary	500,000	-
	<u>          </u>	<u>          </u>

In the year ended 31 March 2006, the company made a provision of £500,000 against the balance due from Firoka (Health and Fitness) Limited, a subsidiary undertaking (note 8).

**3 STAFF COSTS**

	<u>2006</u> £	<u>2005</u> £
Wages and salaries	-	-
Social security costs	-	-
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>
Staff numbers are as set out below:		
	<b>No.</b>	<b>No.</b>
Operations	-	-
	<u>          </u>	<u>          </u>

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

	Year ended 31 March 2006 £	Year ended 31 March 2005 £
<b>4 DIRECTORS' REMUNERATION</b>		
Directors' emoluments	-	-
<b>5 INTEREST RECEIVABLE</b>	<u>2006</u> £	<u>2005</u> £
On bank deposit account	83,033	180,493
From subsidiary undertaking (note 9)	370,759	435,317
	<u>453,792</u>	<u>615,810</u>
<b>6 INTEREST PAYABLE</b>	<u>2006</u> £	<u>2005</u> £
Bank and other loans	86,263	83,065
<b>7 TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>2006</u> £	<u>2005</u> £
<b>Analysis of charge for the year</b>		
Current tax:		
UK Corporation Tax on profits for the year	107,416	1,631,347
Adjustments in respect of prior years	(108,585)	(54,000)
	(1,169)	1,577,347
Deferred tax:		
Reversal of timing differences	-	(1,600,000)
Total tax credit	(1,169)	(22,653)
<b>Factors affecting the tax charge for the year</b>		
(Loss)/profit on ordinary activities before tax	(236,762)	456,327
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(71,029)	136,898
Effects of:		
Expenses not deductible for tax purposes	118,528	1,500
Group relief claimed	-	(34,066)
Disposal of investments	59,917	-
Chargeable gain arising on sale of hotel	-	1,527,014
Adjustments in respect of prior years	-	(54,000)
Total current tax charge	<u>107,416</u>	<u>1,577,347</u>

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

8 INVESTMENTS	<u>2006</u> £	<u>2005</u> £
Investment in subsidiary undertakings		
Cost at 31 March 2005	<b>129,815</b>	129,792
(Disposal)/additional investment in subsidiary undertakings	<b>(129,813)</b>	23
	<hr/>	<hr/>
Cost at 31 March 2006	<b>2</b>	129,815
	<hr/>	<hr/>

In the prior year Firoka (London Park) Limited held 800 £7 ordinary shares (26.0%), 138,142 £1 ordinary shares (92.0%) and 140,000 5.25% preference shares (97.9%) in Oxford United Football Club. These shares were disposed of in the year, resulting in an overall loss on disposal of £199,725.

	<u>Issued share capital (% held)</u>	<u>Reserves at 7 July 2005</u>	<u>Profit/(loss) for year ended 7 July 2005</u>	<u>Principal activity</u>
<u>Direct subsidiaries</u>		£	£	
Firoka (Oxford) Limited	2	11,421	653	Holding company

The year end of this subsidiary is now 28 September 2006 having moved from the prior year end of 7 July 2005. The figures disclosed above are as at 7 July 2005.

**Subsidiaries of Firoka (Oxford) Limited**

Firoka (Oxford Leisure) Ltd**	2 £1 ord shares (100%)	8,534,832	466,843	Operation of leisure development and public house
Firoka (Oxford United Stadium) Ltd**	100 £1ord shares (100%)	(54,003)	(194,014)	Operation of football stadium and conference centre
Firoka (Oxford Hotels) Ltd**	2 £1 ord shares (100%)	734,093	473,946	Operation of Hotel
Firoka (Health & Fitness) Ltd*	2 £1 ord shares (100%)	(575,164)	(547,222)	Operation of health and fitness club

All subsidiaries are incorporated in England and Wales.

\* The year end of this subsidiary is 30 September 2006. The figures disclosed above are as at 30 September 2005.

\*\* The year end is now 28 September 2006 having moved from the prior year end of 7 July 2005. The figures disclosed above are as at 7 July 2005.

