

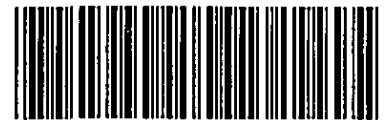
REGISTERED NUMBER: 4128720 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2005

for

Bluecastle Enterprises Limited

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Bluecastle Enterprises Limited

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for the Year Ended 31 December 2005

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Bluecastle Enterprises Limited

Company Information  
for the Year Ended 31 December 2005

<b>DIRECTOR:</b>	J Westmoreland
<b>SECRETARY:</b>	Corporate Secretaries Limited
<b>REGISTERED OFFICE:</b>	214 Golders Green Road London NW11 9AT
<b>REGISTERED NUMBER.</b>	4128720 (England and Wales)
<b>AUDITORS:</b>	S H Landes LLP 5th floor Walmar House 288 Regent Street London W1B 3AL
<b>BANKERS.</b>	Tempbank Krutitsky Val d 26 109044 Moscow

Bluecastle Enterprises Limited

Report of the Director  
for the Year Ended 31 December 2005

The director presents her report with the accounts of the company for the year ended 31 December 2005

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of investment in sporting entities

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed accounts

The director is satisfied with the development of the business of the company and its subsidiaries during the year and has no significant plans for future developments

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2005

**DIRECTOR**

A Rooney was the sole director during the year under review and resigned as director on 26 February 2006. J Westmorland was appointed director on 26 February 2006

The director holding office at 31 December 2005 did not hold any beneficial interest in the issued share capital of the company at 1 January 2005 or 31 December 2005

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Bluecastle Enterprises Limited

Report of the Director  
for the Year Ended 31 December 2005

**AUDITORS**

The auditors, S H Landes LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

**ON BEHALF OF THE BOARD**

A handwritten signature in black ink, appearing to be 'J. H. Landes', is written over a horizontal line. To the left of the signature is a large, stylized handwritten letter 'J'.

Corporate Secretaries Limited - Secretary

Date 4 May 2007

Report of the Independent Auditors to  
Bluecastle Enterprises Limited  
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages six to fifteen, together with the financial statements of Bluecastle Enterprises Limited for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

**Other information**

On 4 May 2007 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2005 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of Bluecastle Enterprises Limited for the year ended 31 December 2005 on pages one to fifteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Director is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

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

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

Report of the Independent Auditors to  
Bluecastle Enterprises Limited  
Under Section 247B of the Companies Act 1985

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because

- we were unable to obtain information needed for the assessment of the appropriateness of the going concern basis of preparation of the financial statements for a period of twelve months from the date of approval of these financial statements. We consider that the director has not been able to take adequate steps to satisfy herself that it is appropriate for her to adopt the going concern basis because the circumstances of the company and the nature of the business require that such information be prepared, and reviewed by the director and ourselves, for a period of at least twelve months from the date of approval of the financial statements. Had this information been available to us we might have formed a different opinion,

- most of the company's transactions occur outside the United Kingdom and are documented in languages other than English. There were no satisfactory procedures we could adopt in certain circumstances to confirm that all transactions were properly recorded. Had we been able to do so we might have formed a different opinion.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements and that of the completeness and accuracy of some of the company's transactions, in our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year ended, and

- have been properly prepared in accordance with the Companies Act 1985.

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of financial statements and that of the completeness and accuracy of certain transactions, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

In our opinion the information given in the Director's Report is consistent with the financial statements "

S H Landes LLP  
5th floor  
Walmar House  
288 Regent Street  
London  
W1B 3AL



Date                      4 May 2007

Bluecastle Enterprises Limited

Abbreviated Profit and Loss Account  
for the Year Ended 31 December 2005

	Notes	31 12 05 \$	31 12 04 \$
<b>GROSS PROFIT</b>		324,222	-
Administrative expenses		1,708,399	5,125,508
<b>OPERATING LOSS</b>	4	(1,384,177 )	(5,125,508 )
Interest receivable and similar income		378	424
		(1,383,799 )	(5,125,084 )
Amounts written off investments	5	(7,661,939 )	23,439,650
		6,278,140	(28,564,734 )
Interest payable and similar charges	6	2,169,042	1,871,174
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		4,109,098	(30,435,908 )
Tax on profit/(loss) on ordinary activities	7	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</b>		4,109,098	(30,435,908 )

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

The notes form part of these abbreviated accounts



Bluecastle Enterprises Limited

Abbreviated Balance Sheet

31 December 2005

	Notes	31 12 05	31 12 04
		\$	\$
<b>FIXED ASSETS</b>			
Investments	8	8,322,170	359,640
<b>CURRENT ASSETS</b>			
Debtors	9	-	100,000
Cash at bank		18,598	21,218
		18,598	121,218
<b>CREDITORS</b>			
Amounts falling due within one year	10	76,252	40,210
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(57,654)	81,008
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,264,516	440,648
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	76,692,226	72,977,456
<b>NET LIABILITIES</b>		(68,427,710)	(72,536,808)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	14,715	14,715
Profit and loss account	14	(68,442,425)	(72,551,523)
<b>SHAREHOLDERS' FUNDS</b>	15	(68,427,710)	(72,536,808)

