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## **Firoka (London Park) Limited**

Report and Financial Statements

Period ended

29 September 2016

Company Number FC021285



## **Firoka (London Park) Limited**

### **Company Information**

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<b>Directors</b>	F A Kassam A Lowry A Tawakley F F Kassam
<b>Company secretary</b>	Minerva Trust & Corporate Services Limited
<b>Registered number</b>	FC021285
<b>Registered office</b>	43/45 La Motte Street St Helier JE4 8SD
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **Firoka (London Park) Limited**

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# **Firoka (London Park) Limited**

## **Group Strategic Report for the Period Ended 29 September 2016**

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### **Business review**

The group owns and operates the Holiday Inn Express hotel in Oxford, the Hampton By Hilton hotel in Oxford, the Ozone Leisure and Entertainment Park in Oxford and the Kassam stadium in Oxford.

The turnover of the group was £9.863M (2015 - £7.896M) an increase of 24.9%. The earnings before interest, taxation, depreciation and amortisation ("EBITDA") were £4.141M (2015 - £2.662M) an increase of 55.6%. The net profit for the year was £2.927M (2015 - £ 3.982M including a fair value asset revaluation of £3.00M).

The two hotel subsidiary companies in Oxford achieved good room yields and occupancy levels. During the year the subsidiary company owning and operating the Kassam stadium continued to be the home ground for a League 1 football club. The Ozone Leisure & Entertainment Park continued to operate with the same tenants (accept for one additional tenant) as in the previous year.

The directors consider the performance of the group to be satisfactory. The group intends to continue the hotel, stadium, conferencing, banqueting and leisure unit operations for the foreseeable future.

The directors closely monitor a number of non financial performance indicators at the hotel and leisure units. These include customer comment cards and direct research with customers.

### **Operating risks**

The directors consider the following to be the principal risks and uncertainties facing the subsidiary companies:

- Uncertainty in the group's target markets over the Brexit negotiations;
- Changes to government regulations, including legislation in respect of employee matters, environmental matters, health and safety, and accessibility;
- Natural disasters, acts of terrorism and consequent impact upon international travel;
- Competition from new hotel properties in the immediate vicinity of the subsidiary's hotels.

The directors take measures to minimise the group's exposure to these risks on an ongoing basis.

### **Expansion for the future**

The group is maintaining its investment strategy by consistently upgrading and improving the bedroom stock, other facilities in the hotels and the leisure park.

### **Environment**

The group constantly strives to minimise the impact on the environment, poarticularly by energy saving initiatives and waste management.

# **Firoka (London Park) Limited**

## **Group Strategic Report for the Period Ended 29 September 2016**

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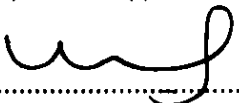
### **Personnel**

The group clearly understands that its employees are very valuable assets. The group will continue to invest in training and skills development programmes. The group places considerable value on the involvement of its employees and continuously keeps the employees informed on matters affecting them.

### **Disabled employees**

The group gives full consideration to applications for employment from disabled persons where a handicapped person can handle the requirements of the job. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees where appropriate.

This report was approved by the board and signed on its behalf.



.....  
**A Lowry**  
Director

Date: 23<sup>rd</sup> March 2017

# **Firoka (London Park) Limited**

## **Directors' Report for the Period Ended 29 September 2016**

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The directors present their report and the financial statements for the period ended 29 September 2016.

### **Principal activities**

The company is an investment holding company. During the period, the company's subsidiaries operated two hotels in Oxford, a stadium with conference and banqueting facilities in Oxford and a leisure and entertainment park in Oxford.

### **Charitable contributions**

During the year the group made charitable contributions of £nil (2015 - £1m) to the Aga Khan Foundation (UK).

### **Fixed assets**

The fixed assets of the group are reflected in the accounts at cost except for the investment property company, which owns the leisure and entertainment park which is valued by the directors having regard to a third party market valuation prepared by Jones Lang LaSalle Limited.

