

# Stoke City Football Club Limited

## REPORT AND FINANCIAL STATEMENTS

31 May 2014

Company Registration No. 00099885



# Stoke City Football Club Limited

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# Stoke City Football Club Limited

## OFFICERS AND PROFESSIONAL ADVISORS

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### DIRECTORS

P Coates - Chairman

K Humphreys

A Scholes

R Smith

### CHIEF EXECUTIVE

A Scholes

### SECRETARY

M Goodman

### MANAGER

M Hughes

### REGISTERED OFFICE

Britannia Stadium

Stanley Matthews Way

Stoke-on-Trent

Staffordshire

ST4 4EG

### AUDITOR

Baker Tilly UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

### BANKERS

Co-operative Bank Plc

1 Balloon Street

Manchester

M60 4EP

# Stoke City Football Club Limited

## STRATEGIC REPORT

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The directors have pleasure in submitting their Strategic Report for Stoke City Football Club Limited for the year ended 31 May 2014. This report is a new legal requirement following its introduction in August 2013 by way of amendment to the Companies Act 2006.

### BUSINESS REVIEW

The year ended 31<sup>st</sup> May 2014 represented the sixth season of Premier League football at the Britannia Stadium, with the 9<sup>th</sup> place finish ensuring the Club plays a seventh consecutive year in the top league during the 2014-2015 season.

	2014	2013
Average League Attendance (000's)	26,134	26,922
Final league position	9 <sup>th</sup>	13 <sup>th</sup>
	£000's	£000's
Turnover	98,318	66,516
Operating expenses	(93,381)	(97,825)
Profit/(loss) before player trading/fixed asset disposals	4,937	(31,309)
Player trading/disposal of fixed assets (loss)/profit	(1,176)	165
Profit/(loss) before interest and tax	3,761	(31,144)

The major reason for the 48% increase in turnover is due to the increased level of television and media sponsorship income.

Operating expenses reduced by £4.4m, including year on year decreases in amortisation/impairment of player registrations totalling £8.0m, and an increase in staff costs of £0.2m.

The Club has continued to invest in the squad in the year spending £10.4m (2013: £24.9m) which has primarily been funded by the investment of £15m by the owners.

Whilst net liabilities decreased to £28.4m (2013: £32.2m) the principle indebtedness was to the parent company, Stoke City Holdings Limited, who have confirmed to the directors that they will continue to support the Company. The Company is deemed to be a going concern due to the ongoing support of Stoke City Holdings Limited and its ultimate parent company, bet365 Group Limited.

### RISKS AND UNCERTAINTIES

The Football Club's main risks and uncertainties centre around the ability to train, acquire and develop players to sufficient standard to retain and improve its position in the Premier League, together with any rise or fall in the valuation of these players and the level of income receivable each year from the Premier League. The Club has invested heavily in a new training facility and continually invests in high quality players to mitigate these risks.

### FINANCIAL INSTRUMENTS

The significant financial risks and exposures to the Company are in respect of liquidity and pricing and their effect on cashflow.

The board manages these risks in order to minimise any adverse effects on the Company.

# Stoke City Football Club Limited

## STRATEGIC REPORT

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### FINANCIAL INSTRUMENTS (continued)

#### *Price*

The board meets prior to the start of the season to consider the pricing levels of season and matchday tickets, which is evaluated considering both the impact on the loyal fan base and requirements of the Club. All other key decisions with regard to significant corporate sponsorships are also considered by the board.

#### *Liquidity*

The Company's policy is to have committed facilities from both the bank and its parent company to satisfy working capital requirements in the near to medium term.

#### *Cash flow*

Cash flow levels are continually monitored and reviewed to cover any foreseeable funding requirements with an allowance for unforeseen events.

#### *Credit*

Minimal credit is given by the Club, with the majority of sales being on a cash basis. Season ticket sales with payment terms have been allowed and are offset by the Company to a third party. Any risk of bad debts is mitigated by thorough credit control procedures and close monitoring of the receipts each month. Payment terms are given to other clubs based on contracts and these are closely monitored and managed as appropriately by the Club.

By order of the board



**P Coates**  
Director

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

21st November 2014

# Stoke City Football Club Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Stoke City Football Club Limited for the year ended 31 May 2014.

The directors have now disclosed the following sections of the Directors' Report: 'Business Review and Risk and Uncertainties and Financial Instruments' as these have been included within the Strategic Report on page 2.

### PRINCIPAL ACTIVITIES

The principal activity is that of a professional football club.

