

**WEMBLEY NATIONAL STADIUM
LIMITED**

Report and Financial Statements

31 December 2009

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WEMBLEY NATIONAL STADIUM LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Officers and professional advisers	1
Chairman's statement	2
Directors' report	3
Statement of directors' responsibilities	9
Independent auditors' report	10
Profit and loss account	11
Balance sheet	12
Cash flow statement	13
Notes to the accounts	14

WEMBLEY NATIONAL STADIUM LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D A Bernstein (Chairman)
R Maslin (Managing Director)
M Benn
P Gartside
A Horne
S Martin
I Ritchie
D Thomson
Lord Triesman

SECRETARY

R Maslin

REGISTERED OFFICE

Wembley Stadium
Wembley
London
HA9 0WS

BANKERS

The Royal Bank of Scotland
280 Bishopsgate
London, EC2M 4RB

The Co-operative Bank P L C
1 Balloon Street
Manchester, M60 4EP

West LB AG
Woolgate Exchange
25 Basinghall Street
London, EC2V 5HA

SOLICITORS

Allen & Overy LLP
Level 32
40 Bank Street
Canary Wharf
London, E14 5DU

Michael Simkins LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Pinsent Masons LLP
30 Aylesbury Street
London, EC1R 0ER

Blandy & Blandy
One Friar Street
Reading
Berkshire
RG1 1DA

INDEPENDENT AUDITORS

Deloitte LLP
Chartered Accountants and Statutory Auditors
London

WEMBLEY NATIONAL STADIUM LIMITED

CHAIRMAN'S STATEMENT

Wembley had an exceptional 2009 and everyone associated with the Stadium can be very proud of what has been achieved. We hosted a diverse annual calendar of 38 major events attracting over 2.5m customers through the turnstiles.

Great international football continues to be a huge draw for the Stadium with all England's home World Cup qualifiers and friendlies. Over 60,000 fans turned up to watch the national team play Andorra despite a London tube strike and this underlines the passion of England's supporters. Of course the football offering is not limited to international fixtures. In addition to The FA Cup Final and Semi-Finals, the Football League hosted very successful play-off matches as well as the Carling Cup Final and Johnstone's Paint Trophy Final. The concert season showcased AC/DC, Oasis, Coldplay, U2 and The Circus experience of Take That. We brought in new events such as the Wembley Cup and Saracens rugby - both of which should continue in 2010 - whilst the NFL had its most exciting game yet, another sell-out.

These events help underline the continuing progress of the Stadium and we will continue to cement our successes as well as look for new opportunities. There is a lot to be excited about too. The UEFA Champions League Final in 2011, Olympic Games Football in 2012, the 2013 Rugby League World Cup as well as the 2015 Rugby Union World Cup. These are some of the biggest international sporting events and we hope to play our part in another major milestone, the FIFA World Cup in 2018. This decision will be made in December this year.

At the heart of our Stadium is our pitch. Subsequent to the 2009 FA Cup Semi-Finals we made significant changes to our pitch regime, from maintenance to contract partners. We then saw a period of very successful pitch replacement - necessary in our balanced calendar of events. We were disappointed with the surface in March 2010 and we are working hard to continue to learn from this and provide the best possible surface for all of our events, but especially for football.

Club Wembley provides 65% of our total income. At the end of the calendar year we had 91% of seats contracted as opposed to 87% at December 2008. We have strengthened our Club Wembley team as we are committed to giving our members the highest level of entertainment on and off the pitch.


Overall EBITDA rose £4.1m to £36.8m and operating profit was up £3.7m to £9.6m. WNSL reduced losses after interest and depreciation from £31.1m to £15.6m year on year. However, we are not detached from the wider economy and clearly economic conditions are challenging. So although we are travelling in the right direction to break even by the end of 2014 this will, all in all, be a considerable achievement.

Last year saw The FA Group relocate to Wembley and we were delighted that football's HQ is now based at the national stadium. At the same time, we took the opportunity to integrate a number of our service functions. We welcome our colleagues from The FA Group and we are all seeing the benefits of efficiency in our location and integration.

I must also thank our stakeholders - including all event owners, the banks, Brent Council and elected representatives. Wembley is committed to being a good neighbour and minimising its impact on the local environment. More generally, I reiterate here our commitment to reduce our environmental impact and the Company's corporate and social responsibilities.

I'd also like to thank the Board for their support, guidance and enthusiastic contributions in 2009. We have a very good mix of directors, with executive directors and representative directors from The FA working well with independent non-executives to real effect. Finally, special thanks in 2009 must go to all the Wembley management team and staff, our partners DNC, IMG and the wider staff from The FA Group. Together we are delivering a consistently great event experience to an increasingly diverse audience.

We have much of which to be proud. Our truly world class facility has hosted a great calendar in 2009. I am confident 2010 will see us build on our growing reputation with defining sporting and music moments. We aim to provide a great experience that caters for all of our customers.



David Bernstein
Chairman

Wembley National Stadium Limited, 4 May 2010

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2009

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £14.2m (2008: loss of £23.0m). The directors do not recommend the payment of a dividend for the year (2008: £nil).

PRINCIPAL ACTIVITIES

The principal activity of the Wembley National Stadium Limited ("WNSL" or the "Company") is to organise sporting and other entertainment events at Wembley Stadium (or the "Stadium").

