

THE WEMBLEY NATIONAL STADIUM TRUST
(A Company Limited by Guarantee)

ACCOUNTS FOR THE YEAR
01 JANUARY 2008 TO 31 DECEMBER 2008

REGISTERED COMPANY NUMBER 3667982
REGISTERED CHARITY NUMBER 1072392



THE WEMBLEY NATIONAL STADIUM TRUST

(A Company Limited by Guarantee)
Registered No. 3667982

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1. COMPANY INFORMATION

1.1 Trustees

Lord Harris of Haringey
Ian Douglas Peacock OBE
Sir Rodney Walker
Councillor Ann Marie John OBE
Ms Dinah Addy Cox OBE
Alderman Gordon Warwick Haines

1.2 Secretary and Solicitor

Andrew James Colvin
Comptroller and City Solicitor
Corporation of London
PO Box 270, Guildhall
London EC2P 2EJ

1.3 Accountant

Chris Bilsland
The Chamberlain of London
Corporation of London
PO Box 270, Guildhall
London EC2P 2EJ

1.4 Banker

Lloyds TSB Bank plc
City Office, PO Box 72
Bailey Drive
Gillingham
Kent ME8 0LS

1.5 Registered Office

PO Box 270
Guildhall
London EC2P 2EJ

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2.1 TRUSTEES' REPORT

Structure, governance and management

Trustees

Lord Harris of Haringey
Ian Douglas Peacock OBE
Sir Rodney Walker
Councillor Ann Marie John OBE
Ms Dinah Addy Cox OBE
Alderman Gordon Warwick Haines

The Trustees, who also act as Directors of the Company, present their report and the accounts of the Trust for the year ended 31 December 2008.

Background and History of the Trust

On 11 November 1998, the English National Stadium Trust, a company limited by guarantee, not having a share capital, was incorporated with registered number 3667982. It was incorporated with charitable objects and has also been registered with the Charity Commission with registered number 1072392. On 24 October 2002, the Company changed its name to Wembley National Stadium Trust (here in after referred to as "the Trust")

The Trust was formed in conjunction with the award of lottery funding by English Sports Council ("ESC"), now known as Sport England ("SE"), to Wembley National Stadium Limited ("WNSL"), formerly the English National Development Company - a subsidiary of the Football Association (FA). This funding is for the purpose of the purchase and redevelopment of Wembley Stadium as the new national stadium.

Until otherwise determined by a General Meeting, the number of trustees shall not be less than two nor more than ten. The first trustees were appointed by SE as set out in the Company's Articles of Association. The trustees have the power of appointment of further trustees, subject to the prior written consent of SE. As part of the terms agreed between SE and WNSL for the grant of the lottery award, the Trust:

- (a) acquired one 'A' Share of £1 in the capital of WNSL and 200 'A' Shares of £1 in English National Stadium Property Company Limited ("Propco") - both companies are subsidiaries of the FA (these shares are referred to as "golden shares");
- (b) receives an annual donation for charitable purposes of £5,000 per annum from WNSL until receipt of an intended turnover rental.

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Trustees Report (continued)

The golden shares in WNSL and in Propco (referred to in (a) above) are to secure rights of board appointment in favour of the Trust and certain negative restrictions over the respective companies to ensure their role in the project. The golden share rights include provision precluding change of business of the respective companies, voluntary liquidation or winding up, and transfer of the respective companies' property or assets. They do not permit independent action by the Trust, which must first obtain the consent of SE before it may exercise those rights, although SE may also exercise those rights independently of the Trust.

The Trust was formed for the purpose of obtaining an intended turnover rental (further details of which are set out below). As security for this rental income, the terms agreed for the grant of lottery award also envisaged that SE would, in due course, require the assignment to the Trust of a 999-year lease from WNSL to Propco with the benefit of a 130-year underlease of the Wembley Stadium back to WNSL. The lease would in turn impose on WNSL covenants again reflecting the requirements of SE under its lottery funding agreement. The 999-year lease is, however, terminable on the 50th anniversary year following opening of the stadium, whereupon both the lease and the underlease would merge back into the WNSL. This lease structure is in place, but the long lease, together with the benefit of the underlease to WNSL, remains vested in Propco and may only be vested in the Trust by the exercise of SE's rights under the Lottery Funding Agreement - the Trust has no independent right to call for such a transfer.

