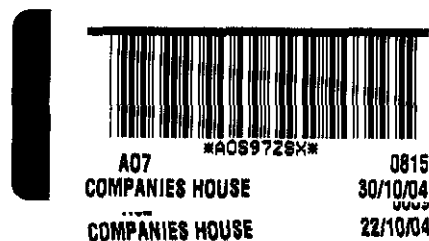


**THE WEMBLEY NATIONAL STADIUM TRUST**  
**(A Company Limited by Guarantee)**

**ACCOUNTS FOR THE PERIOD**  
**01 JANUARY 2003 TO 31 DECEMBER 2003**

**REGISTERED COMPANY NUMBER 3667982**  
**REGISTERED CHARITY NUMBER 1072392**



# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**

**Registered No. 3667982**

## **CONTENTS**

## **Page No.**

1.	Company Information	3
2.	Trustees' Report	4 – 9
3.	Independent Auditors' Report	10 - 11
4.	Statement of Financial Activities including Income and Expenditure Account	12
5.	Balance Sheet	13
6.	Notes to the Accounts	14 - 16

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**

**Registered No. 3667982**

## **1. COMPANY INFORMATION**

### **1.1 Trustees**

Lord Harris of Haringey	(appointed 10 November 1998)
Ian Douglas Peacock	(appointed 10 November 1998)
Clive Richard Sherling	(appointed 10 November 1998)
Sir Rodney Walker	(appointed 26 February 1999)
Councillor Ann John	(appointed 18 November 2003)

### **1.2 Secretary**

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

### **1.3 Accountant**

Peter Derrick  
The Chamberlain  
Corporation of London  
PO Box 270  
Guildhall  
London EC2P 2EJ

### **1.4 Registered Office**

PO Box 270  
Guildhall, Guildhall Yard  
London  
EC2P 2EJ

### **1.5 Auditors**

Deloitte & Touche LLP  
Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)  
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## **2.1 TRUSTEES' REPORT**

### **Trustees**

Lord Harris of Haringey  
Ian Douglas Peacock  
Clive Richard Sherling  
Sir Rodney Walker  
Councillor Ann John

The Trustees, who also act as Directors of the Company, present their report and the accounts of the Trust for the period 1 January 2003 to 31 December 2003.

### **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 (hereinafter referred to as "the Trust")

The Trust was formed in conjunction with the English Sports Council's ("ESC"), now known as Sport England ("SE"), award of lottery funding 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; and
- (c) is eligible to receive a grant of exchequer funding from SE of up to a maximum of £100,000 to meet the Trust's administrative expenses, at an anticipated level of not more than £5,000 - £8,000 per annum. This obligation

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

has been assumed by WNSL until such time as the Exchequer Funding Agreement has been executed.

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 50<sup>th</sup> 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 between eight and ten years from now. 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:-

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)  
Registered No. 3667982**

- (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 safeguard 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.

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)  
Registered No. 3667982**

### **2.2 Principal Activities and Business Review**

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 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 foregoing) 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."

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 3 October 2003, it was agreed to commit total resources of £8,653 in respect of charitable grants to five organisations within the London Borough of Brent (this total sum included some unspent resources brought forward from previous financial years). Grants were agreed to be paid to the Roundwood Club £2,000, Willows Football Club £2,767 and Neu T Netball Club £1,500. It was further agreed to seek additional information on requests from the Somali - UK Sports & Cultural Association £1,186 and Somali Youth Action £1,200, the decision on these grants being delegated to the Chairman.

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

In addition to this charitable expenditure, the Trust has previously incurred legal fees in relation to its role in the development of the Wembley Stadium project. This expenditure was financed by a grant, but is now paid directly by Sport England.

### **2.3 Revised Arrangements**

The position with regard to the Exchequer Funding Agreement between Sport England and the Trust has been finalised. Sport England will continue to meet the Trust's administrative expenses.

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 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.

### **2.4 Statement of Trustees' Responsibilities**

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the excess of income over expenditure for that period. In preparing those 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 and statements of recommended practice have been followed, subject to any material departures being 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which 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.

The Trustees have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.



**THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

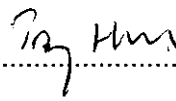
**2.5 Risk Management**

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.

**2.6 Auditors**

The Trustees will place a resolution before the forthcoming meeting to re-appoint Deloitte & Touch LLP as auditors.

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

  
.....  
Date 13 October 2004

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)  
Registered No. 3667982**

### **THE WEMBLEY NATIONAL STADIUM TRUST**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE WEMBLEY NATIONAL STADIUM TRUST**

We have audited the financial statements of the Wembley National Stadium Trust for the year ended 31 December 2003 which comprise the statement of financial activities, the balance sheet, and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Trustees and Auditors**

As described in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the trustees' report is not consistent with the financial statements, if the charitable 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the trustees' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### **Basis of Audit Option**

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**

**Registered No. 3667982**

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 of the state of the charitable company's affairs as at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

