Firoka (Oxford) Limited

Annual Report and Financial Statements

Period Ended

24 September 2020

Company Number 03715976

Firoka (Oxford) Limited

Company Information

Directors	F F Kassam F A Kassam A Lowry
Company secretary	A Lowry
Registered number	03715976
Registered office	1 Kings Cross Road London WC1X 9HX
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Firoka (Oxford) Limited

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Firoka (Oxford) Limited

Group Strategic Report
For the Period Ended 24 September 2020

The directors present their strategic report together with the audited financial statements for the period ended 24 September 2020.

Business review and principal activities

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 group achieved a turnover of £6.721m (2019 - £10.209m), a decrease of 34.2%. The earnings before interest, taxation, depreciation, investment property valuation, charitable donations and amortisation were £2.353m (2019 - £3.831m) a decrease of 38.6%. The net loss of the group was £0.737M (2019 - profit of £0.691m) including a fair value asset devaluation of £Nil in the current year (2019 - £1.800m).

During the first half of the year despite stiff competition the two hotel subsidiary companies in Oxford had a slight decline in room yields. However, since March due to Coronavirus (COVID-19) outbreak and resulting restrictions from the governments in the UK and abroad, both Hotels suffered severe reduction in demand in line with the hospitality industry.

The subsidiary company owning and operating the Kassam Stadium continued to be the home ground for a League One Football Club. The Ozone Leisure & Entertainment Park's was able to keep most units of the property let on commercial leases to tenant's despite of the severe impact of the Novel Coronavirus (COVID-19) restrictions on the businesses overall.

The group intends to continue the hotels, 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.

Principal risks and uncertainties

- Government restrictions due to the outbreak of COVID-19 and their timeline.
- Retaining and attracting staff during the phased recovery from the pandemic and associated costs.
- With minimum wage and living wage increases the costs are rising.
- Brexit will impact cost of goods/supplies particularly imported goods/supplies and impact margins
- Lack of clarity on immigration will impact the ability to recruit and retain hotel reception, waiting and housekeeping staff once the recovery phase starts.
- Government's social distancing measures will restrict travel and corporate business.
- Extreme weather conditions will impact travel.
- Government policies relating to tourism and trade will have an impact.
- Increased competition in the area of our operations.

Going concern

The company and group meet day-to-day working capital requirements mostly through use of operating cash flows and if required, through accumulated cash reserves. As at 24 September 2020, the company reported net assets of £96,399 (2019 - £91,009) and the group reported net assets of £27,188,960 (2019 - £27,926,231). The group had external non-related party borrowings in the form of bank loans (including overdraft facilities) at the year-end of £4.9m that have subsequently been repaid.

Going concern (continued)

The company and the group have, throughout the Covid impacted period, met all contractual obligations and continue 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 the common ultimate control, of £23.9m, as at the time of approval of these financial statements.

In accordance with UK government requirements, all hotels in the group closed to public customers in March 2020 and remained closed until July 2020, and have since been closed from November 2020 onwards. In order to mitigate the impacts of the COVID-19 pandemic, the group has availed all available and appropriate government support measures such as Coronavirus Job Retention Scheme, VAT payment deferral and business rates relief, as well as reducing the operation cost base.

At the time of signing the financial statements, in accordance with the UK Governments guidelines for the relaxation of Covid restrictions, all trading activities are now operational. However, particularly for hotels, it is not yet clear how long it will be before operations are back to pre-covid levels. In the mean-time, the Oxford hotel has secured a temporary agreement that provides for a guaranteed occupancy and room rate that will allow it to operate at a positive EBITDA. Accordingly, management have modelled various cash flow and profitability scenarios for occupancy and room rates. The directors acknowledge however that the environment is continuously changing and, as such, projecting the rate at which the impacts of COVID-19 remains.

Notwithstanding the above, having considered current forecasts (including reasonably foreseeable scenarios), and cash reserves, along with the low gearing and constructive conversations with the group's bankers, the board have not identified a material uncertainty with regard to gong concern and have therefore concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Subsequent events

Subsequent to the year end, as noted above, the group has settled it's third party loans.

Charitable donations

During the year the group made charitable contributions of £1.555m (2019 - £Nil) to the AKF UK.

Environment

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

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 on 30th September 2021 and signed on its behalf.

A Lowry
Director

Firoka (Oxford) Limited

Directors' Report
For the Period Ended 24 September 2020

The directors present their report together with the audited financial statements for the period ended 24 September 2020.

