

Stoke City Football Club Limited

REPORT AND FINANCIAL STATEMENTS

31 May 2022



Company Registration No. 00099885

Stoke City Football Club Limited

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Stoke City Football Club Limited

DIRECTORS AND ADVISOR

DIRECTORS

JF Coates – Joint Chairman
P Coates – Joint Chairman
RK Smith – Vice Chairman

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

Stoke City Football Club Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Stoke City Football Club Limited ("the Club" or "the Company") for the year ended 31 May 2022.

BUSINESS/FINANCIAL REVIEW

The Club, once again, competed in the English Football League ("EFL") Championship in season 2021/22. The Company's Key Performance Indicators are summarised in the table below:-

	Championship 2022	Championship 2021
Average league attendance (All games played behind closed doors season 2020/21)	20,921	-
Final league position	14 th	14 th
	£000's	£000's
Turnover	31,167	40,284
Operating expenses	(60,262)	(86,223)
Other operating income	-	2,500
Operating loss before player registration/fixed asset disposals	(29,095)	(43,439)
Profit on disposal of player registrations	10,936	895
Profit on disposal of fixed assets	80	29
Loss before interest, intercompany loan waiver and tax	(18,079)	(42,515)

The Company's turnover shown above is derived principally from gate revenue and central distributions from the EFL, as further demonstrated within note 2 of the accounts. Having played the entire 2020/21 season behind closed doors due to Covid-19 restrictions being in place, the directors were pleased to welcome crowds back to the bet365 Stadium from the start of the 2021/22 season.

Investment in the playing squad during the year continued with £5.9m (2021: £5.1m) spent in the year which included the purchase of Ben Wilmot supplemented by a number of players joining on free transfers and loans from other clubs. The Club's plans in the player transfer market continue to be restricted to ensure its continued compliance with the EFL's Profitability and Sustainability regulations.

During the year ended 31 May 2022, there was an amortisation charge on player registrations of £5.7m. Following an assessment by the directors for impairment in value in accordance with the Club's accounting policy, an additional charge of £0.7m was made to the Statement of Total Income and Retained Earnings. The resulting net book value of player registrations, after disposals of player registrations was £6.5m.

Net liabilities have decreased to £92.4m (2021: £194.7m) at 31 May 2022 as a result of £120m of debt being waived by Stoke City Holdings Limited to reflect the financial state of the Club in its fourth year in the EFL Championship. The waiver resulted in a one-off of gain of £120.0m to the statement of comprehensive income in the year. The principal indebtedness, £92.3m (2021: £212.3m), is to Stoke City Holdings Limited which in turn is indebted to bet365 Group Limited which charged no interest and has confirmed to the directors that it will continue to support the Club. The Company is deemed to be a going concern due to the ongoing support of bet365 Group Limited.

Stoke City Football Club Limited

STRATEGIC REPORT

RISKS AND UNCERTAINTIES

The Company's main risks and uncertainties centre around the ability to acquire, train and develop players to a sufficient standard so that the Club can return to the Premier League, together with any rise or fall in the valuation of these players.

Risks are periodically reviewed by the directors and appropriate processes and procedures are in place to monitor and mitigate them.

These areas include compliance with football financial regulations and the recruitment and retention of key employees.

FOOTBALL FINANCIAL REGULATIONS

In common with all Football Clubs in the EFL, the Club is annually assessed by the EFL for its compliance with financial regulations such as Profitability and Sustainability and Future Financial Information. The directors acknowledge these regulations and accordingly make prudent budget assumptions with regards to football performance that can impact on revenue generation such as matchday gate revenues and Cup runs.

The directors review the Club's compliance with these financial regulations at the time of setting budgets and regularly throughout the football season to ensure continued compliance with them.

EMPLOYEES

Variations in the Company's financial results significantly depend on the performance of the Club's first team. The Club has well resourced recruitment and analysis departments to enable it to mitigate this risk and to be successful in this area. The Company operates a system of performance related pay for key personnel to support this strategy and mitigate this risk.

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.

Price

Through its contractual obligations under the bet365 sponsorships, the Club is required to maintain its season and matchday ticket pricing structures at their current levels. All other key decisions with regard to significant corporate sponsorships are also considered by the board.

Liquidity

The Group's policy is to have facilities available from its parent Company to satisfy working capital requirements in the near to medium term as required.

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 or cash equivalent basis. Season ticket sales with payment terms have been allowed and are outsourced by the Club to a third party. Any risk of bad debts is mitigated for player transfers through credit control procedures and close monitoring of cash receipts each month. Payment terms are given to other clubs based on contracts and these are closely monitored and managed appropriately by the Club.

