

Stoke City Holdings Limited

REPORT AND FINANCIAL STATEMENTS

31 May 2018



Company Registration No. 05807776

Stoke City Holdings Limited

CONTENTS

DIRECTORS AND ADVISOR	1
STRATEGIC REPORT	2
DIRECTORS' REPORT	3
DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS	4
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE CITY HOLDINGS LIMITED	5
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN EQUITY	9
ACCOUNTING POLICIES	10
NOTES TO THE FINANCIAL STATEMENTS	12

Stoke City Holdings Limited

DIRECTORS AND ADVISOR

DIRECTORS

P Coates

JF Coates

SECRETARY

JF Coates

REGISTERED OFFICE

bet365 House

Media Way

Stoke-on-Trent

Staffordshire

ST1 5SZ

AUDITOR

RSM UK Audit LLP

Chartered Accountants

Festival Way

Stoke-on-Trent

Staffordshire

ST1 5BB

Stoke City Holdings Limited

STRATEGIC REPORT

The Directors have pleasure in submitting their Strategic Report for Stoke City Holdings Limited for the year ended 31 May 2018.

BUSINESS REVIEW

The Company continues to act as the intermediate holding company of Stoke City Football Club Limited and Stoke City (Property) Limited.

The Company itself has not traded in the year, other than providing for an element of debt for balances it no longer considers to be recoverable.

RISKS AND UNCERTAINTIES

The Company's main risk and uncertainty continues to be the successful performance of the Football Club and its associated facilities, particularly the return of Stoke City Football Club to its Premier League Status.

By order of the board



John Coates
Director

bet365 House
Media Way
Stoke-on-Trent
Staffordshire
ST1 5SZ

15th November 2018

Stoke City Holdings Limited

DIRECTORS' REPORT

The Directors submit their report and the audited financial statements of Stoke City Holdings Limited for the year ended 31 May 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of a holding company.

RESULTS AND DIVIDENDS

The Company has not traded in the current or previous year, other than for a provision in the current year which has resulted in a loss for the year of £75,878,000 (2017: nil). The Directors do not recommend the payment of a dividend (2017: £nil).

FUTURE DEVELOPMENTS

The Company plans to continue as a holding company of Stoke City Football Club Limited and Stoke City (Property) Limited.

DIRECTORS

The following directors held office since 1 June 2017:

P Coates
JF Coates

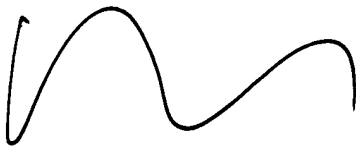
STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

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 House
Media Way
Stoke-on-Trent
Staffordshire
ST1 5SZ

15th November 2018

Stoke City Holdings 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 estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE CITY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Stoke City Holdings Limited (the 'Company') for the year ended 31 May 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOKE CITY HOLDINGS 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



ANNE LAKIN (Senior Statutory Auditor)

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

16 November 2018

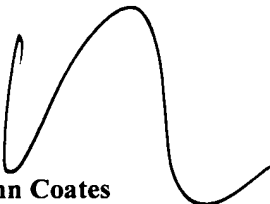
Stoke City Holdings Limited
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 May 2018

	Notes	2018 £000	2017 £000
TURNOVER		-	-
GROSS PROFIT		-	-
Administrative expenses		(75,878)	-
OPERATING LOSS		(75,878)	-
LOSS BEFORE TAXATION	2-3	(75,878)	-
Taxation		-	-
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME		(75,878)	-

Stoke City Holdings Limited
STATEMENT OF FINANCIAL POSITION
At 31 May 2018

	Note	2018 £000	2017 £000
FIXED ASSETS			
Investments	4	47,800	47,800
CURRENT ASSETS			
Debtors	5	47,200	76,078
CREDITORS: Amounts falling due within one year	6	(160,878)	(113,878)
NET CURRENT LIABILITIES		(113,678)	(37,800)
TOTAL ASSETS LESS CURRENT LIABILITIES		(65,878)	10,000
NET (LIABILITIES)/ASSETS		(65,878)	10,000
CAPITAL AND RESERVES			
Called up share capital	7	10,000	10,000
Profit and loss account		(75,878)	-
SHAREHOLDERS' (DEFICIT)/FUNDS		(65,878)	10,000