These financial statements cover the 52 week period ended 24 September 2020. The prior period comparatives represent the 52 week period ended 26 September 2019.

Principal activity

The principal activity of the company is that of an investment holding company. The subsidiary companies include two hotel owning and operating companies in Oxford, a sports stadium owning and operating company, and a leisure and entertainment park in Oxford. The company directly owns the car park land adjacent to the leisure centre and the stadium.

Business review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 to 2 of these financial statements.

Results and dividends

The loss for the period, after taxation, amounted to £737,271 (2019 - profit £691,265).

The directors do not recommend the payment of a dividend (2019 - £Nil).

Directors

The directors who served during the period were:

F F Kassam
F A Kassam
A Lowry
A D Tawakley (resigned 2 July 2020)

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 on 30th September 2021 and signed on its behalf.

A Lowry
Director

Firoka (Oxford) Limited

Directors' Responsibilities Statement
For the Period Ended 24 September 2020

The directors are responsible for preparing the strategic report, the directors' report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company 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 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Firoka (Oxford) Limited

Qualified opinion

We have audited the financial statements of Firoka (Oxford) Limited ("the parent company") and its subsidiaries ("the group") for the 52 week period ended 24 September 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 24 September 2020 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 Act 2006.

Basis for qualified opinion on financial statements

With respect to the Group's Oxford Stadium asset, a football stadium held by a subsidiary and leased to a football club and used for the Group's own offices, in prior years the company applied the undue cost and effort exemption available under Section 16 of FRS 102: Investment Property in relation to the presentation and measurement of investment property at each reporting date, and in doing so presented the Stadium assets within property, plant and equipment (PPE) carried at cost less accumulated depreciation, at £6.5M (2019 - £6.7M), rather than investment property measured at fair value. For prior years, the information that would have been required to record the assets at fair value was not considered to be available without undue cost and effort.

Following the 2019 FRS102 triennial review the undue cost and effort exemption has been withdrawn. However, in light of the impacts of the Novel Coronavirus (COVID-19) on the market, the directors consider it to still be impracticable to obtain a reliable market value for these assets and therefore have continued to present them as PPE at cost less accumulated depreciation, which represents a departure from the requirements of FRS102. In the absence of an open market valuation, any potential error could not be quantified, nor do the financial statements include any adjustments which may be necessary to correct the value of the investment property and the associated revaluation gain or loss in the statement of comprehensive income.

With regard to the Group's leisure and retail asset of £23.0M (2019 - £23M), held within a subsidiary, in light of the impacts of the Novel Coronavirus (COVID-19) on the market, the directors considered it to be impracticable to obtain a reliable market value for this asset as at the year end. As a result, considering their knowledge of the asset, and potential market value the asset, the directors have not adjusted the prior year valuation on the basis that they consider this to not be impaired. However, in this regard in preparing the financial statements, the directors have not complied with the requirements of Section 16 of FRS 102: Investment Property in relation to the fair value measurement of investment property at the reporting date with changes in fair value recognised in profit or loss. Any potential error could not be quantified, nor do the financial statements include any adjustments that may be necessary to correct the value of the investment property and the associated revaluation gain or loss in the statement of comprehensive income.

Basis for qualified opinion on financial statements (continued)

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, the Oxford Stadium assets have been classified as Property, Plant and Equipment at cost less accumulated depreciation rather than as Investment Property at fair value as required by Section 16 of FRS 102 and a current year valuation has not been performed on the Group's leisure and retail asset. We have concluded that where the other information refers to related balances such as the value of Property, Plant and Equipment or Investment Property, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

Arising solely from the limitation of scope of our work relating to the classification and valuation of the investment properties:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ian Clayden

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Ian Clayden (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

30 September 2021

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

Firoka (Oxford) Limited

Consolidated Statement of Comprehensive Income
For the Period Ended 24 September 2020

	Note	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Turnover	4	**6,721,092**	10,209,332
Cost of sales		**(2,454,800)**	(3,377,890)
Gross profit		**4,266,292**	6,831,442
Administrative expenses		**(3,365,796)**	(3,909,676)
Exceptional administrative expenses	6	**(1,555,000)**	-
Total administrative expenses		**(4,920,796)**	(3,909,676)
Other operating income	5	**350,392**	57,893
Fair value movements		**-**	*(1,800,000)*
Operating (loss)/profit	6	**(304,112)**	1,179,659
Interest receivable and similar income	8	**14,027**	42,561
Interest payable and similar charges	9	**(163,924)**	(300,711)
(Loss)/profit before taxation		**(454,009)**	921,509
Tax on (loss)/profit	10	**(283,262)**	(230,244)
(Loss)/profit and total comprehensive (loss)/profit for the financial period		**(737,271)**	691,265
(Loss)/profit and total comprehensive (loss)/profit for the financial period attributable to:			
Owners of the parent company		**(737,271)**	691,265

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 17 to 42 form part of these financial statements.