The terms of the lease to WSNL were intended to provide a turnover rental to the Trust of 1% of the turnover derived from the new Wembley Stadium commencing five years from its opening - therefore anticipated to arise in 2012. On the assumption of a turnover for the stadium of £100m per annum, this would provide an income to the Trust of £1m per annum, which would continue for the period expiring 50 years from the date of opening of the stadium. It is the disbursement of this income which is the critical function of the Trust.

Recent Developments and Current Position

Recent developments have led to changed proposals. These arise from difficulties encountered in recent years in financing the project. These changes stem from the proposed lender's preference for a simplified property structure without the leasehold structure that was originally envisaged. Further, in the view of the Trustees, both the proposed lender and Government would prefer the golden shares in WNSL and Propco to be held directly by SE rather than by the Trust as an independent third party. The arrangements were revised as follows:

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Trustees Report (continued)

- (a) the golden share held by the Trust in WNSL and one golden share in Propco were transferred to SE, which will continue to act as direct custodian of the "public interest" in the project. The remainder of the shares held by the Trust in Propco were transferred to the FA. The transfers were for a consideration equal to the amount paid up on the shares (being their nominal value). These shares were not previously reflected in the Trust's accounts since they conferred certain legal rights but held no commercial value;
- (b) the assignment of the above-mentioned leasehold property interest in the stadium to the Trust will not take place;
- (c) the £5,000 covenanted donation by WNSL will continue in favour of the Trust;
- (d) the right to the 1% turnover rental will be established by a covenant entered into by WNSL with the Trust (in place of the previously-envisaged transfer of the property interests in the stadium to the Trust). Compliance with WNSL's covenant will be a requirement of an amended Lottery Funding Agreement ("the amended LFA"), default of which will constitute a breach of the amended LFA.
- (e) SE will monitor compliance with the "public interest" obligations embodied in the amended LFA and attaching to the golden shares in WNSL and Propco;
- (f) in due course, membership of the Trust may be widened to include representatives of the stakeholder group concerned with the Project, comprising WNSL, the FA, Department of Culture and Media and Sport, SE, London Development Agency and the London Borough of Brent.

The Trust has been in contact with the Charity Commission to ensure that the Commission has no objection to these proposals, and this was confirmed. The shares were subsequently transferred to Sport England and the FA, and consideration of £201 was received by the Trust on 11 October 2002.

Change of Name

The English National Stadium Trust, having by special resolution of the Members passed at a general meeting of the Trust on 21 October 2002, changed its name to Wembley National Stadium Trust. This was incorporated and certified by Companies House on 24 October 2002.

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Trustees Report (continued)

Risk Management

The Trustees, in conjunction with the Trust's legal advisers, undertake a continuous programme of identifying the major risks which could impact on the activities of the Trust, and systems are in place to mitigate any risks identified.

2.2 Objectives and Activities for the Public Benefit

The objects of the Trust are:-

"The advancement of education of children and young persons who are pupils of schools, universities and other training establishments in the United Kingdom, by organising or providing facilities for coaching and training to enable, assist and encourage them to play football ("the first element"), and other sports ("the second element") particularly (but without prejudice to the forgoing) through providing:

- funding for sports equipment at schools universities and other educational establishments;
- coaching and training for deprived children young persons and disabled people; and
- sporting facilities to enable and encourage children, young people and disabled people to participate in team games and sports and thereby assist in ensuring that due attention is given to the physical education and development of young persons through football and other sports, as well as to the development and occupation of their minds provided always that the application of any income and property of the company applied in furtherance of the objects of the company shall be applied 75% in furtherance of the first element (football) and 25% in furtherance of the second element (other sports).

