

Stoke-on-Trent Community Stadium Development Company Limited

Directors' Report and Financial Statements

for the Year Ended 31 May 2005

Registration number: 3200051



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Stoke-on-Trent Community Stadium Development Company Limited

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The following pages do not form part of the statutory financial statements:

Detailed profit and loss account	14 to 15
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Stoke-on-Trent Community Stadium Development Company Limited

Officers and Advisers

Directors	C C A Glossop
	M Salih
	G Gislason
	J Fuller (resigned 4 January 2005)
	S G Thorisson
	G B Davies (resigned 17 June 2004)
	A Scholes (appointed 4 January 2005)
	W A Oliver
	B Ward (appointed 1 July 2004)
Secretary	W A Oliver
Registered office	Sir Stanley Clarke House 7 Ridgeway Quinton Business Park Birmingham B32 1AF
Auditors	Bentley Jennison Chartered Accountants & Registered Auditors 5 Ridge House Ridge House Drive Festival Park Stoke-on-Trent ST1 5SJ

Stoke-on-Trent Community Stadium Development Company Limited

Chairman's Report for the Year Ended 31 May 2005

The chairman presents his report for the year ended 31 May 2005.

Results to 31st May 2005

Profit before tax for the year was £386,820 (2004 - £392,721). As in previous years, all profits have been retained, taking shareholders' funds to £13,974,492 (2004 - £13,697,672). Gearing continues to decline due to retained earnings and falling levels of debt. At the year end, net borrowings represented 3% of shareholders funds (2004 - 6%).

Review of Current Trading and Future Prospects

Rental income was broadly in line with expectations and is expected to remain static in the foreseeable future. Catering income is disappointingly lower than in the previous year. We continue to look at ways of increasing profits in this area of activity.

As identified last year, much of the catering equipment is nearing the end of its economic life. We expect increased capital expenditure to be a feature of the next few years.

Community Events

We are again proud to have hosted the Nationwide Football Conference Play-Off Final in May. In addition we have hosted an England junior international football match which, although not profitable, continues to raise the profile of the sporting facilities offered by the Stadium.

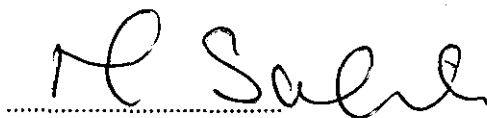
We have again hosted the fireworks extravaganza and summer concerts. However, in view of the continued declining profitability of these attractions we are reviewing whether there is sufficient local demand to warrant staging these in the future.

In the summer of 2004, we hosted both Busted and Bryan Adams, both of which were a commercial success.

Increased utilisation of the Stadium bowl remains a priority. We are pleased therefore to have successfully staged Elton John in concert in June 2005. We have also attracted the International Bible Studies Association for a three day meeting in July 2005. This has further diversified the uses of the Stadium and we look forward to welcoming IBSA back in future years.

Appreciation

Once again I wish to record my thanks to all who have helped to make this another successful year for the company.



Cllr. M Salih
Chairman

Date: 18/11/05

Stoke-on-Trent Community Stadium Development Company Limited

Directors' Report for the Year Ended 31 May 2005

The directors present their report and the audited financial statements for the year ended 31 May 2005.

Directors' responsibilities

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Principal activity

The principal activity of the company is the development and management of a purpose built stadium in Stoke-on-Trent.

The company is a joint venture between Stoke City Football Club Limited, who use the stadium on match days and certain other specified days, Stoke-on-Trent City Council, to enable the use of the stadium for the benefit of the community and in additional income-generating activities on other days; and Stoke-on-Trent Regeneration Limited, a subsidiary of St Modwen Properties PLC.

Directors and their interests

The directors who held office during the year were as follows:

- C C A Glossop
- M Salih
- G Gislason
- J Fuller (resigned 4 January 2005)
- S G Thorisson
- G B Davies (resigned 17 June 2004)
- A Scholes (appointed 4 January 2005)
- W A Oliver
- B Ward (appointed 1 July 2004)

None of the directors had an interest in the shares of the company at any time during the year.