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

<b>9</b>	<b>CURRENT ASSET INVESTMENTS</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	Investments	<b>1,375,549</b>	-
	Current asset investments represent liquidity funds held.		
<b>10</b>	<b>DEBTORS</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	<b>Due within one year</b>		
	Other debtors	<b>13,743</b>	13,546
	Prepayments and accrued income	<b>10,846</b>	10,847
	Corporation tax	<b>90,950</b>	-
		<b>115,539</b>	24,393
	<b>Due after one year</b>		
	Amounts owing from subsidiary undertakings	<b>9,077,059</b>	10,712,438
	Other debtors	<b>62,660</b>	60,250
		<b>9,255,258</b>	10,797,081

Amounts owing from subsidiary undertakings comprises loans of £nil to Oxford United Football Club Limited (2005: £1,618,938 less a provision of £350,000), £7,412,070 to Firoka (Oxford Leisure) Limited (2005: £7,126,990), £nil to Firoka (Oxford United Stadium) Limited (2005: £34,790) and £2,164,989 to Firoka (Health and Fitness) Limited less a provision of £500,000 made in the year (2005: £2,281,720), all being subsidiaries of the company. Interest of 4% was charged on the Firoka (Oxford Leisure) and Firoka (Health and Fitness) Limited balances.

Other debtors due after one year are amounts of £62,660 (2005: £60,250) due from Firoka (Kings Cross) Ltd, a company under common control.

<b>11</b>	<b>CREDITORS</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	<b>Due within one year:</b>		
	Other creditors	<b>2,826,135</b>	2,381,145
	Accruals and deferred income	<b>2,750</b>	4,000
	Corporation tax	-	758,219
		<b>2,828,885</b>	3,143,364

Other creditors includes £2,241,140 (2005: £2,154,943) owed to Firoka (Kings Cross) Limited, a company under common control. This includes interest charged at a rate of 4%.

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

<b>12</b>	<b>CREDITORS</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	<b>Due after one year:</b>		
	Other creditors	-	175,000
		<hr/>	<hr/>
		-	175,000
		<hr/>	<hr/>
Other creditors is an amount of £ nil (2005: £175,000) due to Firoka (Oxford) Ltd, a subsidiary of the company.			
<b>13</b>	<b>DEFERRED TAX</b>	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b>Origination and reversal of timing differences</b>		
	At 1 April 2005	-	1,600,000
	Released to profit and loss account (note 8)	-	(1,600,000)
		<hr/>	<hr/>
	At 31 March 2006	-	-
		<hr/>	<hr/>
<b>14</b>	<b>CALLED UP SHARE CAPITAL</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	<b>Authorised:</b>		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<hr/>	<hr/>
	<b>Allotted, issued and fully paid:</b>		
	100,000 Ordinary shares of £1 each	100,000	100,000
		<hr/>	<hr/>
<b>15</b>	<b>STATEMENT OF MOVEMENTS ON RESERVES</b>	<b><u>Share</u></b> <b><u>premium</u></b> <b><u>account</u></b> <b>£</b>	<b><u>Profit and</u></b> <b><u>loss account</u></b> <b>£</b>
	At 31 March 2005	6,462,822	3,469,504
	Loss for the year	-	(235,593)
		<hr/>	<hr/>
	At 31 March 2006	6,462,822	3,233,911
		<hr/>	<hr/>
<b>16</b>	<b>MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b><u>2006</u></b> <b>£</b>	<b><u>2005</u></b> <b>£</b>
	(Loss)/profit for the year	(235,593)	478,980
	Dividends	-	(12,500,000)
	Balance at 31 March 2005	10,032,326	22,053,346
		<hr/>	<hr/>
	Balance at 31 March 2006	9,796,733	10,032,326
		<hr/>	<hr/>

**FIROKA (LONDON PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2006**

**17      COMMITMENTS**

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

**18      RELATED PARTY TRANSACTIONS AND ULTIMATE CONTROLLING PARTY**

Details of intercompany borrowings are disclosed in notes 10 and 11. The directors consider Mr F A Kassam to be the company's ultimate controlling party.