

Stoke City Football Club Limited

REPORT AND FINANCIAL STATEMENTS

31 May 2013



Company Registration No 00099885

Stoke City Football Club Limited

CONTENTS

OFFICERS AND PROFESSIONAL ADVISORS	1
DIRECTORS' REPORT	2
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	5
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE CITY FOOTBALL CLUB LIMITED	6
PROFIT AND LOSS ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT	11
ACCOUNTING POLICIES	12
NOTES TO THE FINANCIAL STATEMENTS	15

Stoke City Football Club Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

P Coates - Chairman

P Rawlins (resigned 17 December 2013)

K Humphreys

A Scholes

R Smith

CHIEF EXECUTIVE

A Scholes

SECRETARY

M Goodman

MANAGER

A Pulis

M Hughes (appointed 1 June 2013)

REGISTERED OFFICE

Britannia Stadium

Stanley Matthews Way

Stoke-on-Trent

Staffordshire

ST4 4EG

AUDITORS

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

DIRECTORS' REPORT

The directors submit their report and the financial statements of Stoke City Football Club Limited for the year ended 31 May 2013

PRINCIPAL ACTIVITIES

The principal activity is that of a professional football club

RESULTS AND DIVIDENDS

The loss for the year amounted to £31,119,000 (2012 loss £9,529,000) The directors do not recommend the payment of preference or ordinary share dividends (2012 £nil)

BUSINESS REVIEW

The year ended 31st May 2013 represented the fifth season of Premier League football at the Britannia Stadium, with the 13th place finish ensuring the club plays a sixth consecutive year in the top league, during the 2013-14 season

	2013	2012
Average League Attendance (000's)	26,922	27,216
Final league position	13th	14th
	£000's	£000's
Turnover	66,516	70,734
Operating expenses	97,825	82,338
Loss before player trading/fixed asset disposals	(31,309)	(11,604)
Player trading/disposal of fixed assets	165	1,948
Loss before interest and tax	(31,144)	(9,656)

The major reason for the 6% fall in turnover is due to the club participating in the Europa League during 2012

Operating expenses grew by £15.5m, including year on year increases in amortisation/impairment of player registrations totalling £8.6m, and an increase in staff costs of £7.1m

The Club has continued to invest in the squad in the year spending £24.9m (2012 £24.8m) which has primarily been funded by the investment of £18m by the owners

Whilst net liabilities increased to £32.2m (2012 £1.1m) 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

DIRECTORS' REPORT

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 collected by direct debit. 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 chased as appropriate by the Club.

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.

DIRECTORS

The following directors have held office since 1 June 2012

P Coates – Chairman

P Rawlins (resigned 17 December 2013)

K Humphreys

A Scholes

R Smith

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are 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

AUDITORS

Baker Tilly UK Audit LLP, Chartered Accountants, were appointed auditors 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

24th February 2014

Stoke City Football Club Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 7 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 5, 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/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 and of its loss 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 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

25 February 2014

Stoke City Football Club Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2013

	Note	Operations excluding player trading £000	2013 Player trading (note 6) £000	Total £000	2012 £000
TURNOVER – CONTINUING OPERATIONS	1	66,516	-	66,516	70,734
Operating expenses		(71,814)	(26,011)	(97,825)	(82,338)
OPERATING LOSS – CONTINUING OPERATIONS		(5,298)	(26,011)	(31,309)	(11,604)
Profit on disposal of players' registrations	6	-	166	166	1,971
Loss on disposal of fixed assets		(1)	-	(1)	(23)
LOSS BEFORE INTEREST AND TAXATION		(5,299)	(25,845)	(31,144)	(9,656)
Interest receivable and similar income	2	25	-	25	129
Interest payable and similar charges	3	-	-	-	(2)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1-6	(5,274)	(25,845)	(31,119)	(9,529)
Taxation	7	-	-	-	-
LOSS FOR THE FINANCIAL YEAR		(5,274)	(25,845)	(31,119)	(9,529)