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Overview

2009 marked the third year of operation of the new Wembley Stadium and has seen further progress made across all areas of the business, as discussed in detail below. This progress has resulted in an improved financial performance, with an operating profit of £9.6m compared with an operating profit of £5.9m reported last year. Also in 2009, The FA relocated its operations from Soho Square, with the full Group now housed and integrated at Wembley Stadium. This is seen as a very positive development for all concerned.

Club Wembley

Club Wembley consists of c4,900 members, who licence premium seats and boxes at the Stadium. This is the key revenue stream accounting for 65% of turnover. The teething problems reported in 2007 have been largely overcome, with further improvements in ticketing, catering and account management. Some £2.0m was invested in improving facilities in 2008 and £1.5m was invested in 2009. A further £1.5m is planned for 2010. An independent research programme is used to monitor progress, which includes feedback from different groups of Club Wembley members.

Further progress was made with the sale of the remaining box and premium seats, with 91% contracted by 31 December 2009 (2008: 87%). This was particularly notable, given the impact of the credit crunch on business generally.

Events

2009 proved to be an exceptional year for the Stadium, with over 2.5m customers hosted across a variety of sport, music and other entertainment events.

38 events were delivered in conjunction with 15 event owners. On the sporting front, a total of 26 events were held, including The FA Cup Final and FA Cup Semi-Finals, 6 England Internationals, the 5 traditional matches with the Football League, a new pre-season tournament - the Wembley Cup, the RFL's Challenge Cup Final, the third regular season NFL game and Wembley Stadium's first Premiership rugby union event. Although the events were packed with excitement throughout the year, the lasting memory was the sight of c60,000 fans who ignored the train and tube strike to watch England beat Andorra 5-1, a demonstration of true bulldog spirit and of the tremendous support for the England Team at their refurbished home.

On the non-sporting front, the Stadium had its best year since opening with 12 concert nights from acts such as AC/DC, Take That, Oasis, U2 and Coldplay. Over 870,000 customers revelled in the atmosphere, witnessing one of the largest stage sets in history and the Stadium's biggest concert crowd ever with U2's 360 Tour and one of the greatest shows ever seen at the Stadium with Take That's Circus tour finale.

Once again, the Stadium has demonstrated great flexibility in coping with a busy event schedule and at the same time has become more efficient at delivering top quality events.

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS (CONTINUED)

Other Commercial Income

The emphasis over the first couple of years was on opening the Stadium, getting to know the building and delivering and improving the event calendar

Although there are still improvements to be made in these areas, the focus is now on developing the business plan, maximising the facilities and making the best use of the wider resources of The FA Group on both bowl and non bowl event days. The operation of both the shop and Stadium tour have been taken in-house as a result. In addition, there are significant opportunities for growth with the Stadium's neighbours and other strategic stakeholders.

Overheads

Total overheads remain higher than the directors would like, with the Company suffering from exceptionally high business rates in comparison with similar businesses and fixed energy costs at high rates. The business rates are being appealed and the fixed energy costs have been renegotiated at lower levels from mid 2010. However, the relocation of The FA into the Stadium and the subsequent organisational integration has delivered cost savings and improved efficiency.

Financing

In September 2008, management were successful in refinancing the business, securing a reduction in the interest rate from 7.8% to 6.9% and an increased tenure from 18 to 23 years. All interest and planned capital repayment obligations were met during the year and the facilities are due to be paid off by 30 September 2023. These facilities provide additional headroom to allow the business to further develop and improve.

Financial Instruments

The Company has entered into an interest rate swap for the full amount of the principal loan. This is in line with the Company's policy to manage significant interest rate, credit and liquidity risk.

Results

In 2009 the Company reported an improved operating profit of £9.6m, which is £3.7m or 63% higher than prior year, due to increased income from Club Wembley and events. Despite this, the business remains highly geared with underlying annual interest charges of £23.6m. This, together with other minor charges meant that the business made a loss, which after taxation amounted to £14.2m (2008 a loss of £23.0m). The directors remain committed to making sure that the Company breaks even by 2014 and consider the year end position as satisfactory.

Future Developments

Wembley Stadium has now re-established itself as a legitimate stage for some of the world's biggest events, having hosted nearly 100 events to over 6m customers. The calendar is developing and the Stadium will host a further 30 confirmed events in 2010, with planning already well developed to welcome The UEFA Champions League Final in May 2011 and Olympic Football in 2012. WNSL is looking forward to playing its part in making both the Rugby League World Cup (2013) and Rugby Union World Cup (2015) a success, as well as supporting The FA's bid to host The FIFA World Cup in England in 2018.

The directors are committed to attracting and delivering such events as efficiently as possible whilst maintaining the highest standards of safety and enjoyment for all our visitors, delivering first class hospitality for Club Wembley and maintaining a world class facility.

Principal Risks, Uncertainties and Going Concern

There are a number of potential risks and uncertainties which could have a significant impact on the Company's long term performance. Club Wembley box and premium seats have been contracted for an average of 8 and 10 years respectively, however their renewal over the long term remains the principal risk and uncertainty facing the business. The new financing arrangements include certain cash flow covenants and these are forecast to be achieved provided the Company meets its budget. Although there is limited contingency, a significant reduction in renewals or a significant delay in the payment of the new season fees from Club Wembley licence holders could put the Company in default of its banking covenants. This specific uncertainty has been discussed with the Company's parent company, The FA, and the directors are confident that additional support would be available should this be required.

