

# Sunderland FC Development LLP

Annual Report and Financial Statements

For the period ended 31 December 2022

# Sunderland FC Development LLP

## LLP Information

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<b>Designated members</b>	J L Feggett
<b>Secretary</b>	J L Feggett
<b>LLP number</b>	OC375782
<b>Registered office</b>	Hilton Garden Inn Sunderland Vaux Brewery Way Sunderland United Kingdom SR5 1SU
<b>Auditors</b>	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP

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# Sunderland FC Development LLP

## Contents

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	<b>Page</b>
Members' report	1 - 3
Independent auditor's report	4 - 8
Consolidated statement of comprehensive income	9
Consolidated balance sheet	10
LLP balance sheet	11
Consolidated reconciliation of members' interests	12 - 13
LLP reconciliation of members' interests	14 - 15
Group statement of cash flows	16
Notes to the financial statements	17-27

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# Sunderland FC Development LLP

## Member's Report

For the period ended 31 December 2022

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The members present their annual report and financial statements for the period ended 31 December 2022.

### Principal activities

The principal activity of Sunderland FC Development LLP ("the LLP") is that of property development. The group activity is the operation of a hotel, restaurant and bar. The results for the period are set out on page 9.

### Review of business

The members are satisfied with the progress of the business.

### Going concern and COVID 19

Forecasts for 2023 and beyond are prepared on year-to-date actuals and appropriate assumptions on revenues and costs, now that COVID-19 restrictions are lifted and as trading gradually returns to pre-pandemic conditions. At the date of signing these accounts, it is anticipated that the group will return to pre-pandemic levels of trading by end of 2023 and assessments of going concern have been undertaken accordingly.

Funding has been provided by the ultimate parent company in previous years and current forecasts show that the LLP and group are self-funding. However additional funding lines are in place from the ultimate parent company to address any adverse scenarios that may occur for the foreseeable future. To this extent the members have ensured that funding lines are agreed and in place to manage and exceed cash requirements of the stress forecasting scenarios.

The business to date has not sought any external funding outside of the group and there are no realistic circumstances where it would envisage doing so. Therefore, there is a reasonable expectation that the LLP and group has adequate resources to continue in operational existence for the foreseeable future. The members are confident that the actions and strategies in place should be sufficient to mitigate business risks as they arise.

The LLP places significant reliance on the ultimate controlling party not recalling amounts owing to them and to provide further funds at times when required. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the LLP to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that would arise should the LLP be unable to continue as a going concern.

### Designated member

The designated member who held office during the period and up to the date of signature of the financial statements was as follows:

Wear LLC  
J L Feggett

### Policy on members' drawings

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

# Sunderland FC Development LLP

## Member's Report (Continued)

For the period ended 31 December 2022

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### **Auditor**

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of member's responsibilities**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosures to auditors**

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the member is aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the member has taken all the steps that they ought to have taken as member in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

# Sunderland FC Development LLP

## Member's Report (Continued)

For the period ended 31 December 2022

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On behalf of the members

J L Feggett  
**Designated Member**

**26 September 2023**

# Sunderland FC Development LLP

## Independent Auditor's Report

To the Members of Sunderland FC Development LLP

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### Opinion

We have audited the financial statements of Sunderland FC Development LLP (the 'parent LLP') and its subsidiaries (the 'group') for the period ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group and parent LLP Balance Sheet, Group and parent LLP reconciliation of members' interests, the Group Statement of Cash Flows and notes to the financial statements, including 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 group's and the limited liability partnership's affairs as at 31 December 2022 and of the group's loss for the 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### 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 group 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.