### RESULTS AND DIVIDENDS

The profit for the year amounted to £3,786,000 (2013: loss £31,119,000). The directors do not recommend the payment of preference or ordinary share dividends (2013: £nil).

### DIRECTORS

The following directors have held office since 1 June 2013:

P Coates – Chairman

K Humphreys

A Scholes

R Smith

P Rawlins (resigned 17 December 2013)

### EMPLOYEES

It is the Company's policy that disabled persons should 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 persons 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.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE 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.

# Stoke City Football Club Limited

## DIRECTORS' REPORT

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### AUDITOR

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditor by the Company. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and therefore Baker Tilly UK Audit LLP will continue in office.

By order of the board



**P Coates**  
Director

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

21st November 2014

# Stoke City Football Club Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 period.

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;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 FOOTBALL CLUB LIMITED

We have audited the financial statements on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

## Respective responsibilities of directors and auditor

As more fully explained 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit on the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2014 and of its profit for the year 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.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

*Baker Tilly UK Audit LLP*

ANNE LAKIN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

*2 December* 2014

# Stoke City Football Club Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2014

	Note	Operations excluding player trading £000	2014 Player trading (note 5) £000	Total £000	2013 £000
TURNOVER – CONTINUING OPERATIONS	1	98,318	-	98,318	66,516
Operating expenses		(75,333)	(18,048)	(93,381)	(97,825)
OPERATING PROFIT/(LOSS) – CONTINUING OPERATIONS		22,985	(18,048)	4,937	(31,309)
(Loss)/profit on disposal of players' registrations	5	-	(1,174)	(1,174)	166
Loss on disposal of fixed assets		(2)	-	(2)	(1)
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		22,983	(19,222)	3,761	(31,144)
Interest receivable and similar income	2	25	-	25	25
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1-4	23,008	(19,222)	3,786	(31,119)
Taxation	6	-	-	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		23,008	(19,222)	3,786	(31,119)

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Stoke City Football Club Limited

## BALANCE SHEET

At 31 May 2014

	Note	2014 £000	2013 £000
<b>FIXED ASSETS</b>			
Intangible assets	7	21,322	31,342
Tangible assets	8	573	626
		<b>21,895</b>	<b>31,968</b>
<b>CURRENT ASSETS</b>			
Stocks	9	164	302
Debtors (due after more than one year: £12,708,000 (2013: £11,582,000))	10	21,701	19,670
Cash at bank and in hand		19,528	6,519
		<b>41,393</b>	<b>26,491</b>
<b>CREDITORS: Amounts falling due within one year</b>	11	<b>(88,244)</b>	<b>(84,155)</b>
<b>NET CURRENT LIABILITIES</b>		<b>(46,851)</b>	<b>(57,664)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(24,956)</b>	<b>(25,696)</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	<b>(3,089)</b>	<b>(6,220)</b>
<b>PROVISIONS FOR LIABILITIES</b>	15	<b>(367)</b>	<b>(282)</b>
<b>NET LIABILITIES</b>		<b>(28,412)</b>	<b>(32,198)</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	35,842	35,842
Share premium account	17	579	579
Profit and loss reserve	17	(64,833)	(68,619)
<b>SHAREHOLDERS' DEFICIT</b>		<b>(28,412)</b>	<b>(32,198)</b>
<b>EQUITY SHAREHOLDER DEFICIT</b>		<b>(28,413)</b>	<b>(32,199)</b>
<b>NON-EQUITY SHAREHOLDER FUNDS</b>	16	<b>1</b>	<b>1</b>
		<b>(28,412)</b>	<b>(32,198)</b>

The financial statements on pages 8 to 26 were approved by the board of directors and authorised for issue on ~~21st November~~ 2014 and are signed on its behalf by:

