

Company Registration No. 03388437

Wembley National Stadium Limited

Report and Financial Statements

Year ended 31 July 2014

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Wembley National Stadium Limited

Report and financial statements 31 July 2014

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Wembley National Stadium Limited

Report and financial statements 31 July 2014

Officers and professional advisers

Directors

M Benn (Chairman)
R Maslin
P Gartside
A Horne
S Martin
G Burr
C McConville

Secretary

R Maslin

Registered office

Wembley Stadium
Wembley
London
HA9 0WS

Bankers

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

Solicitors

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

Pinsent Masons LLP
30 Crown Place
London, EC2A 4ES

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

Blandy & Blandy
1 Friar Street
Reading
Berkshire, RG1 1DA

Independent Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Wembley National Stadium Limited

Chairman's statement

Wembley Stadium's mantra is 'Inspiring Memories' and throughout the 2013/14 season we have strived to provide iconic sporting and music moments. During the last year we have developed and enhanced our technological advancement through a ground-breaking deal with mobile technology giants EE.

Now into its seventh year following the rebuild, the Stadium continues to set the benchmark for global events. This was highlighted with the incredible 17-hour turnaround from England's final home World Cup warm-up match against Peru to the IBF Super Middleweight bout between reigning champion Carl Froch and title-contender George Groves.

That incredible night in May was the culmination of the sporting calendar which started with Manchester United's victory in the Community Shield over FA Cup holders Wigan Athletic. The FA Community Shield continues to be the official start of the domestic season and the excitement in the Stadium that welcomes its commencement is always noticeable.

Wembley takes great pride in its sporting prestige and diversity and no better place is this highlighted than with the RFL Challenge Cup Final at the end of August each year. An institution at the Stadium since 1929, in 2013 the two sides of the Pennines met with Lancastrian side Wigan overcoming their Yorkshire rivals Hull FC 16-0.

England completed their qualification campaign defeating Poland (2-0) and Montenegro (4-1), before friendly games against Chile and Germany, and then matches against Denmark and Peru in 2014 set up the team for its trip to Brazil.

Wembley is proud to be the 'Home of England' and Wembley is renowned for this the world over, but in recent years we've also been delighted to welcome the NFL International Series. The Series has hosted one game every year since 2007, but in 2013 we staged two matches with Minnesota and Pittsburgh playing out a very exciting 34-27 win for the Vikings and the defeated Super Bowl XLVII finalists San Francisco 49ers defeating Jacksonville Jaguars 42-10.

In 2014 Wembley Stadium will extend its partnership with the NFL with three International Series matches being played in London over a three month period. First up in September Oakland Raiders against Miami Dolphins then, in October, Atlanta Falcons host Detroit Lions before Jacksonville Jaguars continue their association at the Stadium by welcoming the five-time Super Bowl Champions Dallas Cowboys.

World-stage events are what this Stadium thrives upon and so it was very special to host a Rugby League World Cup double header during the space of just one day. A classic encounter between England and New Zealand saw England agonisingly lose out 20-18 to a last-gasp Kiwis try by Shaun Johnson. Home hopes were dashed after a stellar Sam Burgess performance had edged England towards a final against old rivals Australia who comfortably defeated Fiji 64-0 in the other Semi-Final.

After an historic 2013, it was important that 2014 matched it in terms of quality. Manchester City and Sunderland ensured the Wembley calendar year got off to a great start with three wonderful goals seeing Manchester City defeat Sunderland 2-1 to claim the Capital One Cup.

Another world record attendance (83,889) between Saracens and Harlequins was the pick of the action in March before Wembley's 'busy' season commenced in April. The culmination of the football season is a special time for fans as people from around the country converge on the national Stadium to cheer on their sides.

Arsenal got back to winning ways, defeating Hull City in the FA Cup Final, before the fates of Conference and Football League sides were decided, with Cambridge United notably securing their return to the Football League after a nine-year absence. Rotherham and Fleetwood were elevated to Championship and League One respectively while Queens Park Rangers won the 'world's most valuable football match' to return to the Premier League.

As the domestic football season came to a close, eyes from across the world turned to a 17-hour period at Wembley which saw fans say farewell to the England Senior team prior to taking part in the Brazil World Cup before staff constructed a boxing canvas for the fight billed as Froch v Groves II.

From the moment that the ink was dry on the contracts between Wembley Stadium, Matchroom Boxing and Sky Sports, the anticipation was palpable. Time and again the fighters and promoter Eddie Hearn eulogised about the importance, prestige and pride in making the fight happen at the national Stadium and Froch's hammer blow was another memorable moment that will live long in sports fans' memories.

The Stadium's musical heritage continues to go from strength to strength with Roger Waters bringing his phenomenal music and visual spectacular, The Wall during September. Despite the superb line-up in 2013, the Wembley music division did not rest on their laurels, securing three nights of One Direction and the Capital Summertime Ball in 2014. This was then complimented by world renowned rap artist Eminem, who played two nights during July.

Wembley National Stadium Limited

Chairman's statement (continued)

As the 'Home of Football' the new season started off with great anticipation for the commencement of a World Cup year, however it was the announcement of Wembley's association with EE that had set the tone for the year in a positive light for the Stadium.

The growth of multi-purpose stadia globally has stepped up in recent years and at the heart of this is the technological development of venues for event owners and their fans. The six-year deal with EE puts in place a technology road map for the Stadium which will see multi-million pound investment in state-of-the-art technologies, allowing our venue to compete with the best stadia in Europe and the world.

The partnership has already seen the implementation of new LED screens replacing the screens at the east and west end of the Stadium and the longest continuous LED ribbon in Europe was put into the Stadium bowl around Level Two. Three external LED screens allow better fan engagement than ever whilst enhanced 4G coverage, superfast Wi-Fi, Wembley's own app and mobile payment solutions will be introduced during the partnership. Most recently the stunning new LED arch lit the skyline with the aqua of EE there for all of London to see at a special launch event. It's variety was on show three days later when it was lit pink for The FA's new charity partner (2014-16) Breast Cancer Care.