### Material uncertainty relating to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the LLP is reliant on the ongoing financial support of the ultimate controlling party to enable it to continue as a going concern. Whilst the members do not believe there is any reason this support will not be forthcoming, it cannot be guaranteed. As stated in note 1.3 these events or conditions, along with the other matters as set forth in note 1.3 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

# Sunderland FC Development LLP

## Independent Auditor's Report (Continued)

To the Members of Sunderland FC Development LLP

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### **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 members are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent LLP and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' Report

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members 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 members determine are 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 members are responsible for assessing the group's and parent LLP'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 members either intend to liquidate the group or the parent LLP or to cease operations, or has no realistic alternative but to do so.



# Sunderland FC Development LLP

## Independent Auditor's Report (Continued)

To the Members of Sunderland FC Development LLP

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### **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Sunderland FC Development LLP

## Independent Auditor's Report (Continued)

To the Members of Sunderland FC Development LLP

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### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the limited liability partnership.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Limited Liability Partnerships SORP, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

# Sunderland FC Development LLP

## Independent Auditor's Report (Continued)

To the Members of Sunderland FC Development LLP

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### Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). Our audit work has been undertaken for no purpose other than to draw to the attention of the limited liability partnership's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Andrew Grieve (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

28 September 2023

**Chartered Accountants**  
**Statutory Auditor**

6th Floor  
9 Appold Street  
London  
EC2A 2AP

## Sunderland FC Development LLP

### Group Statement of Comprehensive Income

For the period ended 31 December 2022

		Period ended 31 December 2022 £	Year ended 31 July 2021 £
	Notes		
<b>Turnover</b>	<b>3</b>	5,146,432	1,366,491
Cost of sales		(2,146,577)	(769,722)
<b>Gross profit</b>		2,999,855	596,769
Administrative expenses		(3,588,613)	(1,990,713)
Other operating income		27,918	105,054
Tax on loss	<b>8</b>	-	-
<b>Loss for the financial period</b>		(560,840)	(1,288,890)

Loss for the financial period is all attributable to the owners of the parent LLP.

Total comprehensive income for the period is all attributable to the owners of the parent LLP.

# Sunderland FC Development LLP

## Consolidated Balance Sheet

As at 31 December 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9		6,081,416		7,381,469
<b>Current assets</b>					
Stocks	11	15,809		12,438	
Debtors	12	75,003		73,631	
Cash at bank and in hand		503,576		276,518	
			594,388		362,587
<b>Creditors: amounts falling due within one year</b>	13	(661,586)		(418,998)	
<b>Net current liabilities</b>			(67,198)		(56,411)
<b>Total assets less current liabilities</b>			6,014,218		7,325,058
<b>Creditors: amounts falling due after more than one year</b>	14		(12,830,000)		(13,580,000)
<b>Net assets attributable to members</b>			(6,815,782)		(6,254,942)
<b>Represented by:</b>					
<b>Members' other interests</b>					
Other reserves classified as equity			(6,815,782)		(6,254,942)
			(6,815,782)		(6,254,942)
<b>Total members' interests</b>			(6,815,782)		(6,254,942)
Members' other interests			(6,815,782)		(6,254,942)

The financial statements were approved and signed by the director and authorised for issue on 26 September 2023

J L Feggett  
Designated Member

LLP Registration No. OC375782

## Sunderland FC Development LLP

### LLP Balance Sheet

As at 31 December 2022

		2022		2021	
	Notes	£	£	£	£
<b>Current assets</b>					
Cash at bank and in hand		5,445		5,463	
<b>Creditors: amounts falling due within one year</b>	13	<u>(43,313)</u>		<u>(39,463)</u>	
<b>Net current liabilities</b>			<u>(37,868)</u>		<u>(34,000)</u>
<b>Represented by:</b>					
<b>Members' other interests</b>					
Other reserves classified as equity			<u>(37,868)</u>		<u>(34,000)</u>
			<u>(37,868)</u>		<u>(34,000)</u>
<b>Total members' interests</b>					
Members' other interests			<u>(37,868)</u>		<u>(34,000)</u>

The financial statements were approved and signed by the director and authorised for issue on 26 September 2023