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

The financial statements were approved by the director on 4 May 2007 and were signed by

  
J Westmoreland - Director

The notes form part of these abbreviated accounts

Bluecastle Enterprises Limited

Cash Flow Statement  
for the Year Ended 31 December 2005

	Notes	31 12 05	31 12 04
		\$	\$
Net cash outflow from operating activities	1	(1,565,007)	(7,094,019)
Returns on investments and servicing of finance	2	378	424
Capital expenditure and financial investment	2	(300,591)	(22,439,650)
		(1,865,220)	(29,533,245)
Financing	2	1,862,600	29,531,000
Decrease in cash in the period		(2,620)	(2,245)

**Reconciliation of net cash flow to movement in net debt**

	3		
Decrease in cash in the period		(2,620)	(2,245)
Cash inflow from increase in debt		(1,862,600)	(29,531,000)
Change in net debt resulting from cash flows		(1,865,220)	(29,533,245)
Movement in net debt in the period		(1,865,220)	(29,533,245)
Net debt at 1 January		(68,189,432)	(38,656,187)
Net debt at 31 December		(70,054,652)	(68,189,432)

The notes form part of these abbreviated accounts

Bluecastle Enterprises Limited

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2005

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	31 12 05	31 12 04
	\$	\$
Operating loss	(1,384,177)	(5,125,508)
Non cash movement - exchange gains	(322,007)	-
Other non cash movements	5,135	-
Decrease in debtors	100,000	-
Increase/(Decrease) in creditors	36,042	(1,968,511)
<b>Net cash outflow from operating activities</b>	<b>(1,565,007)</b>	<b>(7,094,019)</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 12 05	31 12 04
	\$	\$
<b>Returns on investments and servicing of finance</b>		
Interest received	378	424
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>378</b>	<b>424</b>
 <b>Capital expenditure and financial investment</b>		
Purchase of fixed asset investments	(300,591)	(22,439,650)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(300,591)</b>	<b>(22,439,650)</b>
 <b>Financing</b>		
New loans in year	1,862,600	29,531,000
<b>Net cash inflow from financing</b>	<b>1,862,600</b>	<b>29,531,000</b>

**3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 1 05	Cash flow	At
	\$	\$	31 12 05
			\$
<b>Net cash</b>			
Cash at bank	21,218	(2,620)	18,598
	<u>21,218</u>	<u>(2,620)</u>	<u>18,598</u>
 <b>Debt</b>			
Debts falling due after one year	(68,210,650)	(1,862,600)	(70,073,250)
	<u>(68,210,650)</u>	<u>(1,862,600)</u>	<u>(70,073,250)</u>
 <b>Total</b>	<b>(68,189,432)</b>	<b>(1,865,220)</b>	<b>(70,054,652)</b>

The notes form part of these abbreviated accounts

Bluecastle Enterprises Limited

Notes to the Abbreviated Accounts  
for the Year Ended 31 December 2005

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

The financial statements are expressed in US dollars

**Exemption from preparing consolidated financial statements**

The financial statements contain information about Bluecastle Enterprises Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Investments**

Investments are stated at the lower of cost or net realisable value

**2 OTHER OPERATING INCOME**

	31 12 05	31 12 04
	\$	\$
Exchange gains	<u>324,222</u>	<u>-</u>

**3 STAFF COSTS**

There were no staff costs for the year ended 31 December 2005 nor for the year ended 31 December 2004

**4 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	31 12 05	31 12 04
	\$	\$
Auditors' remuneration	10,110	11,317
Auditors' remuneration for non audit work	25,812	28,892
Foreign exchange differences	<u>(324,222)</u>	<u>183,780</u>
Director's emoluments	<u>-</u>	<u>-</u>

**5 AMOUNTS WRITTEN OFF INVESTMENTS**

	31 12 05	31 12 04
	\$	\$
Amounts written off investments	<u>(7,661,939)</u>	<u>23,439,650</u>

The amounts written off investments include an adjustment of \$952,000 to reconcile the intercompany balances between the company and of CJSC Professional Football Club CSCA and "PFC CSKA - Simple Partnership"

Bluecastle Enterprises Limited

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2005

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 05	31 12 04
	\$	\$
Loan interest	2,169,042	1,871,174

**7 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2005 nor for the year ended 31 December 2004

**Factors affecting the tax charge**

The tax assessed for the year is lower the standard rate of corporation tax in the UK. The difference is explained below

	31 12 05	31 12 04
	\$	\$
Profit/(loss) on ordinary activities before tax	4,109,098	(30,435,908)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	1,232,729	(9,130,772)
Effects of		
Expenditure disallowed for tax purposes	641,689	-
Provision against investments	(2,298,582)	7,031,895
Losses carried forward	424,164	2,098,877
Current tax charge	-	-

**Factors that may affect future tax charges**

At 31 December 2005 the company had tax losses carried forward of approximately \$16,960,000 approximately. No deferred taxation asset is recognised in respect of these losses as their recoverability cannot be ascertained with certainty in the foreseeable future.