This commitment to technology for the Stadium infrastructure is also met with our commitment off the field to continue bringing the best events to the Stadium. The FA put Wembley Stadium forward in its bid to be part of UEFA's 'Euro for Europe' across 13 countries in 2020 and is privileged to have been selected to host the Semi-Finals and Final of UEFA's 60th anniversary tournament. After successful UEFA Champions League Finals in both 2011 and 2013 and the London 2012 Olympic football Gold Medal matches, Wembley is confident of delivering another showpiece occasion.

As the Stadium continues to bring the best events to the Stadium, it also continues to develop and enhance the Club Wembley experience. It remains at the forefront of global entertainment offerings, with the largest and most successful long-term contracted high-value membership of any venue. Wembley continues to place its members at the heart of everything, with its unique Club Wembley Connections offering going from strength-to-strength.

The Club Wembley team continue to stage added-value events, most notably the World Cup Trophy Tour in which members took part in a Q&A session with Sir Geoff Hurst, Gordon Banks and Jimmy Greaves, before posing for pictures with the World Cup greats and the official FIFA World Cup Trophy. There was also the opportunity for selected Club Wembley members to fly out to Miami to visit the England squad in their pre-World Cup training camp - watching behind closed doors training as well as the match against Honduras in the Sun Stadium.

After the great success of the Wembley Tour during the 150th Anniversary year, the success in numbers has been matched once again with the Tours team welcoming over 140,000 people through the doors. Following the departure of the Champions League Exhibition in June 2013, the Stadium welcomed a Getty Images exhibition of great sporting and music moments through its 91-year history. The Tour will continue to form a part of the wider Wembley landscape with people enjoying new experiences at the London Designer Outlet which opened in October 2013.

Environmental responsibility continues to be one of Wembley's priorities, as it has been since the Stadium first opened. Several major projects are underway to improve lighting efficiency and reduce water use which will further cut unnecessary resource use by the end of the year. New for 2014 is a fresh structure for our in-house Green Team which will help to spread the responsibility for environmental management more efficiently.

We have added to our environmental awards cabinet with our 5th Industry Green award and received the highest, three-star rating for the second consecutive year. We were also the first Stadium to achieve the Carbon Trust treble – all three Carbon Trust standards for carbon, waste and water. Finally, the result of many years of hard work developing our Environmental Management System (EMS) was rewarded when, at the end of 2013, it was certified to the international standard for EMS, ISO 14001.

The Stadium remains fully accessible with sensory assistance available and more than 310 wheelchair spaces across all levels. Among many other significant designations, Wembley was delighted at being awarded the Level Playing Field Centre of Excellence status for demonstrating the highest access and inclusion standards for accommodating disabled patrons.

The quality of the Wembley playing surface and the team that maintains it continues to be recognised, with the Wembley team led by Tony Stones, being awarded the Institute of Groundsman Professional Sports Ground Team of the Year for 2013. Their diligent work in turning pitches from football to rugby and then renovating from music back to football for the new season is an art and one they always approach with great gusto.

This is just one of many examples of teams and individuals striving for greatness for event owners and their fans. The Stadium hosts many high profile sporting and music promotion organisations - the endorsements the Wembley staff receive for their work undertaken is testament to the hours and commitment to delivering world class Stadium experiences that inspire memories for those that attend the events.

Wembley National Stadium Limited

Chairman's statement (continued)

Endorsements from the likes of UEFA, the NFL and RFL in recent months are added to LOCOG and FIFA's praise during the Olympics in 2012 and shows why this Stadium continues to be chosen as the venue for iconic sporting moments.

With the wider development of the Wembley area, the Stadium continues to forge and nurture partnerships with local stakeholders to develop and engender a sense of community. The continued success of the Wembley National Stadium Trust and centralised Community Engagement Programme led by Wembley Stadium allows stakeholders to concentrate on the people that make the Wembley locale such a special one and ensure that the Stadium is as accessible and special to the people who can see it from a living room window as for those who travel hundreds and sometimes thousands of miles to come and watch an event here.

Working with partners is fundamental to the successful running of events at the Stadium. We also strongly value our partnerships with the Metropolitan Police and other Emergency Services, TfL, QED, Hilton and Wembley Park. Our relationships with these key stakeholders are strong and we continually look forward to how we can continue to grow and improve the various services that we provide our customers coming to the Stadium and the wider area itself.

The 2013/14 season has been a year of firsts for the 'new' Wembley Stadium. The year that boxing made its bow for the first time since re-opening, that NFL continued its association with Wembley by increasing their International Series fixtures to three games or when Eminem headlined the first ever rap-only concert. Wembley has and always will be about setting the benchmark and creating firsts. It has to and always will strive to be the best, whether this means from an event-holder point of view, technologically or the all-important fan experience. Wembley Stadium must stand for excellence and inspirational memories.

A handwritten signature in black ink, appearing to read 'Mel Benn', with a stylized, flowing script.

Melvin Benn

Chairman, Wembley National Stadium Limited

25 November 2014

Wembley National Stadium Limited

Strategic report

This Strategic report contains the following sections:

- Business model & strategic objectives;
- Principal risks and uncertainties;
- Corporate social responsibility; and
- Financial review.

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Business model & strategic objectives

Business Model

Wembley National Stadium Limited ("WNSL") is an events business, facilitating events on behalf of event owners across a wide variety of sporting and entertainment activities.

Wembley Stadium has long term staging agreements with a number of event owners, including the Football Association, the Football League, the Rugby Football League and the National Football League ("NFL"). These events form the spine of Wembley's event calendar.

Wembley also has strong relationships with a number of other event owners, regularly hosting events on behalf of various music promoters, Saracens rugby club and other sports event owners.

Hosting the most high profile, showpiece events is critical to maintaining Wembley's position as one of the world's leading stadia. Hosting the UEFA Champions League Finals in 2011 and 2013, the London 2012 Olympic football men's and women's gold medal football matches and the recent announcement that Wembley is to host the UEFA Euro 2020 Semi-Finals and Final, underlines Wembley's leading position. Hosting events of this magnitude are crucial to support Wembley's business model.