### **Directors**

The directors who served during the period were:

F A Kassam  
A Lowry  
A Tawakley  
F F Kassam

### **Directors' responsibilities**

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Firoka (London Park) Limited**

## **Directors' Report (continued) for the Period Ended 29 September 2016**

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### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 - 2. These matters relate to the principal risks to which the company is exposed and future developments.

### **Disclosure of information to auditor**


Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

### **Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**A Lowry**  
Director

Date: 23<sup>rd</sup> March 2017

# **Firoka (London Park) Limited**

## **Independent Auditor's Report to the Members of Firoka (London Park) Limited**

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We have audited the financial statements of Firoka (London Park) Limited for the period from 25 September 2015 to 29 September 2016 which comprise the consolidated statement of comprehensive income, the consolidated statement of total recognised gains and losses, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with the terms of our engagement. 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 auditor's 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**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 29 September 2016 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

BDO LLP

David Gill (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 24/3/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Firoka (London Park) Limited

### Consolidated Statement of Comprehensive Income for the Period Ended 29 September 2016

		53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
	Note		
Turnover	4	9,887,305	7,895,965
Cost of sales		(3,136,528)	(2,365,480)
<b>Gross profit</b>		<b>6,750,777</b>	<b>5,530,485</b>
Administrative expenses		(3,378,099)	(2,270,680)
Exceptional administrative expenses		-	(1,000,000)
Total administrative expenses		(3,378,099)	(3,270,680)
Other operating income	5	42,600	44,000
Fair value movements		-	3,000,000
<b>Operating profit</b>	6	<b>3,415,278</b>	<b>5,303,805</b>
Interest receivable and similar income	8	8,510	25,834
Interest payable and expenses	9	(309,742)	(346,965)
<b>Profit before taxation</b>		<b>3,114,046</b>	<b>4,982,674</b>
Tax on profit	10	(187,028)	(1,000,178)
<b>Profit for the period</b>		<b>2,927,018</b>	<b>3,982,496</b>
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>2,927,018</b>	<b>3,982,496</b>

The notes on pages 15 to 36 form part of these financial statements.

**Firoka (London Park) Limited**  
Registered number: FC021285

**Consolidated Statement of Financial Position**  
**As at 29 September 2016**

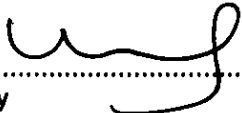
		29 September 2016	24 September 2015
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	11	19,697,693	18,910,486
Investment property	13	23,000,000	23,000,000
		<u>42,697,693</u>	<u>41,910,486</u>
<b>Current assets</b>			
Stocks	14	27,164	20,840
Debtors	15	1,378,405	1,822,302
Cash at bank and in hand		3,959,429	3,021,189
		<u>5,364,998</u>	<u>4,864,331</u>
Creditors: amounts falling due within one year	16	<u>(11,759,354)</u>	<u>(4,010,656)</u>
<b>Net current (liabilities)/assets</b>		<u>(6,394,356)</u>	<u>853,675</u>
<b>Total assets less current liabilities</b>		<u>36,303,337</u>	<u>42,764,161</u>
Creditors: amounts falling due after more than one year	17	(1,381,372)	(10,373,723)
<b>Provisions for liabilities</b>			
Deferred tax	19	(2,384,451)	(2,779,942)
<b>Net assets</b>		<u><u>32,537,514</u></u>	<u><u>29,610,496</u></u>


**Firoka (London Park) Limited**  
Registered number: FC021285

**Consolidated Statement of Financial Position (continued)**  
**As at 29 September 2016**

		29 September 2016 £	24 September 2015 £
	Note		
<b>Capital and reserves</b>			
Share capital	20	100,000	100,000
Share premium account	21	6,462,822	6,462,822
Capital contribution reserve	21	-	17,647
Retained earnings	21	25,974,692	23,030,027
		<u>32,537,514</u>	<u>29,610,496</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**A Lowry**  
Director

  
.....  
**A Tawakley**  
Director

Date: 23<sup>rd</sup> March 2017


The notes on pages 15 to 36 form part of these financial statements.