J L Feggett  
**Designated Member**

**LLP Registration No. OC375782**

## Sunderland FC Development LLP

### Consolidated Reconciliation of Members' Interests

For the period ended 31 December 2022

<i>Current financial year</i>	EQUITY Other reserves	DEBT Other amounts	Total	TOTAL Total 2022 £
	£	£	£	£
Members' interests at 1 August 2021	(6,254,942)	-	-	(6,254,942)
Loss for the period available for discretionary division among members	(560,840)	-	-	(560,840)
Members' interests after loss for the period	(6,815,782)	-	-	(6,815,782)
Members' interests at 31 December 2022	(6,815,782)	-	-	(6,815,782)

## Sunderland FC Development LLP

### Consolidated Reconciliation of Members' Interests (Continued)

For the period ended 31 December 2022

<i>Prior financial year</i>	<b>EQUITY</b>	<b>DEBT</b>		<b>TOTAL</b>
	<b>Other reserves</b>	<b>Other amounts</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2021</b>
				<b>£</b>
Members' interests at 1 August 2020	(4,966,052)	-	-	(4,966,052)
Loss for the period available for discretionary division among members	(1,288,890)	-	-	(1,288,890)
Members' interests after loss for the year	(6,254,942)	-	-	(6,254,942)
Members' interests at 31 July 2021	(6,254,942)	-	-	(6,254,942)



# Sunderland FC Development LLP

## LLP Reconciliation of Members' Interests

For the period ended 31 December 2022

<i>Current financial year</i>	<b>EQUITY</b>	<b>DEBT</b>		<b>TOTAL</b>
	<b>Other reserves</b>	<b>Other amounts</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2022</b>
				<b>£</b>
Members' interests at 1 August 2021	(34,000)	-	-	(34,000)
Loss for the period available for discretionary division among members	(3,868)	-	-	(3,868)
Members' interests after loss for the period	(37,868)	-	-	(37,868)
Members' interests at 31 December 2022	(37,868)	-	-	(37,868)
Amounts due to members		-		
		-		
		-		

## Sunderland FC Development LLP

### LLP Reconciliation of Members' Interests (Continued)

For the period ended 31 December 2022

<i>Prior financial year</i>	<b>EQUITY</b>	<b>DEBT</b>		<b>TOTAL</b>
	<b>Other reserves</b>	<b>Other amounts</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2021</b>
				<b>£</b>
Members' interests at 1 August 2020	(31,000)	-	-	(31,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Loss for the period available for discretionary division among members	(3,000)	-	-	(3,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Members' interests after loss for the period	(34,000)	-	-	(34,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Members' interests at 31 July 2021	(34,000)	-	-	(34,000)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# Sunderland FC Development LLP

## Group Statement of Cash Flows

For the period ended 31 December 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		1,041,621		50,741
<b>Investing activities</b>					
Purchase of tangible fixed assets		(56,489)		(73,225)	
<b>Net cash used in investing activities</b>			(56,489)		(73,225)
<b>Financing activities</b>					
Repayment of borrowings		(750,000)		138,815	
Payment of finance leases obligations		(8,074)		8,074	
<b>Net cash (used in)/generated from financing activities</b>			(758,074)		146,889
<b>Net increase in cash and cash equivalents</b>			227,058		124,405
Cash and cash equivalents at beginning of period			276,518		152,113
<b>Cash and cash equivalents at end of period</b>			503,576		276,518

# Sunderland FC Development LLP

## Notes to the Financial Statements

For the period ended 31 December 2022

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### 1 Accounting policies

#### Limited liability partnership information

Sunderland FC Development LLP is a limited liability partnership incorporated in England and Wales. The registered office is Hilton Garden Inn Sunderland, Vaux Brewery Way, Sunderland, England, SR5 1SU.