Firoka (Oxford) Limited
Registered number: 03715976

Consolidated Statement of Financial Position
As at 24 September 2020

	Note	24 September 2020 £	24 September 2020 £	26 September 2019 £	26 September 2019 £
Fixed assets					
Tangible assets	11		**19,449,974**		20,462,335
Investment property	13		**23,000,000**		23,000,000
			42,449,974		43,462,335
Current assets					
Stocks	14	**19,040**		19,515	
Debtors: amounts falling due within one year	15	**1,050,913**		1,399,232	
Cash at bank and in hand	16	**4,293,961**		6,118,010	
		5,363,914		7,536,757	
Creditors: amounts falling due within one year	17	**(3,520,055)**		(3,569,698)	
Net current assets			**1,843,859**		3,967,059
Total assets less current liabilities			**44,293,833**		47,429,394
Creditors: amounts falling due after more than one year	18		**(14,328,984)**		(17,004,007)
Provisions for liabilities					
Deferred taxation	21		**(2,775,889)**		(2,499,156)
Net assets			**27,188,960**		27,926,231
Capital and reserves					
Called up share capital	22		**2**		2
Other reserves	23		**367,889**		367,889
Profit and loss account	23		**26,821,069**		27,558,340
Total equity			**27,188,960**		27,926,231

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30th September 2021.

A Lowry
Director

The notes on pages 17 to 42 form part of these financial statements.

Firoka (Oxford) Limited
Registered number: 03715976

Company Statement of Financial Position
As at 24 September 2020

	Note	24 September 2020 £	24 September 2020 £	26 September 2019 £	26 September 2019 £
Fixed assets					
Tangible assets	11		**3,021**		3,021
Investments	12		**105**		105
			3,126		3,126
Current assets					
Debtors: amounts falling due within one year	15	**665**		3,515	
Cash at bank and in hand	16	**131,245**		116,808	
		131,910		120,323	
Creditors: amounts falling due within one year	17	**(38,637)**		(32,440)	
Net current assets			**93,273**		87,883
Net assets			**96,399**		91,009
Capital and reserves					
Called up share capital	22		**2**		2
Profit and loss account	23		**96,397**		91,007
Total equity			**96,399**		91,009

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the period was £5,390 (2019 - £48,231).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30th September 2021.

A Lowry
Director

The notes on pages 17 to 42 form part of these financial statements.

Firoka (Oxford) Limited

Consolidated Statement of Changes in Equity
For the Period Ended 24 September 2020

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 27 September 2019	2	367,889	27,558,340	27,926,231
Comprehensive income for the period				
Loss for the period	-	-	(737,271)	(737,271)
Total comprehensive loss for the period	-	-	(737,271)	(737,271)
At 24 September 2020	2	367,889	26,821,069	27,188,960

Consolidated Statement of Changes in Equity
For the Period Ended 26 September 2019

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 September 2018	2	367,889	26,867,075	27,234,966
Comprehensive income for the period				
Profit for the period	-	-	691,265	691,265
Total comprehensive income for the period	-	-	691,265	691,265
At 26 September 2019	2	367,889	27,558,340	27,926,231

The notes on pages 17 to 42 form part of these financial statements.

Firoka (Oxford) Limited

Company Statement of Changes in Equity
For the Period Ended 24 September 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 27 September 2019	2	91,007	91,009
Comprehensive income for the period			
Profit for the period	-	5,390	5,390
Total comprehensive income for the period	-	5,390	5,390
At 24 September 2020	2	96,397	96,399

Company Statement of Changes in Equity
For the Period Ended 26 September 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2018	2	42,776	42,778
Comprehensive income for the period			
Profit for the period	-	48,231	48,231
Total comprehensive income for the period	-	48,231	48,231
At 26 September 2019	2	91,007	91,009

The notes on pages 17 to 42 form part of these financial statements.

