Stoke City (Property) Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2020

Company Registration No. 03200051

Stoke City (Property) Limited
CONTENTS

Stoke City (Property) Limited
DIRECTORS AND ADVISOR

DIRECTORS
JF Coates
P Coates
RK Smith
AJ Scholes

SECRETARY
JD Pelling

REGISTERED OFFICE
bet365 Stadium
Stanley Matthews Way
Stoke-on-Trent
Staffordshire
ST4 4EG

AUDITOR
RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

The Directors have pleasure in submitting their Strategic Report for Stoke City (Property) Limited for the year ended 31 March 2020.

BUSINESS AND STRATEGIC OBJECTIVES
Stoke City (Property) Limited's strategy, including its specification of resources, is to provide a range of facility and operational services to ensure that Stoke City Football Club, the Stadium, Training Ground and all other Stoke City properties, their functions and all related offices, car parks and grounds are maintained and provided to the standards, including all statutory and health and safety requirements, of an operating Premier League and English Football League Football Club.

REVIEW OF THE BUSINESS
The loss for the year amounted to £371,259 (2019: £152,476). The Directors do not recommend the payment of a dividend (2019: £nil) which leaves a loss of £371,259 (2019: £152,476) to be retained.

During this financial year the Company invested £1.1m (2019: £0.6m) in tangible assets. This expenditure related to a series of capital projects across the business, the primary being the Contactless Payment System in the concourse areas.

The Directors are committed to providing quality services to Stoke City Football Club Limited with the aim to effectively break even each year at profit before tax. The Directors therefore consider the return achieved by the Company is satisfactory.

RISKS AND UNCERTAINTIES
The Company's main risks and uncertainties are that the stadium and training facility are no longer required by Stoke City Football Club Limited and the changing requirements enforced on the Company by the Premier League and English Football League. The Directors have considered these risks and are confident that they have access to the relevant funding to meet any requirements imposed on the Company and that the Football Club will continue to utilise the facilities supplied.

COVID-19
On 13 March 2020 the English football authorities suspended professional football leagues in response to the Covid-19 disease that had hit a number of participants. On 23 March 2020, the UK Prime Minister announced a national lockdown in response to the global pandemic.

Professional sports were permitted to re-commence training for participants on 25 May 2020.

As a result the Company temporarily ceased many of its operations for the entirety of the national lockdown and incurred considerable costs for no economic return.

KEY PERFORMANCE INDICATORS:
The Directors measure the performance of Stoke City (Property) Limited in relation to the following three key performance indicators:

- To ensure all contracted income is levied;
- To ensure that all day-to-day costs are controlled and any significant variances to the budget are fully explained;
- To ensure that the facilities and operational services are provided to the standards required for an operating Premier League and English Football League Football Club; and
- To maintain infrastructure to a serviceable condition and to keep within agreed capital expenditure budgetary limits.

The Directors believe that all the above Key Performance Indicators have been met satisfactorily in this financial year.

By order of the board

John Coates
Director

bet365 Stadium
Stanley Matthews Way
Stoke-on-Trent
Staffordshire
ST4 4EG

29 March 2021

The Directors submit their report and the financial statements of Stoke City (Property) Limited for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the development and management of, and the provision of facilities and operational services, for the running of a purpose built football stadium and football training facility and other football related facilities in Stoke-on-Trent.

FUTURE DEVELOPMENTS

Due to the nature and amount of assets that the Company holds and the services it provides, there will always be continued maintenance and investment in the facilities infrastructure.

FINANCIAL INSTRUMENTS

The Company is part of a Group and funded by its parent Company and fellow subsidiary, Stoke City Football Club Limited. The Directors consider that the Company is not exposed to any significant financial risk.

Price

The main rental income contracts are thoroughly and regularly reviewed to ensure that the Company is attaining its relevant contracted price and thereby achieving its agreed level of annual income.

Liquidity

The Company's policy is to have committed facilities from within the Group to satisfy both short and medium term working capital requirements.

Cash Flow

Cash Flow levels are continually updated and reviewed to ensure sufficient revenue and capital expenditure funding.

Credit

Most of the Company's income is derived from revenue flows underpinned by contracts containing defined payment terms and conditions. Adherence to the payment terms and conditions is closely monitored and managed appropriately by the Company.

