

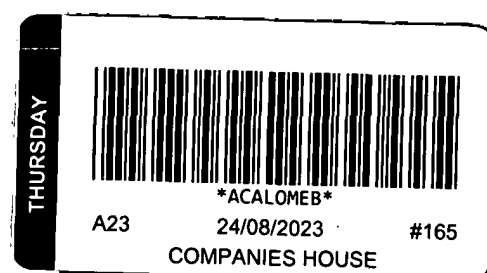
Firoka (Oxford United Stadium) Limited

Unaudited

Directors' report and financial statements

For the year ended 31 December 2022

Registered number: 03716040



Company Information

Directors	F F Kassam F A Kassam A Lowry
Company secretary	A Lowry
Registered number	03716040
Registered office	1 Kings Cross Road London WC1X 9HX
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Directors' report

For the year ended 31 December 2022

The directors present their report and the financial statements of Firoka (Oxford United Stadium) Limited ('the company') for the year ended 31 December 2022. The comparatives in these financial statements relate to the 15 month period ended 31 December 2021.

Principal activity

The principal activity of the company is the operation of a stadium, conference and exhibition centre at the Kassam Stadium, Oxford. The stadium is the home ground of a League 1 football club.

Results and dividends

The loss for the year, after taxation, amounted to £8,080,501 (2021 - loss £134,846).

Directors

The directors who served during the year were:

F F Kassam

F A Kassam

A Lowry

Business review

The company achieved a turnover of £1.9m in the period (2021 - £1.5m). The net loss before tax of the company was £10.9m (2021 - £1.9m profit). The company has recognised an expense in the period for the fair value movement on the land disposed by way of a distribution in specie at historic cost of a land element of the investment property to Firoka (Oxford) Limited (the then parent company) as part of a group restructuring on 25 January 2022.

The company intends to continue the stadium, conference, and exhibition centre operations for the foreseeable future.

Going concern

The company meets its day-to-day working capital requirements mostly through use of operating cash flows and, if required, through accumulated cash reserves and support of related undertakings. As at 31 December 2022, the company reported net assets of £10.4m (2021 - £18.7m), including cash of £1.8m.

The company has met all contractual obligations, and continues to do so. In addition to its own cash reserves, the company also has the option to benefit from the cash reserves of the other companies under common ultimate control, this amounted to £26.4m collectively at the time of approving these financial statements.

Having considered current forecasts (including reasonably foreseeable scenarios) and cash reserves, along with the continued support of related undertakings, the board have not identified a material uncertainty with regard to going concern and have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Directors' report (continued)

For the year ended 31 December 2022

This report was approved by the board on 8 June 2023 and signed on its behalf by:



A Lowry
Director

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Firoka (Oxford United Stadium) Limited for the year ended 31 December 2022


In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Firoka (Oxford United Stadium) Limited for the year ended 31 December 2022 which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of directors of Firoka (Oxford United Stadium) Limited, as a body, in accordance with the terms of our engagement letter dated 29 November 2021. Our work has been undertaken solely to prepare for your approval the financial statements of Firoka (Oxford United Stadium) Limited and state those matters that we have agreed to state to the Board of directors of Firoka (Oxford United Stadium) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Firoka (Oxford United Stadium) Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Firoka (Oxford United Stadium) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Firoka (Oxford United Stadium) Limited. You consider that Firoka (Oxford United Stadium) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Firoka (Oxford United Stadium) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Buzzacott LLP
130 Wood Street
London
EC2V 6DL
8 June 2023

Statement of income and retained earnings

For the year ended 31 December 2022

	Year ended 31 December 2022	15 month period ended 31 December 2021
Note	£	£
Turnover	1,948,057	1,536,358
Cost of sales	(377,990)	(416,714)
Gross profit	1,570,067	1,119,644
Administrative expenses	(872,069)	(665,604)
Exceptional administrative expenses	-	(222,654)
Other operating income	42,600	103,622
Loss on disposal of investment property	(11,668,712)	-
Gain from changes in fair value of investment property	-	1,600,000
Operating (loss)/profit	(10,928,114)	1,935,008
Interest receivable and similar income	4,381	43
(Loss)/profit before tax	(10,923,733)	1,935,051
Tax on (loss)/profit	2,843,232	(2,069,897)
Loss after tax	(8,080,501)	(134,846)
Retained earnings at the beginning of the year	18,615,100	18,749,946
Loss for the year	(8,080,501)	(134,846)
Distribution in specie	(331,288)	-
Retained earnings at the end of the year	10,203,311	18,615,100

The notes on pages 7 to 13 form part of these financial statements.

Statement of financial position

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	172,972	192,127
Investment property	5	17,100,000	29,100,000
		<u>17,272,972</u>	<u>29,292,127</u>
Current assets			
Stocks		25,454	13,070
Debtors: amounts falling due within one year	6	975,101	1,062,124
Cash at bank and in hand		1,821,536	800,861
		<u>2,822,091</u>	<u>1,876,055</u>
Creditors: amounts falling due within one year	7	(4,473,223)	(4,138,599)
Net current liabilities		<u>(1,651,132)</u>	<u>(2,262,544)</u>
Total assets less current liabilities		<u>15,621,840</u>	<u>27,029,583</u>
Creditors: amounts falling due after more than one year	8	(1,096,370)	(1,138,970)
Provisions for liabilities			
Deferred tax	9	(4,204,384)	(7,157,738)
		<u>(4,204,384)</u>	<u>(7,157,738)</u>
Net assets		<u>10,321,086</u>	<u>18,732,875</u>
Capital and reserves			
Called up share capital		100	100
Capital redemption reserve		117,675	117,675
Profit and loss account		10,203,311	18,615,100
		<u>10,321,086</u>	<u>18,732,875</u>

