

Sunderland FC Hotels Limited
Report and financial statements
for the year ended 31 July 2017

Registered number 08787108

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Sunderland FC Hotels Limited
Report and financial statement
for the year ended 31 July 2017
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Sunderland FC Hotels Limited

Corporate directory

Registered number

08787108

Registered office

Hilton Garden Inn Sunderland
Vaux Brewery Way
Sunderland
Tyne and Wear
SR5 1SU

Bankers

Barclays Bank plc
Barclays House
5 St Anns Street
Quayside
Newcastle upon Tyne
NE1 3DX

Solicitors

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Board of directors

The directors of the Company who served during the year and up to the date of signing the financial statements were:

P M Andersson

G Hutchinson (resigned 31 December 2016)

A Lowes (appointed 8 March 2016)

Sunderland FC Hotels Limited

Directors' report for the year ended 31 July 2017

Registered number 08787108

The directors present their report and the audited financial statements of Sunderland FC Hotels Limited ("the Company") for the year ended 31 July 2017.

Principal activities

The company's principal activity during the year continued to be the operation and management of a hotel.

Business review and future developments

The Company made a loss for the financial year of £1,346,000 (2016: £442,000).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate controlling party.

Financial risk management

The directors consider the main risk to the Company to be credit risk. Outstanding receivables are managed by close monitoring of debts. Regular reviews of such are performed by management and reported monthly to directors. Credit terms offered are thirty days from invoice date at the discretion of management.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year and up to the date of signing the financial statements are shown on page 1.

Employees

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled the group continues employment wherever possible and arranges retraining.

Sunderland FC Hotels Limited

Directors' report for the year ended 31 July 2017 (continued)

Employees (continued)

The Company is also committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In addition, the Company encourages the involvement of employees by listening to their concerns.

Executive management are regularly updated on the performance of the Company via monthly management meetings. This information is then communicated to staff via departmental briefings and internal announcements.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

Sunderland FC Hotels Limited

Directors' report for the year ended 31 July 2017 (continued)

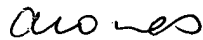
Statement of disclosure of information to independent auditors

Each of the persons who are directors at the date of approval of this report confirm that:

- (a) there is no relevant information of which the company's independent auditors are unaware, and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

On behalf of the board



A Lowes

Director

26 April 2018

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Sunderland FC Hotels Limited

Independent auditors' report to the members of Sunderland FC Hotels Limited

Report on the financial statements

Our opinion

In our opinion, Sunderland FC Hotels Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 July 2017; the Statement of comprehensive income, the Cash flow statement, the Statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Sunderland FC Hotels Limited

Independent auditors' report to the members of Sunderland FC Hotels Limited (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities. With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 July 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Sunderland FC Hotels Limited

Independent auditors' report to the members of Sunderland FC Hotels Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

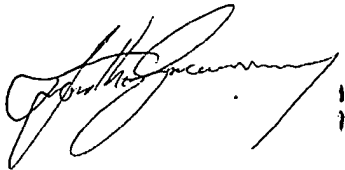
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
26 April 2018

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Sunderland FC Hotels Limited

Statement of comprehensive income for the year ended 31 July 2017

		2017	2016
	Note	£'000	£'000
Turnover	1	2,626	588
Cost of sales		(1,474)	(467)
Gross profit		1,152	121
Administrative expenses		(2,498)	(823)
Other operating income		-	260
Operating loss before interest and taxation	2	(1,346)	(442)
Interest receivable and similar income	3	-	-
Interest payable and similar charges	4	-	-
Loss on ordinary activities before taxation		(1,346)	(442)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year and total comprehensive expense		(1,346)	(442)

All operations are classed as continuing.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

Sunderland FC Hotels Limited

Balance sheet as at 31 July 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	7	12,348	13,418
		12,348	13,418
Current assets			
Inventories	8	14	23
Debtors	9	178	152
Cash at bank and in hand		248	175
		440	350
Creditors: amounts falling due within one year	10	(14,376)	(14,010)
Net current liabilities		(13,936)	(13,660)
Total assets less current liabilities		(1,588)	(242)
Creditors: amounts falling due after more than one year	11	(200)	(200)
Net liabilities		(1,788)	(442)
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		(1,788)	(442)
Total shareholders' deficit		(1,788)	(442)