P Coates  
Director



Company Registration No.00099885

# Stoke City Football Club Limited

## CASH FLOW STATEMENT for the year ended 31 May 2014

	Note	2014	2013
		£000	£000
RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Operating profit/(loss)		4,937	(31,309)
Amortisation/impairment of intangible assets	18,048		26,011
Depreciation of tangible assets	318		296
Grants released	(53)		(53)
Decrease in stocks	138		121
(Increase)/decrease in debtors	(2,031)		2,999
(Decrease)/increase in creditors	(13,989)		4,808
Increase/(decrease) in provisions	85		(23)
		<u>2,516</u>	<u>34,159</u>
CASH FLOW FROM OPERATING ACTIVITIES		<u>7,453</u>	<u>2,850</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	25		25
NET CASH INFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>25</u>	<u>25</u>
CAPITAL EXPENDITURE			
Purchase of intangible fixed assets	(9,447)		(24,963)
Sale of intangible fixed assets	245		750
Purchase of tangible fixed assets	(319)		(125)
Sale of tangible fixed assets	52		21
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE		<u>(9,469)</u>	<u>(24,317)</u>
FINANCING			
Repayment of bank loans	-		(31)
New loans issued from fellow group company	15,000		18,000
NET CASH INFLOW FOR FINANCING		<u>15,000</u>	<u>17,969</u>
INCREASE/(DECREASE) IN CASH IN YEAR	13	<u><u>13,009</u></u>	<u><u>(3,473)</u></u>

# Stoke City Football Club Limited

## CASH FLOW STATEMENT

for the year ended 31 May 2014

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### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2014 £000	2013 £000
INCREASE/(DECREASE) IN CASH IN THE YEAR		13,009	(3,473)
Cash outflow from decrease in debt financing		-	31
Cash inflow from fellow subsidiary		(15,000)	(18,000)
MOVEMENT IN NET DEBT IN THE YEAR		(1,991)	(21,442)
NET DEBT AT START OF YEAR		(35,857)	(14,415)
NET DEBT AT END OF YEAR	13	(37,848)	(35,857)

# Stoke City Football Club Limited

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

For the year ended 31 May 2014

	2014 £000	2013 £000
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	3,786	(31,119)
NET DECREASE/(INCREASE) IN SHAREHOLDERS' DEFICIT	3,786	(31,119)
Opening shareholders' deficit	(32,198)	(1,079)
CLOSING SHAREHOLDERS' DEFICIT	(28,412)	(32,198)

# Stoke City Football Club Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements have been prepared on a going concern basis. bet365 Group Limited and Stoke City Holdings Limited have agreed to continue to support the Company's funding requirements to enable the Company to meet its obligations as they fall due for 12 months from the date of signing these financial statements. As a result of this undertaking, the directors consider it appropriate to prepare the financial statements on a going concern basis.

### INTANGIBLE FIXED ASSETS

The third party costs associated with the acquisition of players' registrations and coaching staff are capitalised and amortised on a straight line basis over the period of their respective contracts. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when it is probable such an event will occur. Provision for impairment is made when it becomes clear that any diminution in value is permanent. In accordance with Financial Reporting Standard 10 "Goodwill and Intangible assets", no amounts are included for players developed within the Club.

### TANGIBLE FIXED ASSETS

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

Short leasehold land and buildings	-	6.7 - 20% per annum straight line
Plant and equipment	-	8-33% per annum straight line
Motor vehicles	-	25% per annum straight line

### LEASED ASSETS

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

### SIGNING ON FEES AND LOYALTY BONUSES

The board consider that signing on fees represent a normal part of the employment cost of the player and as such should be charged to the profit and loss account over the period of the player's contract as the instalment payments are made, except in the circumstances of a player disposal. In that case any remaining signing on fees due are allocated in full against profit on disposal of players' registrations in the year in which the player disposal is made.

### STOCKS

Stocks are valued at the lower of cost and net realisable value.

### DEFERRED INCOME

Deferred income consists of season tickets, sponsorship and other elements of income which have been received prior to the year end in respect of future football seasons. Deferred income is released to the profit and loss account over the periods to which the income relates.

# Stoke City Football Club Limited

## ACCOUNTING POLICIES

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### GRANTS

Grants received from the Football Trust in respect of the original building costs of the Britannia Stadium, the freehold of which is fully owned by a fellow subsidiary Company, Stoke City (Property) Limited, are treated as deferred income and released to the profit and loss account over the useful economic life of the Stadium.

Grants received from The Football Trust and other awarding bodies in respect of other capital expenditure are treated as deferred income and released to profit and loss account over the expected useful lives of the related assets.

Grants received in respect of revenue expenditure and financial support are recognised in the profit and loss account in the year in which the relevant expenditure is incurred.

### DEFERRED TAXATION

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

The directors consider the recoverability of any deferred tax asset before establishing the asset in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### RETIREMENT BENEFITS

Certain employees of the Club participate in the Football League Limited Pension and Life Assurance Scheme and the Football League Limited Players' Benefit Scheme. Both schemes are defined benefit schemes co-sponsored by the FA Premier League and the Football League. The Club makes contributions to the schemes in accordance with the recommendations of the actuaries to the schemes.