The financial statements on pages 7 to 14 were approved by the board of Directors and authorised for issue on 15th November 2018 and were signed on its behalf by:


John Coates
 Director

Company Registration No. 05807776

Stoke City Holdings Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 May 2018

	Profit and loss account £000	Share capital £000	Total £000
Balance at 1 June 2016	-	10,000	10,000
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2017	-	10,000	10,000
Loss and total comprehensive income for the year	(75,878)	-	(75,878)
	<hr/>	<hr/>	<hr/>
Balance at 31 May 2018	<u>(75,878)</u>	<u>10,000</u>	<u>(65,878)</u>

Stoke City Holdings Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Stoke City Holdings Limited ('the Company') is limited by shares, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is bet365 House, Media Way, Stoke-on-Trent, Staffordshire, ST1 5SZ.

The Company's principal activities are included in the Directors' Report.

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.

bet365 Group Limited, the Company's only creditor, has agreed to continue to support the Company's funding requirements to enable the Company to meet its obligations as they fall due for at least the next 12 months. As a result of this undertaking, the financial statements have been prepared on a going concern basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

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 11 'Basic Financial Instruments' – Carrying amounts of financial instruments held at amortised cost or cost.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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

INVESTMENTS

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment are recognised immediately in profit or loss.

PROFIT AND LOSS RESERVE

The cumulative profit and loss net of distributions to owners.

Stoke City Holdings Limited

ACCOUNTING POLICIES

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

Group debtors

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

A provision for impairment of group 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 other debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

A provision of £75,878,000 has been made against a related party receivable in the period (2017: £nil).

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.

Creditors

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

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stoke City Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2018

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 Directors consider there are no 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.

Critical areas of judgement

The Company regularly reviews and assesses the carrying value of its investments and debtors by monitoring profitability, cash flows and transactional activities in the relevant sectors. If there were any indication that the recoverability of such items had been materially impacted the Company would recognise any such changes in the financial statements as necessary.

2 AUDITORS REMUNERATION

The remuneration of the auditor in respect of services provided to the Company in the current and previous financial year was borne by the parent Company, bet365 Group Limited.

3	EMPLOYEES	2018 Number	2017 Number
	The average monthly number of persons (including Directors) employed by the Company during the year was:		
	Administration and management	2	2

The remuneration of the Directors is paid by bet365 Group Limited and is disclosed in the financial statements of that Company.

4	FIXED ASSET INVESTMENTS	Shares in group undertakings £000
	<i>Cost and net book value</i>	
	At beginning and end of year	47,800

Stoke City Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2018

4 FIXED ASSET INVESTMENTS (continued)

The Company holds more than 20% of the equity (and no other share or loan capital) of the following principal undertakings:

<i>Subsidiary undertaking</i>	<i>Country of registration</i>	<i>Principal activity</i>	<i>Percentage of ordinary shares held</i>
Stoke City (Property) Limited	UK	Stadium company	100%
Stoke City Football Club Limited	UK	Football Club	98.1%

The registered address of the above Companies are bet365 Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG, United Kingdom.

5	DEBTORS	2018	2017
		£000	£000
	<i>Amounts falling due within one year:</i>		
	Amounts owed by Group undertakings	47,200	76,078

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

6	CREDITORS: Amounts falling due within one year	2018	2017
		£000	£000
	Amounts owed to Group undertakings	160,878	113,878

7	SHARE CAPITAL	2018	2017
		£000	£000
	Allotted, called-up and fully paid 10,000,001 ordinary shares of £1 each	10,000	10,000

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at the general meetings of the Company.

8 CONTINGENT LIABILITIES

The Company has confirmed it will provide financial support to Stoke City Football Club Limited. The Directors do not consider it practicable to estimate the financial impact of this support on the Company. This support is provided utilising the equivalent support given to Stoke City Holdings by bet365 Group Limited

Stoke City Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2018

9 RELATED PARTY TRANSACTION

During the year the Company loaned a further £47,000,000 (2017: £16,200,000) to Stoke City Football Club Limited.

At 31 May 2018 the amount due from Stoke City Football Club Limited was £122,658,000 (2017: £75,658,000). No interest is charged on this loan.

10 ULTIMATE PARENT COMPANY

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

The largest and smallest Group in which the results of the Company are consolidated is that headed by bet365 Group Limited for the period ended 25 March 2018. 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