The financial statements on pages 8 to 22 were approved by the board of directors on 26 April 2018 and were signed on its behalf by:



A Lowes
Director

Registered number 08787108

Sunderland FC Hotels Limited

Statement of changes in equity for the year ended 31 July 2017

	Called up share capital £'000	Profit and loss account £'000	Total shareholder' (deficit)/funds £'000
At 1 August 2015	-	-	-
Loss for the financial year	-	(442)	(442)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(442)	(442)
At 31 July 2016	-	(442)	(442)
At 1 August 2016	-	(442)	(442)
Loss for the financial year	-	(1,346)	(1,346)
Other comprehensive income	-	-	-
Total comprehensive expense for the year	-	(1,346)	(1,346)
At 31 July 2017	-	(1,788)	(1,788)

Sunderland FC Hotels Limited

Cash flow statement for the year ended 31 July 2017

	Note	2017 £'000	2016 £'000
Net cash from operating activities	14	301	(693)
Taxation paid		-	-
Net cash generated from/(used in) operating activities		301	(693)
Cash flow from investing activities			
Purchase of tangible fixed assets		(228)	(8,986)
Net cash used in investing activities		(228)	(8,986)
Cash flow from financing activities			
Increase in borrowings		-	9,854
Interest paid		-	-
Net cash generated from financing activities		-	9,854
Net increase in cash and cash equivalents		73	175
Cash and cash equivalents at the beginning of the year		175	-
Cash and cash equivalents at the end of the year		248	175

Sunderland FC Hotels Limited

Statement of accounting policies

General Information

Sunderland FC Hotels Limited operates and manages a hotel. The company is a privately owned company limited by shares and is incorporated and domiciled in England.

The address of its registered office is Hilton Garden Inn Sunderland, Vaux Brewery Way, Sunderland, Tyne & Wear, SR5 1SU.

Statement of compliance

The financial statements of Sunderland FC Hotels Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below. The company's functional and presentation currency of these financial statements is sterling.

Going concern

The ultimate controlling party has indicated their willingness to continue to support the operations of the company for the foreseeable future, which is at least, but is not limited to, twelve months from the date of these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Tangible fixed assets and depreciation

Tangible fixed assets are held at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation has been calculated to write down the cost or valuation of tangible fixed assets over their expected useful lives at the following rates:

Land and Buildings	25 years in equal annual instalments
Fixtures, fittings, equipment and vehicles	2 - 10 years in equal annual instalments

Sunderland FC Hotels Limited

Statement of accounting policies (continued)

Inventories

Inventories are measured at the lower of cost and estimated selling price less cost to complete and sell. Cost is determined using the first in first out method.

The carrying amount of inventory sold is recognised as an expense in the period in which the related revenue is recognised.

Where necessary, provision is made for slow moving stocks.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Taxation

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated to sterling at rates of exchange ruling at the date of the balance sheet or at agreed contracted rates. Transactions in foreign currency are translated to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account in the period in which they arise.

Sunderland FC Hotels Limited

Statement of accounting policies (continued)

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction which is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Sunderland FC Hotels Limited

Statement of accounting policies (continued)

Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Leased assets

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Judgements in applying accounting policies and key sources of estimation uncertainty

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.

(a) Critical judgements in applying the entity's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions.

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017

1 Turnover

Turnover, which is all derived from the Company's principal activity, is analysed as follows:

	2017	2016
	£'000	£'000
Sale of goods	2,626	588

All sales are within the United Kingdom.

2 Operating loss

Operating loss is stated after charging:

	2017	2016
	£'000	£'000
Depreciation	1,298	430
Carrying amount of inventory sold	14	23
Auditors' remuneration:		
Fees payable for the audit of the Company's financial statements	10	2
Other services relating to tax	-	3

3 Interest receivable and similar income

	2017	2016
	£'000	£'000
Bank deposits	-	-

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

4 Interest payable and similar expenses

	2017	2016
	£'000	£'000
Bank loans and other borrowings	-	-

5 Employees

The average monthly number of persons employed by the Company including directors during the year was as follows:

	2017	2016
	Number	Number
Direct labour	50	59
Administration	18	15
Sales	2	2
	70	76

	2017	2016
	£'000	£'000
Direct labour	835	287
Wages and salaries	215	103
Social security costs	63	18
Other pension costs	-	-
	1,113	408

The directors did not receive any emoluments in respect of their services to the Company (2016: £nil).