Firoka (Oxford) Limited

Consolidated Statement of Cash Flows
For the Period Ended 24 September 2020

	24 September 2020 £	26 September 2019 £
Cash flows from operating activities		
(Loss)/profit for the financial period	**(737,271)**	691,265
Adjustments for:		
Depreciation of tangible assets	**1,102,609**	894,012
Government grants	**(42,600)**	(42,600)
Amortisation of bank arrangement fee	**16,000**	16,000
Interest paid	**163,924**	300,711
Interest received	**(14,027)**	(42,561)
Taxation charge	**283,262**	230,244
Decrease in stocks	**475**	8,408
Decrease in debtors	**338,559**	590,490
Decrease/(increase) in amounts owed by groups	**53,732**	(56,833)
Increase in creditors	**29,908**	84,056
Decrease in amounts owed to groups	**(200,513)**	(1,502,470)
Net fair value losses recognised in P&L	**-**	1,800,000
Corporation tax (paid)	**(193,962)**	(338,263)
Net cash generated from operating activities	**800,096**	2,632,459
Cash flows from investing activities		
Purchase of tangible fixed assets	**(90,248)**	(2,983,204)
Interest received	**14,027**	42,561
Net cash from investing activities	**(76,221)**	(2,940,643)
Cash flows from financing activities		
Repayment of loans	**(2,384,000)**	(400,000)
Interest paid	**(163,924)**	(300,711)
Net cash used in financing activities	**(2,547,924)**	(700,711)

Firoka (Oxford) Limited

Consolidated Statement of Cash Flows (continued)
For the Period Ended 24 September 2020

	24 September 2020 £	26 September 2019 £
Net (decrease) in cash and cash equivalents	**(1,824,049)**	(1,008,895)
Cash and cash equivalents at beginning of period	**6,118,010**	7,126,905
Cash and cash equivalents at the end of period	**4,293,961**	6,118,010
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**4,293,961**	6,118,010

The notes on pages 17 to 42 form part of these financial statements.

1. General information

Firoka (Oxford) 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. As disclosed in the relevant notes to the financial statements, certain items of freehold property that are leased to a third party for the purpose of generating rental income are presented as tangible fixed assets: specifically Property, Plant and Equipment, and measured at cost less accumulated depreciation, rather than investment properties. As per the requirements of Section 16 of FRS 102: Investment property, investment property is required to be measured at fair value at each reporting date with changes in fair value recognised in statement of comprehensive income.

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 group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company 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.

The company is presenting consolidated financial statements for the first time for the current year. Consolidated comparative financial statements have been prepared and presented accordingly.

2. Accounting policies (continued)

2.3 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:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;

2.4 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors report on pages 3 and 4 of these financial statements.

The company and group meet day-to-day working capital requirements mostly through use of operating cash flows and if required, through accumulated cash reserves. As at 24 September 2020, the company reported net assets of £96,399 (2019 - £91,009) and the group reported net assets of £27,188,960 (2019 - £27,926,231). The group had external non-related party borrowings in the form of bank loans (including overdraft facilities) at the year-end of £4.9m that have subsequently been repaid.

The company and the group have, throughout the Covid impacted period, met all contractual obligations and continue 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 the common ultimate control, of £23.9m, as at the time of approval of these financial statements. The company has availed (and continues to do so) the available, applicable, and appropriate government support measures in particular Corona Virus Job Retention Scheme.

In accordance with the UK Governments guidelines for the relaxation of Covid restrictions, all trading activities are now operational. However, particularly for hotels, it is not yet clear how long it will be before operations are back to pre-covid levels. Accordingly, management have modelled various cash flow and profitability scenarios for occupancy and room rates. The directors acknowledge however that the environment is continuously changing and remains challenging. At present the board anticipates that changes to social distancing restrictions will enable the company to return to full trading in 2022.

In assessing the appropriateness of the going concern assumption, the directors have prepared detailed cash flow forecasts and financial performance forecasts for the company and group extending beyond 12 months from the date of approval of these financial statements. However, as a hotel operator, it is acknowledged that the global and UK outbreak of COVID-19 has had a profound impact on the business and therefore on these forecasts. Despite current conditions, due to our strong financing structure, and the cash position, it is the opinion of the directors that the group is well placed to continue to operate as a going concern for the forseeable future.

