

The Sunderland Association Football
Club Limited
Annual report and accounts
for the year ended 31 July 2008

Registered number 49116

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The Sunderland Association Football Club Limited

Annual report and accounts

for the year ended 31 July 2008

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The Sunderland Association Football Club Limited

Corporate directory

Registered number
49116

Registered office
The Sunderland Stadium of Light
Sunderland
SR5 1SU

Bankers
Barclays Bank plc
71 Grey Street
Newcastle upon Tyne
NE99 1JP

Anglo Irish Bank UK Corporation plc
10 Old Jewry
London
EC2R 8DN

Solicitors
Pinsent Masons
1 Park Row
Leeds
LS1 5AB

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
89 Sandyford Road
Newcastle upon Tyne
NE1 8HW

Board of directors

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

N J Quinn MBE	(Chairman)
J Hays	(Vice Chairman – resigned 3 October 2008)
P I Walker BA, ACA	(Chief Executive)
L A Callaghan BA Hons, DipM	(Marketing and Communications Director)
M A Byrne BA Hons, PgDL	(Company Secretary)

The Sunderland Association Football Club Limited

Directors' report for the year ended 31 July 2008

The directors present their report and the audited accounts of The Sunderland Association Football Club Limited ("the Company") for the year ended 31 July 2008.

Principal activities, business review and future developments

The principal activity of the Company is that of a professional football club.

The Company made a loss for the financial year after taxation of £2,274,000 (2007: loss of £13,658,000). The directors do not recommend the payment of a dividend (2007: £nil).

The review of the business and the future development of the Company are the same as those of the immediate parent company, and are described in the directors' report in the annual report and accounts of Sunderland Limited.

The Company is deemed to be a going concern due to the on-going support of the immediate parent company, Sunderland Limited.

Principal risks and uncertainties

The principal business risks affecting the Company is the same as those of the immediate parent company, and are described in the directors' report in the annual report and accounts of Sunderland Limited.

Key performance indicators ("KPIs")

The KPIs of the Company are the same as those of the immediate parent company, and are described in the directors report in the annual report and accounts of Sunderland Limited.

Financial risk management

The financial risk management policies of the Company are the same as those of the immediate parent company, and are described in the directors report in the annual report and accounts of Sunderland Limited.

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.

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

Post balance sheet events

Details of subsequent events are provided in note 20 to the financial statements.

The Sunderland Association Football Club Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

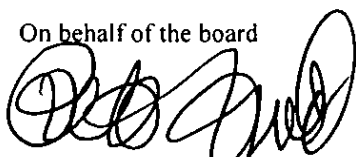
Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at a board meeting during the year.

On behalf of the board



P I Walker BA, ACA

Chief executive

11 December 2008

The Sunderland Association Football Club Limited

Independent auditors' report to the members of The Sunderland Association Football Club Limited

We have audited the financial statements of The Sunderland Association Football Club Limited for the year ended 31 July 2008 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's deficit, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

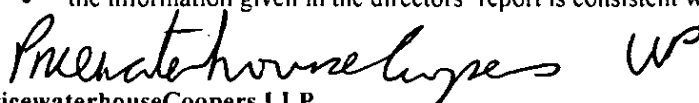
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 July 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

11 December 2008

The Sunderland Association Football Club Limited

Profit and loss account for the year ended 31 July 2008

	Note	2008 £'000	2007 £'000
Turnover	1	63,477	26,207
Net operating expenses	2	(65,847)	(42,977)
Operating loss		(2,370)	(16,770)
Profit on disposal of players contracts	5	705	3,757
Loss on ordinary activities before interest and taxation		(1,665)	(13,013)
Interest receivable and similar income	3	77	8
Interest payable and similar charges	4	(686)	(653)
Loss on ordinary activities before taxation	2	(2,274)	(13,658)
Taxation on loss on ordinary activities	8	-	-
Loss for the financial year	16	(2,274)	(13,658)

All operations are classed as continuing.

The Company has no recognised gains or losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

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.

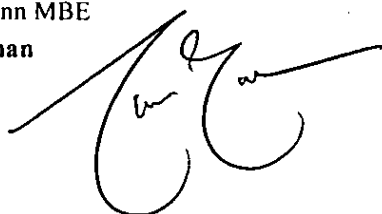
The Sunderland Association Football Club Limited

Balance sheet as at 31 July 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Intangible assets	9	50,242		21,539	
Tangible assets	10	12,307		12,926	
			62,549		34,465
Current assets					
Stocks	11	363		263	
Debtors	12	9,207		11,552	
Cash at bank and in hand		1,965		20	
		11,535		11,835	
Creditors: amounts falling due within one year	13	(65,176)		(42,016)	
Net current liabilities			(53,641)		(30,181)
Total assets less current liabilities			8,908		4,284
Creditors: amounts falling due after more than one year	14		(45,496)		(38,598)
Net liabilities			(36,588)		(34,314)
Capital and reserves					
Called up share capital	15		30		30
Share premium account	16		4,700		4,700
Revaluation reserve	16		82		82
Profit and loss account	16		(41,400)		(39,126)
Total shareholders' deficit			(36,588)		(34,314)