The organisation, or provision of, or assistance in, the organisation of facilities for the recreation and benefit in the interests of social welfare (with the object of improving conditions of life for the persons for whom the facilities are primarily intended) of those who by reason of their youth, age, infirmity, or disablement, poverty, or social and economic circumstances have need of such facilities."

The Trustees have due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

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Trustees Report (continued)

2.3 Achievement and Performance

A donation of £5,000 per annum for charitable purposes is receivable from WNSL for distribution to organisations in pursuit of the above objectives. At the trustee-directors meeting held on 2 October 2007, it was agreed to commit total resources of £5,000 in respect of charitable grants to four organisations within the London Borough of Brent. Grants were agreed to be paid to the Metroline Sports and Social Club towards the cost of football activities £1,800, to St. Raphael's Youth Football and Sports Club towards the cost of facilities hire £1,100, to FC Roundwood towards the cost of football training and equipment £800, and to the Iraqi Youth Club towards football training and minibuss hire £1,300. Following confirmation of financial status and the receipt of further information from the organisations concerned, payments were made to the London Borough of Brent as follows: £1,100 on 18 February 2008 for distribution to St. Raphael's Youth Football and Sports Club, £1,300 on 14 March 2008 for distribution to the Iraqi Youth Club and a further £800 on 16 May 2008 for FC Roundwood. The grant to the Metroline Sports and Social Club was made subject to the provision of further information in relation to the financial position of, and the groups served by, the organisation. This information was not provided, therefore the £1,800 allocated to that proposed grant was not distributed, and is available for distribution in later years.

At the trustee-directors' meeting on 8 October 2008 it was agreed to commit total resources of £5,000 in respect of charitable grants to five organisations within the London Borough of Brent. Grants were agreed to be paid to the Afghan Association Paiwand towards the cost of pitch hire £1,745; to Brent Ladies Football Club towards the cost of pitch hire and referees £730, subject to the organisation providing the notes to the Income and Expenditure Account and the Chairman being satisfied as to the breakdown of administration expenses shown in those accounts; to Brent Schools' Football Association towards the cost of medals and shields £525; to the Help Somalia Foundation towards the cost of pitch hire £1,200, subject to the organisation providing an adequate Equal Opportunities Policy, and to Willesden Constantine Football Club towards the cost of pitch hire £800. Due to the lack of suitable applications to benefit "other sports", all funding in 2008 was applied to football on the understanding that the proportional breakdown (75% to football and 25% to other sports) would be reflected in the next financial year. A payment totalling £5,000 was made to the London Borough of Brent on 17 November 2008 for distribution to these organisations.

2.4 Financial Review

The annual charitable donation of £5,000 from WNSL will continue to be distributed to charitable causes approved by the trustees in accordance with the objects of the Trust. The donation for 2009 was received on 5 March 2009, and this together with the £1,800 of undistributed funding carried over from the 2007 financial year, will be available for distribution at the 2009 trustee-directors' meeting.

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Trustees Report (continued)

It was resolved at the 2008 meeting that the £5,000 grant for 2009 be applied in the relevant proportions to ensure that 75% be distributed to football and 25% to 'other sports'. It was further resolved that the £1,800 undistributed funding be carried forward be applied on the same basis.

The revised deed of covenant relating to future charitable purposes has also been finalised. This provides for a 1% share of the new Wembley National Stadium's turnover in each year to be passed to the Trust commencing five years after the date of completion of the works.

The Reserves policy of the Trust is to retain sufficient resources to meet its commitments in respect of the annual charitable donation, and any liabilities in respect of administrative expenses not met by Sport England.

2.5 Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees Report and the financial statements. The trustees have chosen to prepare accounts for the charity in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the trustees to prepare such financial statements for each financial year which give a true and fair state of affairs of the charity and of the result for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the trustees are required to:

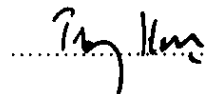
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Trustees Report which comply with the requirements of the Companies Act 1985.