2. Accounting policies (continued)

2.4 Going concern (continued)

In order to mitigate COVID-19 impacts on revenue since the UK became impacted by the pandemic, and in order to protect the longer term interests of the company and its employees, the company and group has taken measures to reduce and mitigate its cost base.

The board acknowledge that 'full trading' may look very different post COVID-19 than it did pre COVID-19 and the management team have been planning for this accordingly. The principal shareholder has indicated the intention to provide further financial support, as necessary, and this includes measures to reduce the group's debt structure.

Notwithstanding the above, having considered current forecasts (including reasonably foreseeable scenarios), and cash reserves, along with the low gearing and constructive conversations with the group's bankers, the board have not identified a material uncertainty with regard to going concern and have concluded that it remains appropriate to prepare the financial statements on a going concern basis and have not identified a material uncertainty in this regard.

Therefore, the financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

2.5 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.6 Rental income

All rental income is derived under operating leases, and these rentals are credited to the consolidated statement of comprehensive income on a straight line basis over the lease term.

Lease incentives granted are recognised as a reduction in rental income over the term of the lease. However, the group has taken advantage of the exemption available on transition to FRS102 that allows lease incentives entered into before the date of transition to be continue to be charged over the period to the first rent review.

2.7 Tangible fixed assets

The directors have elected to measure operating hotel land and buildings at deemed cost using the valuation on transition for FRS102. Assets transferred at deemed cost on transition are subsequently measured ad deemed cost less accumulated depreciation and accumulated impairment losses. Other fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to brining the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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 group 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 group. 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.

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Land is not depreciated. 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 - 4%
Freehold hotel property core	- 2%
Freehold hotel property surface finishes and services	- 4 - 10%
Plant and machinery	- 10 - 20% and/or 10% on written down value
Fixtures and fittings	- 10 - 15%
Long leasehold land and buildings	- over the lease term
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 the consolidated statement of comprehensive income.

2.8 Investment property

Investment property is carried at fair value determined periodically by external valuers, and in intervening periods by the directors, 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.

Except for, presentation and measurement of certain items of freehold property that are leased to a third party for the purpose of generating rental income, which are presented as tangible fixed assets: specifically Property, Plant and Equipment, and measured at cost less accumulated depreciation, rather than investment properties. As per the requirements of Section 16 of FRS 102: Investment property, investment property is required to be measured at fair value at each reporting date with changes in fair value recognised in statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2. Accounting policies (continued)

2.10 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 consolidated statement of comprehensive income.

2.11 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.

2.12 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.13 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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 of the recoverable amount, 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.16 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 profit or loss 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.

The group recognises an unconditional government grant related to the Coronavirus Job Retention Scheme as other income when the grant becomes receivable.

Grants that compensate the company for expenses incurred are recognised in the consolidated statement of comprehensive income on a systematic basis in the periods in which the expenses are recognised.

2. **Accounting policies (continued)**

2.17 Interest income

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

2.18 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.

2.19 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

2.20 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2. Accounting policies (continued)

2.22 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 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 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.

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 judgement:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the group's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and any most recent third party valuation.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

  Tangible fixed assets 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 the 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. Where indicators of impairment exist, impairment reviews are required to consider the current value of fixed assets through value in use or recoverable value. This requires judgements over forecast performance and/or open market asset values.

- Investments (see note 13)

  Where indicators of impairment exist, impairment reviews consider the current value of the investment's assets and liabilities along with its future performance and timing of the expected return on the investment.

Firoka (Oxford) Limited

4. Turnover

An analysis of turnover by class of business is as follows:

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Hotel and leisure	**3,672,994**	7,246,936
Rent receivable	**2,204,750**	2,346,106
Service charge receivable	**837,333**	608,218
Sundry income	**6,015**	8,073
	6,721,092	10,209,333

Analysis of turnover by country of destination:

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
United Kingdom	**6,721,092**	10,209,332

5. Other operating income

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Other operating income	**37,308**	15,293
Grant income	**46,410**	42,600
Other government grant income (furlough income)	**266,674**	-
	350,392	57,893

Firoka (Oxford) Limited

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Depreciation of owned tangible fixed assets (see note 11)	**1,102,609**	894,012
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	**68,050**	64,446
Exceptional charitable donation	**1,555,000**	-

7. Employees

Staff costs were as follows:

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Wages and salaries	**1,068,744**	1,286,174	**-**	-
Social security costs	**76,195**	161,856	**-**	-
Cost of defined benefit scheme	**8,012**	1,594	**-**	-
Cost of defined contribution scheme	**11,323**	10,854	**-**	-
	1,164,274	1,460,478	**-**	-

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

	52 weeks ended 24 September 2020 No.	52 weeks ended 26 September 2019 No.
Operational	**15**	15
Administration	**38**	40
	53	55

The parent company has no employees other than the directors, who did not receive any remuneration (2019 - £Nil).