The financial statements on pages 5 to 21 were approved by the board of directors on 11 December 2008 and were signed on its behalf by:

N J Quinn MBE
Chairman



The Sunderland Association Football Club Limited

Reconciliation of movements in shareholders' deficit for the year ended 31 July 2008

	2008	2007
	£'000	£'000
Loss for the financial year	(2,274)	(13,658)
Opening shareholders' deficit	(34,314)	(20,656)
Closing shareholders' deficit	(36,588)	(34,314)

The Sunderland Association Football Club Limited

Statement of accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

The group undertaking, Drumaville Limited, has indicated its willingness to continue to support the operations of the Company for the foreseeable future. It will not seek repayment of the amounts owing to it as shown in note 13 until such time as the Company is able to meet these liabilities. The immediate parent undertaking, Sunderland Limited, has indicated its willingness to continue to support the operations of the Company for the foreseeable future. It will not seek repayment of the amounts owing to it as shown in note 14 until such time as the Company is able to meet these liabilities and will continue to guarantee the Company's borrowings as shown in note 19. On this basis the accounts have been prepared under the going concern assumption.

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:

Freehold property	25-50 years in equal annual instalments to an estimated residual value
Fixtures, fittings and equipment	3-10 years in equal annual instalments
Tractors	5-8 years in equal annual instalments
Motor vehicles	4 years in equal annual instalments

Freehold land and assets in the course of construction are not depreciated.

Costs of ongoing capital projects are held as assets under construction in the balance sheet and are transferred to the appropriate fixed asset categories upon completion.

Land and buildings

Prior to 2000, some freehold properties were revalued periodically. On adoption of FRS 15 "Tangible fixed assets" in 2000, the Company has followed the transitional rules to retain the book value of land and buildings. On disposal the profit and loss is calculated by reference to the net book value and any unamortised revaluation surplus is transferred from revaluation reserves to the profit and loss account.

Intangible assets

The costs associated with the acquisition of players' registrations (transfer fees) are capitalised as intangible fixed assets. These costs are amortised from the month of purchase fully over the contract period. Players' registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Stocks

Stocks are stated at the lower of cost and net realisable value and consist of finished goods purchased for resale. Where necessary, provision is made for obsolete and slow moving stocks.

The Sunderland Association Football Club Limited

Financial instruments

Loans and receivables are non-derivative financial assets or liabilities with fixed or determinable payments that are not quoted on an active market. They are included within assets or liabilities at book value depending on when they fall due.

Lease rentals

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Lessor accounting

The Company derecognises assets purchased and subsequently leased to employees under finance lease arrangements. A lease debtor is recognised on inception of the lease, being the minimum lease payments receivable. The lease debtor is released over the life of the agreement as rentals are received.

Turnover

Turnover comprises gate receipts, retail and merchandising, sponsorship, television and media income and invoiced sales, exclusive of value added tax. Television income is recognised in the period in which the relevant matches are televised and gate receipt income taken to the profit and loss account when the matches are played. Sponsorship income is recognised over the life of the agreements and retail income is recognised upon sale of the goods.

Signing on fees

Contractual amounts of fees payable to players are spread evenly over the contract term of amounts owed to players. In accordance with guidance from an FA Premier League working party, unamortised signing on fees are disclosed net of amounts due to players in the balance sheet. The net balance of signing on fees relating to players sold is included within the calculation of the profit or loss on disposal of players' contracts.

Pensions

Previously employed staff of the Company are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Pension and Life Assurance Scheme, a defined benefit scheme. The Company also contributes to individuals private pension schemes.

Pension costs relating to defined benefit schemes are charged to the profit and loss account as if they were defined contribution pension costs. This is due to the Company being unable to identify its share of the assets and liabilities of the schemes, which are held separately in administered funds.

Pension costs relating to defined contribution schemes are charged to the profit and loss account in the year to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

The Sunderland Association Football Club Limited

Grants receivable

Grants received as a contribution towards specific expenditure on fixed assets are held in a deferred income account and recognised in the profit and loss account over the expected useful lives of the related assets. Other grants received are held in a deferred income account and recognised in the profit and loss account so as to match them with the expenditure to which they are intended to contribute.

Cash flow statements

The Company has taken advantage of the exemption in FRS 1 "Cash flow statements (revised 1996)" for companies whose parent proposes to prepare and file consolidated financial statements incorporating a consolidated cash flow statement and consequently, no cash flow statement is presented in these financial statements.