2.6 Enhanced Business Review

The Charity is not required to produce an enhanced business review as it is exempt from the requirement under s246(4)(a) of the Companies Act 1985.

SIGNED on BEHALF of the BOARD
of TRUSTEES of the WEMBLEY
NATIONAL STADIUM TRUST
by LORD HARRIS OF HARINGEY

 Chairman/Director
Date: 8 October 2009

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STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds Year ended 31 December 2008	Unrestricted Funds Year ended 31 December 2007
		£	£
	Note		
INCOMING RESOURCES			
Incoming Resources from Generated Funds			
Voluntary Income			
Charitable Grant from Wembley National Stadium		5,000	5,000
Investment Income			
Interest Receivable	3	293	405
Total Incoming Resources		<u>5,293</u>	<u>5,405</u>
RESOURCES EXPENDED			
Charitable Activities	7.1	(3,200)	(5,000)
Governance Costs	7.2	(329)	(319)
Total Resources Expended		<u>(3,529)</u>	<u>(5,319)</u>
Net Movement in Funds	11	<u>1,764</u>	<u>86</u>
Fund balances brought forward		<u>1,034</u>	<u>948</u>
Fund balances carried forward		<u>2,798</u>	<u>1,034</u>

The net profit for the year for Companies Act purposes comprises the net movement in funds and was £1,764 (2007: profit of £86). All incoming resources and resources expended in the year are derived from continuing operations. There are no gains or losses other than those shown above. Accordingly, no statement of total recognised gains and losses is provided.

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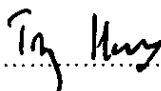
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BALANCE SHEET		2008	2007
		£	£
	Note		
CURRENT ASSETS			
Debtors	9	186	322
Cash on deposit		2,672	7,152
		<u>2,858</u>	<u>7,474</u>
CREDITORS (Amounts falling due within one year)	10	(60)	(6,440)
NET CURRENT ASSETS		<u>2,798</u>	<u>1,034</u>
UNRESTRICTED FUNDS	11	<u>2,798</u>	<u>1,034</u>

Exemption from Audit

- (a) For the year ended 31 December 2008 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The Trustees acknowledge their responsibility for:
 - i. ensuring the company keeps accounting records which comply with section 221; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.
- (d) The accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the Board
of Trustees of the Wembley
National Stadium Trust by
Lord Harris of Haringey

 Chairman/Director

Date: 8 October 2009

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NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Convention and Basis of Preparing the Financial Statements

- a) The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting by Charities 2005" and with applicable United Kingdom accounting standards.
- b) Cash Flow Statement - The company is not required under Financial Reporting Standard 1 to prepare a cash flow statement.

2 Taxation

The Wembley National Stadium Trust is a registered charity and is thus exempt from taxation of its income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gain Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year.

3 Interest Receivable

Surplus cash balances are invested with the Chamberlain of London at competitive interest rates.

4 Company Limited by Guarantee

The Wembley National Stadium Trust is a company limited by guarantee, each member being liable for a maximum sum of £1 on winding up.

5 Incoming Resources

Grants receivable are credited to the financial year in which they are due to be paid to the Trust.

5.1 *Grant Aid from Sport England*

This is provided for the following purposes:

- a) to meet the costs of the Wembley National Stadium Trust's annual audit, company secretarial and other general administrative expenses;
- b) to meet legal costs properly incurred by the Trust associated with the development of proposals for the Wembley National Stadium Project at Wembley, specifically in relation to the role of the Trust. Also, to meet legal costs incurred in enforcing

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or defending rights held by it relating to the use and/or ownership of the existing Wembley Stadium or the new National Stadium at Wembley in circumstances where Sport England is satisfied that the course of action proposed by the Wembley National Stadium Trust is proper and reasonable and neither frivolous nor vexatious.

5.2 *Charitable Grant from Wembley National Stadium*

This grant is made for distribution to specified charitable causes.