EMPLOYEES (EMPLOYEE INVOLVEMENT/DISABLED PERSONS)

It is the Company's policy that disabled persons have the same consideration as others for all job vacancies for which they apply as suitable candidates and, depending entirely on their skills and abilities, they have the same opportunity for training, career development and promotion as other employees. Attention is paid to the training and other needs of those who become disabled whilst in the Company's employment.

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through formal team briefings and informal meetings.

DIRECTORS

The following directors have held office since 1 April 2019:

JF Coates
P Coates
RK Smith
AJ Scholes

MARKET VALUE OF LAND AND BUILDINGS
The Directors are of the opinion that the market value of the training ground at 31 March 2020 is not materially different from the net book value included in the financial statements, but they are unable to quantify this in the absence of a professional valuation, the costs of which are not considered justifiable in view of the age of the training ground and the Company's intention to retain ownership of the facility for use in its business for the foreseeable future.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR
The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors, in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR
RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

On behalf of the board

John Coates
Director

bet365 Stadium
Stanley Matthews Way
Stoke-on-Trent
Staffordshire
ST4 4EG

29 March 2021

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report and 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 Company and of the profit or loss of the Company for that year.

In preparing those financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent; and

c. 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 STOKE CITY (PROPERTY) LIMITED

Opinion

We have audited the financial statements of Stoke City (Property) Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE CITY (PROPERTY) LIMITED (continued)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 6, 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 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 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 on the Financial Reporting Council's website at: http://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 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

ANNE LAKIN (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

30 March 2021

Stoke City (Property) Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

	Note	**2020**	2019
		£	£
TURNOVER	2	**8,772,103**	8,133,501
Administrative expenses		**(8,753,275)**	(8,120,308)
OPERATING PROFIT		**18,828**	13,193
Interest receivable and similar income	3	**60**	89
Interest payable and similar expenses	4	**(1,346)**	(1,340)
PROFIT BEFORE TAXATION	2-6	**17,542**	11,942
Taxation	7	**(388,801)**	(164,418)
LOSS FOR THE FINANCIAL YEAR		**(371,259)**	(152,476)
OTHER COMPREHENSIVE INCOME			
Revaluation of land and buildings		**(628,892)**	(792,757)
Deferred tax on revaluation		**(139,381)**	135,109
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,139,532)**	(810,124)

Turnover and operating profit are derived from the Company's continuing activities.

Stoke City (Property) Limited
STATEMENT OF FINANCIAL POSITION
At 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Intangible assets	8		**257,652**		169,223
Tangible assets	9		**54,520,026**		55,756,404
			54,777,678		55,925,627
CURRENT ASSETS					
Stocks	10	**3,432**		3,987	
Debtors	11	**290,248**		532,575	
Cash at bank and in hand		**65,252**		8,488	
		358,932		545,050	
CREDITORS: Amounts falling due within one year	12	**(27,479,067)**		(28,201,784)	
NET CURRENT LIABILITIES			**(27,120,135)**		(27,656,734)
TOTAL ASSETS LESS CURRENT LIABILITIES			**27,657,543**		28,268,893
PROVISIONS FOR LIABILITIES	13		**(4,141,211)**		(3,613,029)
NET ASSETS			**23,516,332**		24,655,864
CAPITAL AND RESERVES					
Called up share capital	14		**4,000,000**		4,000,000
Share premium reserve			**8,740,000**		8,740,000
Revaluation reserve			**9,988,885**		10,757,158
Profit and loss account			**787,447**		1,158,706
TOTAL EQUITY			**23,516,332**		24,655,864

The financial statements on pages 9 to 25 were approved by the board of directors and authorised for issue on 29 March 2021 and were signed on its behalf by:

John Coates
Director

Company Registration No. 03200051

Stoke City (Property) Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2020

	Share capital £	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 April 2018	**4,000,000**	**8,740,000**	**11,414,806**	**1,311,182**	**25,465,988**
Loss for the year	-	-	-	(152,476)	(152,476)
Other comprehensive income, net of tax:-					
Unrealised deficit on revaluation of Stadium	-	-	(657,648)	-	(657,648)
Total comprehensive loss for the year	-	-	(657,648)	(152,476)	(810,124)
Balance at 31 March 2019	4,000,000	8,740,000	10,757,158	1,158,706	24,655,864
Loss for the year	-	-	-	(371,259)	(371,259)
Other comprehensive income, net of tax:-					
unrealised deficit on revaluation of stadium	-	-	(768,273)	-	(768,273)
Total comprehensive loss for the year	-	-	(768,273)	(371,259)	(1,139,532)
Balance at 31 March 2020	**4,000,000**	**8,740,000**	**9,988,885**	**787,447**	**23,516,332**

GENERAL INFORMATION

Stoke City (Property) Limited ('the Company') is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is bet365 Stadium, Stanley Matthews Way, Stoke-on-Trent, Staffordshire, ST4 4EG.