Auditors

The auditors, Bentley Jennison, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Stoke-on-Trent Community Stadium Development Company Limited

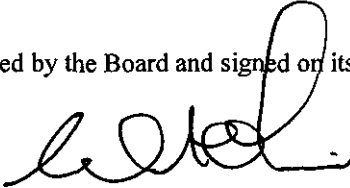
Directors' Report for the Year Ended 31 May 2005

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Small company provisions

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

Approved by the Board and signed on its behalf by:



.....
W A Oliver
Company Secretary

Date: 18/11/05

**Independent Auditors' Report to the Shareholders of
Stoke-on-Trent Community Stadium Development Company Limited**

We have audited the financial statements of Stoke-on-Trent Community Stadium Development Company Limited for the year ended 31 May 2005 set out on pages 6 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective June 2002) under the historical cost convention and 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 work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of Directors' responsibilities on page 3, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Directors' Report 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 directors' remuneration and transactions with the company is not disclosed.

We read the Chairman's Report and Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within them. Our responsibilities do not extend to any other information.

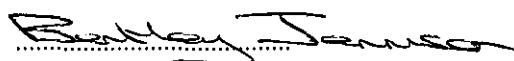
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bentley Jennison
Chartered Accountants & Registered Auditors

5 Ridge House
Ridge House Drive
Festival Park
Stoke-on-Trent ST1 5SJ

Date: 28 November 2005

Stoke-on-Trent Community Stadium Development Company Limited

Profit and Loss Account for the Year Ended 31 May 2005

	Note	2005 £	2004 £
Turnover		622,793	667,444
Administrative expenses		(172,007)	(189,428)
Operating profit	2	<u>450,786</u>	<u>478,016</u>
Other interest receivable and similar income		28,462	5,269
Interest payable and similar charges		(92,428)	(90,564)
Profit on ordinary activities before taxation		<u>386,820</u>	<u>392,721</u>
Tax on profit on ordinary activities	4	(110,000)	(133,000)
Profit on ordinary activities after taxation		<u>276,820</u>	<u>259,721</u>
Retained profit brought forward		957,672	697,951
Retained profit carried forward		<u><u>1,234,492</u></u>	<u><u>957,672</u></u>

The notes on pages 8 to 13 form an integral part of these financial statements.


Stoke-on-Trent Community Stadium Development Company Limited

Balance Sheet as at 31 May 2005

		2005	2004
	Note	£	£
Fixed assets			
Tangible assets	5	15,059,894	15,111,065
Current assets			
Debtors	6	75,266	66,639
Cash at bank and in hand		841,477	627,085
		<u>916,743</u>	<u>693,724</u>
Creditors: Amounts falling due within one year	7	<u>(480,042)</u>	<u>(444,644)</u>
Net current assets		<u>436,701</u>	<u>249,080</u>
Total assets less current liabilities		<u>15,496,595</u>	<u>15,360,145</u>
Creditors: Amounts falling due after more than one year	8	(1,012,103)	(1,262,473)
Provisions for liabilities	10	<u>(510,000)</u>	<u>(400,000)</u>
Net assets		<u><u>13,974,492</u></u>	<u><u>13,697,672</u></u>
Capital and reserves			
Called up share capital	11	4,000,000	4,000,000
Share premium reserve		8,740,000	8,740,000
Profit and loss account		<u>1,234,492</u>	<u>957,672</u>
Equity shareholders' funds		<u><u>13,974,492</u></u>	<u><u>13,697,672</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Director on 18/11/05



A Scholes
Director

The notes on pages 8 to 13 form an integral part of these financial statements.

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Turnover

Turnover represents the invoiced value of sales of goods, net of value added tax.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Freehold land and buildings	see below
Fixtures and fittings	at varying rates on a straight line basis

Land is not depreciated. Freehold properties are subject to a tenant's repairing lease. In the directors' opinion, the carrying value is not lower than the recoverable amount. There, depreciation would be immaterial and has not been charged.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

..... continued

2 Operating profit

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Auditors remuneration - audit services	3,700	3,600
Depreciation of tangible fixed assets	<u>72,612</u>	<u>67,054</u>

3 Directors' emoluments

No emoluments were paid to the directors during the year (2004 - £nil).

4 Taxation

Analysis of current period tax charge

	2005 £	2004 £
Deferred tax		
Origination and reversal of timing differences	<u>110,000</u>	<u>133,000</u>

Factors affecting tax charge for the year

No charge to corporation tax arises on the company's profit for the year, primarily due to the excess of capital allowances claimed over depreciation.

Factors which may affect future tax charges

The charge to corporation tax in future years will continue to be materially reduced by the excess of capital allowances over depreciation.