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS (CONTINUED)

Principal Risks, Uncertainties and Going Concern (continued)

The Company is carrying a significant level of borrowing in relation to the financing of the Stadium and it is the Company's policy to eliminate, as far as possible, all the interest rate risk. As part of the refinancing in 2008, the Company fixed 100% of its interest rate liabilities. The Company also benefits from a high level of cash reserves, including a debt service reserve account of £17.0m, which is sufficient to cover approximately 9 months of interest.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future including a higher level of cash reserves than originally planned as part of the refinancing. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

CHARITABLE DONATIONS

The Company has made charitable donations during the year of £5,024 (2008: £50,000).

ENVIRONMENTAL POLICY

The Company is committed to being a responsible business in its dealings with its customers, suppliers, staff, the communities in which it works and in the wider environment. The way that the Company relates to these groups is fundamental to its philosophy. WNSL is a company which works in partnership with others.

The Company is at the forefront of the event management industry in Europe and has developed a way of working that not only minimises negative environmental impacts, but also maximises positive opportunities.

This is a philosophy that permeates the whole business and is owned by employees throughout all divisions. Environmental strategy is driven by the Green Team (comprised of employees from across the Group), and this strategy is delivered by the Environmental Management System which satisfies the requirements of ISO14001.

The Company has recently achieved the Carbon Trust Standard, Green 500 Accreditation and has collected all required information for the forthcoming CRC registration. The Company is active in promoting responsible practices and encourages suppliers, customers and staff to operate in a more environmentally aware fashion.

The Company seeks to play a leading role in environmentally responsible and sustainable events management.

CORPORATE GOVERNANCE

The Board

The main functions of the Board are to formulate strategy, objectives and major policies of the Company. The Board meets once a month, prior to which the directors receive an agenda and a set of board papers to be discussed at the meeting. The Board includes six non-executive directors and three executive directors with expertise in finance, construction, operations and event management.

Where board members, in the furtherance of their duties, need to take independent professional advice they may do so at the Company's expense. They also have access to the advice and service of The FA Group's Company Secretary.

The directors of the Company during the year, except as noted, were as follows:

D A Bernstein	<i>Non-executive Chairman</i>
R Maslin	<i>Managing Director</i>
M Benn	<i>Non-executive Director</i>
P Gartside	<i>Non-executive Director</i>
A Horne	<i>Executive Director</i>
S Martin	<i>Non-executive Director</i>
I Ritchie	<i>Non-executive Director</i>
D Thomson	<i>Executive Director (Appointed 31 July 2009)</i>
Lord Triesman	<i>Non-executive Director (Appointed 12 March 2009)</i>

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

CORPORATE GOVERNANCE (CONTINUED)

The Board (continued)

The biographies of each director are summarised below

D A Bernstein is a Chartered Accountant by training. He is non-executive Chairman of Blacks Leisure Group plc, and Sports and Leisure Group Ltd. He is also a non-executive director of Ted Baker plc and Carluccio's plc. He is President of the National Association of Disabled Supporters and Chairman of Centre for Access to Football in Europe (CAFE). He was Chairman of Manchester City plc from 1998 – 2003. D A Bernstein has been a director of WNSL since April 2003 and was appointed Chairman in 2008.

R Maslin joined Wembley Stadium as Finance Director in February 1999 handling the acquisition of the Stadium from Wembley plc and developing the business plans to fund the new Stadium. R Maslin played a leading role in negotiating the terms of the bank loans to build the Stadium, in reaching the settlement deal with Stadium contractors, Multiplex and in the successful opening of the new Stadium and development of its commercial properties. R Maslin was appointed Managing Director in August 2009. Previously R Maslin was the Finance Director of United Distillers in Mexico and Finance Director of European and Global Duty Free in Hamburg.

M Benn is a music promoter and Chief Executive of Festival Republic, the company behind the Reading, Leeds and Latitude Festivals. Director of the Glastonbury Festival, as well as promoter of festivals in Norway and Ireland, M Benn has vast experience of staging the best in entertainment events. Born in Hull, East Yorkshire, M Benn created The Festival Office Ltd in 1989 to create and produce festivals for the Mean Fiddler Music Group. In the same year the Mean Fiddler took over the Reading Festival. M Benn joined the Wembley Stadium Board in July 2008.

P Gartside qualified as a Management Accountant in 1973. He has been Chairman of Burnden Leisure plc, the parent company of Bolton Wanderers FC, since 1999. He is also Chairman of Grand Central Railways Company Ltd and a non-executive director of Titan Europe plc. P Gartside is one of The FA Premier League representatives on The FA Executive Board. He joined the WNSL Board in February 2005.

A Home was appointed The FA's acting CEO in March 2010. Formally The FA's Chief Operating Officer (COO), he was responsible for the delivery of all Corporate Services across The FA Group structure, including finance. He also fulfilled the executive lead on the St George's Park development. As Managing Director of Wembley Stadium from December 2006 to July 2008, A Home was responsible for the delivery of the Stadium's events and all areas of its day to day operation after ensuring a smooth handover from Stadium constructors Multiplex. Prior to joining The FA in 2003 as Finance Director, A Home qualified as a Chartered Accountant with PricewaterhouseCoopers specialising in business improvement and corporate turnaround assignments.