8. Interest receivable and similar income

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Interest receivable from group companies	-	16
Bank interest receivable	**14,027**	42,545
	14,027	42,561

9. Interest payable and similar charges

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Bank interest payable	**157,924**	251,156
Loans from group undertakings	**6,000**	49,555
	163,924	300,711

10. Taxation

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
Corporation tax		
Current tax on profits for the year	-	272,581
Adjustments in respect of previous periods	6,529	1,048
Total current tax	6,529	273,629
Deferred tax		
Origination and reversal of timing differences	(14,230)	(43,385)
Adjustments in respect of prior periods	(2,733)	-
Effect of tax rate change on opening balance	293,696	-
Total deferred tax	276,733	(43,385)
Taxation on profit on ordinary activities	283,262	230,244

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	52 weeks ended 24 September 2020 £	52 weeks ended 26 September 2019 £
(Loss)/profit on ordinary activities before tax	**(454,009)**	921,509
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(86,261)**	175,087
Effects of:		
Expenses not deductible for tax purposes	**81,321**	75,518
Transfer pricing adjustments	**(31,188)**	(31,783)
Group relief surrendered/(claimed)	**21,897**	-
Adjustments to tax charge in respect of prior periods	**6,529**	1,048
Adjustments to tax charge in respect of prior periods (deferred tax)	**(2,733)**	4,715
Remeasurement of deferred tax for changes in tax rates	**293,697**	5,659
Total tax charge for the period	**283,262**	230,244

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Firoka (Oxford) Limited

Notes to the Financial Statements
For the Period Ended 24 September 2020

11. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 27 September 2019	**21,031,265**	**607,347**	**5,266,490**	**3,019,712**	**-**	**29,924,814**
Additions	**1,839**	**-**	**41,305**	**21,023**	**26,081**	**90,248**
At 24 September 2020	**21,033,104**	**607,347**	**5,307,795**	**3,040,735**	**26,081**	**30,015,062**
Depreciation						
At 27 September 2019	**4,858,035**	**75,918**	**2,987,146**	**1,541,380**	**-**	**9,462,479**
Charge for the period	**476,439**	**12,653**	**233,525**	**373,472**	**6,520**	**1,102,609**
At 24 September 2020	**5,334,474**	**88,571**	**3,220,671**	**1,914,852**	**6,520**	**10,565,088**
Net book value						
At 24 September 2020	**15,698,630**	**518,776**	**2,087,124**	**1,125,883**	**19,561**	**19,449,974**
At 26 September 2019	16,173,230	531,429	2,279,344	1,478,332	-	20,462,335

At 24 September 2020, included within the net book value of freehold property is freehold land at cost £1,420,216 (2019 - £1,420,216) which is not depreciated.

If land and buildings had not been included at valuation they would have been included under the historic cost convention as follows:

	24 September 2020 £	26 September 2019 £
Group		
Cost	**37,613,809**	37,613,809
Accumulated depreciation	**(11,691,926)**	(10,832,600)
Net book value	**25,921,883**	26,781,209

11. Tangible fixed assets (continued)

Company

	Freehold property £
Cost or valuation	
At 27 September 2019	**3,021**
At 24 September 2020	**3,021**
At 27 September 2019	**-**
Charge for the period	**-**
At 24 September 2020	**-**
Net book value	
At 24 September 2020	**3,021**
At 26 September 2019	3,021

Land and buildings are held at deemed cost using the valuation on transition to FRS102 and comprise hotels with a carrying value of £12.44m and a stadium asset of £6.47m.

The directors are required to assess the tangible fixed assets for impairments if indicators of impairment are identified in the accounting period. Where indicators of impairment are identified, the directors perform an impairment review in order to consider, with reference to the assets recoverable amount, whether an impairment is required.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020, impacted global financial markets. Travel restrictions were implemented by many countries and market activity was impacted in many sectors.