## **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Stonecutter Court

1 Stonecutter Street

London EC4A 4TR

*18 October* ..... 2004

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

## **STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**PERIOD 01/01/2003 TO 31/12/2003**

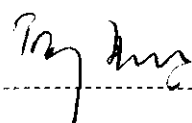
		<b>Year ended 31 December 2003</b>	<b>Year ended 31 December 2002</b>
		£	£
	Note		
<b>INCOMING RESOURCES</b>			
Donation from Sport England	7.3	-	195,130
Charitable Grant from Wembley National Stadium		5,000	5,000
Consideration on Transfer of Shares	12	-	201
Interest Receivable	3	464	457
<b>Total Incoming Resources</b>		5,464	200,788
<b>RESOURCES EXPENDED</b>			
<b>Direct Charitable Expenditure</b>			
Charitable Grant	7.1	(8,653)	(5,000)
Other Expenditure			
Management and Administration	7.2	(1,265)	(1,238)
Legal Fees	7.3	-	(195,130)
<b>Total Resources Expended</b>		(9,918)	(201,368)
<b>Net Movement in Funds</b>	9	(4,454)	(580)
Fund balances brought forward at 1 January		9,629	10,209
Fund balances carried forward at 31 December		5,175	9,629

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

<b>BALANCE SHEET AT 31 DECEMBER 2003</b>		<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	<b>Note</b>		
<b>CURRENT ASSETS</b>			
Debtors	10	345	358
Cash on Deposit with Chamberlain of London	3	<u>16,625</u> 16,970	<u>11,561</u> 11,919
<b>CREDITORS</b> (Amounts falling due within one year)	11	(11,795)	(2,290)
<b>NET CURRENT ASSETS</b>		<u>5,175</u>	<u>9,629</u>
<b>FUNDS</b>	5	<u>5,175</u>	<u>9,629</u>

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

  
..... Director/Chairman  
Date

# **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

## **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 "Accounting by Charities" and with applicable accounting standards.
- b) The Trust does not produce a cash flow statement in accordance with the concession granted under the provisions of FRS 1.

### **2 Taxation**

The Company is a registered charity and has not engaged in activities outside its charitable objects. Accordingly, no tax is payable in respect of its operations for the accounting period.

### **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.

### **5 Funds**

#### **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 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.

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**  
**Registered No. 3667982**

### **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. Company secretarial services, banking facilities, accounting services and other support services are provided by the Corporation of London at no charge. The value of these services is considered to be immaterial.

### **7 Resources Expended**

- 7.1 At the Trustee-Directors meeting held on 3 October 2003, it was agreed to commit total resources of £8,653 in respect of charitable grants to five organisations within the London Borough of Brent. Grants were agreed to be paid to the Roundwood Club £2,000, Willows Football Club £2,767 and Neu T Netball Club £1,500. It was further agreed to seek further information on requests from the Somali – UK Sports & Cultural Association £1,186 and Somali Youth Action £1,200, the decision on these grants being delegated to the Chairman. The London Borough of Brent Youth and Voluntary Sector Support Unit has recently (16 August 2004) confirmed that the financial records of the Willows Football Club and the Somali-UK Sports and Cultural Association are satisfactory and that the grants can be paid. Further information is being sought on the other applications.
- 7.2 The total charge for management and administration amounting to £1,265 includes provision for auditors' remuneration of £852, charity and charity Trustees' indemnity insurance of £398 and Companies House annual return fee of £15.
- 7.3 No direct legal fees have been incurred in the 2003 financial year, however the Trust's legal advisers carried out considerable work in 2002 relating to the revised financing arrangements of the proposed new stadium and in ensuring that the interests of the Trust in their financial relationship with Wembley National Stadium Limited and Sport England were properly secured. This work was contracted by Sport England and the cost of the work carried out, amounting to £195,130 was met directly by that organisation. The Trust was a beneficiary of the work carried out and accordingly a charge of £195,130 was met directly by that organisation. The Trust was a beneficiary of the work carried out and accordingly a charge of £195,130 has been applied to the Trust's accounts in 2002, with a matching donation from Sport England, for the value of the work undertaken.

## **THE WEMBLEY NATIONAL STADIUM TRUST**

**(A Company Limited by Guarantee)**

**Registered No. 3667982**

### **8 Trustees' Remuneration**

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

### **9 Statement of Funds**

	<b>Balance at 1 January 2003 £</b>	<b>Net Outgoing Resources £</b>	<b>Balance at 31 December 2003 £</b>
<b>Funds</b>			
Sport England	4,629	(801)	3,828
Wembley National Stadium Fund	5,000	(3,653)	1,347
<b>TOTAL RESTRICTED FUNDS</b>	<b>9,629</b>	<b>(4,454)</b>	<b>5,175</b>

### **10 Debtors**

This comprises interest earnings of £345 (£358 2002) due from the Corporation of London, received on 31 March 2004, the end of the Corporation's accounting period.

### **11 Creditors**

These comprise auditor's remuneration of £3,127 (£2,275 2002) including value added tax (£650 2000, £800 2001, £825 2002 and £852 2003) and Companies House Annual Return fee £15 (£15 2002), and grants approved in principle but not paid, amounting to £8,653 (£Nil 2002).

### **12 Investments**

The shares held by the Trust were not reflected on the 2001 balance sheet as the shares did not hold any commercial value and merely conferred certain legal rights. The Trustees, at the Wembley National Stadium Trust Broad Meeting on 24 April 2002, agreed to transfer the shares in the English National Stadium Property Company Limited and Wembley National Stadium Limited to Sport England. Consideration totalling £201 in respect of these shares was received by the Trust on 11 October 2002.