As the Club is one of a number of participating employers in the schemes, it is not possible to allocate that part of any actuarial rights or deficit owing to the Club's employees. Consequently, contributions are charged to the profit and loss account as they become payable. The differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Contributions are also paid to individuals' money purchase pension schemes. The contributions are charged to the profit and loss account in the year in which they become payable. The assets of all the pension schemes are held separately from those of the Club in independently administered funds.

### FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.



# Stoke City Football Club Limited

## ACCOUNTING POLICIES

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### TURNOVER

Turnover, exclusive of value added tax, comprises net match receipts and other income arising from the Club's activities. Revenue is recognised when substantially all of the obligations under a sales contract have been fulfilled. Revenue received from the Premier League is recognised in full in the financial statements in the relevant season. This is in accordance with the Premier League guidelines on income recognition. Performance related awards are not recognised until achieved by the Club, as the income cannot be assumed with certainty.

### CASH

Cash for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand.

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

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### 1 SEGMENTAL REPORT

Turnover, all of which arises from the Company's principal activity and derived solely from the United Kingdom, can be analysed into its main components as follows:

	2014 £000	2013 £000
Gate receipts	7,731	7,450
Sponsorship and advertising	7,727	6,171
Television and media	76,179	46,240
Conferencing and hospitality	3,361	3,240
Other operating income	1,266	1,297
Retail and merchandising	2,054	2,118
	<hr/>	<hr/>
	98,318	66,516
	<hr/>	<hr/>

The Company's activities are managed as one business and as such, the operating expenses are not separately identifiable to any particular segment. As a result, no segmental analysis of operating performance or net liabilities is provided.

### 2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Bank interest	25	25
	<hr/>	<hr/>

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

### 3 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
Owned assets	318	296
Amortisation of intangible fixed assets	16,314	22,188
Impairment of player registrations	1,734	3,823
Grants released	(53)	(53)
Operating lease rentals:		
Land and buildings	801	812
Exchange gains	259	75
Loss on disposal of fixed assets	2	1
	<u>          </u>	<u>          </u>
Audit services:		
Statutory audit	17	17
Audit-related assurance services	7	10
Tax services:		
Compliance services	2	2
Advisory services	16	29
	<u>          </u>	<u>          </u>
	42	58
	<u>          </u>	<u>          </u>

Included in operating expenses is an exceptional cost of £nil (2013: £2.85m) consisting of contractual payments and compensation in relation to the changes in the first team management structure.

### 4 EMPLOYEES

	2014 Number	2013 Number
The average monthly number of persons (including directors) employed by the Company during the year was:		
Full time playing staff and scholars	69	66
Other	195	185
	<u>          </u>	<u>          </u>
	264	251
	<u>          </u>	<u>          </u>

In addition to the above the Company employed an average of 54 (2013: 55) match-day staff during the year.

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

### 4 EMPLOYEES (continued)

	2014 £000	2013 £000
Staff costs for the above persons:		
Wages and salaries	53,191	52,479
Social security costs	7,247	7,338
Other pension costs	119	493
	<u>60,557</u>	<u>60,310</u>

DIRECTORS' REMUNERATION AND HIGHEST PAID DIRECTOR	2014 £000	2013 £000
Emoluments	728	603
Pension fund contributions	45	39
	<u>773</u>	<u>642</u>

The number of directors to whom relevant benefits are accruing under money purchase pension schemes was 1 (2013: 1).

### 5 PLAYER TRADING

	2014 £000	2013 £000
Amortisation and impairment of intangible fixed assets	(18,048)	(26,011)
Loss on disposal of players' registrations	(1,174)	166
	<u>(19,222)</u>	<u>(25,845)</u>

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

### 6 TAXATION

	2014		2013	
	£000	£000	£000	£000
Current tax:				
UK corporation tax on profits/(losses) for the year	-		-	
Total current tax		-		-
Deferred tax:				
Origination and reversal of timing differences	-		-	
Total deferred tax		-		-
Tax on profit/(loss) on ordinary activities		-		-
Factors affecting tax charge for the year:			2014	2013
			£000	£000
The tax assessed for the year is lower (2013: higher) than the average standard rate of corporation tax in the UK 22.7% (2013: 23.8%). The differences are explained below:				
Profit/(loss) on ordinary activities before taxation			3,786	(31,119)
Profit/(loss) on ordinary activities multiplied by the average standard rate of corporation tax in the UK 22.7% (2013: 23.8%)			859	(7,406)
<i>Effects of:</i>				
Expenses not deductible for tax purposes			29	34
Fixed asset timing differences			(1)	(1)
Movement in short term timing differences			(25)	(787)
Group relief			-	8,256
Non taxable income			(12)	(69)
Tax losses utilised			(779)	-
Transfer pricing			(71)	(27)
Current tax charge for the year			-	-

#### *Factors that may affect the future tax charge:*

Deferred tax assets of £1.0m (2013: £2.0m) relating to tax losses and £0.12m (2013: £0.13m) relating to fixed asset timing differences and £0.07m (2013: £0.11m) relating to other timing differences have not been recognised as a result of uncertainty over future levels of profitability.