S Martin became involved in the Stadium in 2004 as an advisor to The FA. He played a key role in the commercial negotiations that resulted in the financial settlement with Multiplex that facilitated the Stadium being handed by the contractor at practical completion on 9 March 2007. S Martin is a Chartered Accountant who retired from Ernst & Young at the end of 2003 having spent 32 years at the firm, the last 17 years as a partner specialising in corporate restructuring activities. In 2001, at the request of government, he was appointed one of the Special Railway Administrators of Railtrack plc. He provides commercial support to large corporate organisations on a consultancy basis.

I Ritchie is Chief Executive of The All England Lawn Tennis & Croquet Club, Independent Director of the Football League and a former Director of West Ham United Football Club. I Ritchie has extensive experience of operating world-class sports venues and of staging the very best of sports events. He trained as a Barrister, studying Law at Oxford University. He then worked his way up through the Television industry over 16 years before becoming Chief Executive of Channel 5 in 1996. I Ritchie joined the Board of Wembley Stadium in July 2008.

D Thomson - As Group Events Director, D Thomson brings a wealth of knowledge and experience of live event and venue management. With overall responsibility for all events within Wembley Stadium and the management of other FA events around the country, D Thomson will continue to develop the annual calendar of Stadium events and the professional and efficient performance of the event day teams.

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

CORPORATE GOVERNANCE (CONTINUED)

The Board (continued)

Lord Triesman joined The FA as Chairman in January 2008. Having been a Government Minister since 2004, initially as a Government Whip, then at the Foreign Office and latterly at the Department for Innovation, Universities and Skills, Lord Triesman stepped down from his Ministerial post in the Government to take up the Chairmanship at The FA. Before joining Government, he was General Secretary of the Labour Party and earlier of the Association of University Teachers. Lord Triesman has served on the boards of businesses in the UK and Europe in banking, investment, finance, property, research consultancy and publishing. He is a distinguished academic by profession and has also been involved with football for many years - as a former grassroots player, coach and referee he has a life-long passion for the game.

Audit Committee

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness at least annually. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

On 1 June 2009, The FA Board established a Group Audit Committee (the "GAC") with a mandate to provide independent oversight on the following matters across The FA Group:

- governance, including risk management and internal control,
- external audit arrangements,
- internal audit arrangements, and
- the appropriateness of financial reporting

The GAC's remit includes all operations and activities undertaken by The FA Group, covering the consolidated Group and the individual entities: The FA, WNSL, the National Football Centre Limited, England 2018/2022 Bidding Nation Limited, and FA Learning Limited.

The GAC comprises an independent chairman, R Gossage, alongside D A Bernstein (Chairman of WNSL), P Gartside (Board director) and an independent non-Board member, A Newell. The GAC meets approximately six times per year, with one meeting dedicated to reviewing and approving the financial statements of the Group.

The GAC reviews reports from management, internal audit and external audit on the Group's system of internal control and risk management, specifically those that support the integrity of the financial statements. The GAC also reviews, and where necessary challenges, the judgements of management in relation to the integrity of the financial statements. The GAC formally reports to The FA Board on a quarterly basis.

In August 2009, the GAC established a sub-committee with a remit to focus specifically on WNSL (the "WNSL Audit Committee"). The WNSL Audit Committee is chaired by R Gossage alongside D A Bernstein and P Gartside, both directors. The WNSL Audit Committee formally reports to the WNSL Board twice a year.

The Remuneration Committee

The Company's policy relating to the remuneration, pension provision, termination of employment and service contracts including severance issues of executive directors and senior management, is dealt with by the FA Group's Remuneration Committee. This committee was established in 2009 and is chaired by P Gartside, a WNSL director. The other members are R Burden, J Ward (both directors of The FA) and D A Bernstein (Chairman of WNSL).

Remuneration Policy

Non-executive director's remuneration is approved by The FA Group's Remuneration Committee and by The FA Group's Board, following advice from an independent remuneration consultant. Each non-executive director is entitled to a fixed fee for attendance at the monthly Board meeting and for committee participation. The non-executive directors have offered their services for a three year period, after which they may or may not choose to be considered for re-election.

Senior management remuneration is approved by The FA Group's Remuneration Committee and by The FA Group Board, following advice from an independent remuneration consultant. The senior management team have open service contracts, each of which contains a notice period of between six months and one year. Senior management

WEMBLEY NATIONAL STADIUM LIMITED

DIRECTORS' REPORT

CORPORATE GOVERNANCE (CONTINUED)

Remuneration Policy (continued)

remuneration is performance related and an incentive scheme is in place, with key performance indicators based on both corporate and individual objectives

The Company ensures that the remuneration of all employees is competitive, that the key performance criteria used under any incentive or bonus arrangements are challenging and that all awards are consistent with the Company's performance

Health and Safety Committee

Health and safety is a key issue and the Board and management take seriously their legislative duties to ensure the wellbeing of staff, visitors and others who may be affected by the Company's activities. Under its obligations from the Health and Safety at Work Act and the Safety at Sports Ground Act, the Company constantly strives to provide and maintain a safe place of work. The Health and Safety Committee assists the Board in discharging these responsibilities.

During the year, the Health and Safety Committee was chaired by D A Bernstein, the WNSL Chairman. The other members are S Martin and R Maslin, both directors. The purpose of the Health and Safety Committee is to set an appropriate Health and Safety Policy and ensure that it is implemented effectively. The Health and Safety Committee meet on a monthly basis and report their findings to the Board.

As part of the Health and Safety Policy, a comprehensive risk assessment process is conducted for all activities held within the Stadium. This system is reviewed at least annually and more regularly if required. The Health and Safety Manager oversees this policy and ensures the Board, the Health and Safety Committee and staff are kept informed of changes in legislation and briefed as necessary.