Club Wembley remains the key driver of the business plan. Although Club Wembley continues to be the largest and most successful long-term contracted high value membership scheme of any entertainment venue in the world, management are far from complacent and there is a continued focus on the quality and breadth of events and first class service.

Wembley Stadium also contributes to the wider FA Group's strategic objectives. Wembley is continuing its work with The FA to make the Stadium a home for England's senior teams. The first England women's international to be staged at Wembley Stadium has recently been announced. It is hoped that staging the match at the Stadium will help to generate media coverage, boost attendances and ultimately to grow the women's game within England. In the longer term, Wembley Stadium will generate profits that will support further investments into the game by the Group.

The Wembley Vision

Wembley Stadium's overarching vision is to deliver the 'Best Stadium Experience in the World'. Delivering the Best Stadium Experience requires management to attract the best events and develop the best facilities. However, this needs to be complemented by delivering the best service, thereby satisfying our event owners, their patrons and our Club Wembley members.

Management are committed to continually improving the Stadium and benchmarks facilities, service and best practice across other venues in the sport, entertainment and leisure industry.

Attract the best events

Critical to Wembley Stadium's business model is developing the best national and international football calendar. The season saw Wembley Stadium host the exciting latter stages of The FA Cup Competition, the Capital One Cup Final and the always entertaining Football League Play-off Finals, again underlining the unique position Wembley Stadium holds at the heart of the English domestic competitions. The season also saw the Stadium host eight England games, both in celebration of The FA's 150th year and in the build up to the World Cup, including games against both Germany and Scotland.

Hosting an unprecedented two UEFA Champions League Finals in three years, eight London 2012 Olympic football matches and the recent announcement of the UEFA Euro 2020 Semi-Finals and Final package are great opportunities to showcase the Stadium at its best. The capacity of the Stadium, both in general admission and hospitality areas, its neutrality from club football and its history of delivering on major bid events, puts Wembley Stadium in a strong position to continue to win major bid events.

Wembley National Stadium Limited

Strategic report (continued)

Business model and strategic objectives (continued)

The Wembley Vision (continued)

As well as being the home for many high-profile football matches, Wembley is the 'home away from home' for many other sport event owners. The agreement with the NFL to stage three International Series games in 2014 is an example of Wembley Stadium building strong, long term relationships with a key event owner.

Wembley Stadium aims to be the Stadium of choice for music. Recent investments in technology to set the stage back into the Stadium's stands, thereby increasing capacity for music events and improving customer views, demonstrates the importance of hosting high quality concerts to Wembley's overall strategy. A strong music events calendar helps ensure a varied overall calendar of events which widens appeal for Club Wembley seats and boxes.

Wembley Stadium hosted 35 events in 2013/14, an increase of one event from the prior season. While the number of events is a useful indicator of the Stadium's performance, the quality of the events is most important to Club Wembley members and the overall business model. Wembley's strategic objective of attracting the best events remains key to the overall vision of delivering the 'Best Stadium Experience in the World'.

Develop the best Stadium facilities and environment

A key part of Wembley's strategic vision is to continue to provide outstanding facilities that inspire our customers and event owners. World leading facilities are needed both to attract the best events and to ensure an enjoyable event day experience for all visitors to the Stadium.

Wembley invested £6.7 million into enhancing the Stadium's facilities in 2013/14. Investment into the Stadium is driven by event owner and customer feedback to ensure that the facilities evolve to meet their requirements. Areas of investment in the 2013/14 season included further improvements to facilities for Wembley's largest revenue stream, Club Wembley. In addition, Wembley has invested in LED screens both within the Stadium bowl and on the external face of the Stadium, which will allow more interaction with spectators on event days for both Wembley Stadium and our partners.

One of Wembley's core strategic goals is in demonstrating leadership in environmental sustainability. Being at the forefront of environmental sustainability is not only a responsible way to operate a Stadium, but crucial to operating in a long term cost effective way. Further information on the ways which Wembley demonstrates leadership in environmental sustainability is given in the Corporate Social Responsibility statement below.

Taking pride and responsibility in being the national Stadium, through delivering world class facilities is critical to Wembley's long term business model.

Provide the best service

To deliver the Best Stadium Experience, Wembley Stadium strives to put event owners and their patrons at the forefront of the business. Based on event owner feedback, Wembley targets that each event delivered on behalf of an event owner is better than the last.

Wembley's vision and commitment is to make Club Wembley the ultimate Stadium members' experience and to achieve this requires unparalleled service. Both formal and informal customer feedback is routinely obtained from Club Wembley members, with the objective of ensuring a continuous improvement in service.

In order to ensure the best event day experience for Wembley's customers, all staff are expected to be helpful and approachable at all times. During the 2013/14 season Wembley invested in customer service training for both its staff and all customer facing event day contractors. The aim of the training was to ensure consistent and helpful customer interactions with all staff and contractors.

Wembley National Stadium Limited

Strategic report (continued)

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a significant impact on the Company's long-term performance.

Club Wembley

Club Wembley box and premium seats have been contracted for an average of eight and ten years respectively. The majority of these licences run through to 2017. Given the size and importance of Club Wembley to the business' operating model, the renewal of Club Wembley licences is central to the Company's long-term planning. Whilst the principal risk in the long-term is renewal of the membership contracts, the short-term risk exists that some members may not pay their annual season fee.

A major determinant of the demand and attractiveness of Club Wembley is the quality of events. Whilst the performance of the England team and the attractiveness of teams in major domestic club cup competitions are outside the business' control they will potentially have an impact on the Stadium's operating business model. In addition, the market to attract major music concerts is increasingly competitive and the Company is working very hard to retain its premier position for concerts.

Borrowings

The financing arrangements include certain cash flow covenants which are forecast to be achieved. Although there is headroom, a significant fall in income or a delay in receiving major payments due could put the Company in default of its banking covenants.

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 variable 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 to ensure that it can continue to meet its obligations under the financing agreements.