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

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### 7 INTANGIBLE FIXED ASSETS

	Players registrations £000
<i>Cost</i>	
At beginning of year	91,036
Additions	10,447
Disposals	(13,962)
	<hr/>
At end of year	87,521
	<hr/>
<i>Amortisation</i>	
At beginning of year	59,694
Amortisation	16,314
Impairment	1,734
Disposals	(11,543)
	<hr/>
At end of year	66,199
	<hr/>
<i>Net book value</i>	
<b>At 31 May 2014</b>	<b>21,322</b>
	<hr/> <hr/>
At 31 May 2013	31,342
	<hr/> <hr/>

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

### 8 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £000	Plant, equipment and motor vehicles £000	Total  £000
<i>Cost</i>			
At beginning of year	934	1,500	2,434
Additions	-	319	319
Disposals	-	(124)	(124)
At end of year	934	1,695	2,629
<i>Depreciation</i>			
At beginning of year	685	1,123	1,808
Charge for year	73	245	318
On disposals	-	(70)	(70)
At end of year	758	1,298	2,056
<i>Net book value</i>			
<b>At 31 May 2014</b>	<b>176</b>	<b>397</b>	<b>573</b>
At 31 May 2013	249	377	626

### 9 STOCKS

	2014 £000	2013 £000
Goods for resale	164	302

### 10 DEBTORS

	2014 £000	2013 £000
<i>Due within one year:</i>		
Trade debtors	1,750	2,655
Other debtors	80	365
Prepayments and accrued income	7,163	5,068
	8,993	8,088
<i>Due in more than one year:</i>		
Amounts owed by group undertakings	12,708	11,582
	21,701	19,670

**Stoke City Football Club Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 May 2014

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11 CREDITORS: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	7,712	15,689
Amounts owed to group undertakings	57,376	42,376
Other taxation and social security costs	6,372	4,688
Other creditors	23	21
Accruals and deferred income	16,761	21,381
	<u>88,244</u>	<u>84,155</u>

12 CREDITORS: Amounts falling due after more than one year

	2014 £000	2013 £000
Trade creditors	1,239	4,317
Accruals and deferred income	1,849	1,902
Preference shares of £1 each (see note 16)	1	1
	<u>3,089</u>	<u>6,220</u>

13 ANALYSIS OF DEBT

	At 1 June 2013 £000	Cash flow £000	At 31 May 2014 £000
Cash in hand and at bank	6,519	13,009	19,528
Debt due within one year: Intercompany loan	(42,376)	(15,000)	(57,376)
Total	<u>(35,857)</u>	<u>(1,991)</u>	<u>(37,848)</u>



# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

### 14 DEFERRED GRANTS

Included within accruals and deferred income are deferred grants relating to capital expenditure, revenue expenditure and financial support as follows:

	2014 £000	2013 £000
Balance at beginning of year	1,955	2,008
Released to profit and loss account	(53)	(53)
	<hr/>	<hr/>
Balance at end of year	1,902	1,955
	<hr/>	<hr/>
<i>Accruals and deferred income: Deferred grants</i>		
Creditors: Amounts falling due within one year	53	53
Creditors: Amounts falling due after more than one year	1,849	1,902
	<hr/>	<hr/>
	1,902	1,955
	<hr/>	<hr/>

### 15 PROVISIONS FOR LIABILITIES

	Pension obligations £000
Balance at beginning of year	282
Paid in the year	(27)
Increase in liability	112
	<hr/>
Balance at end of year	367
	<hr/>

Certain staff of the Company are members of either the Football League Limited Retirement Income Scheme, a defined benefit scheme, or the Football League Limited Pension and Life Assurance Scheme ("FLLPLAS"), a defined benefit scheme. As the Company is one of a number of participating employers in the FLLPLAS, it is not possible to allocate any actuarial surplus or deficit on a meaningful basis and consequently contributions are expensed to the profit and loss account as they become payable. The assets of the scheme are held separately from those of the Company, being invested with insurance companies. Under the provisions of FRS 17 the scheme is treated as a defined benefit multi employer scheme.