Stoke City Football Club Limited

STRATEGIC REPORT

STREAMLINED ENERGY AND CARBON REPORT

The Company is a subsidiary of bet365 Group Limited which includes all relevant carbon reporting disclosures in its consolidated accounts, which includes the reporting relevant for the Company, and as such the Company has applied the exemption given under the Companies Act 2006 Sch 7.20A (2) not to present the disclosure in its individual accounts.

SECTION 172(1) STATEMENT

The directors recognise that effective engagement with stakeholders and consideration of their interests is fundamental to the success of the Company. The directors discharge their duties in accordance with Section 172 of the Companies Act 2006, which requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In doing this section 172 requires directors to have regard, amongst other matters, to:

A. The likely consequences of any decisions in the long-term.

We refer to the bet365 Group Limited Corporate Governance Code, central to which is taking decisions to protect the long-term interests of the Company. Further details of which are disclosed in the bet365 Group Limited financial statements. Key decisions undertaken by the Board are documented below.

The Company works within this code whilst fulfilling its ambition of playing at the highest level

B. The interests of the Group and Company's employees.

We refer to both bet365 Group Limited's Corporate Governance Code, Value Statement and Code of Conduct, together with our Employee Engagement Statement on page 7 which demonstrate that valuing its employees is again central to the Group and Company.

C. The need to foster the Group and Company's business relationships with suppliers, customers and others.

We refer to our Stakeholder Engagement Statement on page 5 which sets out our "partnership approach" to our stakeholders, where an emphasis is placed on the benefit to the business of long-term relationships.

D. The impact of the Company's operations on the community and environment.

We refer to our Stakeholder Engagement Statement. The Company has at all times and will continue to put the local community and environment at the heart of its business. A priority is placed on recruiting employees locally wherever possible, with a similar approach adopted with suppliers. This is reinforced through the work of Stoke City Community Trust ("SCCT").

We refer to the Streamlined Energy and Carbon Reporting ("SECR") included within the bet365 Group Limited Financial Statements for further detail of how the Group is working to reduce its carbon footprint.

E. The desirability of the Group and Company maintaining a reputation for high standards of business conduct.

The bet365 Corporate Governance Code, Value Statement and Code of Conduct, which the Group is committed to follow, ensure that the business conduct is of a high standard. Further details can be found in the bet365 Group Limited's accounts.

Stoke City Football Club Limited

STRATEGIC REPORT

SECTION 172(1) STATEMENT (CONTINUED)

F. The need to act fairly as between members of the Company.

There is regular dialogue with the main shareholder, bet365 Group Limited, to ensure full alignment to the Group's purpose. This includes regular discussions and communication on its Group support commitment and other matters.

KEY DECISIONS

The positive impact of the waiver of £120m of inter-company loans on the Company's balance sheet was augmented by the directors' adherence to regulatory requirements, namely the EFL's profitability and sustainability regulations.

The Club's decision to reinvest a relatively small portion of the profit earned on the sale of player registrations, was designed to assist in ensuring that the Club continues to comply with the requirements of the EFL's profitability and sustainability regulations

The directors are aware that, in common with virtually all clubs in the Championship, the Club will continue to operate with underlying annual financial losses unless and until

- the Club is promoted back to the Premier League (which remains the directors' principal objective for the Club)
- the funding formula within English Football is changed to provide more income for clubs outside of the Premier League and/or
- further profits are made from player sales such that they balance the trading losses being incurred

Absent the above, the owners not only remain committed to fund the ongoing losses of the Club but also acknowledge the desirability to provide this funding through non-refundable, non-interest bearing share capital.

The directors are currently restricted from implementing their full plans for the Club as a result of the financial regulations implemented by the EFL in the Championship that currently prevent their use of sustainable investments that would otherwise be made. The directors remain committed to working within these restraints as required, but will continue to press for a change in the financial regulations to allow for sustainable investment by committed owners for the benefit of the Club and the local area. The Directors were pleased that the White Paper following the Fan Led Review of Football Governance had been published on 23 February 2023. The Club is considering the White Paper and will engage with the EFL and other stakeholders on its contents and the recommendations arising from it.

STAKEHOLDER ENGAGEMENT STATEMENT

The following are considered to be the key stakeholders of the Company:

Stakeholder	Important areas for our key stakeholders and measures taken to demonstrate their value to the business and engagement are set out below:
Employees	Please see the Employee Engagement Statement in the Directors Report.
Suppliers	Business relationships are recognised by the directors as being essential to the continued success and positive reputation of the Company. The Company's staff are in regular contact with key commercial supporters and suppliers in order to ensure that the Club continues to promote strong and mutually beneficial relationships with its commercial partners.