Inability to stage an event at Wembley Stadium

A major disaster, such as a terrorist attack, could have an impact on the ability to host an event at Wembley Stadium or affect people's willingness to attend matches and events. Such an incident could have the potential to significantly disrupt the operation of the business and could have an adverse effect on the Company's revenues. This risk is managed by having relevant insurance cover and through maintaining good working relationships with the Metropolitan Police Service, security services and intelligence agencies.

Corporate social responsibility

Whilst it is vital that we operate effectively and efficiently as a business, it is also important that we conduct ourselves in the right way. As a Group we are committed to being socially responsible. This commitment is central to our core values of Pride, Integrity, Collaboration and Excellence and is reflected in our environmental, ethical, charitable and community activities.

During the year Wembley donated nearly £1 million to the Wembley National Stadium Trust in order to honour a deed of covenant signed in respect to the £120 million lottery funding towards the original cost of the Stadium provided through Sport England. Wembley National Stadium Trust uses the donations to fund a wide range of sports projects within Brent, London and the UK. The Trust's grants in the year have focused on sports participation projects in Brent and disability sport across London, with plans for an 'England Fund' to support a major England wide sports initiative.

The Teenage Cancer Trust continued as the FA Group's official Charity Partner in 2013/14 and through FA Group staff and partner related fund raising activity we raised over £300,000, more than matching the original £150,000 donation made from the proceeds of The FA Community Shield. The charity benefited from a range of unique opportunities for their patients and volunteers at Wembley events. The Teenage Cancer Trust International when England played Scotland at Wembley was a great way to celebrate and promote the partnership.

The FA Group is committed to working with the local community around Wembley. We have a close partnership with Brent Council which ensures that the benefits and opportunities of the Stadium are shared by the community at large. The Learning Zone is a dedicated classroom within the Stadium for use by local schools and continues to be a thriving asset for the community. Likewise FA Group employees offer their time to provide mentoring, work experience and open days for local schools who are seeking to provide help, guidance and opportunities for their pupils. Whenever possible, tickets are distributed through the Council to local groups who want to be able to come and share the big event experience on their doorstep.

Wembley National Stadium Limited

Strategic report (continued)

Corporate social responsibility (continued)

Environmental policy

Environmental sustainability continues to be a key priority for the business and this was another successful year for The FA Group Green Team at Wembley, with the environmental strategy now embedded across the business and the Wembley Stadium Environmental Management System ("EMS") being certified by UKAS-accredited auditors to international environmental standard ISO 14001. The EMS continues to win awards such as the highest possible rating in the Industry Green certification and the Green Tourism Gold Star award. The EMS provides a framework for systematic management of environmental impacts, through clear objectives, quantifiable targets and rigorous procedures. The EMS has identified the priority areas for Wembley as: energy, waste, water, transport, procurement and communications.

Water consumption remains a key priority for 2014. A number of initiatives have been developed to reduce water consumption, including installing water saving devices in all toilet blocks, with a goal of reducing the average water consumption by 20% on both event days and non-event days from 2009-2011 consumption levels.

Wembley Stadium continues to develop and promote its Green Travel Plan. At the beginning of 2014 a secure bike shelter was installed at the Stadium in response to requests from the Bike User Group. Staff members continue to be encouraged to use public transport and reduce car use through the Travel Card Season Ticket Loan programme and the Cycle to Work scheme. The Green Travel Plan is currently being supported by two campaigns promoting sustainable methods of transport as an alternative to car travel.

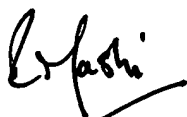
By working closely with Veolia Environmental Services and other stakeholders, Wembley Stadium continues to proudly operate as a 'zero waste to landfill' venue. In 2014 the Stadium Technical Services Associate Director, with the Sustainability Manager, are spearheading a renewed focus on waste re-use and recycling to ensure the Stadium maintains its excellent record in waste management.

Wembley Stadium continually runs engagement campaigns, e.g. to raise awareness and educate staff on the waste reduction and travel initiatives. The Green Team is also, for the first time, engaging with visitors and fans through a social media strategy. New starters at the FA Group are introduced to the EMS and the Stadium's sustainability programmes in their inductions. The Stadium hosts an annual Green Week to engage staff through environment and sustainability themed activities throughout the week.

In 2014 Wembley aims to achieve the targets detailed below:

- Reduce water consumption by 20% based on average water consumption from 2009-2011 levels;
- Maintain the average gas consumption set by the baseline years 2009-2011;
- Maintain the average electricity consumption set by the baseline years 2009-2011;
- Reduce the quantity of office waste per FTE by 5% based on 2012 levels; and
- Achieve a total re-use and recycling rate of 85%.

Approved by the Board of Directors
and signed on behalf of the Board on 25 November 2014



Roger Maslin
Managing Director and Company Secretary
Wembley National Stadium Limited

Wembley National Stadium Limited

Strategic report (continued)

Financial review

Overview

In 2013 the Company changed its accounting reference date from 31 December to 31 July. This change was introduced to better align the financial information it presents publicly to the information it uses internally to manage the business on a day-to-day basis. The statutory financial statements are now in line with the football season and our underlying sponsorship and Club Wembley agreements.

As a result of this change, the 2013 financial statements presented the financial performance of the Company over the seven month period from 1 January 2013 to 31 July 2013. In order to provide a meaningful comparative, sections of the Financial review use the unaudited results for the year to 31 July 2013. The Financial review is split into those sections based on the audited and unaudited prior year comparatives.

Audited financial results for the year ended 31 July 2014 and audited results for the seven months to 31 July 2014

The audited financial statements for the year ending 31 July 2014 show that WNSL generated turnover of £97.6 million (2013: £58.1 million), an operating profit of £7.4 million (2013: £4.7 million) and a loss after tax of £11.4 million (2013: £2.7 million).

Balance sheet and cash flow

The Company's net assets decreased by £11.4 million, to £42.6 million at 31 July 2014 (2013: £2.7 million to £54.0 million), as a result of the loss in the period outlined above.