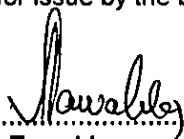
**Firoka (London Park) Limited**  
Registered number: FC021285

**Company Statement of Financial Position**  
**As at 29 September 2016**

	Note	29 September 2016 £	24 September 2015 £
<b>Fixed assets</b>			
Investments	12	328,494	291,957
		<u>328,494</u>	<u>291,957</u>
<b>Current assets</b>			
Debtors	15	10,625,040	9,437,942
Cash at bank and in hand		858,206	40,721
		<u>11,483,246</u>	<u>9,478,663</u>
Creditors: amounts falling due within one year	16	(71,363)	(251,791)
<b>Net current assets</b>		<u>11,411,883</u>	<u>9,226,872</u>
<b>Total assets less current liabilities</b>		<u>11,740,377</u>	<u>9,518,829</u>
<b>Net assets</b>		<u><u>11,740,377</u></u>	<u><u>9,518,829</u></u>
<b>Capital and reserves</b>			
Share capital	20	100,000	100,000
Share premium account	21	6,462,822	6,462,822
Profit and loss account	21	5,177,555	2,956,007
		<u>11,740,377</u>	<u>9,518,829</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**A Lowry**  
Director

  
.....  
**A Tawakley**  
Director

Date: 23<sup>rd</sup> March 2017

The notes on pages 15 to 36 form part of these financial statements.

# Firoka (London Park) Limited

## Consolidated Statement of Changes in Equity for the Period Ended 29 September 2016

	Share capital £	Share premium account £
At 25 September 2015	100,000	6,462,822
Profit for the period	-	-
Transfer to profit and loss account	-	-
At 29 September 2016	100,000	6,462,822

The notes on pages 15 to 36 form part of these financial statements.

## Firoka (London Park) Limited

### Consolidated Statement of Changes in Equity for the Period Ended 24 September 2015

	Share capital £	Share premium account £
At 26 September 2014	100,000	6,462,822
Profit for the period	-	-
Transfer to profit and loss account	-	-
At 24 September 2015	<u>100,000</u>	<u>6,462,822</u>

The notes on pages 15 to 36 form part of these financial statements.

## Firoka (London Park) Limited

### Company Statement of Changes in Equity for the Period Ended 29 September 2016

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	Share capital £	Share premium account £	Retained earnings £	Total equity £
At 25 September 2015	100,000	6,462,822	2,956,007	9,518,829
Profit for the period	-	-	2,221,548	2,221,548
At 29 September 2016	<u>100,000</u>	<u>6,462,822</u>	<u>5,177,555</u>	<u>11,740,377</u>

### Company Statement of Changes in Equity for the Period Ended 24 September 2015

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	Share capital £	Share premium account £	Retained earnings £	Total equity £
At 26 September 2014	100,000	6,462,822	984,018	7,546,840
Profit for the period	-	-	1,971,989	1,971,989
At 24 September 2015	<u>100,000</u>	<u>6,462,822</u>	<u>2,956,007</u>	<u>9,518,829</u>

The notes on pages 15 to 36 form part of these financial statements.

## Firoka (London Park) Limited

### Consolidated Statement of Cash Flows for the Period Ended 29 September 2016

	29 September 2016 £	24 September 2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial period	2,927,018	3,982,496
<b>Adjustments for:</b>		
Depreciation of tangible assets	725,511	358,440
Government grants	(42,600)	-
Interest payable	309,742	346,965
Interest receivable	(8,510)	(25,834)
Taxation	187,028	1,000,178
(Increase)/decrease in stocks	(6,324)	1,614
Decrease/(increase) in debtors	468,296	(267,561)
(Decrease)/increase in creditors	(404,704)	290,667
Increase in amounts owed to participating interests	150,519	-
Net fair value losses/gains recognised in P&L	-	(3,000,000)
Corporation tax paid	(607,844)	(547,856)
<b>Net cash generated from operating activities</b>	<b>3,698,132</b>	<b>2,139,109</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,512,718)	(5,469,286)
Interest received	8,510	25,834
<b>Net cash from investing activities</b>	<b>(1,504,208)</b>	<b>(5,443,452)</b>