Stoke City Football Club Limited

STRATEGIC REPORT

STAKEHOLDER ENGAGEMENT STATEMENT (CONTINUED)

Local Communities	Where possible and appropriate, use of local suppliers and local employees is encouraged to support the local economy in which we are located. The Club provides substantial support to SCCT which continues to use the power and passion of the Club to transform lives in and around the Stoke on Trent and North Staffordshire areas by delivering a wide range of programmes to benefit local residents of all ages through physical and other activities supported by the Stoke City name. SCCT's influence and reach allows it to make a positive difference to the health, wellbeing and life outcomes to those participants who engage in its programmes.
Supporters	<p>Supporter Engagement continues via regular meetings between the Club's senior executive management and elected representatives of the Stoke City Supporters Council.</p> <p>The Club targets growing its supporter base via a combination of affordable prices and programmes with local schools to encourage youngster attendance at first team games.</p> <p>Furthermore, the Company:</p> <ul style="list-style-type: none">o ensures our Stadium is fully accessible to disabled supporters,o provides subsidised away travel,o has frozen the cost of season tickets for the past 15 seasons.
Football League	The Club's senior executive management meet regularly with the Football League and fellow member clubs to discuss matters common across all clubs.
Shareholders	The success of the business ensures that shareholders are rewarded and that the value of the Company is enhanced.

By order of the board



John Coates
Director

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

24 February 2023

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 2022.

The directors have now disclosed the Financial Instruments section of the Directors' Report within the Strategic Report on pages 2 to 6.

PRINCIPAL ACTIVITIES

The principal activity is that of a professional football club.

RESULTS AND DIVIDENDS

The profit for the year amounted to £102.0m (2021: (£42.3m)). The directors do not recommend the payment of preference or ordinary share dividends (2021: £nil).

DIRECTORS

The following directors have held office since 1 June 2021 and up to the date of signature of the financial statements:

JF Coates – Joint Chairman

P Coates – Joint Chairman

RK Smith – Vice Chairman

AJ Scholes – resigned 12 January 2022

EMPLOYEE ENGAGEMENT STATEMENT

Employees of the Company are key assets of the business. As a Company, our policy is to demonstrate that all employees, regardless of role or seniority, feel an integral and valued part of our business. Employee satisfaction and involvement underpins the success of the business.

We set high standards and our employees are expected to work to the best of their ability. This is reciprocated and reflected in the competitive salaries and extensive benefits packages we aim to offer our staff. The Club also places particular emphasis on equal pay for equal jobs and strictly adheres to modern slavery standards. One of our core objectives is to be the 'employer of choice' within the local communities within which we operate.

Salaries and benefits are only part of the broader staff engagement factors. We also have a number of employee health and welfare programmes which target both physical and mental wellbeing. Our workplaces are, of course, designed to be safe and secure and our facilities and health and safety teams ensure the removal of any risk, albeit our operations are inherently low risk environments. The Group has also implemented new policies to improve the overall employee experience including an additional day off on birthdays.

The Company has always recognised that staff development and learning is an integral part of the organisation's strategic planning, equipping all staff with the knowledge and skills to perform their individual jobs effectively and in doing so ensure that the Club meets its strategic objectives.

Players are provided with a range of benefits and amenities to allow them to fulfil their potential as athletes. This includes support from qualified professionals in areas including football coaching, medical screening and rehabilitation, strength and conditioning, nutrition and sports psychology.

The Club's training facility at Clayton Wood provides players with a state-of-the-art facility in which to succeed, offering all-weather football pitches; strength, conditioning and rehabilitation equipment; and a modern refectory to meet all nutritional requirements.

Stoke City Football Club Limited

DIRECTORS' REPORT

EMPLOYEE ENGAGEMENT STATEMENT (CONTINUED)

Throughout the Company an extensive programme of both internal and external training and development is offered. During the period the training and development team offered workplace training for all employees across the Company, required for their roles. This was further supported by the utilisation of e-learning strategies and on-the-job training by dedicated coaches and instructors. Assessment and progression of staff careers are both transparent and rigorous.

Feedback from employees is obtained on an ongoing real-time basis through normal reporting channels, including up to the Company's Board where appropriate with actions undertaken in this regard.