The Sunderland Association Football Club Limited

Notes to the financial statements for the year ended 31 July 2008

1 Turnover

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

	2008	2007
	£'000	£'000
Gate receipts	13,639	9,045
Television and media	35,631	7,950
Sponsorship and royalties	8,292	4,140
Conference, banqueting and catering	3,417	2,929
Retail and merchandising	2,345	1,804
Other	153	339
	63,477	26,207

All sales are within the United Kingdom.

2 Net operating expenses

	2008	2008	2007	2007
	£'000	£'000	£'000	£'000
Staff costs (note 6)		(36,865)		(23,601)
Depreciation	(1,096)		(1,171)	
Amortisation and impairment of players contracts	(12,906)		(4,587)	
Depreciation, amortisation and other amounts written off tangible and intangible assets		(14,002)		(5,758)
Other operating charges		(14,980)		(13,618)
Net operating expenses		(65,847)		(42,977)

Loss on ordinary activities before taxation is stated after charging/(crediting):

Auditors' remuneration:

Fees payable for the audit of the Company's accounts	12	12
Loss/(profit) on sale of fixed assets	1	(6)
Operating lease – plant and machinery	296	243
Deferred grant income	(11)	(138)

The Sunderland Association Football Club Limited

3 Interest receivable and similar income

	2008	2007
	£'000	£'000
Bank deposits	77	8

4 Interest payable and similar charges

	2008	2007
	£'000	£'000
Bank loans and other borrowings	686	653

5 Accounting for players' contracts

	2008	2007
	£'000	£'000
Amortisation of players' contracts	12,906	3,689
Provision for permanent diminution in the value of players' contracts	-	898
	12,906	4,587
Profit on disposal of players' contracts	(705)	(3,757)
	12,201	830

The Sunderland Association Football Club Limited

6 Employees

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

	2008 Number	2007 Number
Administration	206	190
Football	61	49
Match day staff	295	289
	562	528

Staff costs including directors' remuneration during the year amounted to:	2008 £'000	2007 £'000
Wages and salaries	32,802	21,001
Social security costs	3,957	2,539
Other pension costs (note 18)	106	61
	36,865	23,601

7 Directors' emoluments

Aggregate directors' emoluments during the year, for services to Sunderland Limited and Sunderland Association Football Club Limited totalled £1,617,971 (2007: £1,635,537), including pension contributions of £40,000 (2007: £32,378) accruing to 2 directors (2007: 2). These are the company contributions to money purchase pension schemes that are the directors personal pension plans, they are not company schemes. The emoluments of the highest paid director amounted to £939,317 (2007: £1,057,465) including pension contributions of £nil (2007: £nil).

The Sunderland Association Football Club Limited

8 Tax on loss on ordinary activities

(a) Analysis of tax charge on ordinary activities

	2008	2007
	£'000	£'000
Current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on ordinary activities	-	-

(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. The differences are explained below.

	2008	2007
	£'000	£'000
Loss on ordinary activities before taxation	(2,274)	(13,658)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.33% (2007: 30%)	(667)	(4,097)
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	154	192
Accelerated capital allowances and other timing differences	183	4,057
Other timing differences	(132)	-
Group relief surrendered	462	-
Effect of FA 2007 abolition of IB Balancing adjustments	-	(152)
Current tax charge for the year	-	-

(c) Factors that may affect future tax charges

The Company has unprovided trading losses of approximately £29.7 million (2007: £31.1 million) which are available for offset against future trading profits. A deferred tax asset has not been recognised in respect of these losses on the basis that they may only be offset against future taxable profits generated by the Company. There is currently insufficient evidence that any asset would be recoverable.

The Sunderland Association Football Club Limited

9 Intangible assets

Transfer fees paid for players' contracts

	£'000
Cost	
At 1 August 2007	28,109
Additions	42,407
Disposals	(6,285)
At 31 July 2008	64,231
Accumulated amortisation	
At 1 August 2007	6,570
Amortised in the year	12,906
Released on disposal	(5,487)
At 31 July 2008	13,989
Net book amount	
At 31 July 2008	50,242
At 31 July 2007	21,539

The Sunderland Association Football Club Limited

10 Tangible assets

	Freehold land and buildings	Fixtures, fittings, equipment and vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2007	10,924	12,092	1	23,017
Additions	193	285	-	478
Disposals	-	(158)	(1)	(159)
At 31 July 2008	11,117	12,219	-	23,336
Comprising:				
Cost	10,972	12,219	-	23,191
Valuation 1996	145	-	-	145
	11,117	12,219	-	23,336
Accumulated depreciation				
At 1 August 2007	948	9,143	-	10,091
Amount provided	199	897	-	1,096
Disposals	-	(158)	-	(158)
At 31 July 2008	1,147	9,882	-	11,029
Net book amount				
At 31 July 2008	9,970	2,337	-	12,307
At 31 July 2007	9,976	2,949	1	12,926

The Company's freehold properties were valued by G L Hearn & Partners, Chartered Surveyors, as at 31 August 1996 on an existing use basis.