# Firoka (London Park) Limited

## Consolidated Statement of Cash Flows (continued) for the Period Ended 29 September 2016

	29 September 2016 £	24 September 2015 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(375,000)	(375,000)
Repayment of other loans	(570,942)	(1,400,000)
Interest paid	(309,742)	(304,468)
<b>Net cash used in financing activities</b>	<u>(1,255,684)</u>	<u>(2,079,468)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>938,240</u>	<u>(5,383,811)</u>
Cash and cash equivalents at beginning of period	3,021,189	8,405,000
<b>Cash and cash equivalents at the end of period</b>	<u><u>3,959,429</u></u>	<u><u>3,021,189</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	<u><u>3,959,429</u></u>	<u><u>3,021,189</u></u>

The notes on pages 15 to 36 form part of these financial statements.

# **Firoka (London Park) Limited**

## **Notes to the Financial Statements for the Period Ended 29 September 2016**

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### **1. General information**

Firoka (London Park) Limited is a private limited company incorporated in Jersey under the Companies Act. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the directors' report.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Company (Jersey) Law 1991.

Information on the impact of first-time adoption of FRS 102 is given in note 27.

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

The group's balance sheet reports net current liabilities of £6.394m, principally due to the bank loan of £8.375m falling due for renewal in July 2017 within Firoka (Oxford Leisure) Limited. The company is in advanced negotiations with providers of finance and is confident of obtaining renewal on favourable terms. The directors remain satisfied that the group will continue to settle all liabilities as they fall due for the foreseeable future and hence the financial statements are prepared on a going concern basis.

#### **Parent company disclosure exemptions**

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

# **Firoka (London Park) Limited**

## **Notes to the Financial Statements for the Period Ended 29 September 2016**

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### **2. Accounting policies (continued)**

#### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 26 September 2014.

#### **2.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

#### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2%
Freehold hotel property core	- 2%
Freehold hotel property surface finishes & services	- 4%
Plant & machinery	- 10%
Fixtures & fittings	- 10-15%
Long leasehold land and buildings	- over the lease term

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

# **Firoka (London Park) Limited**

## **Notes to the Financial Statements for the Period Ended 29 September 2016**

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### **2. Accounting policies (continued)**

#### **2.5 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

#### **2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

#### **2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

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

#### **2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

# **Firoka (London Park) Limited**

## **Notes to the Financial Statements for the Period Ended 29 September 2016**

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### **2. Accounting policies (continued)**

#### **2.10 Financial instruments**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **2.11 Creditors**

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

#### **2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

#### **2.13 Finance costs**

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

# **Firoka (London Park) Limited**

## **Notes to the Financial Statements for the Period Ended 29 September 2016**

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### **2. Accounting policies (continued)**

#### **2.14 Interest income**

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

#### **2.15 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 11)

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Investment properties are professionally valued annually using a yield of methodology using market rental values capitalised at a market capitalisation rate, but there is an inevitable degree of judgment involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

### 4. Turnover

The turnover and profit before taxation arose from the company's subsidiaries operating a hotel, a stadium with conference and banqueting facilities and a leisure and entertainment park.

All turnover arose within the United Kingdom.