The Company is an equal opportunities employer and operates a zero tolerance non-discrimination policy. This is reflected in our recruitment and selection processes, and continues throughout the employee's career in providing opportunities for training, further development and progression based entirely on individuals' skills and abilities, with adjustments made to accommodate disabilities. A major part of the Company's success has been based on its ability to identify, develop and promote talent from within the organisation.

The Company places considerable value on the involvement of its employees and has continued to keep them informed, via detailed HR communications and departmental management meetings, on matters affecting them as employees, and on the various factors affecting the performance of the Company.

STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Company has chosen to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

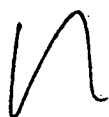
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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.

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.

By order of the board



John Coates
Director

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

24 February 2023

Stoke City Football Club Limited

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 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; and
- 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

Opinion

We have audited the financial statements of Stoke City Football Club Limited (the 'company') for the year ended 31 May 2022 which comprise the statement of total income and retained earnings, the statement of financial position, 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 May 2022 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.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 FOOTBALL CLUB 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 9, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice, where applicable, received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to compliance with Football regulation, at a Football Association level and with the English Football League. We performed audit procedures to inquire of management whether the Company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed, in respect of management override included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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.

Christopher Phillips

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

27/02/23

Stoke City Football Club Limited
STATEMENT OF TOTAL INCOME AND RETAINED EARNINGS
For the year ended 31 May 2022

	Notes	Operations excluding player trading £000	2022 Player trading (note 6) £000	Total £000	2021 £000
TURNOVER	2	31,167	-	31,167	40,284
Operating expenses		(53,836)	(6,426)	(60,262)	(86,223)
Other operating income		-	-	-	2,500
Profit on disposal of players' registrations	6	(22,669)	(6,426)	(29,095)	(43,439)
Profit on disposal of fixed assets		-	10,936	10,936	895
		80	-	80	29
OPERATING PROFIT / (LOSS)	4	(22,589)	4,510	(18,079)	(42,515)
Intercompany loans waived		120,000	-	120,000	-
Interest receivable and similar income	3	14	-	14	8
PROFIT / (LOSS) BEFORE TAXATION	2-6	97,425	4,510	101,935	(42,507)
Taxation	7	19	-	19	162
PROFIT / (LOSS) AFTER TAX AND PROFIT / (LOSS) FOR THE FINANCIAL YEAR		97,444	-	101,954	(42,345)
RETAINED EARNINGS AT 1 JUNE				(231,163)	(188,818)
RETAINED EARNINGS AT 31 MAY				(129,209)	(231,163)

Stoke City Football Club Limited

STATEMENT OF FINANCIAL POSITION

At 31 May 2022

	Notes	2022 £000	2021 £000
FIXED ASSETS			
Intangible assets	8	6,471	10,760
Tangible assets	9	175	312
		<u>6,646</u>	<u>11,072</u>
CURRENT ASSETS			
Stocks	10	432	355
Debtors (due after more than one year £7,100,000 (2021: £nil))	11	13,341	29,663
Cash at bank and in hand		6,082	5,429
		<u>19,855</u>	<u>35,447</u>
CREDITORS: Amounts falling due within one year	12	<u>(115,977)</u>	<u>(230,646)</u>
NET CURRENT LIABILITIES		<u>(96,122)</u>	<u>(195,199)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(89,476)</u>	<u>(184,127)</u>
CREDITORS: Amounts falling due after more than one year	13	(1)	(1,197)
PROVISIONS FOR LIABILITIES	14	(3,311)	(9,418)
NET LIABILITIES		<u>(92,788)</u>	<u>(194,742)</u>
CAPITAL AND RESERVES			
Called up share capital	15	35,842	35,842
Share premium account		579	579
Profit and loss reserve		(129,209)	(231,163)
TOTAL EQUITY		<u>(92,788)</u>	<u>(194,742)</u>

The financial statements on pages 13 to 32 were approved by the board of directors and authorised for issue on 24 February 2023 and are signed on its behalf by:



John Coates
Director

Company Registration No.00099885

Stoke City Football Club Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Stoke City Football Club Limited (“the Company” or “the Club”) is a private company limited by shares and is registered and 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 activity and nature of its operations is that of a professional football club.

BASIS OF ACCOUNTING

These financial statements are 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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention unless otherwise identified.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000.

REDUCED DISCLOSURES

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

- Section 7 ‘Cash Flow Statements’
- 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. Details of where these accounts are available have been disclosed in note 21.

GOING CONCERN

The Company prepares detailed forecasts each financial year taking into account the risks and uncertainties as detailed in the Strategic Report. These forecast a requirement for the need of Group support.

