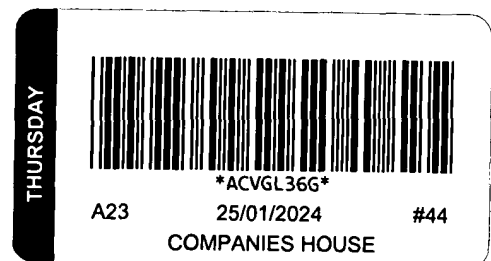


Stoke City (Property) Limited

REPORT AND FINANCIAL STATEMENTS

31 May 2023



Company Registration No. 03200051

Stoke City (Property) Limited

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Stoke City (Property) Limited

DIRECTORS AND ADVISOR

DIRECTORS

JF Coates

P Coates

RK Smith

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 (Property) Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Stoke City (Property) Limited (“the Company”) for the year ended 31 May 2023.

BUSINESS AND STRATEGIC OBJECTIVES

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

REVIEW OF THE BUSINESS

The profit for the year amounted to £198,505 (2022: £29,211 profit). The directors do not recommend the payment of a dividend (2022: £nil) which leaves a profit of £198,505 (2022: £29,211 profit) to be retained.

During the period the Company invested £8.0m (2022: £1.8m) in tangible assets. This expenditure related to a series of capital projects across the business, including Ricardo’s Bar (£2.5m), an upgrade to some of the Stadium Washrooms (£1.0m) and replacement of some Stadium Seating (£1.0m).

The directors remain committed to providing quality services to the Club.

Both turnover received from the Club and administrative expenses increased in the year in comparison to the prior period. The primary drivers for these increases were, additional labour costs as a result of increases to National Living Wage coupled with a competitive labour market; an increase in utility costs as a result of elevated global wholesale energy prices; and an increase in business rates assessed at the Club’s Training Ground.

RISKS AND UNCERTAINTIES

The Company’s main risks and uncertainties centre around the continued requirement by the Club to use the Stadium and Training Ground and the changing regulatory requirements enforced on the Company by the Premier League and English Football League. The directors have considered these risks and are confident that they have access to the relevant funding to meet any requirements imposed on the Company and that the Club will continue to utilise the facilities supplied.

Stoke City (Property) Limited

STRATEGIC REPORT (Continued)

KEY PERFORMANCE INDICATORS:

The directors measure the performance of the Company in relation to the following four key performance indicators:

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

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

By order of the board



John Coates
Director

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

16 January 2024

Stoke City (Property) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Stoke City (Property) Limited for the year ended 31 May 2023.

PRINCIPAL ACTIVITIES

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

FUTURE DEVELOPMENTS

Due to the nature of the services provided, there will always be ongoing maintenance and investment in the facilities infrastructure. The main future capital expenditure plans are a further £1.2m of upgrades to Stadium Washrooms; £1.5m investment in a purpose built Fanzone to improve the matchday experience for supporters and their families; and a planned spend of £11.3m over the next two years in upgrading facilities at the Training Ground.

FINANCIAL INSTRUMENTS

The Company is part of a Group which is funded by its immediate parent Company, Stoke City Holdings Limited. The directors consider that the Company is not exposed to any significant financial risk.

Price

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

Liquidity

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

Cash Flow

Cash Flow levels are continually updated and reviewed to ensure sufficient revenue and capital expenditure funding. At the year end the Company held cash of £22.6m (2022: £46.0m).

Credit

The Company's revenue flows are underpinned by contracts containing defined payment terms and conditions. Adherence to the payment terms and conditions is closely monitored and managed appropriately by the Company.

DIRECTORS

The following directors have held office since 1 June 2022 and up to the date of signature of the financial statements:

JF Coates
P Coates
RK Smith

Stoke City (Property) Limited

DIRECTORS' REPORT (Continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

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

On behalf of the board



John Coates
Director

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

16 January 2024

Stoke City (Property) 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 the year.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Stoke City (Property) Limited (the 'company') for the year ended 31 May 2023 which comprise the statement of comprehensive income, the statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2023 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 (PROPERTY) LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 (PROPERTY) 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; and
- 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 tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety regulation. 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 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.