The Company's principal activities and nature of operations are the development and management of, and the provision of facilities and operational services to Stoke City Football Club for the running of, a purpose built football stadium and football training facility and other football related facilities in Stoke-on-Trent.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 and under the historical cost convention.

The Company has taken the exemption permitted by SI 2008/489 not to disclose the auditor remuneration for non-audit services as these are included in the consolidated accounts of bet365 Group Limited.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of bet365 Group Limited. The consolidated financial statements of bet365 Group Limited are available from, Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

GOING CONCERN

The Company is dependent on the support of its fellow subsidiary, Stoke City Football Club Limited, both as a tenant and to support its funding arrangements. A letter of support has been provided by Stoke City Football Club and the Company's ultimate parent bet365 Group Limited. Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors consider that the Football Club and ultimate parent is in a position to provide this continued support.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts and settlement discounts. Turnover is shown net of Value Added Tax.

Rental income on assets leased under operating leases is recognised on a straight-line basis over the lease term and is disclosed as turnover.

INTANGIBLE FIXED ASSETS

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:-

Purchased computer software	-	20% per annum straight line

The Directors consider the above period to reflect the useful life of the respective assets.

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation. Depreciation is provided on tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Football stadium and Training Ground Land	-	No depreciation charged
Football stadium and Training Ground	-	2-5% per annum straight line
Plant and Machinery in Training Ground	-	2-20% per annum straight line
Plant and Machinery and IT	-	4-33% per annum straight line
Motor Vehicles	-	10-25% per annum straight line
Fixtures and fittings	-	4-33% per annum straight line

Residual values are calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

REVALUATION OF FOOTBALL STADIUM

The football stadium is revalued in accordance with FRS 102 Section 17 with a full valuation carried out by professionally qualified chartered surveyors on a depreciated replacement cost basis, in accordance with the Statement of Assets Valuation Practice No. 4. An external revaluation is obtained every 3 years unless deemed to be required sooner with interim valuations performed by management where no external valuation is obtained.

This calculation allows for the obsolescence of the Stadium, excluding the land element, of 50 years.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity. Such gains and losses are recognised in profit or loss.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs and represents food stock held at the facilities.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

TAXATION
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES
All leases are 'operating leases' and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

The Company as Lessor – Operating Leases
Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

RETIREMENT BENEFITS
Defined contribution plans
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

FINANCIAL INSTRUMENTS
The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

FINANCIAL INSTRUMENTS (continued)
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets
Trade and other debtors
Trade and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity
Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade and group creditors
Trade and group creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

RESERVES
Reserves for the Company represent the following:

Share Premium
Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve for Football Stadium
The cumulative revaluation gains and losses on the Football Stadium and associated deferred tax that have been recognised in profit or loss have been subsequently transferred to this reserve as permitted by FRS 102 paragraph A4.28.

Profit and loss account
Cumulative profit and loss net of distributions to owners and amounts transferred to the revaluation reserve for investment property.

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates & judgements are continually evaluated & are based on historical experience & other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The company makes estimates & assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates & assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets & liabilities within the next financial year are discussed below.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee, or the lessee, where the Company is a lessor.

The Company values its Stadium on a depreciated replacement cost basis. This takes into account the split of the land value and buildings. It estimates the cost of rebuilding the Stadium at a set rate per capacity and the cost of buying the land at the valuation date.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2 TURNOVER

Turnover and operating profit arise from the Company's principal activities and are derived solely from the United Kingdom.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Bank interest	**60**	89

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank charges	**1,346**	1,340

5 PROFIT BEFORE TAXATION

	2020 £	2019 £
Profit before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year – owned assets	**1,650,792**	1,603,677
Amortisation of intangible fixed assets	**108,621**	68,378
Operating lease rentals:		
Other	**24,825**	24,960
Audit services:		
Statutory audit	**9,500**	8,500
Loss on disposal of fixed assets	**737**	2,565

6 EMPLOYEES

The average monthly number of persons (including Directors) employed by the Company during the year was:	**2020 Number**	2019 Number
Management	**6**	6
Other staff	**57**	53
	63	59

In addition to the above the Company employed an average of 161 (2019: 183) Match-Day staff during the year, incurring costs of £379,604 (2019: £406,000).