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

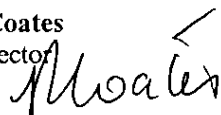
BALANCE SHEET

At 31 May 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Intangible assets	8	31,342	32,974
Tangible assets	9	626	819
		31,968	33,793
CURRENT ASSETS			
Stocks	10	302	423
Debtors (due after more than one year £11,582,000 (2012 £10,575,000))	11	19,670	22,669
Cash at bank and in hand		6,519	9,992
		26,491	33,084
CREDITORS Amounts falling due within one year	12	(84,155)	(58,362)
NET CURRENT LIABILITIES		(57,664)	(25,278)
TOTAL ASSETS LESS CURRENT LIABILITIES		(25,696)	8,515
CREDITORS Amounts falling due after more than one year	13	(6,220)	(9,289)
PROVISIONS FOR LIABILITIES	16	(282)	(305)
NET LIABILITIES		(32,198)	(1,079)
CAPITAL AND RESERVES			
Called up share capital	17	35,842	35,842
Share premium account	18	579	579
Profit and loss reserve	18	(68,619)	(37,500)
SHAREHOLDERS' DEFICIT		(32,198)	(1,079)
EQUITY SHAREHOLDER DEFICIT		(32,199)	(1,080)
NON-EQUITY SHAREHOLDER FUNDS		1	1
		(32,198)	(1,079)

The financial statements on pages 7 to 26 were approved by the board of directors and authorised for issue on 24th February 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 2013

	Note	2013	2012
		£000	£000
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Operating loss		(31,309)	(11,604)
Amortisation/impairment of intangible assets	26,011		17,387
Depreciation of tangible assets	296		306
Grants released	(53)		(53)
Decrease in stocks	121		336
Decrease/(increase) in debtors	2,999		(2,942)
Increase in creditors	4,808		5,319
(Decrease)/increase in provisions	(23)		190
		34,159	20,543
CASH FLOW FROM OPERATING ACTIVITIES		2,850	8,939
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	25		24
Interest paid	-		(2)
NET CASH INFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		25	22
CAPITAL EXPENDITURE			
Purchase of intangible fixed assets	(24,963)		(24,821)
Sale of intangible fixed assets	750		2,035
Sale of tangible fixed assets	21		16
Purchase of tangible fixed assets	(125)		(267)
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE		(24,317)	(23,037)
FINANCING			
Repayment of bank loans	(31)		(73)
New loans issued from fellow group company	18,000		7,000
NET CASH INFLOW FOR FINANCING		17,969	6,927
DECREASE IN CASH IN YEAR	14	(3,473)	(7,149)

Stoke City Football Club Limited

CASH FLOW STATEMENT

for the year ended 31 May 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2013 £000	2012 £000
DECREASE IN CASH IN THE YEAR		(3,473)	(7,149)
Cash outflow from decrease in debt financing		31	73
Cash inflow from fellow subsidiary		(18,000)	(7,000)
		<hr/>	<hr/>
MOVEMENT IN NET DEBT IN THE YEAR		(21,442)	(14,076)
NET DEBT AT START OF YEAR		(14,415)	(339)
		<hr/>	<hr/>
NET DEBT AT END OF YEAR	14	(35,857)	(14,415)
		<hr/>	<hr/>

Stoke City Football Club Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

For the year ended 31 May 2013

	2013 £000	2012 £000
LOSS FOR THE FINANCIAL YEAR	(31,119)	(9,529)
NET INCREASE IN SHAREHOLDERS' DEFICIT	(31,119)	(9,529)
Opening shareholders' (deficit)/funds	(1,079)	8,450
CLOSING SHAREHOLDERS' DEFICIT	(32,198)	(1,079)

Stoke City Football Club Limited

ACCOUNTING POLICIES

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

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 losses 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 of the 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

EMPLOYEE REMUNERATION

The Company has entered into certain agreements with employees linked to the Club retaining its Premier League status and recognises the cost of the services provided and liability generated over the period which the employees' services will be rendered

Stoke City Football Club Limited

ACCOUNTING POLICIES

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.

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 2013

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

	2013 £000	2012 £000
Gate receipts	7,450	7,979
Sponsorship and advertising	6,171	6,019
Europa league income	-	4,523
Television and media	46,240	45,612
Conferencing and hospitality	3,240	3,464
Other operating income	1,297	607
Retail and merchandising	2,118	2,530
	<u>66,516</u>	<u>70,734</u>

The Company activities are managed by 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

	2013 £000	2012 £000
Bank interest	25	24
Other interest	-	105
	<u>25</u>	<u>129</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
On bank loans and overdrafts	-	2
	<u>-</u>	<u>2</u>

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2013

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013	2012
	£000	£000
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	296	306
Amortisation of intangible fixed assets	22,188	17,387
Impairment of player registrations	3,823	-
Grants released	(53)	(53)
Operating lease rentals		
Land and buildings	812	525
Exchange losses	75	-
Loss on disposal of fixed assets	1	-
	<hr/>	<hr/>
Audit services		
Statutory audit	17	16
Audit-related assurance services	10	7
Tax services		
Compliance services	2	2
Advisory services	29	20
	<hr/>	<hr/>
	58	45
	<hr/>	<hr/>

Included in operating expenses is an exceptional cost of £2.85m (2012: £nil) consisting of contractual payments and compensation in relation to the changes in the first team management structure.