As at the reporting date, when considering potential impairments to amortised cost, the directors used EBITDA forecasts and appropriate market multiples to assess recoverable amounts for the hotel assets and concluded that no impairments had occurred. However, the directors acknowledge that, due to the impacts of COVID-19, they could attach less weight to market evidence to inform the assumptions in their valuations than under normal circumstances. Consequently, less certainty and a higher degree of caution should be attached to the directors' assessments of recoverable amount.

11. Tangible fixed assets (continued)

In light of the impacts of the Novel Coronavirus (COVID-19) on the market, at the year end the directors considered it to still be impracticable to obtain a reliable market value for the Stadium Property assets and therefore have continued to present them as PPE at cost less accumulated depreciation and impairment. Based on their knowledge of the asset and the market for such assets, the directors have concluded that the asset has a value higher than the current carrying value. This represents a departure from the requirements of FRS102 to present assets rented to third parties as investment property measured at fair value at each reporting date, with changes in fair value recognised in statement of comprehensive income.

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 27 September 2019	**105**
At 24 September 2020	**105**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

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

All of the subsidiary undertakings share the same registered office as the company, which is shown on the company information page.

The company has given guarantees to the following subsidiaries of the group under section 479A of the Companies Act 2006 so that they are exempt from audits of their financial statements for the period ended 24 September 2020.

Firoka (Oxford Leisure) Limited
Firoka (Oxford United Stadium) Limited
Firoka (Health and Fitness) Limited
Firoka (Oxford Hotels) Limited
Firoka (Priory Hotel) Limited

13. Investment property

Group

	Freehold investment property £
Valuation	
At 27 September 2019	**23,000,000**
At 24 September 2020	**23,000,000**

The property was valued at October 2017 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 6.5% and 10%) based on current comparable investment transactions. The valuation was reviewed by the directors as at 26 September 2019 having regard to prior year rent and capitalisation rates and the value adjusted accordingly with a 0.75% increase in the overall capitalisation rate applied, resulting in a revised valuation down to £23m. The reduction in value of £1.8m was processed through the statement of comprehensive income in the prior year.

The directors opted not to update the prior year valuation of the property as at 24 September 2020 as there was undue cost and effort in doing so and the directors' believe that because of the uncertainty in the current environment caused by the Novel Coronavirus (COVID-19), the valuation may be less reliable given the economic circumstances caused by the global pandemic. As a result the period end value of the investment property reported may be materially misstated. Consequently, less certainty and a higher degree of caution should be attached to the value of the investment property than would normally be the case. Given the unknown impact that COVID-19 might have on the real estate market, the directors' agreed that any possible third party valuation would be subject to material change.

14. Stocks

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Raw materials and consumables	**2,729**	4,306	**-**	-
Finished goods and goods for resale	**16,311**	15,209	**-**	-
	19,040	19,515	**-**	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

15. Debtors: amounts falling due within one year

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Trade debtors	**802,468**	1,015,825	**-**	-
Amounts owed by group undertakings	**3,108**	56,840	**-**	3,515
Other debtors	**59,852**	52,232	**665**	-
Prepayments and accrued income	**166,435**	274,335	**-**	-
Tax recoverable	**19,050**	-	**-**	-
	1,050,913	1,399,232	**665**	3,515

Included within the trade debtors balance is a provision for bad debts of £339,158 (2019 - £52,116).

16. Cash and cash equivalents

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Cash at bank and in hand	**4,293,961**	6,118,010	**131,245**	116,808

17. Creditors: amounts falling due within one year

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Bank loans	**368,000**	368,000	-	-
Trade creditors	**819,883**	669,691	**14,175**	4,448
Amounts owed to group undertakings	**17,292**	-	**20,262**	-
Corporation tax	-	168,383	-	8,463
Other taxation and social security	**538,944**	328,562	-	-
Other creditors	**317,449**	311,752	-	2,187
Accruals and deferred income	**1,458,487**	1,723,310	**4,200**	17,342
	3,520,055	3,569,698	**38,637**	32,440

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 undertakings both present and future. Bank loans are shown net of unamortised arrangement fees of £32,000 (2019 - £48,000).

In October 2017, the group renegotiated its bank loan arrangements such that the group's loans are repayable in instalments with a final bullet payment at the end of the life of the loans in October 2022.

The loans bear interest at 2.5% over base (LIBOR) rate.