RSM UK Audit LLP

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

16 January 2024

Stoke City (Property) Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 May 2023


	Note	Year ended 31 May 2023 £	Year ended 31 May 2022 £
TURNOVER	2	15,731,042	13,769,279
Administrative expenses		(15,729,740)	(13,769,525)
		<hr/>	<hr/>
OPERATING PROFIT / (LOSS) BEFORE DISPOSAL OF FIXED ASSETS		1,302	(246)
Profit on disposal of fixed assets		2,255	17,752
		<hr/>	<hr/>
OPERATING PROFIT		3,557	17,506
Interest receivable and similar income	3	196,416	12,807
Interest payable and similar expenses	4	(1,468)	(1,102)
		<hr/>	<hr/>
PROFIT BEFORE TAXATION	2-6	198,505	29,211
Taxation	7	-	-
		<hr/>	<hr/>
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		198,505	29,211
		<hr/>	<hr/>

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

Stoke City (Property) Limited
STATEMENT OF FINANCIAL POSITION
At 31 May 2023

	Note	31 May 2023		31 May 2022	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		146,403		243,786
Tangible assets	9		9,027,741		2,011,508
			<u> </u>		<u> </u>
			9,174,144		2,255,294
CURRENT ASSETS					
Stocks	10		4,775		2,264
Debtors	11		32,260,050		15,580,941
Cash at bank and in hand			22,591,086		46,005,442
			<u> </u>		<u> </u>
			54,855,911		61,588,647
CREDITORS: Amounts falling due within one year	12		(3,073,676)		(3,086,067)
			<u> </u>		<u> </u>
NET CURRENT ASSETS			51,782,235		58,502,580
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES/NET ASSETS			60,956,379		60,757,874
			<u> </u>		<u> </u>
CAPITAL AND RESERVES					
Called up share capital	14		4,000,000		4,000,000
Share premium reserve			8,740,000		8,740,000
Profit and loss account			48,216,379		48,017,874
			<u> </u>		<u> </u>
TOTAL EQUITY			60,956,379		60,757,874
			<u> </u>		<u> </u>

The financial statements on pages 10 to 26 were approved by the board of directors and authorised for issue on 16 January 2024 and were signed on its behalf by:


John Coates
 Director

Company Registration No. 03200051

Stoke City (Property) Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 May 2023

	Share capital £	Share premium £	Profit and loss account £	Total £
Balance at 31 May 2021	4,000,000	8,740,000	47,988,663	60,728,663
Profit for the period	-	-	29,211	29,211
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	29,211	29,211
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 May 2022	4,000,000	8,740,000	48,017,874	60,757,874
Profit for the year	-	-	198,505	198,505
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive profit for the year	-	-	198,505	198,505
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 May 2023	4,000,000	8,740,000	48,216,379	60,956,379
	<hr/>	<hr/>	<hr/>	<hr/>

Stoke City (Property) Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

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

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

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

BASIS OF ACCOUNTING

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

REDUCED DISCLOSURES

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

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

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

The financial statements of the Company are consolidated in the financial statements of bet365 Group Limited and within its immediate parent company Stoke City Holdings Limited. The consolidated financial statements of bet365 Group Limited are available from The Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue to trade for the foreseeable future.

The validity of the going concern basis is dependent upon the Company managing the risks of the business as identified in the Directors' Report and Strategic Report which identifies that the Company operates closely with Stoke City Football Club and its reliance on their continued operation.

At the year-end the company had a cash balance of £22,591,086 (2022: £46,005,442) and net assets of £60,956,379 (2022: £60,757,874).

A letter of support has been provided by the Company's ultimate parent bet365 Group Limited. The Directors consider that the ultimate parent is in a position to provide this continued support.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

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

Stoke City (Property) Limited

ACCOUNTING POLICIES

TURNOVER

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

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

INTANGIBLE FIXED ASSETS

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

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

Purchased computer software	-	10-33% per annum straight line
-----------------------------	---	--------------------------------

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

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

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

TANGIBLE FIXED ASSETS

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

Short-term Leasehold Stadium	-	4% per annum straight line
Short-term Leasehold Training Ground	-	10-33% per annum straight line
Short-term Leasehold Other Land and Buildings	-	7-20% per annum straight line
Plant and Machinery, IT & Motor Vehicles	-	7-33% per annum straight line
Fixtures and fittings	-	4-33% 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.

STOCKS

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

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

TAXATION

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

Stoke City (Property) Limited

ACCOUNTING POLICIES

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 and because it includes items of income or expense that are never taxable or deductible for tax purposes.

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

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

LEASES

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

RETIREMENT BENEFITS

Defined contribution plans

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

FINANCIAL INSTRUMENTS

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

Financial 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, group and other debtors

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

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

Stoke City (Property) Limited

ACCOUNTING POLICIES

impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

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

Equity instruments

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

Trade and group creditors

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

Derecognition of financial assets and liabilities

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

RESERVES

Reserves for the Company represent the following:

Share Premium

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

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Stoke City (Property) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2023

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates 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 estimates 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 are discussed below.