All employees receive adequate training, information and supervision to ensure they can fulfil their legal duties and are consulted on a regular basis. The Company ensures that where specialist skills are required but not available internally, they are obtained from suitable external sources.

The Company acknowledges that the successful operation of the Stadium, and all activities within it, relies on a healthy and safe work environment. The Company is committed to nurturing effective relationships with local and national authorities to ensure its policy can be implemented effectively and it remains at the forefront of health and safety practice.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the date of approval of this report has confirmed that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



R Maslin
Company Secretary, 4 May 2010

WEMBLEY NATIONAL STADIUM 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEMBLEY NATIONAL STADIUM LIMITED

We have audited the financial statements of Wembley National Stadium Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

M. R. Lee-Amies

Mark Lee-Amies (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

4 May 2010

WEMBLEY NATIONAL STADIUM LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2009

	Notes	2009 £000's	2008 £000's
TURNOVER	2	101,925	89,713
Cost of sales		(33,098)	(24,805)
GROSS PROFIT		68,827	64,908
Administrative expenses		(59,214)	(59,022)
OPERATING PROFIT	3	9,613	5,886
Net interest paid (including £10,900,000 in 2008 due to the exceptional accelerated amortisation of issue costs)	5	(25,187)	(36,992)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(15,574)	(31,106)
Tax credit on loss on ordinary activities	6	1,325	8,060
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	16	(14,249)	(23,046)

The above results relate to continuing operations

There were no recognised gains or losses for the year ended 2009 or 2008 except for the loss for those years as stated above. Accordingly no statement of total recognised gains and losses is presented

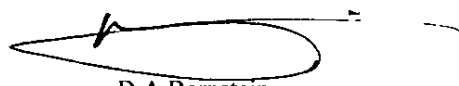
WEMBLEY NATIONAL STADIUM LIMITED

BALANCE SHEET 31 December 2009

	Notes	2009 £000's	2008 £000's
FIXED ASSETS			
Intangible assets	7	250	250
Tangible assets	8	712,689	729,687
		<u>712,939</u>	<u>729,937</u>
CURRENT ASSETS			
Stock		193	-
Debtors			
- due within one year	9	9,784	7,850
- due after one year	9	286	185
Cash at bank and in hand	11	34,184	44,228
		<u>44,447</u>	<u>52,263</u>
CREDITORS: amounts falling due within one year	10	<u>(85,793)</u>	<u>(89,559)</u>
NET CURRENT LIABILITIES		<u>(41,346)</u>	<u>(37,296)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		671,593	692,641
CREDITORS, amounts falling due after more than one year	12	(555,986)	(567,278)
PROVISIONS FOR LIABILITIES	14	(47,096)	(42,603)
NET ASSETS		<u>68,511</u>	<u>82,760</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Share premium account	16	170,000	170,000
Profit and loss account	16	(101,489)	(87,240)
SHAREHOLDERS' FUNDS	16	<u>68,511</u>	<u>82,760</u>

These financial statements of Wembley National Stadium Limited, company number 03388437, were approved by the Board of Directors on 4 May 2010

Signed on behalf of the Board of Directors


D A Bernstein
Chairman

WEMBLEY NATIONAL STADIUM LIMITED

CASH FLOW STATEMENT Year ended 31 December 2009

	Notes	2009 £000's	2008 £000's
Net cash inflow from operating activities	18	9,818	39,377
Returns on investment and servicing of finance	19	(23,432)	(28,361)
Capital expenditure and financial investment	19	<u>(12,082)</u>	<u>(5,789)</u>
Cash (outflow)/inflow before management of liquid resources and financing		(25,696)	5,227
Management of liquid resources		35,000	(35,000)
Financing inflow/(outflow)	19	<u>15,653</u>	<u>(1,852)</u>
Increase/(Decrease) in cash in the year		<u>24,957</u>	<u>(31,625)</u>

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

Increase/(Decrease) in cash in the year		24,957	(31,625)
Cash outflow/(inflow) from increase in liquid resources	20	(35,000)	35,000
Cash outflow/(inflow) from change in debt financing	20	<u>(16,191)</u>	<u>1,977</u>
Change in net debt resulting from cash flows		(26,234)	5,352
Non cash movement		<u>2,373</u>	<u>(7,652)</u>
Change in net debt		(23,861)	(2,300)
Net debt brought forward		<u>(325,381)</u>	<u>(323,081)</u>
Net debt carried forward		<u>(349,242)</u>	<u>(325,381)</u>

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost basis in accordance with applicable United Kingdom accounting standards and company law.

Going concern

The business activities of Wembley National Stadium Limited ("WNSL" or the "Company"), together with the factors likely to affect its future development, performance and position are set out in the Directors' report that also outlines the Company's financial position including its cash flows, liquidity position and borrowing facilities. The Directors' report also includes a summary of the principal risks and uncertainties affecting the Company.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future including a higher level of cash reserves than originally planned as part of the refinancing. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. No depreciation is charged in respect of freehold land. Depreciation is provided on all other tangible fixed assets on a straight line basis, at rates calculated to write off the cost of those assets over their useful expected lives, and incorporating any residual value, as follows:

The Stadium	-	the assets that comprise the Stadium have been categorised into operating classes and depreciated according to the useful economic life of that class. Useful economic lives range from 5 to 50 years.
Long leasehold property	-	over the life of the lease when remaining term is less than 50 years, otherwise not depreciated.
Furniture and fittings	-	10 years
Computer equipment	-	3 years
Plant and machinery	-	5 years

Intangible fixed asset

The intangible asset is not amortised on the grounds of its expected durability. An impairment review is performed annually.