Tangible fixed assets have reduced from £635.0 million at July 2013 to £612.5 million at July 2014, with the majority of this reduction due to depreciation of £29.1 million. Wembley has continued to invest in the Stadium, with £6.7 million of new assets purchased in the year to 31 July 2014. Major items of expenditure included investment to drive revenues from commercial partners, such as the LED fascia on the front of the Stadium and the ability to light the Stadium arch in different colours, in addition to further investment in Club Wembley facilities, including upgrades to the Gold Bar and areas outside the private boxes.

Debtors due within one year of £20.7 million (2013: £32.4 million) have decreased by £11.7 million. At 31 July 2013 there was a short-term intercompany loan from The FA of £11.0 million which was repaid on 2 August 2013. The majority of the debtors due within one year are the Club Wembley season fees which are invoiced annually in advance of the new season.

Creditors due within one year of £101.2 million (2013: £108.8 million) have decreased by £7.6 million. The decrease is predominantly due to revenue collected and subsequently paid to UEFA for the 2013 UEFA Champions League Final. A large proportion of creditors due within one year relate to deferred income of £58.9 million (2013: £58.5 million) which includes season fees paid by Club Wembley members in advance of the 2014/15 season.

Creditors due after one year are comprised principally of the net bank loan, loan from parent company, deferred income and deferred capital grants. The release of deferred income for Club Wembley seat and box licences contributes to a reduction in creditors due after one year from £539.6 million at 31 July 2013 to £530.9 million at 31 July 2014.

Wembley Stadium continues to generate strong cash flows, with the total cash balance increasing by £4.4 million in the year to July 2014 (2013: £17.7 million). Cash generated from operating activities in the twelve months to 31 July 2014 was £18.2 million (2013: £43.3 million), with the reduction being due to the comparative seven month period not including the loan capital repayments made in September of each year.

Audited financial results for the year ended 31 July 2014 and unaudited results for the year ended 31 July 2013

Whilst the audited comparative financial results presented are for the seven months ended 31 July 2013; in order to aid the understanding of the reader and provide a meaningful comparison, the remaining sections of this Financial review discuss the audited results of the year ended 31 July 2014 ("2013/14" or "the season") compared to the unaudited results of the season ended 31 July 2013 ("2012/13").

Wembley National Stadium Limited

Strategic report (continued)

Financial review (continued)

Summary

£m	2013/14	2012/13	Change
Turnover	97.6	92.1	5.5
Cost of sales	(27.4)	(24.8)	(2.6)
Gross profit	70.2	67.3	2.9
Operating expenses	(62.8)	(59.3)	(3.5)
Operating profit	7.4	8.0	(0.6)

Turnover

Turnover increased by £5.5 million in 2013/14 to £97.6 million (2012/13: £92.1 million).

The 2012/13 season saw Wembley host the UEFA Champions League final, the Gold medal matches of both the men's and women's Olympic football tournaments and four Robbie Williams concerts. Highlights in the 2013/14 season included Wembley hosting its first boxing match in the rebuilt stadium, an additional NFL match and a strong concert line up including a very successful run of three nights of One Direction concerts.

Overall, turnover generated directly from events increased by £2.1 million in the 2013/14 season. The Stadium hosted one more event in 2013/14 than 2012/13, including eight England games in 2013/14 compared to only four in 2012/13. Additional England matches were hosted at Wembley Stadium in celebration of the FA's 150th year and in preparation for the 2014 FIFA World Cup.

Revenue generated from Club Wembley seats and private boxes increased by £2.1 million in the 2013/14 season, with additional sales driven by the strong events calendars in both the 2013/14 and 2012/13 seasons.

EE was announced as the lead partner to Wembley Stadium in February 2014 and contributed to an increase in turnover generated from commercial partners of £1.2 million. As well as the financial contribution from EE, the partnership includes investments in Wembley's technological infrastructure.

Other income generated by Wembley Stadium includes sales from the onsite shop, tours of the Stadium, Wembley Stadium Consultancy and conference and banqueting events, which accounted for the remaining increase in turnover.

Operating profit

Operating profit for the 2013/14 season was £7.4 million (2012/13: £8.0 million), a decrease of £0.6 million. A number of factors have contributed to the increased cost base including; increased catering costs incurred in supporting private box sales, rebranding and new uniforms following the announcement of EE as Wembley Stadium Lead Partner, research and consultancy fees incurred in planning for renewal of the Club Wembley seat licences and increased event costs due to the additional event staged in the year.

Financing and financial instruments

In 2013/14 net finance charges were £20.4 million (2012/13: £20.7 million) and mainly relate to servicing the bank loan. All interest and planned capital repayment obligations were met during the year and the facilities are due to be repaid in full by September 2023. These facilities provide adequate headroom to allow the business to further develop and improve.

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



Andrew Crean

Group Chief Financial Officer, The Football Association

Wembley National Stadium Limited

Directors' report

The directors present their Report and the audited financial statements for the year ended 31 July 2014.

Going concern

The directors have considered the principal risks and uncertainties described above and have taken account of them in their forecasts, and concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further, The FA has provided written confirmation to the directors of WNSL of its intention to provide any financial support that is necessary to enable WNSL to meet its obligations as they fall due, for a period of 12 months from the date of signing the report and financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Dividends

The directors do not recommend the payment of a dividend for the period (2013: £nil).

Corporate governance

The Board

The main functions of the Board are to formulate the strategy, objectives and major policies of the Company. The Board generally meets on a monthly basis and met 11 times during the reporting period. Prior to each Board meeting, the directors receive an agenda and a set of board papers to be discussed. Standing agenda items include reports from the Managing Director and the Group Chief Financial Officer/Group Financial Controller and updates in relation to Club Wembley, events, construction, health and safety and Stadium operations. Other matters for which formal approval or noting are required are also included on the agenda.

The Board includes five non-executive directors and three executive directors with expertise in finance, construction, operations and event management. The non-executive directors bring significant skills and experience to the Board and complement the existing FA representative non-executive directors as well as the executive directors and management team.