The limited liability partnership's principal activities are disclosed in the Member's Report.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

#### Parent LLP disclosure exemptions

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent LLP; and
- Disclosures in respect of the parent LLP's financial statements have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

#### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent LLP, Sunderland FC Development LLP, together with all entities controlled by the parent LLP (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The members believes that preparing the financial statements on the going concern basis is appropriate due to the continued support of the ultimate controlling party, Wear LLC.

Management and the members have assessed the group and limited liability partnership's ability to be able to continue as a going concern for a period of 1 year from the date that these financial statements were authorised and it is in their opinion that the ultimate controlling party will continue to support the limited liability partnership. A letter of support has been obtained confirming that support will continue to be provided, and amounts owing to the ultimate controlling party will not be recalled for a period of at least a year from the date of approval of the financial statements, however that letter is not legally binding. Considering this, the going concern basis of preparation is deemed appropriate.

However, the entity places significant reliance on the ultimate controlling party not recalling amounts owing to them which is not guaranteed. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal.

The financial statements do not include any adjustments that would arise should the company be unable to continue as a going concern.

#### 1.4 Reporting period

The financial statements of the LLP have been prepared for the 17 month period to 31 December 2022 to align with period ends of entities within the wider group which the LLP is a part of. The comparative amounts presented in these financial statements are not entirely comparable as they will cover the 12 months to 31 July 2021.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25 years on a straight line basis
Fixtures and fittings	2 - 10 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

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### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent LLP financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

#### 1.10 Financial instruments

##### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other debtors receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### Creditors

Short term trade creditors and other current creditors payable on demand are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

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### 1 Accounting policies

(Continued)

#### 1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.12 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP and the group operate and generate income.

The taxation payable on the partnerships profits is solely the personal liability of the individual members consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 1 Accounting policies

(Continued)

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.18 Member's participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

#### 1.19 COVID 19 related support measures

The group took advantage of various support measures announced by the government

- The group as a hotel operator was able to take advantage of a temporary reduction in business rates in to mid 2022.
- The group was able to take advantage of temporary VAT reduction for the hospitality sector in early 2022. As income and costs are stated net of VAT this had no impact on the result for the period reported in the financial statements.
- The group received grants in the prior year under the Coronavirus Job Retention Scheme where staff have been furloughed due to the global pandemic. These amounts have been included separately in other income and are recognised in the same periods as the related salary costs.



# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In preparing the financial statements the members have made the following judgements:

#### Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and the residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Accommodation, food and drink	5,146,432	1,366,491
	<u>          </u>	<u>          </u>
	2022	2021
	£	£
<b>Other significant revenue</b>		
Grants received	-	105,054
	<u>          </u>	<u>          </u>

All turnover arose within the United Kingdom.

### 4 Operating loss

	2022	2021
	£	£
Operating loss for the period is stated after charging/(crediting):		
Government grants	-	(105,054)
Depreciation of owned tangible fixed assets	1,356,542	1,236,545
	<u>          </u>	<u>          </u>

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	40,266	24,548

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2022 Number	2021 Number	LLP 2022 Number	2021 Number
Direct Labour	63	31	-	-
Administration	5	5	-	-
Sales	2	2	-	-
Total	70	38	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	LLP 2022 £	2021 £
Wages and salaries	1,583,941	615,026	-	-
Social security costs	116,490	42,543	-	-
Pension costs	22,852	10,372	-	-
	1,723,283	667,941	-	-

### 7 Members' profit share

Profits are shared among members each year in accordance with agreed profit sharing arrangements disclosed in the members agreement.

The profit share attributable to the members with the largest entitlement to profit was £nil (2021: £nil).

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 8 Taxation

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(560,840)	(1,288,890)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	(106,560)	(244,889)
Tax effect of utilisation of tax losses not previously recognised	(27,377)	-
Unutilised tax losses carried forward	-	119,488
Change in unrecognised deferred tax assets	937	4,562
Other permanent differences	133,000	120,839
Taxation charge	-	-

The group has estimated unrecognised deferred tax assets in respect of timing differences of £468,000 (2021: £446,000).