5 EMPLOYEES

	2013	2012
	Number	Number
The average monthly number of persons (including directors) employed by the Company during the year was		
Full time playing staff and scholars	66	54
Other	185	181
	<hr/>	<hr/>
	251	235
	<hr/>	<hr/>

In addition to the above the Company employed an average of 55 (2012: 125) match-day staff during the year.

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

5 EMPLOYEES (continued)

	2013 £000	2012 £000
Staff costs for the above persons		
Wages and salaries	52,479	45,894
Social security costs	7,338	6,314
Other pension costs	493	1,015
	<u>60,310</u>	<u>53,223</u>

DIRECTORS' REMUNERATION AND HIGHEST PAID DIRECTOR

	2013 £000	2012 £000
Emoluments	603	487
Pension fund contributions	39	30
	<u>642</u>	<u>517</u>

The number of directors to whom relevant benefits are accruing under money purchase pension schemes was 1 (2012: 1)

6 PLAYER TRADING

	2013 £000	2012 £000
Amortisation and impairment of intangible fixed assets	(26,011)	(17,387)
Profit on disposal of players' registrations	166	1,971
	<u>(25,845)</u>	<u>(15,416)</u>

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

7 TAXATION

	2013		2012	
	£000	£000	£000	£000
Current tax				
UK corporation tax on losses for the year	-		-	
	<u> </u>		<u> </u>	
Total current tax		-		-
Deferred tax				
Origination and reversal of timing differences	-		-	
	<u> </u>		<u> </u>	
Total deferred tax		-		-
		<u> </u>		<u> </u>
Tax on loss on ordinary activities		-		-
		<u> </u>		<u> </u>

Factors affecting tax charge for the year	2013	2012
	£000	£000

The tax assessed for the year is higher (2012 higher) than the average standard rate of corporation tax in the UK 23.8% (2012 27.7%). The differences are explained below

Loss on ordinary activities before taxation	(31,119)	(9,529)
	<u> </u>	<u> </u>
Loss on ordinary activities multiplied by the average standard rate of corporation tax in the UK 23.8% (2012 27.7%)	(7,406)	(2,637)
<i>Effects of</i>		
Expenses not deductible for tax purposes	34	22
Fixed asset timing differences	(1)	(2)
Movement in short term timing differences	(787)	(84)
Group relief	8,256	2,783
Non taxable income	(69)	(82)
Transfer pricing	(27)	-
	<u> </u>	<u> </u>
Current tax charge for the year	-	-
	<u> </u>	<u> </u>

Factors that may affect the future tax charge

Deferred tax assets of £2.0m (2012 £2.1m) relating to tax losses and £0.13m (2012 £0.13m) relating to fixed asset timing differences and £0.11m (2012 £0.91m) 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 2013

8 INTANGIBLE FIXED ASSETS

	Players registrations £000
<i>Cost</i>	
At beginning of year	85,919
Additions	24,963
Disposals	(19,846)
	<hr/>
At end of year	91,036
	<hr/>
<i>Amortisation</i>	
At beginning of year	52,945
Amortisation	22,188
Impairment	3,823
Disposals	(19,262)
	<hr/>
At end of year	59,694
	<hr/>
<i>Net book value</i>	
At 31 May 2013	31,342
	<hr/>
At 31 May 2012	32,974
	<hr/>

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2013

9 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	1,419	2,353
Additions	-	125	125
Disposals	-	(44)	(44)
At end of year	934	1,500	2,434
<i>Depreciation</i>			
At beginning of year	611	923	1,534
Charge for year	74	222	296
On disposals	-	(22)	(22)
At end of year	685	1,123	1,808
<i>Net book value</i>			
At 31 May 2013	249	377	626
At 31 May 2012	323	496	819