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 period, and the attendance of directors at the scheduled meetings of the Board were, as follows:

Name	Role	Date appointed/resigned	Scheduled Board Meetings
M Benn	Non-Executive Chairman		11 (11)
P Gartside	Non-Executive Director		6 (11)
A Horne	Executive Director		11 (11)
S Martin	Non-Executive Director		11 (11)
R Maslin	Managing Director		11 (11)
D Thomson	Executive Director	Resigned 31 October 2014	11 (11)
G Burr	Non-Executive Director		11 (11)
C McConville	Non-Executive Director		10 (11)

Figures in brackets indicate the maximum number of meetings during the period in which the individual was a Board Director.

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

There is a clear division of responsibility between the roles of Chairman and Managing Director. The Chairman provides strong leadership for the Board on all aspects of its role whereas the Managing Director has executive responsibility for delivering strategies and programmes in line with the Board's direction.

Wembley National Stadium Limited

Directors' report (continued)

Group 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.

The FA Board has 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;
- the appropriateness of financial reporting; and
- compliance, whistleblowing and fraud.

The GAC's remit includes all operations and activities undertaken by The FA Group, covering the consolidated Group and the individual entities: The Football Association Limited, Wembley National Stadium Limited, National Football Centre Limited, and FA Learning Limited.

The GAC comprises an independent chairman, I Nunn, alongside R Devlin (FA Board director) and two independent non-Board members, N Humby and V Vaghela. The independent non-Board members have no connections with The FA such as through a material business relationship or by representing a shareholder. As well as bringing independence and objectivity, non-Board members are appointed onto the GAC in view of the skills and experience they can bring to the role. The GAC typically meets four times per year, with one meeting including the review of 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 preparation of the financial statements.

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.

The Group Remuneration Committee is chaired by R Burden, and comprises K Lamb, H Rabbatts CBE and G Dyke. The Group Remuneration Committee is responsible for advising the Board on the pay and terms and conditions of members of senior management. In discharging its duties, the Group Remuneration Committee takes independent advice where appropriate. The remuneration policy is designed to attract, retain and motivate executive directors to deliver the business strategy. Remuneration arrangements for senior positions incorporate performance measures which link to the business plan and individual performance criteria.

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.

The Health and Safety Committee is chaired by a Board director with the other members being the Managing Director, Head of Facilities and Head of Health & Safety Compliance, together with other senior employees of the Company. 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.

Wembley National Stadium Limited

Directors' report (continued)

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.

Auditor

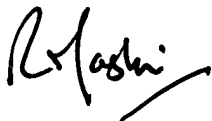
Each of the persons who is a director at the date of approval of this report confirms that:

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

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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



Roger Maslin
Managing Director and Company Secretary
Wembley National Stadium Limited

25 November 2014

Wembley National Stadium Limited

Directors' responsibilities statement

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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Wembley National Stadium Limited

Independent auditor's 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 July 2014 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 Chapter 3 of Part 16 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 auditor's 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 auditor

As explained more fully in the Statement of directors' responsibilities, 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 and express an opinion on 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 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.

In addition, we read all the financial and non-financial information in the report to identify material inconsistencies and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 July 2014 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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.



Nigel Mercer (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

25 November 2014

Wembley National Stadium Limited

Profit and loss account Year ended 31 July 2014

	Notes	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Turnover	2	97,622	58,108
Cost of sales		(27,437)	(18,238)
Gross profit		70,185	39,870
Operating expenses		(62,811)	(35,152)
Operating profit	3	7,374	4,718
Finance charges (net)	5	(20,366)	(12,006)
Loss on ordinary activities before taxation		(12,992)	(7,288)
Tax credit on loss on ordinary activities	6	1,576	4,571
Loss on ordinary activities after taxation for the financial period	16	(11,416)	(2,717)

The above results relate to continuing operations.

There were no recognised gains or losses for the year ended 31 July 2014 or the period ended 31 July 2013 except for the loss for those periods stated above. Accordingly, no statement of total recognised gains and losses is presented.

Wembley National Stadium Limited

Balance sheet As at 31 July 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	7	250	250
Tangible assets	8	612,523	635,029
		<u>612,773</u>	<u>635,279</u>
Current assets			
Stocks		578	374
Debtors			
- due within one year	9	20,719	32,417
- due after one year	9	439	395
Cash and cash equivalents	10	65,371	60,978
		<u>87,107</u>	<u>94,164</u>
Creditors: amounts falling due within one year	11	<u>(101,206)</u>	<u>(108,767)</u>
Net current liabilities		<u>(14,099)</u>	<u>(14,603)</u>
Total assets less current liabilities		<u>598,674</u>	<u>620,676</u>
Creditors: amounts falling due after more than one year	12	<u>(530,941)</u>	<u>(539,649)</u>
Provisions for liabilities	14	<u>(25,170)</u>	<u>(27,048)</u>
Net assets		<u>42,563</u>	<u>53,979</u>
Capital and reserves			
Called up share capital	15	-	-
Share premium account	16	170,000	170,000
Profit and loss account	16	(127,437)	(116,021)
Shareholders' funds	16	<u>42,563</u>	<u>53,979</u>

These financial statements of Wembley National Stadium Limited, company number 03388437, were approved by the Board of Directors on 25 November 2014.