On an historical cost basis, freehold land and buildings would have been included at a net book amount of £9,888,000 (2007: £9,894,000).

The Sunderland Association Football Club Limited

11 Stocks

	2008	2007
	£'000	£'000
Goods for resale	363	263

12 Debtors

	2008	2007
	£'000	£'000
Trade debtors	1,684	3,331
Amounts due under finance lease	3	7
Other debtors	5,487	6,347
Prepayments and accrued income	2,033	1,867
	9,207	11,552

Trade debtors include £nil (2007: £100,000) due after more than one year. Prepayments and accrued income includes £nil (2007: £53,000) due after more than one year.

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Bank overdraft	13,576	7,397
Bank loan (note 14)	4	4
Trade creditors	17,029	5,802
Loan from group undertaking	16,750	8,750
Other creditors	13	24
Taxation and social security	1,369	991
Accruals and deferred income	16,435	19,048
	65,176	42,016

The loan from group undertaking is unsecured, has no set repayment date and is interest free.

The bank overdraft is secured by a charge over certain assets of the Company and has been guaranteed by Sunderland Limited. See note 19.

The Sunderland Association Football Club Limited

14 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Bank loan	-	4
Trade creditors	9,710	7,250
Amounts owed to immediate parent company	35,176	30,256
Accruals and deferred income	610	1,088
	45,496	38,598

The amount owed to the immediate parent company is unsecured, has no set repayment date and is interest free.

15 Called up share capital

	2008 £'000	2007 £'000
Authorised		
30,500 ordinary shares of £1 each	30	30
Allotted and fully paid		
30,500 ordinary shares of £1 each	30	30

16 Reserves

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1 August 2007	4,700	82	(39,126)
Loss for the financial year	-	-	(2,274)
At 31 July 2008	4,700	82	(41,400)

The Sunderland Association Football Club Limited

17 Lease commitments

Operating leases on plant and machinery

Annual commitments on non-cancellable operating leases which expire in:

	2008 £'000	2007 £'000
Under one year	32	37
Between one and two years	95	65
Between two and five years	124	106
After more than five years	4	3
	255	211

18 Pension commitments

Previously employed staff of the Company are members of either the Football League Limited Players Retirement Income Scheme, a defined contribution scheme, or the Football League Pension and Life Assurance Scheme, a defined benefit scheme. As the Company is one of a number of participating employers in the Football League Limited Pension and Life Assurance Scheme, it is not possible to allocate any actuarial surplus or deficit and consequently contributions are expensed in the profit and loss account as they become payable. The assets of the schemes are held separately from those of the Company, being invested with insurance companies. The amount paid into the defined benefit scheme during the year amounted to £13,000 (2007: £13,000).

Contributions are also paid into individuals' private pension schemes.

Total contributions charged during the year amounted to £106,000 (2007: £61,000).

The Sunderland Association Football Club Limited

19 Capital and contingent liabilities

(a) Capital commitments

As at 31 July 2008, capital commitments were:

	2008	2007
	£'000	£'000
Contracted but not provided for	-	-

(b) Transfer fees payable

Under the terms of certain contracts for the purchase of players' registrations future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date, the maximum contingent liability was £9,602,333 (2007: £3,520,536), some of which is considered to be remote.

Any additional fees which may become payable or receivable under these agreements will be accounted for in the year that it becomes probable that the event will occur.

(c) Bank borrowings guarantee

The Company's borrowings have been guaranteed by Sunderland Limited, the immediate parent company. As at 31 July 2008, this amounted to £13,576,000 (2007: £7,397,000).

20 Post balance sheet events

Since the balance sheet date the following player trading has occurred:

On 29 August 2008 Dickson Etuhu was sold to Fulham.

On 20 August 2008 Anton Ferdinand was signed from West Ham.

On 21 August 2008 David Healy was signed from Fulham.

On 1 September 2008 George McCartney was signed from West Ham.

On 1 September 2008 Danny Higginbottom was sold to Stoke City.

On 8 August 2008 there was a change in the shareholders of Drumaville Limited, the immediate parent of Sunderland Limited. This event caused a change in the ultimate controlling party of the Company. See note 22 for details.

The Sunderland Association Football Club Limited

21 Related party transactions

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related Party Disclosures". The consolidated accounts of Sunderland Limited, in which the Company is included, are publicly available at the address noted above.

22 Ultimate and immediate controlling party

The immediate parent undertaking is Sunderland Limited, a company incorporated in England. Sunderland Limited is the smallest and largest company to consolidate the results of the Company. The directors consider the ultimate controlling party of the Company to be Mr E Short.