### 5. Other operating income

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Net rents receivable	-	1,400
Government grants receivable	42,600	42,600
	<u>42,600</u>	<u>44,000</u>

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 6. Operating profit

The operating profit is stated after charging:

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Depreciation of tangible fixed assets	725,511	358,440
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	55,550	47,000
	<u>781,061</u>	<u>405,440</u>

### 7. Employees

Staff costs were as follows:

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Wages and salaries	1,331,078	935,457
Social security costs	86,843	59,560
	<u>1,417,921</u>	<u>995,017</u>

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

	53 weeks ended 29 September 2016 No.	52 weeks ended 24 September 2015 No.
Operational	14	16
Administration	35	21
	<u>49</u>	<u>37</u>

During the year, the directors received remuneration from a related undertaking, Firoka (Kings Cross) Limited, in respect of their services as directors to the group. A management charge of £208,611 (2015 - £159,312) was recognised in the group's financial statements in respect of these emoluments.



# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 8. Interest receivable

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Bank interest receivable	8,510	25,834

### 9. Interest payable and similar charges

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Bank interest payable	292,095	303,377
Loans from group undertakings	17,647	42,011
Other interest payable	-	1,577
	<u>309,742</u>	<u>346,965</u>

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 10. Taxation

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	595,041	480,633
Adjustments in respect of previous periods	(12,522)	(2,075)
<b>Total current tax</b>	<u>582,519</u>	<u>478,558</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	31,617	527,629
Adjustments in respect of prior periods	(11,900)	(6,009)
Effect of tax rate change on opening balance	(415,208)	-
<b>Total deferred tax</b>	<u>(395,491)</u>	<u>521,620</u>
<b>Taxation on profit on ordinary activities</b>	<u>187,028</u>	<u>1,000,178</u>

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 10. Taxation (continued)

#### Factors affecting tax charge for the period

The tax assessed for the period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.5%). The differences are explained below:

	53 weeks ended 29 September 2016 £	52 weeks ended 24 September 2015 £
Profit on ordinary activities before tax	<u>3,114,046</u>	<u>4,982,674</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.5%)	622,808	1,021,395
Effects of:		
Expenses not deductible for tax purposes	58,713	11,326
Adjustments in respect of prior periods	(12,523)	(2,075)
Adjustments in respect of prior periods (deferred tax)	10,953	(6,009)
Adjust opening/closing deferred tax to average rate	(47,554)	(300)
Deferred tax not recognised	-	(7,486)
Other short term differences	-	1,368
Transfer pricing adjustments	(1,204)	9,377
Impact of change in deferred tax rate	(373,231)	-
Indexation relief	(70,934)	(27,418)
<b>Total tax charge for the period</b>	<u><b>187,028</b></u>	<u><b>1,000,178</b></u>

#### Factors that may affect future tax charges

Firoka (Priory Hotel) Limited has tax losses amounting to £nil (2015 - £170,697) available for offset against future taxable profits.

# Firoka (London Park) Limited

Notes to the Financial Statements  
for the Period Ended 29 September 2016

## 11. Tangible fixed assets

### Group

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £
<b>Cost or valuation</b>			
At 25 September 2015	14,748,470	607,347	2,552,253
Additions	-	-	45,538
Transfers between classes	6,451,315	-	1,439,659
At 29 September 2016	21,199,785	607,347	4,037,450
<b>Depreciation</b>			
At 25 September 2015	4,171,386	25,306	2,355,513
Charge for the period	410,875	12,653	148,754
At 29 September 2016	4,582,261	37,959	2,504,267
<b>Net book value</b>			
At 29 September 2016	16,617,524	569,388	1,533,183
At 24 September 2015	10,577,084	582,041	196,740

Included in land and buildings is freehold land at cost of £1,420,216 (2015 - £1,420,216) which is not depreciated.