Signed on behalf of the Board of Directors



Roger Maslin
Managing Director and Company Secretary

Wembley National Stadium Limited

Cash flow statement Year ended 31 July 2014

		Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
	Notes		
Net cash inflow from operating activities	18	18,181	43,311
Returns on investments, servicing of finance and taxation			
Interest received		264	76
Interest paid		(20,930)	(10,362)
Taxation		-	(31)
Net cash outflow from returns on investments, servicing of finance and taxation		(20,666)	(10,317)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(6,659)	(7,828)
Receipt from rebates for tangible fixed assets		-	1,175
Net cash outflow from capital expenditure and financial investment		(6,659)	(6,653)
Financing			
Repayment of bank loan and associated charges		(11,471)	-
Drawdown of loan from parent company		14,053	2,140
Finance lease (repayment)/funding		(45)	225
Short-term loan to parent company		11,000	(11,000)
Net cash inflow/(outflow) from financing		13,537	(8,635)
Net cash inflow before management of liquid resources		4,393	17,706
Management of liquid resources			
Net cash outflow from management of liquid resources	10	(25,000)	(5,000)
(Decrease)/increase in cash in the year/period	19	(20,607)	12,706

Wembley National Stadium Limited

Notes to the financial statements Year ended 31 July 2014

1. Accounting policies

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

a) 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.

b) 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 financial position are set out in the Strategic report, that also outlines the Company's financial position including its financial cash flows, liquidity position and borrowing facilities. At the period end, the Group has net current liabilities of £14.1 million (2013: £14.6 million). 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 eight and ten years respectively and are primarily due for renewal in 2016/17 or 2017/18. Their renewal over the long-term remains the principal risk facing the business.

The Company's financing arrangements include certain cash flow covenants and these are forecast to be achieved provided the Company meets its budget. Although there is a 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.

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 report and financial statements.

c) 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:

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.
Freehold land	- no depreciation is charged in respect of land.
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	- 3 to 10 years

d) Intangible fixed asset

WNSL holds an intangible asset which represents the cost attributed to intellectual property on the acquisition of Wembley Stadium. 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.

e) Investments

Fixed asset investments are shown at cost less provision for impairment.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

1. Accounting policies (continued)

f) Grants and deferred income

Grants in respect of capital expenditure are credited to a deferred capital grant 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.

g) Leasing commitments

Rentals paid or received under operating leases are charged or credited to the profit and loss account on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which the benefit from the leased asset is receivable.

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

h) 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 profit 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 profit 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.

i) 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 period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j) 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. Finance costs, including amortisation of arrangement fees, directly attributable to construction of the Stadium were capitalised and are being depreciated on a straight-line basis over the life of the Stadium. Borrowing costs incurred from the date of operational completion are charged to the profit and loss account as incurred.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

1. Accounting policies (continued)

k) Turnover

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.

Club Wembley season fees - When a customer first joins Club Wembley, revenue is recognised from when the licence agreement has been signed and the licence period has commenced. The season fee is spread evenly across the period to which it relates (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 when the event occurs.

Sponsorship and related revenues – These are recognised in line with the rights provided, under each contract.

Other revenue is recognised as it is earned. Sources of other revenue include shop income, tour income, parking income, consultancy on Stadium management, steward training income, 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.

l) Barter transactions

Turnover and costs in respect of barter transactions for goods and services are recognised only where there is persuasive evidence of the value at which, if they had not been exchanged, the goods and services would have been sold for cash in a similar transaction.

m) 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 net 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.

n) Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

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.

Turnover includes operating lease income from letting office space within the Stadium of £0.3 million (2013: £0.2 million).

The amount of barter transactions recognised in turnover is £0.4 million (2013: £nil).

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

3. Operating profit

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
This is stated after charging/(crediting)		
Fees payable to the Company's auditor for the audit of the Company's statutory accounts	53	41
Fees payable to the Company's auditor for tax services to the Company	16	23
Fees payable to the Company's auditor for other services to the Company	5	-
Operating lease rentals – land and buildings	464	191
Operating lease rentals – plant and machinery	16	9
Depreciation of tangible fixed assets – owned	29,096	16,778
Depreciation of tangible fixed assets – held under finance lease	52	-
Amortisation of deferred capital grants	(1,037)	(597)

4. Staff cost (including directors)

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Wages and salaries	4,757	3,565
Social security costs	593	321
Other pension costs	257	153
Severance costs	640	-
	<u>6,247</u>	<u>4,039</u>

The average monthly number of employees during the year/period was as follows:

	Year ended 31 July 2014 No.	Period ended 31 July 2013 No.
Stadium and event management	<u>99</u>	<u>109</u>

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

4. Staff cost (including directors) (continued)

The total remuneration received by the directors is detailed below:

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Emoluments	962	453
Benefits in kind	4	-
Company contribution to pension schemes	134	25
Severance costs	177	-
	<u>1,277</u>	<u>478</u>

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

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Emoluments	258	161
Benefits in kind	2	-
Company contribution to pension scheme	115	15
Severance costs	177	-
	<u>552</u>	<u>176</u>

The number of directors to whom retirement benefits are accruing in respect of qualifying services of money purchase schemes as at the year/period end is two (2013: two).

5. Finance charges (net)

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Bank interest payable	(20,606)	(12,128)
Bank interest receivable	240	122
Net interest payable	<u>(20,366)</u>	<u>(12,006)</u>

Bank interest payable includes the amortisation of issue costs of £0.4 million (2013: £0.2 million).

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

6. Tax credit on loss on ordinary activities

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Current tax		
UK Corporation tax at 22.33% (2013: 23.42%)	161	62
Adjustment in respect of prior years	(10)	141
	<u>151</u>	<u>203</u>
Deferred tax		
Deferred taxation (see note 14):		
- Timing differences, origination and reversal	1,388	657
- Adjustment in respect of prior years	37	(267)
- Difference due to change in tax rate	-	3,978
	<u>1,425</u>	<u>4,368</u>
Tax credit on loss on ordinary activities	<u><u>1,576</u></u>	<u><u>4,571</u></u>

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

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Loss on ordinary activities before tax	(12,992)	(7,288)
Tax on loss at standard rate of 22.33% (2013: 23.42%)	2,901	1,707
Factors affecting charge for the period:		
- Depreciation in excess of capital allowances	(2,221)	(1,401)
- Non-qualifying depreciation	(2,035)	(1,148)
- Expenses not taxable	(43)	(84)
- Non-taxable release of grant income	427	258
Prior period adjustment	(10)	141
Utilisation of losses	1,132	730
Total current tax credit	<u><u>151</u></u>	<u><u>203</u></u>

In the 2013 Finance Bill, the Government announced that the main rate of corporation tax will reduce to 21% from 1 April 2014 and 20% from 1 April 2015. This was enacted in July 2013, and therefore has been reflected in the financial statements. Deferred tax has been calculated on timing differences using the tax rate of 20%.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