Staff costs for the above persons:	**2020 £**	2019 £
Wages and salaries	**1,943,394**	1,918,679
Social security costs	**133,367**	127,779
Other pension costs	**58,092**	52,320
	2,134,853	2,098,778

DIRECTORS' REMUNERATION AND HIGHEST PAID DIRECTOR

	2020 £	2019 £
Sums paid to related parties in respect of directors' services	**313,384**	**304,256**

The remuneration of the Directors is paid by Stoke City Football Club Limited, bet365 Group Limited, and Hillside (Shared Services 2018) Limited and is disclosed in the financial statements of those Companies.

7 TAXATION

	2020	2019
	£	£
Current tax:		
Adjustments in respect of previous periods	**-**	-
Total current tax	**-**	-
Deferred tax:		
Origination and reversal of timing differences	**214,371**	138,685
Adjustments in respect of prior periods	**8,238**	25,733
Prior year adjustment due to change in deferred tax rates	**166,192**	-
Total deferred tax	**388,801**	164,418
Tax on profit	**388,801**	164,418

Factors affecting tax charge for the year:	**2020**	2019
	£	£
The tax assessed for the year is higher (2019: higher) than the standard average rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:		
Profit before taxation	**17,542**	11,942
Profit before taxation multiplied by the standard average rate of corporation tax in the UK 19% (2019: 19%)	**3,333**	2,269
Effects of:		
Expenses not deductible for tax purposes	**202,486**	97,332
Adjustments in respect of prior period	**8,552**	25,733
Adjustments for difference in deferred tax rates	**166,192**	(16,316)
Group relief	**8,238**	55,400
Total tax charge for the year	**388,801**	164,418

8 INTANGIBLE FIXED ASSETS

	Purchased computer software £
Cost	
At beginning of year	341,774
Additions	166,171
Transfer to fixed assets	41,924
At end of year	549,869
Amortisation	
At beginning of year	172,551
Charged in year	108,621
Transfer to fixed assets	11,045
At end of year	292,217
Carrying amount	
At 31 March 2020	**257,652**
At 31 March 2019	169,223

The amortisation charge for the year is recognised within administrative expenses.

9 TANGIBLE FIXED ASSETS

	Training ground	Football stadium	Plant and machinery, IT and motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At beginning of year					
- Cost	14,074,783	8,031,653	7,711,582	1,673,222	31,491,240
- Valuation	-	33,100,000	-	-	33,100,000
Additions	102,376	218,835	693,664	65,547	1,080,422
Disposals	(7,796)	-	(70,795)	-	(78,591)
Transfer	(17,224)	(5,700)	(19,000)	-	(41,924)
Revaluation	-	(628,892)	-	-	(628,892)
At end of year	14,152,139	40,715,896	8,315,451	1,738,769	64,922,255
- Cost	14,152,139	8,244,788	8,315,451	1,738,769	32,451,147
- Valuation	-	32,471,108	-	-	32,471,108
Depreciation					
At beginning of year	3,017,378	-	4,850,096	967,362	8,834,836
Charged in the year	516,156	-	989,858	144,778	1,650,792
Disposals	(1,559)	-	(70,795)	-	(72,354)
Transfer	(3,445)	-	(7,600)	-	(11,045)
At end of year	3,528,530	-	5,761,559	1,112,140	10,402,229
Carrying amount					
At 31 March 2020	**10,623,609**	**40,715,896**	**2,553,892**	**626,629**	**54,520,026**
At 31 March 2019	11,057,405	41,131,653	2,861,486	705,860	55,756,404

Included in the Football Stadium is land with a net book value of £4,450,000 (2019: £4,450,000). On 30 March 2018 the football stadium was revalued by GVA Grimley Ltd, Chartered Surveyors. The depreciated replacement costs method of valuation for Financial Reporting in accordance with the guidance notes issued by The Royal Institution of Chartered Surveyors for Asset Valuations gave rise to a market value of the bet365 Stadium, for accounting purposes, of £42,500,000 inclusive of £900,000 of plant & machinery. The valuation excluding this plant totalled £41,600,000. The directors undertook an additional valuation during the year and deem the value of the football stadium to be £40,715,896.

On an historical cost basis this would have been included at:

	Football Stadium 2020	Football Stadium 2019
	£	£
Cost	**28,220,454**	28,001,619

The aggregate depreciation on a historical cost basis on the above would be £nil (2019: £nil).