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 12. Fixed asset investments

#### Company

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
<b>Cost</b>			
At 25 September 2015 and 29 September 2016	2	291,955	291,957
Additions	-	36,537	36,537
At 29 September 2016	<u>2</u>	<u>328,492</u>	<u>328,494</u>
<b>Net book value</b>			
At 29 September 2016	<u>2</u>	<u>328,492</u>	<u>328,494</u>
At 24 September 2015	<u>2</u>	<u>291,955</u>	<u>291,957</u>

### 13. Investment property

#### Group

	Freehold investment property £
<b>Valuation</b>	
At 25 September 2015	23,000,000
At 29 September 2016	<u>23,000,000</u>

The valuation of the freehold property has been reviewed by the directors as at 29 September 2016 and they believe there is no material difference between the current market value and the open market valuation. The property was valued at 24 September 2015 by Jones Lang LaSalle Limited, an external firm of consultant surveyors and valuers, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, using a method of valuation whereby the rental income stream is capitalised at appropriate capitalisation rates (between 6% and 8.75%) based on current comparable investment transactions. The total historical cost of the investment property is £12,524,070 (2015 - 12,524,070).

## Firoka (London Park) Limited

### Notes to the Financial Statements for the Period Ended 29 September 2016

#### 14. Stocks

	29 September 2016 £	24 September 2015 £
Finished goods and goods for resale	<u>27,164</u>	<u>20,840</u>

Stock recognised in cost of sales during the period as an expense was £338,458 (2015 - £293,712).

#### 15. Debtors

	Group 29 September 2016 £	Group 24 September 2015 £	Company 29 September 2016 £	Company 24 September 2015 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	3,901,831	3,901,831
<b>Due within one year</b>				
Trade debtors	947,601	1,156,956	-	-
Amounts owed by group undertakings	-	-	6,719,397	5,534,236
Other debtors	48,423	334,624	3,812	1,875
Prepayments and accrued income	382,381	330,722	-	-
	<u>1,378,405</u>	<u>1,822,302</u>	<u>10,625,040</u>	<u>9,437,942</u>

Included within the trade debtors balance is a provision for bad debts of £309,567 (2015 - £49,475).

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 16. Creditors: Amounts falling due within one year

	Group 29 September 2016 £	Group 24 September 2015 £	Company 29 September 2016 £	Company 24 September 2015 £
Bank loans and overdrafts	8,375,000	375,000	-	-
Trade creditors	707,172	622,865	-	1,170
Amounts owed to other participating interests	150,519	-	-	-
Corporation tax	334,973	332,088	67,978	25,568
Taxation and social security	352,750	250,239	-	-
Other creditors	228,110	377,395	385	225,053
Accruals and deferred income	1,610,830	2,053,069	3,000	-
	<u>11,759,354</u>	<u>4,010,656</u>	<u>71,363</u>	<u>251,791</u>

### 17. Creditors: Amounts falling due after more than one year

	Group 29 September 2016 £	Group 24 September 2015 £	Company 29 September 2016 £	Company 24 September 2015 £
Bank loans	-	8,375,000	-	-
Amounts owed to participating interests	-	570,942	-	-
Government grants received	1,381,372	1,427,781	-	-
	<u>1,381,372</u>	<u>10,373,723</u>	<u>-</u>	<u>-</u>

The bank loans above are secured via a fixed charge over all present freehold and leasehold property, all book and other debts and all assets and undertaking both present and future.

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 18. Financial instruments

	29 September Group 2016 £	24 September Group 2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>5,176,084</u>	<u>4,721,916</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(9,992,790)</u>	<u>(11,347,448)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to other participating interests, other creditors, accruals and other loans.

### 19. Deferred taxation

#### Group

	2016 £	2015 £
At beginning of year	2,779,942	2,258,322
Charged to profit or loss	(395,491)	521,620
<b>At end of year</b>	<u><u>2,384,451</u></u>	<u><u>2,779,942</u></u>



# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 19. Deferred taxation (continued)

	Group 29 September 2016 £	Group 24 September 2015 £
Accelerated capital allowances	600,611	621,296
Short term timing differences	(2,805)	(14,827)
Tax losses carried forward	-	(22,853)
Roll over relief	847,332	1,022,067
Revaluation of property	939,313	1,174,259
	<u>(2,384,451)</u>	<u>(2,779,942)</u>

### 20. Share capital

	29 September 2016 £	24 September 2015 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 21. Reserves

#### Share premium

This includes the premium on issue of equity shares, net of any issue costs.