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 May 2014

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#### 15 PROVISIONS FOR LIABILITIES (continued)

The scheme's actuary has advised that the participating employer's share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly, no disclosures are made under the provisions of FRS 17. At 31 August 2011, an MFR deficit was identified in the scheme, of which a proportion was allocated to Stoke City Football Club Limited. Contributions have continued to be paid during the year, as advised by the actuary, resulting in a provision relating to the Club's share of the MFR deficit of £367,000 at the year end (2013: £282,000). The Company expects to make contributions of £138,000 in the next accounting period.

In addition to the above the Company also contributes to a defined contribution scheme and makes contributions to employees' personal pension plan.

Contributions to all pension schemes totalling £119,000 (2013: £493,000) were paid to the various schemes in the year. At the year end £nil (2013: £195,000) relating to unpaid contributions were included in accruals and deferred income.

#### 16 SHARE CAPITAL

	2014 £000	2013 £000
<i>Allotted and called up:</i>		
35,690,321 Ordinary shares of £1 each	35,690	35,690
64,000 Ordinary I shares of £1 each	64	64
88 023 Ordinary Y shares of £1 each	88	88
1 Ordinary W shares of £1 each	-	-
	<hr/>	<hr/>
Equity shareholders	35,842	35,842
	<hr/>	<hr/>
Non-Equity: 5.25% Cumulative preference shares of £1 each	1	1
Cumulative preference A shares of £1 each	-	-
Cumulative preference B shares of £1 each	-	-
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

The I, Y and W ordinary shares attach various voting rights, in all other respects the shares rank *pari passu*.

**Stoke City Football Club Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 May 2014**

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17 RESERVES

	Share premium reserve £000	Profit and loss reserve £000	Total  £000
Balance at beginning of year	579	(68,619)	(68,040)
Profit for the financial year	-	3,786	3,786
	<hr/>	<hr/>	<hr/>
<b>Balance at end of year</b>	<b>579</b>	<b>(64,833)</b>	<b>(64,254)</b>
	<hr/>	<hr/>	<hr/>

18 COMMITMENTS UNDER OPERATING LEASES

At 31 May the Company was committed to making the following payments during the next year under non-cancellable operating leases as follows:

	2014 Land and buildings £000	2013 Land and buildings £000
Expiring in five years or more	801	812
	<hr/>	<hr/>

19 CONTINGENT LIABILITIES

*Ground safety grants*

When a facility which has attracted a grant ceases to be used or is sold, The Football Trust reserves the right to call for repayment of all or a proportion of any grant made.

*Contract Conditions*

In accordance with the Company's accounting policies for transfer fees linked to player contracts and other contracts in place, any additional fees are accounted for under these agreements in the year that it becomes probable that the condition is fulfilled.

Additional fees under these contracts that may therefore be payable if certain conditions are met in the future, have been estimated by the directors at the year end date as a liability of £5,851,000 (2013: £2,723,000).

# Stoke City Football Club Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

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### 20 RELATED PARTY TRANSACTIONS

During the financial year the Company had the following transactions with related parties as defined by Financial Reporting Standard 8:

<i>Name of related party</i>	<i>Description of relationship</i>	<i>Description of transactions</i>	<i>2014</i>		<i>2013</i>	
			<i>Aggregate value for financial year</i>	<i>Net amount owed to / (by) the company</i>	<i>Aggregate value for financial year</i>	<i>Net amount owed to / (by) the company</i>
			<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Hillside (New Media) Holdings Limited group	Fellow subsidiary	Sponsorship Sales and recharges	2,000 30	-	2,000 24	-
Stoke City (Property) Limited	Fellow subsidiary	Rent and facilities recharge	(4,253)	12,708	(4,462)	11,582
		Funding	5,380		5,469	
Stoke City Holdings Limited	Holding company	Loans	(15,000)	(57,376)	(18,000)	(42,376)
ABM Catering Limited	Common ownership	Sales and recharges Purchases	550 (967)	(95)	485 (862)	(114)

The above transactions were entered into at arm's length and with normal terms and conditions except no interest is charged on the intergroup balances.

### 21 ULTIMATE PARENT COMPANY AND CONTROLLING INTEREST

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

The largest and smallest 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 this Group are available to the public and may be obtained from:

Registrar of Companies  
Crown Way  
CARDIFF  
CF14 3UZ