The directors consider that the intangible asset has an indefinite life due to WNSL's proven and sustained ability to organise sporting and other entertainment events at Wembley Stadium.

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES (CONTINUED)

Grants and deferred income

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by matching with the relevant depreciation expense. Where a grant relates to an asset which is not depreciated, the grant remains in deferred income until the end of the asset's life.

Revenue grants are credited to income so as to match them with the expenditure to which they relate.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pensions

The Company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Borrowing costs

The arrangement fees for the committed funding have been offset against the loan and are being amortised over the period of the loan. Arrangement fees relating to the previous loan have been written off during the prior year as a result of the refinancing of the bank loan. Finance costs, including amortisation of arrangement fees, directly attributable to construction were capitalised as assets in the course of construction and were then reclassified as Stadium assets when the asset was brought into use. The commencement of capitalisation began when both finance costs and expenditures for the asset were incurred and activities that were necessary to get the asset ready for use were in progress. Capitalisation ceased when Operational Completion was reached. This was when substantially all the activities that were necessary for the use of the Stadium were complete. Operational Completion was achieved on 30 March 2007, consequently from this date capitalised costs have been depreciated on a straight line basis over the life of the Stadium and borrowing costs incurred from this date are charged to the profit and loss account as incurred.

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

1. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Club Wembley licence fees - The revenue is recognised when the licence agreement has been signed and the exercise period commences. Total revenue from licence fees is spread evenly across the term of the licence agreement (usually approximately ten years).

Club Wembley season fees - When a customer first joins Club Wembley, revenue is recognised when the licence agreement has been signed. For subsequent seasons, a transaction is recognised when the customer is invoiced. The season fee is spread evenly across the period that it relates to (1 August to 31 July if a full season).

Revenue from events is derived predominantly from the sale of tickets and packages to Club Wembley customers, WNSL's share of gate receipts under various staging agreements and one-off Stadium hire fees. Other sources of event related income are programme income, other merchandise income, commission on resales and commission on catering. This income is all recognised once the event has occurred.

Revenue from sponsorship agreements is spread evenly over the term of the contract.

Other revenue is recognised as it is earned. Sources of other revenue includes Sunday market income, shop income, tour income, parking income, steward training income, operating expenses recharged to Stadium partners, postage and packaging charged to customers, credit card fees charged to customers, licensing for merchandising, photography and publications, commission on catering and fees for catering rights within the Stadium.

Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting new interest payable over the periods of the contracts.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedge position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts receivable from operating, sporting and other entertainment events and arises solely in the UK.

3. OPERATING PROFIT

This is stated after charging

	2009 £000's	2008 £000's
Fees payable to the Company's auditors for the audit of the Company's annual accounts	61	80
Fees payable to the Company's auditors for other services to the Company – tax services	208	361
Operating lease rentals – plant and machinery	23	18
Depreciation of owned fixed assets (see note 8)	29,080	28,685

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2009

4. STAFF COSTS (INCLUDING DIRECTORS)

	2009 £000's	2008 £000's
Wages and salaries	5,149	5,771
Social security costs	561	621
Other pension costs	326	363
	<u>6,036</u>	<u>6,755</u>

The average weekly number of employees during the year was as follows

	2009 No.	2008 No.
Administration	<u>118</u>	<u>132</u>

The total remuneration received by the directors is detailed below

	2009 £000's	2008 £000's
Emoluments	816	890
Company contribution to pension schemes	30	26
	<u>846</u>	<u>916</u>

Details of the remuneration for the highest paid director are as follows

	2009 £000's	2008 £000's
Emoluments	270	287
Company contribution to pension scheme	23	-
	<u>293</u>	<u>287</u>

The number of directors to whom retirement benefits are accruing in respect of qualifying services of money purchase schemes as at year end is three (2008 two)

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

5. NET FINANCE COSTS

	2009 £000's	2008 £000's
Bank interest payable	(23,638)	(26,640)
Exceptional amortisation of issue costs	-	(10,842)
Other interest payable	(185)	-
Unwinding of discount	(2,054)	(1,851)
Total interest payable	(25,877)	(39,333)
Bank interest receivable	690	2,341
Net interest paid	(25,187)	(36,992)

Bank interest payable includes the amortisation of issue costs of £0.3m (2008 £10.8m). The amortisation charge in respect of the original bank loan entered into in 2002 was accelerated such that the outstanding balance was written off in full during 2008 as a result of the refinancing of the bank loan in September 2008.

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2009 £000's	2008 £000's
UK Corporation tax at 28% (2008 28.5%)	(2,554)	(3,237)
Adjustment in respect of prior years	364	-
	(2,190)	(3,237)
Deferred taxation (see note 14)		
Timing differences, origination and reversal	865	(3,061)
Changes in tax rates and laws	-	(1,762)
	(1,325)	(8,060)

The actual tax charge differs from the standard rate for the reasons set out in the following reconciliation:

	2009 £000's	2008 £000's
Loss on ordinary activities before tax	(15,574)	(31,106)
Tax on loss at standard rate at 28% (2008 28.5%)	4,361	8,865
Factors affecting charge for the period		
Depreciation in excess of capital allowances	(1,045)	(2,521)
Capitalised finance costs	(581)	(591)
Expenditure not deductible for tax purposes	(716)	(3,063)
Non-taxable release of grant income	535	546
Other short term timing differences	(364)	1
Total actual amount of current tax credit	2,190	3,237

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

The current tax credit in both the current year and prior year relates to payment for tax losses surrendered to other companies in the Group. The payment for tax losses is offset against intercompany loan balances, details of which are outlined in note 12.