#### Capital contribution reserve

This represents cumulative fair value adjustments to certain loans with related undertakings.

#### Retained earnings

This is cumulative profits or losses, net of dividends paid and other adjustments.

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 22. Capital commitments

At 29 September 2016 the group and company had capital commitments as follows:

	Group 29 September 2016 £	Group 24 September 2015 £
Contracted for but not provided in these financial statements	-	1,083,641

### 23. Commitments under operating leases

At 29 September 2016 the group had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 29 September 2016 £	Group 24 September 2015 £
Not later than one year	1,580,240	1,580,240
Later than one year and not later than five years	6,285,026	6,297,059
Later than five years	10,834,778	12,407,315
	<u>18,700,044</u>	<u>20,284,614</u>

### 24. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the period, Firoka (Kings Cross) Limited, a company under common control, charged Firoka (Oxford United Stadium) Limited £58,860 (2015 - £53,982), Firoka (Priory Hotel) Limited £28,169 (2015 - £nil), Firoka (Oxford Leisure) Limited £40,401 (2015 - £16,779) and Firoka (Oxford Hotels) Limited £81,181 (2015 - £88,551) for administrative expenses.

Firoka (Oxford United Stadium) Limited owed Firoka (Kings Cross) Limited £150,517 (2015 - £570,942) at 29 September 2016.

At 29 September 2016, a balance of £1,335 (2015 - £200,000) was due from Firoka (Heythrop Park) Limited, a company under common control, to Firoka (Oxford Hotels) Limited. This balance is included in other debtors.

### 25. Ultimate controlling party

The directors consider Mr F A Kassam to be the company's ultimate controlling party.

## **Firoka (London Park) Limited**

### **Notes to the Financial Statements for the Period Ended 29 September 2016**

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#### **26. Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Firoka (Oxford) Limited	United Kingdom	Ordinary	100 %	Holding company
Firoka (Priory Hotel) Limited	United Kingdom	Ordinary	100 %	Hotel
Firoka (Oxford Leisure) Limited	United Kingdom	Ordinary	100 %	Leisure park Stadium and conference centre
Firoka (Oxford Stadium) Limited	United Kingdom	Ordinary	100 %	
Firoka (Oxford Hotels) Limited	United Kingdom	Ordinary	100 %	Hotel
Firoka (Health & Fitness) Limited	United Kingdom	Ordinary	100 %	Investment company

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 27. First time adoption of FRS 102

The group and company transitioned to FRS 102 from previously extant UK GAAP as at 26 September 2014. The impact of the transition to FRS 102 is as follows:

#### Group

	Note	As previously stated September 2014 £	Effect of transition September 2014 £	FRS 102 (as restated) September 2014 £	As previously stated September 2015 £	Effect of transition September 2015 £	FRS 102 (as restated) September 2015 £
Fixed assets		33,122,070	-	33,122,070	41,910,486	-	41,910,486
Current assets		9,982,190	-	9,982,190	4,864,331	-	4,864,331
Creditors: amounts falling due within one year		(3,064,817)	-	(3,064,817)	(4,010,656)	-	(4,010,656)
<b>Net current assets</b>		<b>6,917,373</b>	<b>-</b>	<b>6,917,373</b>	<b>853,675</b>	<b>-</b>	<b>853,675</b>
<b>Total assets less current liabilities</b>		<b>40,039,443</b>	<b>-</b>	<b>40,039,443</b>	<b>42,764,161</b>	<b>-</b>	<b>42,764,161</b>
Creditors: amounts falling due after more than one year	1	(12,212,779)	59,658	(12,153,121)	(10,391,370)	17,647	(10,373,723)
Provisions for liabilities	2	(611,165)	(1,647,157)	(2,258,322)	(583,616)	(2,196,326)	(2,779,942)
<b>Net assets</b>		<b>27,215,499</b>	<b>(1,587,499)</b>	<b>25,628,000</b>	<b>31,789,175</b>	<b>(2,178,679)</b>	<b>29,610,496</b>
<b>Capital and reserves</b>	1,2	<b>27,215,499</b>	<b>(1,587,499)</b>	<b>25,628,000</b>	<b>31,789,175</b>	<b>(2,178,679)</b>	<b>29,610,496</b>