10 STOCKS

	2013 £000	2012 £000
Goods for resale	302	423

11 DEBTORS

	2013 £000	2012 £000
<i>Due within one year</i>		
Trade debtors	2,655	4,417
Other debtors	365	2,206
Prepayments and accrued income	5,068	5,471
	8,088	12,094
<i>Due in more than one year</i>		
Amounts owed by group undertakings	11,582	10,575
	19,670	22,669

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

12 CREDITORS Amounts falling due within one year

	2013 £000	2012 £000
Bank loans	-	31
Trade creditors	15,689	9,363
Amounts owed to group undertakings	42,376	24,376
Other taxation and social security costs	4,688	7,658
Other creditors	21	18
Accruals and deferred income	21,381	16,916
	<u>84,155</u>	<u>58,362</u>

Interest was charged on the bank loan at 2% per annum above LIBOR.

13 CREDITORS Amounts falling due after more than one year

	2013 £000	2012 £000
Trade creditors	4,317	7,334
Accruals and deferred income	1,902	1,954
Preference shares of £1 each (see note 17)	1	1
	<u>6,220</u>	<u>9,289</u>

14 ANALYSIS OF DEBT

	At 1 June 2012 £000	Cash flow £000	At 31 May 2013 £000
Cash in hand and at bank	9,992	(3,473)	6,519
		<u>(3,473)</u>	
Debt due within one year	(31)	31	-
Intercompany loan	(24,376)	(18,000)	(42,376)
	<u>(24,407)</u>	<u>(17,969)</u>	<u>(42,376)</u>
Total	<u>(14,415)</u>	<u>21,442</u>	<u>(35,857)</u>

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

15 DEFERRED GRANTS

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

	2013 £000	2012 £000
Balance at beginning of year	2,008	2,061
Released to profit and loss account	(53)	(53)
Balance at end of year	1,955	2,008
<i>Accruals and deferred income</i>		
<i>Deferred grants</i>		
Creditors Amounts falling due within one year	53	54
Creditors Amounts falling due after more than one year	1,902	1,954
	1,955	2,008

16 PROVISIONS FOR LIABILITIES

	Pension obligations £000
Balance at beginning of year	305
Paid in the year	(23)
Balance at end of year	282

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 2013

16 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 £282,000 at the year end (2012 £305,000). The Company expects to make contributions of £26,000 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 £493,000 (2012 £1,015,000) were paid to the various schemes in the year. At the year end £195,000 (2012 £1,168,000) relating to unpaid contributions were included in accruals and deferred income.

17 SHARE CAPITAL

	2013 £000	2012 £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/>
	35,843	35,843
	<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 2013

18 RESERVES

	Share premium reserve £000	Profit and loss reserve £000	Total £000
Balance at beginning of year	579	(37,500)	(36,921)
Loss for the financial year	-	(31,119)	(31,119)
Balance at end of year	579	(68,619)	(68,040)

19 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

	2013 Land and buildings £000	2012 Land and buildings £000
Expiring in five years or more	812	485

20 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

Collateral security

The Company has a Standard Mortgage Debenture incorporating a fixed and floating charge over the assets of the Company incorporating

- A first legal charge held over the leasehold interest in the Britannia Stadium dated 31 December 1998
- A first legal charge held over the leasehold interest in the Indoor Training Facility dated 20 February 2003

Deed of priority is held with four parties with an origination date of 31 December 1998

Deed of subordination is held with three parties with an origination date of 31 December 1998

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

20 CONTINGENT LIABILITIES (continued)

Player transfers

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

Additional transfer fees that may therefore be payable if certain conditions in transfer of player contracts are met in the future, have been estimated by the directors at the year end date as a liability of £2,723,000 (2012 £2,249,000)

21 RELATED PARTY TRANSACTIONS

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

Name of related party	Description of relationship	Description of transactions	2013		2012	
			Aggregate value for financial year	Net amount owed to / (by) the company	Aggregate value for financial year	Net amount owed to / (by) the company
			£000	£000	£000	£000
Hillside (New Media) Holdings Limited group	Fellow subsidiary	Sponsorship Sales and recharges	2,000 24	- -	- 28	- -
Stoke City (Property) Limited	Fellow subsidiary	Rent and facilities recharge	(4,462)	11,582	(3,783)	10,575
		Funding	5,469		5,890	-
Stoke City Holdings Limited	Holding company	Loans	(18,000)	(42,376)	(7,000)	(24,376)
ABM Catering Limited	Common ownership	Sales and recharges Purchases	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

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2013

22 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