**8 FIXED ASSET INVESTMENTS**

	31 12 05	31 12 04
	\$	\$
Shares in group undertakings	8,118,107	359,640
Loans to group undertakings	204,063	-
	8,322,170	359,640

Bluecastle Enterprises Limited

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2005

**8 FIXED ASSET INVESTMENTS - continued**

Additional information is as follows

	Shares in group undertakings \$
<b>COST</b>	
At 1 January 2005	8,380,894
Additions	591
	<hr/>
At 31 December 2005	8,381,485
	<hr/>
<b>PROVISIONS</b>	
At 1 January 2005	8,021,254
Provision for year	(7,757,876)
	<hr/>
At 31 December 2005	263,378
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2005	8,118,107
	<hr/>
At 31 December 2004	359,640
	<hr/>

The company's investments at the balance sheet date in the share capital of companies include the following

**OJSC "AVO - Capital"**

Country of incorporation Moscow, Russia

Nature of business Managing Investments

	% holding		
Class of shares			
Ordinary	100 00		
		31 12 05	31 12 04
		\$	\$
Aggregate capital and reserves		103,762	107,598
Loss for the year		(209)	(1,296)
		<hr/>	<hr/>
			\$
Shares in OJSC "AVO - Capital"			359,640
Loan to OJSC "AVO - Capital"			7,500
Less Provision against investment			(263,378)
			<hr/>
Net investment in OJSC "AVO - Capital"			103,762
			<hr/>

**Bluecastle Enterprises Limited**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2005**

**8 FIXED ASSET INVESTMENTS - continued**

**CJSC Professional Football Club CSCA**

Country of incorporation Moscow, Russia

Nature of business Football Club

Class of shares	% holding	31 12 05	31 12 04
Ordinary	51.24	\$	\$
Aggregate capital and reserves		14,221,000	15,293,000
(Loss)/Profit for the year		(2,523,000)	1,229,000

Shares in CJSC Professional Football Club CSCA	14,345
Loans to CJSC Professional Football Club CSCA	25,730,815
Less: Provision against investment	(25,730,815)
Net investment in CJSC Professional Football Club CSCA	14,345

During the year the company acquired a further 2.03% of the share capital of CJSC Professional Football Club CSCA. The company has also acquired the right to buy a further 23.82% (2004 - 25.85%) of the issued share capital of CJSC Professional Football Club CSCA via its 100% shareholding in OJSC "AVO - Capital" which has a 23.82% interest in the Club.

**PFC CSKA - Simple Partnership**

Country of establishment Russia Unincorporated Entity

Nature of business Sports Investment Activity

	31 12 05	31 12 04
	\$	\$
Aggregate capital and reserves	8,545,899	8,813,550
Profit/(Loss) for the year	993,402	(1,822,026)

Shares in "PFC CSKA - Simple Partnership"	\$ 8,000,000
Loans to "PFC CSKA - Simple Partnership"	26,165,911
Less: Provision against investment	(25,961,848)
Net investment in "PFC CSKA - Simple Partnership"	8,204,063

	Loans to group undertakings
	\$
At 1 January 2005	50,644,726
New in year	1,252,000
Provision	(51,692,663)
At 31 December 2005	204,063

Bluecastle Enterprises Limited

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2005

9	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				31 12 05	31 12 04
				\$	\$	
	Other debtors			-	100,000	
10	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				31 12 05	31 12 04
				\$	\$	
	Accruals and deferred income			76,252	40,210	
11	<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>				31 12 05	31 12 04
				\$	\$	
	Other loans (see note 12)			76,692,226	72,977,456	
12	<b>LOANS</b>					
	An analysis of the maturity of loans is given below					
				31 12 05	31 12 04	
				\$	\$	
	Amounts falling due between two and five years					
	Amounts owed to associated undertaking 2-5 years					
				75,635,450	71,955,899	
	Other loans - 2-5 years			1,056,776	1,021,557	
				76,692,226	72,977,456	
13	<b>CALLED UP SHARE CAPITAL</b>					
	Authorised					
	Number	Class	Nominal value	31 12 05	31 12 04	
			£1	£	£	
	4,000,000	Ordinary Shares		4,000,000	4,000,000	
	Allotted, issued and fully paid					
	Number	Class	Nominal value	31 12 05	31 12 04	
			£1	\$	\$	
	10,000	Ordinary Shares		14,715	14,715	
14	<b>RESERVES</b>					Profit and loss account \$
	At 1 January 2005					(72,551,523)
	Profit for the year					4,109,098
	At 31 December 2005					(68,442,425)



Bluecastle Enterprises Limited

Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2005

**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 05	31 12 04
	\$	\$
Profit/(Loss) for the financial year	4,109,098	(30,435,908 )
<b>Net addition/(reduction) to shareholders' funds</b>	<b>4,109,098</b>	<b>(30,435,908 )</b>
Opening shareholders' funds	(72,536,808 )	(42,100,900 )
<b>Closing shareholders' funds</b>	<b>(68,427,710 )</b>	<b>(72,536,808 )</b>
Equity interests	(68,427,710 )	(72,536,808 )