18. Creditors: amounts falling due after more than one year

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Bank loans	**4,500,000**	6,884,000	-	-
Amounts owed to group undertakings	**8,195,555**	8,413,360	-	-
Government grants received	**1,195,736**	1,242,146	-	-
Accruals and deferred income	**437,693**	464,501	-	-
	14,328,984	17,004,007	-	-

Included in accruals and deferred income above is deferred income of £464,501 (2019 - £491,309) related to key monies received in relation to a franchise agreement. In 2017 the company received key money of £500,000 as a part of a franchise agreement to assist with the rebranding costs for the Holiday Inn Express in Oxford. The amount received has been deferred and is recognized into income over the life of the agreement. Income related to key money recognised in the statement of comprehensive income for the period was £26,808 (2019 - £8,691). The unamortised balance has been secured by way of a cross guarantee from a company under common ultimate control, Firoka (London Park) Ltd.

19. Loans

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Amounts falling due within one year				
Bank loans	**368,000**	368,000	-	-
	368,000	368,000	-	-
Amounts falling due between one and two years				
Bank loans	**400,000**	400,000	-	-
	400,000	400,000	-	-
Amounts falling due between two and five years				
Bank loans	**4,100,000**	6,484,000	-	-
	4,100,000	6,484,000	-	-
	4,868,000	7,252,000	-	-

20. Financial instruments

	Group 24 September 2020 £	Group 26 September 2019 £	Company 24 September 2020 £	Company 26 September 2019 £
Financial assets				
Financial assets measured at amortised costs	**5,203,910**	7,379,979	**131,245**	120,323
Financial liabilities				
Financial liabilities measured at amortised costs	**(15,343,024)**	(17,292,650)	**(38,637)**	(23,977)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed to group undertakings, other debtors and accrued income.

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

21. Deferred taxation

Group

	2020 £
At beginning of year	**2,499,156**
Charged to profit or loss	**276,733**
At end of year	**2,775,889**

The provision for deferred taxation is made up as follows:

	Group 24 September 2020 £	Group 26 September 2019 £
Fixed asset timing differences	**2,775,889**	2,499,156

22. Share capital

	24 September 2020 £	26 September 2019 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

23. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Capital contribution reserve

The capital contribution reserve account represents cumulative fair value adjustments to certain intercompany loans.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Analysis of net debt

	At 27 September 2019 £	Cash flows £	At 24 September 2020 £
Cash at bank and in hand	**6,118,010**	**(1,824,049)**	**4,293,961**
Debt due after 1 year	**(6,884,000)**	**2,384,000**	**(4,500,000)**
Debt due within 1 year	**(368,000)**	**-**	**(368,000)**
	(1,133,990)	**559,951**	**(574,039)**

25. 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 cost charge represents contributions payable by the company to the fund and amounted to £16,831 (2019 - £12,348). Contributions totalling £2,540 (2019 - £3,439) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 24 September 2020 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 24 September 2020 £	Group 26 September 2019 £
Not later than 1 year	**1,481,788**	1,892,246
Later than 1 year and not later than 5 years	**5,511,525**	6,423,633
Later than 5 years	**4,716,589**	5,873,333
	11,709,902	14,189,212

The parent company had no commitments under non-cancellable operating leases at the reporting date.

27. Contingencies

As at the year end, a subsidiary company of Firoka (Oxford) Limited was in arbitration proceedings with a tenant in respect of the quantum of rent and service charges billed to the tenant during the period. As at the year end the outcome could not be determined. However, subsequent to the year end this matter has been settled with no financial impact on the company.

28. Related party transactions

The company has taken advantage of the exemption available in Section 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 £47,053 (2019 - £66,484), Firoka (Priory Hotel) Limited £61,884 (2019 - £82,661), Firoka (Oxford Leisure) Limited £35,953 (2019 - £50,461) and Firoka (Oxford Hotels) Limited £62,141 (2019 - £62,795) for administrative expenses.

The group is party to a cross guarantee against the unamortised balance of key monies received as a part of a franchise agreement entered into by a company under common control, Firoka (Kings Cross) Limited. As at 24 September 2020 the unamortised balance outstanding was £871,552 (2019 - £948,628).

29. Controlling party

The company is a wholly owned subsidiary of Firoka (London Park) Limited, the immediate parent company, incorporated in Guernsey. The directors consider the company's ultimate controlling party to be Mr F A Kassam.

30. Post statement of financial position events

Following substantial repayment of external non-related party borrowings post year end, amount outstanding on the bank loan facility is £1.2m as at the approval of these accounts.