### 9 Tangible fixed assets

Group	Leasehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 August 2021	6,168,085	7,949,622	14,117,707
Additions	-	56,489	56,489
At 31 December 2022	6,168,085	8,006,111	14,174,196
<b>Depreciation and impairment</b>			
At 1 August 2021	1,332,322	5,403,916	6,736,238
Depreciation charged in the period	427,310	929,232	1,356,542
At 31 December 2022	1,759,632	6,333,148	8,092,780
<b>Carrying amount</b>			
At 31 December 2022	4,408,453	1,672,963	6,081,416
At 31 July 2021	4,835,763	2,545,706	7,381,469

The LLP had no tangible fixed assets at 31 December 2022 or 31 July 2021.

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Sunderland FC Hotels Limited	FC England and Wales	Hotel operator	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Sunderland FC Hotels Limited	6,777,914	556,972

The registered address for the above subsidiary is Hilton Garden Inn Sunderland, Vaux Brewery Way, Sunderland, SR5 1SU.

### 11 Stocks

	Group 2022 £	2021 £	LLP 2022 £	2021 £
Raw materials and consumables	15,809	12,438	-	-

### 12 Debtors

	Group 2022 £	2021 £	LLP 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	22,185	46,152	-	-
Other debtors	2,878	-	-	-
Prepayments and accrued income	49,940	27,479	-	-
	75,003	73,631	-	-

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 13 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	LLP 2022 £	2021 £
Obligations under finance leases	15	-	8,074	-	-
Trade creditors		164,802	139,956	-	-
Amounts owed to group undertakings		34,413	34,413	40,013	36,463
Other taxation and social security		85,595	40,097	-	-
Other creditors		33,985	16,583	-	-
Accruals and deferred income		342,791	179,875	3,300	3,000
		<u>661,586</u>	<u>418,998</u>	<u>43,313</u>	<u>39,463</u>

### 14 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	LLP 2022 £	2021 £
Other borrowings		<u>12,830,000</u>	<u>13,580,000</u>	<u>-</u>	<u>-</u>

Other borrowings include unsecured, interest free loans repayable to Wear LLC, the immediate parent undertaking of Sunderland FC Development LLP. These loans do not have a formal repayment date but the parent company have confirmed in writing that these are not due within 1 year from the balance sheet date.

### 15 Finance lease obligations

	Group 2022 £	2021 £	LLP 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	<u>-</u>	<u>8,074</u>	<u>-</u>	<u>8,074</u>

Finance lease payments represent rentals payable by the LLP or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 16 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>22,852</u>	<u>10,372</u>

# Sunderland FC Development LLP

## Notes to the Financial Statements (Continued)

For the period ended 31 December 2022

### 16 Retirement benefit schemes (Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 17 Related party transactions

The company has taken advantage of the exemption from disclosing transactions with members within a wholly owned group.

### 18 Controlling party

The immediate controlling party is Wear LLC by virtue of their voting rights within the partnership. The members consider the ultimate controlling party of the partnership to be Mr E Short.

### 19 Cash generated from group operations

	2022 £	2021 £
Loss for the period after tax	(560,840)	(1,288,890)
<b>Adjustments for:</b>		
Depreciation and impairment of tangible fixed assets	1,356,542	1,236,545
<b>Movements in working capital:</b>		
Increase in stocks	(3,371)	(2,868)
Increase in debtors	(1,372)	(34,524)
Increase in creditors	250,662	140,478
<b>Cash generated from operations</b>	<u>1,041,621</u>	<u>50,741</u>

### 20 Analysis of changes in net debt - group

	1 August 2021 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	276,518	227,058	503,576
Borrowings excluding overdrafts	(13,580,000)	750,000	(12,830,000)
Obligations under finance leases	(8,074)	8,074	-
	<u>(13,311,556)</u>	<u>985,132</u>	<u>(12,326,424)</u>

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