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

6 Tax on loss on ordinary activities

(a) Analysis of tax charge on ordinary activities

	2017	2016
	£'000	£'000
Current tax	-	-
Deferred tax	-	-
Tax on loss	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for the year ended 31 July 2017 of 19.67% (2016: 20.00%). The differences are explained below.

	2017	2016
	£'000	£'000
Loss before taxation	(1,346)	(442)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.67% (2016: 20.00%)	(264)	(88)
Effects of:		
Tax losses not recognised	264	88
Tax charge for the year	-	-

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

7 Tangible assets

	Land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 August 2016	5,941	7,907	13,848
Additions	227	1	228
At 31 July 2017	6,168	7,908	14,076
Accumulated depreciation			
At 1 August 2016	79	351	430
Charge for the year	247	1,051	1,298
At 31 July 2017	326	1,402	1,728
Net book amount			
At 31 July 2017	5,842	6,506	12,348
At 31 July 2016	5,862	7,556	13,418

8 Inventories

	2017 £'000	2016 £'000
Consumables	14	23

Inventories are measured at the lower of cost and estimated selling price less cost to complete and sell. There is no significant difference between the replacement cost of the inventory and its carrying amount.

Impairment of inventory recognised as an expense during the year was £nil (2016: £nil).

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

9 Debtors

	2017	2016
	£'000	£'000
Trade debtors	68	26
Amounts owed by group undertakings	-	40
Prepayments and accrued income	110	86
	178	152

Trade debtors are stated after provisions for impairment of £nil (2016: £nil).

10 Creditors: amounts falling due within one year

	2017	2016
	£'000	£'000
Trade creditors	130	81
Deposits received in advance	31	22
Amounts owed to group undertakings	13,945	13,154
Other creditors	-	1
Taxation and social security	131	97
Accruals and deferred income	139	655
	14,376	14,010

Amounts owed to group undertaking include unsecured, interest free loans repayable to Wear LLC, the immediate parent undertaking of Sunderland FC Development LLP.

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

11 Creditors: amounts falling due after more than one year

	2017	2016
	£'000	£,000
Amounts owed to group undertakings	200	200
	200	200

Amounts owed to group undertaking include unsecured, interest free loans repayable to Wear LLC, the immediate parent undertaking of Sunderland FC Development LLP.

12 Financial instruments

The Company has the following financial instruments:

	2017	2016
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	68	66
Carrying amount of financial liabilities		
Measured at amortised cost	(300)	(758)

13 Called up share capital

	2017		2016	
	Number	£	Number	£
Authorised				
Ordinary shares of £1 each	1	1	1	1
Allotted and fully paid				
Ordinary shares of £1 each	1	1	1	1

Sunderland FC Hotels Limited

Notes to the financial statements for the year ended 31 July 2017 (continued)

14 Notes to the cash flow statement

	2017	2016
	£'000	£'000
Loss for the financial year	(1,346)	(442)
Adjustments for:		
Tax on loss on ordinary activities	-	-
Net interest expense	-	-
Operating loss	(1,346)	(442)
Depreciation charge	1,298	430
Decrease/(increase) in stocks	9	(23)
Increase in debtors	(26)	(152)
Increase/(decrease) in creditors	366	(506)
Net cash from operating activities	301	(693)

15 Related party transactions

Other than the transactions disclosed below, the Company's other related party transactions were with its wholly owned subsidiary members of the Group.

During the year, operating costs of £13,987 (2016: £131,233) were recharged to the Company by Sunderland Limited, a related party due to having key management personnel in common. At the year end, an amount of £10,487 (2016: £23,269) was outstanding which is included in trade creditors.

16 Ultimate and immediate controlling party

The immediate parent undertaking is Sunderland FC Development LLP, a partnership incorporated in England. Sunderland FC Development LLP is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements.

The directors consider the ultimate controlling party of the Company to be Mr E Short.