Statement of financial position (continued)

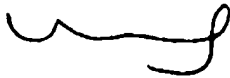
As at 31 December 2022

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



A Lowry
Director

Date: 8 June 2023

Notes to the financial statements

For the year ended 31 December 2022

1. General information

Firoka (Oxford United Stadium) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company'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 unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its day-to-day working capital requirements mostly through use of operating cash flows and, if required, through accumulated cash reserves and support of related undertakings. As at 31 December 2022, the company reported net assets of £10.4m (2021 - £18.7m), including cash of £1.8m.

The company has met all contractual obligations, and continues to do so. In addition to its own cash reserves, the company also has the option to benefit from the cash reserves of the other companies under common ultimate control, this amounted to £26.4m collectively at the time of approving these financial statements.

Having considered current forecasts (including reasonably foreseeable scenarios) and cash reserves, along with the continued support of related undertakings, the board have not identified a material uncertainty with regard to going concern and have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover comprises of rental income from operating leases, which is credited to profit or loss on a straight line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Plant and machinery	- 10% on written down value
Fixtures and fittings	- 10%
Computer equipment	- 25%

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 profit or loss.

2.5 Investment property

Investment property is carried at fair value, which is determined at each reporting date 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 profit or loss.

2.6 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.

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 profit or loss.

2.7 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 interest method, less any impairment.

Notes to the financial statements

For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 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.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position.

The assets of the plan are held separately from the company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

Notes to the financial statements

For the year ended 31 December 2022

3. Employees

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

	Year ended 31 December 2022 No.	15 month period ended 31 December 2021 No.
Administration	3	5
Operational	13	5
	<u>16</u>	<u>10</u>

During the period, the directors received remuneration from a related undertaking Firoka (Kings Cross) Limited, in respect of their services as directors to the company.

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	2,660,233	766,270	3,426,503
Additions	-	58	58
At 31 December 2022	<u>2,660,233</u>	<u>766,328</u>	<u>3,426,561</u>
Depreciation			
At 1 January 2022	2,468,106	766,270	3,234,376
Charge for the year on owned assets	19,213	-	19,213
At 31 December 2022	<u>2,487,319</u>	<u>766,270</u>	<u>3,253,589</u>
Net book value			
At 31 December 2022	<u>172,914</u>	<u>58</u>	<u>172,972</u>
At 31 December 2021	<u>192,127</u>	<u>-</u>	<u>192,127</u>

Notes to the financial statements

For the year ended 31 December 2022

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	29,100,000
Distribution in specie	(331,288)
Disposals	(11,668,712)
At 31 December 2022	17,100,000

The valuation at 31 December 2022 was undertaken by the directors, having regard to rent and capitalisation rates. The most recent external valuation was undertaken in September 2021 by Jones Lang LaSalle Limited, a firm of consultant surveyors and valuers, also using a method of valuation whereby the rental income stream is capitalised at appropriate capitalisation rates (between 6.5% and 10%) based on comparable investment transactions. On 25 January 2022, as part of a group restructuring the company disposed of land that was included in the financial statements at valuation of £12,000,000 by way of a dividend in specie at historic cost of £331,288 to the former parent undertaking Firoka (Oxford) Limited. The loss on disposal has been recognised in the statement of income and retained earnings for the year along with a release of the associated deferred tax liability (see note 9).

6. Debtors

	2022 £	2021 £
Trade debtors	102,522	162,050
Amounts owed by group undertakings	842,799	869,190
Other debtors	-	4,060
Prepayments and accrued income	29,780	26,824
	975,101	1,062,124

Notes to the financial statements

For the year ended 31 December 2022

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	296,229	202,688
Amounts owed to group undertakings	3,408,799	3,137,721
Corporation tax	106,093	54,990
Other taxation and social security	54,093	143,877
Other creditors	49,076	48,045
Accruals and deferred income	558,933	551,278
	4,473,223	4,138,599

Amounts due to group undertakings have been reclassified as falling due within one year as these balances are repayable on demand.

There is currently no interest being charged on the loan, however the loan is discounted at a notional rate of interest and unwound over the term of the loan.

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Government grants received	1,096,370	1,138,970

9. Deferred taxation

	2022 £	2021 £
At beginning of year	(7,157,738)	(5,142,831)
Credited/(charged) to profit or loss	2,953,354	(2,014,907)
At end of year	(4,204,384)	(7,157,738)

Notes to the financial statements

For the year ended 31 December 2022

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	(6,267)
Short term timing differences	10,823	7,911
Revaluation of investment property	(4,215,207)	(7,159,382)
	<u>(4,204,384)</u>	<u>(7,157,738)</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £2,824 (2021 - £3,965).

11. Controlling party

The company's immediate parent undertaking was previously Firoka (Oxford) Limited. On 25 January 2022 ownership was transferred to Firoka (Stadium) Jersey Limited as part of a group restructuring. This restructuring and change in ownership has had no impact on the reported results in these financial statements. The registered office of Firoka (Stadium) Jersey Limited is Charter Place, 23-27 Seaton Place, St Helier, Jersey, JE1 1JY.

The company's ultimate controlling party is Mr F A Kassam.