# Firoka (London Park) Limited

## Notes to the Financial Statements for the Period Ended 29 September 2016

### 27. First time adoption of FRS 102 (continued)

		As previously stated 24 September 2015 £	Effect of transition 24 September 2015 £	FRS 102 (as restated) 24 September 2015 £
Turnover		7,895,965	-	7,895,965
Cost of sales		(2,365,480)	-	(2,365,480)
		<hr/>	<hr/>	<hr/>
		5,530,485	-	5,530,485
Administrative expenses		(2,270,680)	-	(2,270,680)
Exceptional administrative expenses		(1,000,000)	-	(1,000,000)
Other operating income		44,000	-	44,000
Fair value movements	2	-	3,000,000	3,000,000
		<hr/>	<hr/>	<hr/>
<b>Operating profit</b>		2,303,805	3,000,000	5,303,805
Interest receivable and similar income		25,834	-	25,834
Interest payable and similar charges	1	(304,954)	(42,011)	(346,965)
Taxation	2	(451,009)	(549,169)	(1,000,178)
		<hr/>	<hr/>	<hr/>
<b>Profit on ordinary activities after taxation and for the financial period</b>		<u>1,573,676</u>	<u>2,408,820</u>	<u>3,982,496</u>

Explanation of changes to previously reported profit and equity:

- 1 The adjustment to creditors falling due after more than one year, interest payable and reserves is due to the accounting for notional interest arising on loans between group and related undertakings at below market rate of interest.
- 2 The adjustment to provisions, reserves and the statement of comprehensive income is due to the accounting for the fair value movement of freehold property in the statement of comprehensive income rather than the revaluation reserve and the related deferred tax.

# Firoka (London Park) Limited

Notes to the Financial Statements  
for the Period Ended 29 September 2016

## 27. First time adoption of FRS 102 (continued)

### Company

	Note	As previously stated September 2014 £	Effect of transition September 2014 £	FRS 102 (as restated) September 2014 £	As previously stated September 2015 £	Effect of transition September 2015 £	FRS 102 (as restated) September 2015 £
Fixed assets	1	2	127,728	127,730	2	291,955	291,957
Debtors: amounts falling due after more than one year	1	4,022,506	(120,675)	3,901,831	4,022,506	(120,675)	3,901,831
Current assets	1	3,752,725	(7,053)	3,745,672	5,748,112	(171,280)	5,576,832
Creditors: amounts falling due within one year		(228,393)	-	(228,393)	(251,791)	-	(251,791)
<b>Net current assets</b>		<b>7,546,838</b>	<b>(127,728)</b>	<b>7,419,110</b>	<b>9,518,827</b>	<b>(291,955)</b>	<b>9,226,872</b>
<b>Total assets less current liabilities</b>		<b>7,546,840</b>	<b>-</b>	<b>7,546,840</b>	<b>9,518,829</b>	<b>-</b>	<b>9,518,829</b>
<b>Net assets</b>		<b>7,546,840</b>	<b>-</b>	<b>7,546,840</b>	<b>9,518,829</b>	<b>-</b>	<b>9,518,829</b>
Capital and reserves		7,546,840	-	7,546,840	9,518,829	-	9,518,829

## **Firoka (London Park) Limited**

### **Notes to the Financial Statements for the Period Ended 29 September 2016**

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#### **27. First time adoption of FRS 102 (continued)**

Explanation of changes to previously reported profit and equity:

- 1 The adjustment to fixed assets, debtors falling due after more than one year, current assets and reserves is due to the accounting for notional interest arising on loans between group companies at below market rate of interest.