The financial statements therefore have been prepared on a going concern basis as 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, and consideration of the group’s ability to provide appropriate support, the directors consider it appropriate to prepare the financial statements on a going concern basis.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

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

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the income statement.

Stoke City Football Club Limited

ACCOUNTING POLICIES

TURNOVER

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

OTHER INCOME

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

INTANGIBLE FIXED ASSETS

The third party costs associated with the acquisition of the players' registrations and coaching staff are capitalised and amortised on a straight line basis over the period of their respective contracts. A full year of amortisation is recognised in the year the cost is capitalised. Any transfer fees payable as a result of the occurrence of one or more uncertain future events are capitalised when it is probable such events will occur. Provision for impairment is made when it becomes clear that the carrying amount exceeds the recoverable amount. 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

Residual value is 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.

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 income statement over the period to which the income relates.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to sell. Cost is determined using the average cost basis.

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.

SIGNING ON FEES AND LOYALTY BONUSES

The board consider that signing on fees represent a normal part of the employment cost of players and the manager and as such should be charged to the income statement evenly over the period of the players' and managers' contract. At the time of a player disposal any excess signing on fees accrued or paid but not recognised are allocated in full against the profit on disposal of players' registrations in the year in which the player disposal is made.

Loyalty bonuses are recognised as an expense when all the conditions relating to the loyalty bonus are met.

Stoke City Football Club Limited

ACCOUNTING POLICIES

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.

Current and deferred tax is charged or credited in the profit and loss account, 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 the profit and loss account on a straight line basis over the lease term.

EMPLOYEE BENEFITS AND COSTS

Accumulated compensated absences accrual arises when employees render services that give rise to their entitlement to future compensated absences that have not been taken at the period end. The cost accrued is the amount that would be expected to be paid as a result of the unused entitlement.

PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

ONEROUS CONTRACTS

Where players are identified as falling outside the continuing playing squad at the reporting date and the directors assess that such players will need to have their contracts terminated during the ensuing summer transfer window, and there is no anticipated alternative course of action in respect of disposal, the Company provides for all future costs associated with their remaining contracts based on their best estimate of the expected minimum future costs of the contract.

RESERVES

Share Premium

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

Profit and loss account

Cumulative profit and loss net of distribution to owners.

Stoke City Football Club Limited

ACCOUNTING POLICIES

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.

The Club is one of a number of participating employers in the schemes and it is not possible to allocate part of any actuarial rights or deficit owing to the Club's employees only their share of contributions payable to the scheme. Consequently, contributions paid in the period and any movement in the Club's share of contributions, net of payments made, are charged to the income statement. The differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position. The Club's share of future contributions to be paid to the scheme, as advised by the actuary, is recognised as a provision in the financial statements.

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

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 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 debtors, group balances and other debtors

Trade debtors, group and other debtors which are receivable within one year are initially measured at the transaction price. The 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 debtor, group and other 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 the profit and loss account for the excess of the carrying value of the 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 the income statement.

Debtors are stated net of a provision of £251,000 (2021: £251,000).

Financial liabilities or equity instruments

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.

Preference shares

Dividends on preference shares classified as liabilities are presented within interest payable and similar charges.

Stoke City Football Club Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (CONTINUED)

Trade creditors, group balances and other creditors

Trade, group and other 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.

A loan waiver is recognised when approved by the creditor and recognised in the statement of comprehensive income.

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.

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates, judgements and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The directors consider there are estimates, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and these have been considered below:

Player registrations

In accordance with the accounting policy, the directors have continued to amortise the cost of player registrations on a straight line basis to zero value over the period of their respective contracts.

Player impairment is considered annually by the directors. The directors have considered the market value less costs to sell for each individual player taking account of factors such as the player's age, injury record and individual performance as well as considering the Club's performance, the Club's league status and market conditions for the transfer of player registrations. The directors then considered the first team squad players as a whole, to give their collective market value. This data has then been utilised to assess the total impairment of the squad value incurred in the year.

Where an individual player is not part of the first team squad and therefore highly unlikely to contribute to future cashflows, the registration and carrying value of that player is assessed individually rather than as part of the squad, taking account of the factors noted above.

Once again this year, the directors engaged a professional independent expert to assist them in assessing the deterioration in the Club's player registration values. The professional independent expert quantified a series of factors contributing to the deterioration in value of individual player registrations. The directors have accepted and used these valuations in their assessment in these financial statements.

The collective impairment attributed to individual players in this review totalled £0.7m.