Classification of leases

The Directors have assessed the nature of the Land and Buildings leases entered into and classified them as operating leases. The leases are classified as operating leases as they did 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.

2 TURNOVER

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

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
Bank interest	196,416	12,807
	<u> </u>	<u> </u>

4 INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 31 May 2023	Year ended 31 May 2022
	£	£
Bank charges	1,468	1,102
	<u> </u>	<u> </u>

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

5 PROFIT BEFORE TAXATION

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Profit before taxation is stated after charging/(crediting):		
Depreciation Charge for the year –tangible assets	994,204	482,618
Amortisation of intangible fixed assets	107,383	108,840
Operating lease rentals:		
Other	4,733,730	4,721,468
Audit services:		
Statutory audit	10,000	11,000
Profit on disposal of fixed assets	(2,255)	(17,752)
	<u> </u>	<u> </u>

6 EMPLOYEES

The average monthly number of persons (including Directors) employed by the Company during the year was:

	Year ended 31 May 2023 Number	Year ended 31 May 2022 Number
Management	4	5
Other staff	54	52
	<u> </u>	<u> </u>
	58	57
	<u> </u>	<u> </u>

Staff costs for the above persons:

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Wages and salaries	1,896,437	1,695,544
Social security costs	133,683	121,165
Other pension costs	56,770	52,251
	<u> </u>	<u> </u>
	2,086,890	1,868,960
	<u> </u>	<u> </u>

In addition to the above, the Company employed an average of 169 (2022: 152) Match-Day staff during the year, incurring costs of £290,985 (2022: £257,057).

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

DIRECTORS' REMUNERATION ATTRIBUTABLE TO THE HIGHEST PAID DIRECTOR

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Sums paid to related parties in respect of director services	368,099	313,892

Further remuneration of the directors is paid by other entities within the bet365 Group Limited group who make no recharge to the company in respect of this remuneration. It is not possible to make an accurate apportionment of their remuneration in respect of each of the entities. Accordingly, the above details only includes the remuneration recharged.

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

7 TAXATION

	Year ended 31 May 2023 £	Year ended 31 May 2022 £
Current and deferred tax	-	-
Factors affecting the tax credit for the year:		
	Year ended 31 May 2023 £	Year ended 31 May 2022 £
The tax assessed for the year is lower (2022: lower) than the effective rate of corporation tax in the UK of 20% (2022: 19%) applied to the profit for the year. The differences are explained below:		
Profit before taxation	198,505	29,211
Profit before taxation multiplied by the effective rate of corporation tax in the UK applying for the year of 20% (2022: 19%)	39,706	5,550
<i>Effects of:</i>		
Expenses not deductible for tax purposes	48,759	682
Transfer pricing adjustments	110,815	-
Deferred tax unprovided	(583,097)	86,843
Group relief	506,778	(93,075)
Impact of super deduction on fixed asset additions	(122,961)	-
Total tax credit for the year	-	-

Factors affecting the tax charge in future years

During the year the main rate of corporation tax in the UK was 19% up to 31 March 2023 and 25% thereafter, resulting in an effective rate for the year of 20%. The change to 25% from 1 April 2023 will increase the Company's effective tax rate in future periods.

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

8 INTANGIBLE FIXED ASSETS

	Purchased computer Software £
<i>Cost</i>	
At beginning of year	770,845
Additions	10,000
	<hr/>
At end of year	780,845
	<hr/>
<i>Amortisation</i>	
At beginning of year	527,059
Charged in year	107,383
	<hr/>
At end of year	634,442
	<hr/>
<i>Carrying amount</i>	
At 31 May 2023	146,403
	<hr/> <hr/>
At 31 May 2022	243,786
	<hr/> <hr/>

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

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

9 TANGIBLE FIXED ASSETS

	<u>Short leasehold Improvements</u>					Total
	Training ground	Football stadium	Other land & buildings	Plant & machinery, IT & motor vehicles	Fixtures and fittings	
	£	£	£	£	£	£
<i>Cost</i>						
At beginning of year	73,078	522,454	294,078	5,693,295	1,016,777	7,599,682
Additions	238,827	5,666,927	-	1,894,535	244,033	8,044,322
Disposals	-	-	-	(45,180)	-	(45,180)
At end of year	311,905	6,189,381	294,078	7,542,650	1,260,810	15,598,824
<i>Depreciation</i>						
At beginning of year	10,332	20,898	40,731	4,615,195	901,018	5,588,174
Charged in the year	58,953	257,021	46,307	530,778	101,145	994,204
Disposals	-	-	-	(11,295)	-	(11,295)
At end of year	69,285	277,919	87,038	5,134,678	1,002,163	6,571,083
<i>Carrying amount</i>						
At 31 May 2023	242,620	5,911,462	207,040	2,407,972	258,647	9,027,741
At 31 May 2022	62,746	501,556	253,347	1,078,100	115,759	2,011,508

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

10 STOCKS

	31 May 2023 £	31 May 2022 £
Finished goods	4,775	2,264

Stocks are stated net of provision of £nil (2022: £nil).