6 Administrative and Support Services

No staff are currently employed by the Wembley National Stadium Trust in either year. Company secretarial services, banking facilities, accounting services and other support services are provided by the City of London Corporation at no charge. The value of these services, based on average City Corporation departmental costs, is considered to be immaterial in both years, and no allocation is made to the Trust.

7 Resources Expended

- 7.1 At the trustee-directors meeting held on 2 October 2007, it was agreed to commit total resources of £5,000 in respect of charitable grants to four organisations within the London Borough of Brent. Grants were agreed to be paid to the Metroline Sports and Social Club towards the cost of football activities £1,800, to St. Raphael's Youth Football and Sports Club towards the cost of facilities hire £1,100, to FC Roundwood towards the cost of football training and equipment £800, and to the Iraqi Youth Club towards the cost of football training and minibus hire £1,300. Following confirmation of financial status and the receipt of further information from the organisations concerned, payments were made to the London Borough of Brent as follows: £1,100 on 18 February 2008 for distribution to St. Raphael's Youth Football and Sports Club, £1,300 on 14 March 2008 for distribution to the Iraqi Youth Club and a further £800 on 16 May 2008 for FC Roundwood. The grant to the Metroline Sports and Social Club was made subject to the provision of further information in relation to the financial position of, and the groups served by, the organisation. This information was not provided, therefore the £1,800 allocated to that proposed grant was not distributed and the provision has been written back in the 2008 accounts. At the Trustees' meeting on 8 October 2008, it was agreed that this sum of £1,800 would be carried forward and made available for distribution in 2009.

At the trustee-directors' meeting on 8 October 2008 it was agreed to commit total resources of £5,000 in respect of charitable grants to five organisations within the London Borough of Brent. Grants were agreed to be paid to the Afghan Association Paiwand towards the cost of pitch hire £1,745; to Brent Ladies Football Club towards the cost of pitch hire and referees £730, subject to the organisation providing the notes to the Income and Expenditure Account and the Chairman being satisfied as to the breakdown of administration expenses shown in those accounts; to Brent Schools' Football Association towards the cost of medals and shields £525; to the Help

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Somalia Foundation towards the cost of pitch hire £1,200, subject to the organisation providing an adequate Equal Opportunities Policy, and to Willesden Constantine Football Club towards the cost of pitch hire £800. Due to the lack of suitable applications to benefit "other sports", all funding in 2008 was applied to football on the understanding that the proportional breakdown (75% to football and 25% to other sports) would be reflected in the next financial year. A payment totalling £5,000 was made to the London Borough of Brent on 17 November 2008 for distribution to these organisations.

- 7.2 The total charge for governance costs amounting to £329 (2007 £319) includes provision for charity Trustees' indemnity insurance of £299 (2007 £289) and Companies House annual return fee of £30 (2007 £30).

8 Trustees' Remuneration

The Trustees received no remuneration or out of pocket expenses during the accounting period or in the prior year.

9 Debtors

This balance comprises interest receivable of £186 (2007 £322) due from the City of London Corporation, received on 31 March 2009, at the end of the Corporation's accounting period.

10. Creditors

Creditors of £60 comprise the Companies House registration fee for 2007 £30, which was paid by the City of London Corporation, for which re-imbursement is required, and the 2008 fee £30.

- 10.1 The auditors' fee relating to 2006 audit, amounting to £1,410, was paid on 18 February 2008. Grants amounting to £3,200 were paid in February, March and May 2008, with the remaining commitment of £1,800 not being finally distributed and the funds were available for distribution in 2008, although it was agreed at the Trustees' meeting on 8 October 2008 that this sum of £1,800 would be carried forward and made available for distribution in 2009.

11 Statement of Funds

	Balance at 1 Jan. 2008 £	Net Incoming/ (Outgoing) Resources £	Balance at 31 Dec. 2008 £
Funds			
Wembley National Stadium	0	1800	1800
Sport England	1,034	(36)	998
TOTAL UNRESTRICTED FUNDS	1,034	1,764	2,798