Classification of leases

The directors have assessed the nature of the Land and Buildings leases entered into during the prior year and classified them as operating leases. The leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership. The directors have considered all relevant factors stipulated in FRS 102 section 20 which include, amongst others, the remaining estimated useful life of the stadium, the duration of lease contracts and the net present value of minimum lease payments. As part of this assessment the expected useful economic life of the stadium was assessed at 75 years as a result of the high standard to which the stadium was maintained by the Group in the first 25 years of its life.

Contingent liabilities and assets

As at the year end the directors review the existing and former player contracts to determine if contingent liabilities or contingent assets exist from transfer fees payable and receivable. A degree of estimation is required in this assessment to establish the level of disclosure to make. Provisions are made once certainty of outcome has been achieved. Contingent liabilities and assets are assessed based on outcomes being achievable rather than actually achieved. One of the key judgements made by the directors in respect of these fees (during the period of the respective players' contracts) is with respect to the future performance of the Club. Fees that could arise from the Club achieving promotion to the Premier League are included in this assessment whilst fees that could arise on the Club retaining Premier League status are excluded.

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (CONTINUED)

Covid-19

The directors have included disclosure in Note 19 on the directly attributable matters in respect of Covid-19 on the profitability of the Club. In preparing this disclosure the directors have used non-speculative estimates based on their assessments using historical precedence and/or firm expectations of:-

- The additional cost of retaining staff on full pay rather than furloughing those that could have been furloughed during the month of May 2021. In making this assessment the directors have identified which staff did no work during this period despite being paid in full.
- The continued loss of income (and associated costs) from the sale of matchday tickets to fans. This assessment was based on average gates achieved in preceding seasons.
- The loss of revenue from opportunities to sell certain players' registrations in Summer 2020 and any costs anticipated to be associated with replacement players such as transfer fees and wage levels during subsequent seasons. The directors had previously identified these player registrations for sale. The resulting profit was evaluated by the independent expert who the directors utilised for assessing player registration valuations.

The disclosure in respect of Covid-19 matters has been produced in accordance with the guidance provided by the English Football League on applicable Covid-19 costs and loss of income. This disclosure has been provided by the directors as additional information as it is not specifically required under the requirements of FRS102 or the Companies Act and the values contained within it are not prepared in accordance with the recognition or measurement requirements of FRS 102.

Onerous contracts

Where players are identified as falling outside the continuing playing squad at the reporting date and the directors assess that such players will have their contracts terminated during the ensuing summer transfer window, and there is no anticipated alternative course of action in respect of disposal, the Company provides for all future costs associated with their remaining contracts based on their best estimate of the expected minimum future costs of the contract.

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

2 TURNOVER

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:

	2022 £000	2021 £000
Gate receipts	5,604	121
Sponsorship and advertising	10,084	8,410
Television and media	8,951	28,299
Conferencing and hospitality	2,431	104
Other operating income	4,097	3,350
	<hr/>	<hr/>
	31,167	40,284
	<hr/>	<hr/>

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000	2021 £000
Bank interest	14	8
	<hr/>	<hr/>
	14	8
	<hr/>	<hr/>

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

4 PROFIT / (LOSS) BEFORE TAXATION

	2022 £000	2021 £000
Profit / (Loss) before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
Owned assets	140	225
Amortisation of intangible fixed assets	5,717	11,006
Impairment of player registrations	709	3,750
Operating lease rentals:		
Land and buildings	4,721	1,905
Exchange losses	45	116
Profit on disposal of fixed assets	(80)	(29)
	<u> </u>	<u> </u>
Audit services:		
Statutory audit	23	22
Audit-related assurance services	12	11
Other services:		
Taxation compliance services	-	7
	<u> </u>	<u> </u>
	<u>35</u>	<u>40</u>

5 EMPLOYEES

	2022 Number	2021 Number
The average monthly number of persons (including directors) employed by the Company during the year was:		
Full time playing staff and scholars	70	69
Other	206	188
	<u> </u>	<u> </u>
	<u>276</u>	<u>257</u>

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

5 EMPLOYEES (CONTINUED)

	2022 £000	2021 £000
Staff costs for the above persons:		
Wages and salaries	30,999	50,847
Social security costs	4,358	7,259
Other pension costs	203	200
	<u>35,560</u>	<u>58,306</u>

DIRECTOR'S REMUNERATION AND HIGHEST PAID DIRECTOR	2022 £000	2021 £000
Emoluments	493	662
Pension fund contributions	-	-
	<u>493</u>	<u>662</u>

The number of directors to whom relevant benefits were accruing under money purchase pension schemes was 1 (2021: 1).