11 DEBTORS

	31 May 2023 £	31 May 2022 £
<i>Amounts falling due within one year:</i>		
Trade debtors	4,571	20,609
Amounts owed by Group undertakings	29,839,646	13,272,152
Other debtors	674,496	613,896
Prepayments and accrued income	1,741,337	1,674,284
	<u>32,260,050</u>	<u>15,580,941</u>

Amounts owed by group undertakings are payable on demand. Trade debtors are stated net of a provision of £nil (2022: £nil).

12 CREDITORS: Amounts falling due within one year

	31 May 2023 £	31 May 2022 £
Trade creditors	482,914	168,780
Amounts owed to Group undertakings	1,844,947	1,891,648
Other taxation and social security costs	54,521	49,169
Accruals and deferred income	691,294	976,470
	<u>3,073,676</u>	<u>3,086,067</u>

Stoke City (Property) Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2023

13 DEFERRED TAXATION

		Deferred tax £
At beginning and end of year		-
The elements of the deferred tax asset are as follows:	31 May 2023	31 May 2022
	Unprovided £	Unprovided £
Difference between accumulated depreciation and capital allowances	(714,859)	(2,055,604)
Other timing differences	(2,507)	(2,138)
	<u>(717,366)</u>	<u>(2,057,742)</u>

14 SHARE CAPITAL

	31 May 2023	31 May 2022
	£	£
Allotted, called up and fully paid		
A Ordinary shares of £1 each	1,960,000	1,960,000
B Ordinary shares of £1 each	1,440,000	1,440,000
C Ordinary shares of £1 each	600,000	600,000
	<u>4,000,000</u>	<u>4,000,000</u>

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

Stoke City (Property) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2023

15 COMMITMENTS

a) Commitments under operating leases

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

	31 May 2023 £	31 May 2022 £
Amounts due within one year	4,736,750	4,712,075
Amounts due between one and five years	18,487,334	18,589,409
Amounts due in more than five years	82,980,000	87,590,000
	<u> </u>	<u> </u>

b) Income from operating leases

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

	31 May 2023 £	31 May 2022 £
Amounts receivable within one year	4,617,790	4,617,790
Amounts receivable between one and five years	18,447,342	18,455,133
Amounts receivable in more than five years	82,980,000	87,590,000
	<u> </u>	<u> </u>

c) Capital commitments

The Company had capital commitments for renovation and building work at the Football Stadium of £1,142,753 at year end (2022: £6,610,000).

16 PENSION COMMITMENTS

The Company operates a defined contribution pension scheme whose assets are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company and amounted to £60,613 (2022: £55,536). Contributions totalling £10,029 (2022: £8,552) were payable to the fund at the year end and are included within other taxation and social security costs.

17 CONTINGENT LIABILITIES

Stoke City Football Club Limited and Stoke City (Property) Limited operate a group VAT registration. At the year end date, Stoke City Football Club Limited had a liability of £130,656 (2022: £119,902) under this registration, which was subsequently paid in full post year end. Due to the VAT group, this balance is disclosed within contingent liabilities for Stoke City (Property) Limited at the year end date.

Stoke City (Property) Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2023

18 RELATED PARTY TRANSACTIONS

During the year the Company charged a fellow subsidiary rent and facility charges of £15,700,880 (2022: £13,738,537) and received loans and funding and cash receipts from a fellow subsidiary of £1,700,064 (2022: £714,830).

The balance due from the fellow subsidiary at the year-end was £29,823,994 (2022: £13,268,593).

The Company made purchases during the year of £1,332,929 (2022: £1,113,343) from a Company with a common directorship. The balance due to this Company at the year-end was £79,562 (2022: £24,787), which is included in trade creditors.

The Company made purchases during the year of £123,719 (2022: £109,352) from a Limited Liability Partnership which is controlled by the shareholders of the ultimate parent Company. There was a £nil balance due to the partnership at the year-end (2022: £nil).

19 ULTIMATE PARENT COMPANY AND CONTROLLING INTEREST

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

The smallest group in which the results of the Company are consolidated in is Stoke City Holdings Limited and the largest group in which the results of the Company are consolidated 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 both Groups are available to the public and may be obtained from:

Registrar of Companies
Crown Way
Cardiff
CF14 3UZ