7. INTANGIBLE FIXED ASSETS

	Intellectual property £000's
Cost and net book value	
At 1 January 2009 and 31 December 2009	250

Intangible assets represent the cost attributed to intellectual property on the acquisition of Wembley Stadium.

8. TANGIBLE FIXED ASSETS

	Freehold land £000's	Stadium £000's	Long Leasehold property £000's	Plant, machinery, furniture and fittings £000's	Computer equipment £000's	Total £000's
Cost:						
At 1 January 2009	64,500	702,105	2,500	6,165	5,827	781,097
Additions	-	9,505	-	1,566	1,011	12,082
At 31 December 2009	64,500	711,610	2,500	7,731	6,838	793,179
Accumulated depreciation:						
At 1 January 2009	-	45,426	-	1,775	4,209	51,410
Charge for the year	-	25,971	-	960	2,149	29,080
At 31 December 2009	-	71,397	-	2,735	6,358	80,490
Net book value						
At 31 December 2009	64,500	640,213	2,500	4,996	480	712,689
At 31 December 2008	64,500	656,679	2,500	4,390	1,618	729,687

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

8 TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land and buildings represents only land, which is held at cost of £64,500,000 (2008 £64,500,000) following the purchase of land and buildings from Wembley plc in 1999

During the year directly attributable staff costs of £9,889 (2008 £61,058) have been capitalised to Stadium asset

9. DEBTORS

	2009 £000's	2008 £000's
Amounts falling due within one year:		
Trade debtors	3,702	3,257
Other debtors	2,345	262
Value added tax recoverable	410	371
Prepayments and accrued income	3,327	3,960
	<u>9,784</u>	<u>7,850</u>

Amounts falling due after more than one year:

	2009 £000's	2008 £000's
Amounts owed by group companies	286	185
	<u>286</u>	<u>185</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £000's	2008 £000's
Net bank loans	12,438	11,805
Trade creditors	17,447	19,967
Other taxation and social security	135	185
Amounts due to parent company	1,856	1,033
Other creditors	820	134
Accruals	16,851	17,444
Deferred income	36,246	38,991
	<u>85,793</u>	<u>89,559</u>

11. CASH AT BANK AND IN HAND

Cash at bank and in hand does not include any short term treasury deposits (2008 £35,000,000)

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2009 £000's	2008 £000's
Net bank loan	308,555	325,534
Loan from parent company	62,433	32,270
	<hr/>	<hr/>
	370,988	357,804
Other creditors, accruals and deferred income		
Other creditors	-	13,945
Deferred income	68,584	78,079
Deferred grants	116,414	117,450
Non – equity shares	-	-
	<hr/>	<hr/>
	555,986	567,278
	<hr/>	<hr/>

The bank loan is repayable in instalments over the 15 year term of the loan and is secured as a first charge over the assets of the Company. Each annual repayment will include a mandatory amount, together with a targeted amount based on performance.

The repayments due are as follows:

	2009 £000's	2008 £000's
Less than 1 year	12,438	11,805
1-2 years	11,355	12,438
2-5 years	17,599	22,834
More than 5 years	283,480	294,423
	<hr/>	<hr/>
	324,872	341,500
	<hr/>	<hr/>

The bank loan of £324,872,000 (2008: £341,500,000) is stated net of unamortised arrangement fees of £3,879,000 (2008: £4,161,000).

The loan from The FA is repayable only after certain obligations under the financing arrangements have been discharged. From 20 December 2007, no interest was payable on this loan. The Company must ensure that up to £100,000,000 of any investment from The FA (including loans or equity investments) will be retained for a minimum period of 50 years from the date of practical completion, unless specific permission from the Secretary of State is given otherwise.

Recourse to The FA

WNSL has an annual support agreement with The FA. Support payments under this agreement during the year to 31 December 2009 amounted to £13.4m. It is expected that a further c£13m per annum will be received under this agreement until certain conditions are met.

NOTES TO THE ACCOUNTS
Year ended 31 December 2009

12. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR (CONTINUED)

Deferred grants comprise the following amounts

	2009 £000's	2008 £000's
Sport England	77,827	78,050
Department of Culture, Media and Sport	18,746	19,139
London Development Agency	19,841	20,261
	<u>116,414</u>	<u>117,450</u>

The Sport England grant was made under the terms of Agreements dated 11 November 1997 and 15 May 1998. £11,194,075 of this grant funding relates to Stadium assets. This will be amortised over the life of the building, leaving a balance of £67,250,000, which represents grants in respect of land of £64,500,000, long leasehold property of £2,500,000 and £250,000 for business intellectual property rights.

The Department of Culture, Media and Sport grant relates to the S106 payments to improve infrastructure of the surrounding area. The London Development Agency grant relates to infrastructure work, which includes certain elements of costs relating to concrete, steel framework, and concourses.