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

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5 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
As at 1 June 2004	14,779,345	1,001,000	15,780,345
Additions	-	21,441	21,441
As at 31 May 2005	<u>14,779,345</u>	<u>1,022,441</u>	<u>15,801,786</u>
Depreciation			
As at 1 June 2004	-	669,280	669,280
Charge for the year	-	72,612	72,612
As at 31 May 2005	-	<u>741,892</u>	<u>741,892</u>
Net book value			
As at 31 May 2005	<u>14,779,345</u>	<u>280,549</u>	<u>15,059,894</u>
As at 31 May 2004	<u>14,779,345</u>	<u>331,720</u>	<u>15,111,065</u>

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £6,771 (2004 - £10,021) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,250 (2004 - £3,250).

6 Debtors

	2005 £	2004 £
Trade debtors	31,354	11,349
Prepayments and accrued income	<u>43,912</u>	<u>55,290</u>
	<u>75,266</u>	<u>66,639</u>

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

..... continued

7 Creditors: Amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	250,566	235,695
Obligations under finance leases and hire purchase contracts	3,250	3,250
Trade creditors	141,524	131,174
Social security and other taxes	18,048	6,532
Accruals and deferred income	66,654	67,993
	<u>480,042</u>	<u>444,644</u>

8 Creditors: Amounts falling due after more than one year

	2005 £	2004 £
Bank loans and overdrafts	1,008,582	1,255,702
Obligations under finance leases and hire purchase contracts	3,521	6,771
	<u>1,012,103</u>	<u>1,262,473</u>

Included in the creditors are the following amounts due after more than 5 years:

	2005 £	2004 £
After more than five years by instalments	-	157,244

9 Security of borrowings

Bank borrowings are secured.

Obligations under finance leases and hire purchase contracts are secured.

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

..... continued

10 Provisions for liabilities

	Deferred tax provision £
As at 1 June 2004	400,000
Deferred tax provision charged to the profit and loss account	110,000
As at 31 May 2005	<u>510,000</u>

Full provision for deferred taxation has been made in these financial statements as above. The amounts provided can be analysed as follows:

	2005 £	2004 £
Accelerated capital allowances	508,000	394,000
Other timing differences	2,000	6,000
	<u>510,000</u>	<u>400,000</u>

11 Share capital

	2005 £	2004 £
Authorised		
1,960,000 A Ordinary shares of £1 each	1,960,000	1,960,000
1,440,000 B Ordinary shares of £1 each	1,440,000	1,440,000
600,000 C Ordinary shares of £1 each	600,000	600,000
	<u>4,000,000</u>	<u>4,000,000</u>
Allotted, called up and fully paid		
1,960,000 A Ordinary shares of £1 each	1,960,000	1,960,000
1,440,000 B Ordinary shares of £1 each	1,440,000	1,440,000
600,000 C Ordinary shares of £1 each	600,000	600,000
	<u>4,000,000</u>	<u>4,000,000</u>

Stoke-on-Trent Community Stadium Development Company Limited

Notes to the Financial Statements for the Year Ended 31 May 2005

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12 Related parties

Controlling entity

The company is controlled by the shareholders. The directors' beneficial interests in the shares of the company are disclosed in note 13.

Transactions with related parties

The following related party transactions took place in the year, all of which have been reviewed and approved by the board of directors.

	Stoke City Football Club Limited	Stoke-on-Trent Regeneration Limited
Rental income	279,206	-
Rent of car parking spaces and event income	34,300	-
Management fees	-	6,000
Service agreement paid	78,483	-
Balances owed to related parties	<u>41,254</u>	<u>94,007</u>

The directors of the company who are also directors of Stoke City Football Club Limited are G Gislason and S Thorisson.

The football club are using the stadium at an agreed rental of £279,206 per annum under the revised terms of the lease.

The shareholders have also provided administrative support and managerial input into the company without charge.

13 Directors' beneficial interests

A ordinary shares of £1 each

These shares are held by Stoke City Football Club Limited.

G Gislason and A J Scholes have no beneficial interest in Stoke City Football Club Limited. S Thorisson had a beneficial interest of less than 1% in Stoke City Football Club Limited at the year end.

B ordinary shares of £1 each

These shares are held by Stoke-on-Trent City Council, who were represented on the board by M Salih, G B Davies (resigned 17 June 2004) and B Ward (appointed 1 July 2004). These directors have no beneficial interest in the company.

C ordinary shares

These shares are held by Stoke-on-Trent Regeneration (Investments) Limited, a wholly owned subsidiary of Stoke-on-Trent Regeneration Limited in which 81% of the share capital is owned by St Modwen Properties PLC and 19% is owned by Stoke-on-Trent City Council.

C C A Glossop had a beneficial interest in St Modwen Properties PLC of 0.94% at the year end.