The remuneration of the other directors is paid by Hillside (Shared Services 2018) Limited and bet365 Group Limited and is disclosed in the financial statements of those Companies. The value of these services cannot be quantified.

6 PLAYER TRADING

	2022 £000	2021 £000
Amortisation of intangible fixed assets	(5,717)	(11,006)
Impairment of intangible fixed assets	(709)	(3,750)
Profit on disposal of players' registrations	10,936	895
	<u>4,510</u>	<u>(13,861)</u>

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

7 TAXATION

	2022 £000	2021 £000
Current tax:		
Adjustments in respect of previous periods	-	-
	<u>-</u>	<u>-</u>
Deferred taxation:		
Origination and reversal of timing differences	-	(159)
Adjustments in respect of previous periods	(19)	(3)
	<u>(19)</u>	<u>(162)</u>
Tax on profit / (loss)	<u>(19)</u>	<u>(162)</u>

Factors affecting tax charge for the year:

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK 19% (2021: 19%). The differences are explained below:

Profit / (Loss) before taxation	101,935	(42,507)
	<u>101,935</u>	<u>(42,507)</u>
Loss multiplied by the standard rate of corporation tax in the UK 19% (2021: 19%)	19,368	(8,076)
	<u>19,368</u>	<u>(8,076)</u>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	12	5
Non-taxable income	(21)	(23)
Non-taxable loan waiver from parent company	(22,800)	-
Group relief	3,662	7,935
Adjustments in respect of prior periods	(19)	(3)
Deferred tax unprovided	(221)	-
	<u>(221)</u>	<u>-</u>
Total tax credit for the year	<u>(19)</u>	<u>(162)</u>

Factors affecting the tax charge in future years

It was announced in the March 2021 budget that the UK Corporation rate would rise to 25% from 1 April 2023. This increase in the rate was enacted in the Finance Act 2021 on 10 June 2021.

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

8 INTANGIBLE FIXED ASSETS

	Players' registrations £000
<i>Cost</i>	
At beginning of year	145,425
Additions	5,949
Disposals	(81,464)
	<hr/>
At end of year	69,910
	<hr/>
<i>Amortisation</i>	
At beginning of year	134,665
Charge for year	5,717
Impairment	709
Disposals	(77,652)
	<hr/>
At end of year	63,439
	<hr/>
<i>Carrying amount</i>	
At 31 May 2022	6,471
	<hr/>
At 31 May 2021	10,760
	<hr/>

The amortisation charge for the year and impairment of player registrations are recognised within operating expenses.

The carrying amount of £6,471,000 (2021: £10,760,000) has a remaining amortisation period of up to 3 years (2021: up to 4 years).

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

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	959	1,650	2,609
Additions	-	179	179
Disposals	(959)	(216)	(1,175)
At end of year	-	1,613	1,613
<i>Depreciation</i>			
At beginning of year	804	1,493	2,297
Charge for year	-	140	140
On disposals	(804)	(195)	(999)
At end of year	-	1,438	1,438
<i>Carrying amount</i>			
At 31 May 2022	-	175	175
At 31 May 2021	155	157	312

10 STOCKS

	2022 £000	2021 £000
Goods for resale	432	355

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

11 DEBTORS

	2022	2021
	£000	£000
<i>Amounts falling due within one year:</i>		
Trade debtors	5,326	1,663
Other debtors	102	2,649
Prepayments and accrued income	813	419
Amounts owed by Group undertakings	-	24,932
	6,241	29,663
<i>Amounts falling due in more than one year:</i>		
Trade debtors	7,100	-
	13,341	29,663

12 CREDITORS: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	840	2,104
Amounts owed to Group undertakings	105,527	212,258
Other taxation and social security costs	1,905	1,919
Other creditors	-	-
Accruals and deferred income	7,705	14,365
	115,977	230,646

Although repayable on demand, the Group has confirmed it will only request repayment of the amounts owed by Group undertakings when the undertaking has resources to repay the debt.

13 CREDITORS: Amounts falling due after more than one year

	2022	2021
	£000	£000
Other creditors	-	1,196
Preference shares of £1 each (see note 15)	1	1
	1	1,197

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

14 PROVISIONS FOR LIABILITIES

	Onerous contract £000	Deferred taxation £000	Pension obligations £000	Total £000
Balance at beginning of year	9,217	20	181	9,418
Paid in the year				
Charge/(credit) to income statement	(6,056)	(20)	(32)	(6,108)
Balance at end of year	3,161	-	149	3,310

Onerous contracts

The onerous employment contracts provision in respect of the Club is recognised for contracts under which the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them.