10 STOCKS

	2020	2019
	£	£
Finished goods	**3,432**	3,987

Stocks are stated net of provision of £nil (2019: £nil).

11 DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	**16,864**	31,499
Amounts owed by Group undertakings	**380**	-
Other debtors	**94,854**	334,826
Prepayments and accrued income	**178,150**	166,250
	290,248	532,575

Trade debtors are stated net of a provision of £nil (2019: £nil).

12 CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**172,033**	624,250
Amounts owed to Group undertakings	**26,687,253**	26,918,300
Other taxation and social security costs	**46,247**	45,073
Accruals and deferred income	**573,534**	614,161
	27,479,067	28,201,784

13 PROVISIONS FOR LIABILITIES

	Deferred tax £
At beginning and end of year	3,613,029
Charge to income statement	388,801
Charge to other comprehensive income	139,381
At end of year	**4,141,211**

The elements of deferred tax are as follows:	**2020 £**	2019 £
Difference between accumulated depreciation and capital allowances	**1,801,984**	1,414,074
Valuation of land and buildings	**2,340,671**	2,200,399
Other timing differences	**(1,444)**	(1,444)
	4,141,211	3,613,029

14 SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
A Ordinary shares of £1 each	**1,960,000**	1,960,000
B Ordinary shares of £1 each	**1,440,000**	1,440,000
C Ordinary shares of £1 each	**600,000**	600,000
	4,000,000	4,000,000

All shares rank pari passu except for rights regarding the appointment and removal of directors; 'A', 'B' and 'C' shareholders may appoint one, two and three directors respectively. The number of directors must consist of at least one 'A' director, at least one 'B' director and at least one 'C' director.

15 COMMITMENTS

a) *Commitments under operating leases*

The total future minimum lease payments under non-cancellable operating leases is as follows:

	2020	2019
	£	£
Amounts due within one year	**24,825**	24,825
Amounts due in two to five years	**99,300**	99,300
Amounts due in more than five years	**7,345**	32,170

b) *Income from operating leases*

The total future minimum lease income under non-cancellable operating leases as follows:

	2020	2019
	£	£
Amounts receivable within one year	**19,941**	19,941
Amounts receivable in two to five years	**38,399**	51,140
Amounts receivable in more than five years	**789**	7,989

c) *Capital commitments*

The Company had capital commitments for renovation and building work on the Training Ground and Football Stadium of £nil at year end (2019: £61,070).

16 PENSION COMMITMENTS

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £58,092 (2019: £50,973). Contributions totalling £8,626 (2019: £8,497) were payable to the fund at the year end and are included within Other taxation and social security costs.

17 CONTINGENT LIABILITIES

Stoke City Football Club Limited and Stoke City (Property) Limited operate a group VAT registration. At the year end date, Stoke City Football Club Limited had a liability of £112,184 (2019: £3,389,606) under this registration, which was subsequently paid in full post year end. Due to the VAT group, this balance is disclosed within contingent liabilities for Stoke City (Property) Limited at the year end date.

18 RELATED PARTY TRANSACTIONS

During the year the Company charged a fellow subsidiary, rent and facility charges of £8,411,792 (2019: £7,763,043) and received loans and funding and cash receipts from a fellow subsidiary of £7,678,655 (2019: £6,327,676).

The balance due to the fellow subsidiary at the year-end was £26,267,253 (2019: £26,437,448).

The Company made purchases during the year of £331,660 (2019: £339,299) from a Company with a common directorship. The balance due to this Company at the year end was £25,312 (2019: £76,301), which is included in trade creditors.

The Company made purchases during the year of £112,687 (2019: £89,841) from a Limited Liability Partnership which is controlled by the shareholders of the ultimate parent Company. There was a £nil balance due to the partnership at the year end (2019: £nil).

19 ULTIMATE PARENT COMPANY AND CONTROLLING INTEREST

The ultimate parent Company of Stoke City (Property) Limited is bet365 Group Limited, a company incorporated and registered in the UK. Stoke City Holdings Limited is the immediate parent company.

The smallest group in which the results of the Company are consolidated in is Stoke City Holdings Limited and the largest group in which the results of the Company are consolidated is that headed by bet365 Group Limited. bet365 Group Limited is under the control of Denise Coates CBE and her family. The consolidated financial statements of both Groups are available to the public and may be obtained from:

Registrar of Companies
Crown Way
Cardiff
CF14 3UZ