The grants are amortised over the life of the assets they relate to in line with depreciation charged on those assets. The amount amortised to the profit and loss account during the year was £1,037,000 (2008 £1,041,000).

13. FINANCIAL INSTRUMENTS

The Company has a policy to hedge significant interest rate risk. The Company has entered into an interest rate swap for £341,500,000, the full amount of the Senior Facility. The swap has been profiled on the mandatory repayment schedule and has been fixed at a swap rate of 6.922% per annum, which includes the margin. The rate is fixed for the term of the loan. As at 31 December 2009 the interest rate swap contract has a fair value of £35,568,000 loss (2008 £50,159,000 loss). This fair value has been calculated in accordance with the guidance set out in FRS 25, Financial Instruments: Disclosure and Presentation and is disclosed as required by Companies Act 2006.

14. PROVISIONS FOR LIABILITIES

	Other £000's	Deferred taxation £000's	Totals £000's
At 1 January 2009	-	42,603	42,603
Charged to profit and loss account in the year	3,600	893	4,493
At 31 December 2009	<u>3,600</u>	<u>43,496</u>	<u>47,096</u>

The amounts of deferred taxation provided in these accounts are as follows

	Provided 2009 £000's	2008 £000's
Capital allowances in excess of depreciation	15,945	14,482
Capitalised finance costs	27,451	28,032
Other differences	100	89
	<u>43,496</u>	<u>42,603</u>

• WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

14. PROVISIONS FOR LIABILITIES (CONTINUED)

A deferred tax liability has been provided for accelerated capital allowances in line with FRS 19. This liability relates to capital allowances claimed on Stadium assets which were not depreciated until the Stadium was complete.

A deferred tax liability has been provided for capitalised finance costs in line with FRS 19. This liability relates to a deduction taken for finance costs which will be released to the profit and loss accounts in future periods.

Other amounts charged to the profit and loss account relate to commercial matters arising in the normal course of business which are expected to be utilised within the next three years.

15. CALLED UP SHARE CAPITAL

	2009	2008
Authorised		
1 'A' share - non-equity	-	-
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Called up, allotted and fully paid:		
1 'A' share of £1 – non-equity	-	-
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The 'A' share is held by Sport England and entitles the shareholder to appoint directors as set out in the Articles of Association. The holder is not entitled to vote at General Meetings or receive dividends, and on winding up the holder is only entitled to the capital paid on the share. In 2005 this share was re-classified as a long term liability in accordance with FRS 25.

Ordinary shares have the right to participate in any dividend or other distribution to be made out of accumulated realised profits of the Company in proportion to the number of ordinary shares of which they are the registered holder. On a return of assets on liquidation, reduction of capital or otherwise the holder of ordinary shares will be entitled to participate in proportion to the number of ordinary shares in which they are the registered holder. Every holder of ordinary shares shall have one vote on a show of hands and shall have one vote for every ordinary share of which it is the holder on a poll.

On 20 December 2007, one ordinary share was subscribed for the sum of £170,000,000, which was applied towards a reduction in the debt currently outstanding to The FA.

16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £000's	Share premium account £000's	Profit and loss account £000's	Total £000's
At 1 January 2009	-	170,000	(87,240)	82,760
Loss for the year	-	-	(14,249)	(14,249)
At 31 December 2009	<u>-</u>	<u>170,000</u>	<u>(101,489)</u>	<u>68,511</u>

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

17. FINANCIAL COMMITMENTS

Operating leases

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases as set out below

	Other operating leases	
	2009	2008
	£000's	£000's
Operating leases which expire		
Within one year	10	-
Within two to five years	13	21
After five years	-	-
	<u>23</u>	<u>21</u>

18 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£000's	£000's
Operating profit	9,613	5,886
Depreciation	29,080	28,685
Amortisation of deferred capital grants	(1,912)	(1,916)
(Increase)/Decrease in debtors	(2,127)	6,570
(Decrease)/Increase in creditors	(28,436)	152
Increase in provisions	3,600	-
Inflow from operating activities	<u>9,818</u>	<u>39,377</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASHFLOW STATEMENT

	2009	2008
	£000's	£000's
Returns on investment and servicing of finance		
Interest received	690	2,341
Interest paid	(24,122)	(30,702)
	<u>(23,432)</u>	<u>(28,361)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(12,082)	(5,789)
	<u>(12,082)</u>	<u>(5,789)</u>
Financing		
Drawdown of grants	-	195
Repayment of bank loan	(16,628)	(4,584)
Signing fees paid	-	(4,231)
Drawdown of loan from parent company	32,281	6,768
	<u>15,653</u>	<u>(1,852)</u>

WEMBLEY NATIONAL STADIUM LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2009

20. ANALYSIS OF NET DEBT

	1 January 2009 £000's	Cash flow £000's	Non cash movement £000's	31 December 2009 £000's
Cash in hand and at bank	44,228	(10,044)	-	34,184
Debt due after 1 year	(357,804)	(27,431)	14,247	(370,988)
Debt due within 1 year	(11,805)	11,805	(12,438)	(12,438)
	<u>(325,381)</u>	<u>(26,234)</u>	<u>2,373</u>	<u>(349,242)</u>

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY

The ultimate and immediate parent undertaking is The Football Association Limited ("The FA"), a company incorporated in Great Britain and registered in England and Wales. The results of the Company are consolidated in the accounts of The FA. Copies of The FA's accounts are available from The Football Association Limited, Wembley Stadium, Wembley, London, HA9 0WS