The onerous employment contracts provision is expected to be utilised over the next 13 months.

Pension obligations

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.

There is insufficient information to account for the scheme as a defined benefit plan, so it is accounted for as a defined contribution plan.

At 1 September 2017, a Minimum Funding Requirement ("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 £149,000 at the year end (2021: £181,000). The Company expects to make contributions of £57,000 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 plans.

Contributions to all pension schemes totalling £205,000 (2021: £200,000) were paid to the various schemes in the year. At the year end £27,000 (2021: £nil) relating to unpaid contributions were included in accruals and deferred income. These amounts were paid in June 2022.

Deferred taxation

The elements of deferred liability and amounts not provided are as follows:

	2022		2021	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Fixed asset timing differences	-	(140)	53	-
Other timing differences	-	(293)	(33)	-
	-	(433)	20	-

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

15 SHARE CAPITAL

	2022	2021
	£000	£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: 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.

The preference shares are non-redeemable and carry no interest coupon.

16 COMMITMENTS UNDER OPERATING LEASES

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

	2022	2021
	£000	£000
Amounts due:		
In less than one year	4,712	4,703
In two to five years	18,589	18,533
Due more than five years	87,590	92,200
	<hr/>	<hr/>
	110,891	115,436
	<hr/>	<hr/>

17 CONTINGENT LIABILITIES AND ASSETS

As at the year end the directors review the existing and former player contracts to determine if contingent liabilities or contingent assets exist from transfer fees payable and receivable. A degree of estimation is required in this assessment to establish the level of disclosure to make. Provisions are made once certainty of outcome has been achieved. Contingent liabilities and assets are assessed based on outcomes being achievable rather than actually achieved.

Additional fees under these contracts that may therefore be payable or receivable if certain conditions are met in the future, such as promotion to the Premier League and activities of other football clubs, have been estimated by the directors at the year end date as a net liability of £3,100,000 (2021: £4,512,000).

Stoke City Football Club Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2022

18 RELATED PARTY TRANSACTIONS

During the financial year the Company had the following transactions with related parties:

<i>Description of relationship</i>	<i>Description of transactions</i>	2022		2021	
		<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>
		£000	£000	£000	£000
Fellow subsidiaries	Purchases and other charges	(38,201)	(13,269)	(5,277)	24,932
	Loans provided			4,130	
	Sales and other income	9,083	2	6,000	(3,000)
Holding company	Loans received	-	(92,258)	25,000	(212,258)
	Intercompany loans waived	120,000	-	-	-
Common ownership	Sales and other income	451	165	-	(6)
	Purchases and other charges	(5)	-	(66)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

On 31 May 2022 the Stoke City Holdings Limited waived £120,000,000 (2021: £nil) of loans due from the company. The gross amount outstanding at the year end is £92,258,244 (2021: £212,258,244).

19 COVID-19

The English Football League has amended its profitability and sustainability rules to reflect the change in the environment. In accordance with those amended rules, the directors directly attribute the following effects (that have impacted the Club and its reporting under the EFL's regulations for the year ended 31 May 2022 and 31 May 2021) to the Covid-19 pandemic:

	2022	2021
	£000	£000
Lost revenues including central distributions, match and non-matchday stadium revenues	1,284	9,366
(Credit)/Costs including the additional costs of the Club not utilising the furlough credit scheme available, net of cost savings from the lost revenue streams	397	(2,025)
Net impact of lost player disposals caused by Covid-19	2,178	11,339
	<u>3,859</u>	<u>18,680</u>

The directors are able to demonstrate that each of the amounts stated above are: (a) in the circumstances non-speculative and may be quantified by reference to historical precedence and/or firm expectations; and (b) also reflects savings achieved by the Club that are directly attributable to Covid-19.

Stoke City Football Club Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2022

19 COVID-19 (CONTINUED)

This disclosure has been produced in accordance with the guidance provided by the English Football League on applicable Covid-19 costs and loss of income. This disclosure has been provided by the directors as additional information as it is not specifically required under the requirements of FRS102 or the Companies Act and the values contained within it are not prepared in accordance with the recognition or measurement requirements of FRS 102.

20 POST BALANCE SHEET EVENTS

Subsequent to the year end, the Company has acquired and committed to acquire player registrations at an initial cost of £nil (2021: £4,595,000). The Company has also realised £18,566,000 (2021: £12,075,000) on the disposal of player registrations and whose net book value at the year end was £635,000 (2021: £567,000).

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 group in which the results of the Company are consolidated in 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