7. Intangible fixed assets

	Intellectual property £'000
Cost and net book value	
At 1 August 2013 and 31 July 2014	250

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

8. Tangible fixed assets

	Freehold land £'000	Stadium £'000	Long Leasehold property £'000	Plant, machinery, furniture and fittings £'000	Computer equipment £'000	Total £'000
Cost						
At 1 August 2013	64,500	716,262	2,500	17,164	12,184	812,610
Additions	-	200	-	5,975	484	6,659
Disposals	-	(34)	-	(320)	(2,016)	(2,370)
At 31 July 2014	64,500	716,428	2,500	22,819	10,652	816,899
Accumulated depreciation						
At 1 August 2013	-	160,461	-	7,620	9,500	177,581
Charge for the year	-	25,626	-	2,089	1,433	29,148
Disposals	-	(24)	-	(313)	(2,016)	(2,353)
At 31 July 2014	-	186,063	-	9,396	8,917	204,376
Net book value						
At 31 July 2014	64,500	530,365	2,500	13,423	1,735	612,523
At 31 July 2013	64,500	555,801	2,500	9,544	2,684	635,029

Freehold land and buildings represents the land purchased from Wembley plc in 1999 which is held at cost of £64.5 million (2013: £64.5 million).

The total amount of finance costs included within the cost of the Stadium asset at the year end is £135.5 million (2013: £135.5 million).

Plant, machinery, furniture and fittings include assets with a cost of £0.2 million (2013: £0.2 million) and accumulated depreciation of £nil (2013: £nil) held under finance leases.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

9. Debtors

	31 July 2014 £'000	31 July 2013 £'000
Amounts falling due within one year		
Trade debtors	14,814	18,164
Amounts owed by Group companies	1,869	11,358
Other debtors	272	421
Corporation tax recoverable	-	31
Prepayments and accrued income	3,764	2,443
	<u>20,719</u>	<u>32,417</u>
Amounts falling due after more than one year		
Amounts owed by Group companies	<u>439</u>	<u>395</u>

10. Cash and cash equivalents

Cash and cash equivalents includes £30.0 million of short-term treasury deposits (2013: £5.0 million). These are classified as liquid resources in the cash flow statement in accordance with FRS1.

Cash and cash equivalents includes a rental deposit received of £0.5 million (2013: £nil), which is held in a segregated bank account.

11. Creditors: amounts falling due within one year

	31 July 2014 £'000	31 July 2013 £'000
Net bank loan	11,460	10,137
Obligations under finance lease	45	45
Trade creditors	899	2,093
VAT payable	9,544	8,110
Other taxation and social security	235	215
Other creditors	1,257	12,141
Accruals	17,812	16,449
Deferred capital grants	1,037	1,037
Deferred income	58,917	58,540
	<u>101,206</u>	<u>108,767</u>

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

12. Creditors: amounts falling due after one year

	31 July 2014 £'000	31 July 2013 £'000
Net bank loan	251,621	264,054
Loan from parent company	143,696	129,643
Obligations under finance lease	135	180
	<u>395,452</u>	<u>393,877</u>
Other creditors falling due after one year:		
Deferred income	24,864	34,110
Deferred capital grants	110,625	111,662
	<u>530,941</u>	<u>539,649</u>

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 loan from The FA is repayable only after certain obligations under the financing arrangements have been discharged. From 20 December 2007, no interest is payable on this loan.

In the analysis above, the bank loan is stated net of unamortised arrangement fees of £3.7 million (2013: £2.8 million).

Bank loan

Repayments due are as follows:

	31 July 2014 £'000	31 July 2013 £'000
Less than one year	11,876	10,137
Between one and two years	4,521	6,120
Between two and five years	87,773	76,655
More than five years	162,659	184,054
	<u>266,829</u>	<u>276,966</u>

The balance due within one year includes both the mandatory and target repayment. Balances due after more than one year include only the mandatory repayments.

Recourse to The FA

WNSL has an annual support agreement with The FA extending to 31 March 2027. Support payments under this agreement are received annually in September and it is expected that up to £14 million per annum will be received under this agreement.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

12. Creditors: amounts falling due after one year (continued)

At 31 July 2014 the Company had annual commitments under non-cancellable finance leases as set out below:

	31 July 2014 £'000	31 July 2013 £'000
Less than one year	45	45
Between one and two years	45	45
Between two and five years	90	135
	<u>180</u>	<u>225</u>

Deferred capital grants comprise the following amounts:

	31 July 2014 £'000	31 July 2013 £'000
Sport England	76,576	76,800
Department of Culture, Media and Sport	16,553	16,946
London Development Agency	17,496	17,916
	<u>110,625</u>	<u>111,662</u>

The Sport England grant of £78.5 million was made under the terms of agreements dated 11 November 1997 and 15 May 1998. £11.2 million of this grant funding related to Stadium assets and will be amortised over the life of the building. This leaves a balance of £67.3 million which represents grants in respect of land of £64.5 million, long leasehold property of £2.5 million and £0.3 million 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 period was £1.0 million (2013: £0.6 million).

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

13. Financial instruments

The Company has a policy to hedge significant interest rate risk. The Company has entered into an interest rate swap for £341.5 million which is 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 7.072% per annum. The rate is fixed for the term of the loan except for any changes to the bank margin (which is included in the rate). As at 31 July 2014 the interest rate swap contract has a fair value loss of £55.4 million (2013: £70.5 million 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. The fair value takes into account the current and unprecedented low interest rates.

14. Provisions for liabilities

	Other £'000	Deferred Tax £'000	Total £'000
At 31 July 2013	453	26,595	27,048
Utilised in the period	(453)	(1,425)	(1,878)
At 31 July 2014	-	25,170	25,170

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

	31 July 2014 £'000	31 July 2013 £'000
Fixed asset timing differences	9,767	11,809
Capitalised finance costs	17,706	18,121
Tax losses	(2,303)	(3,335)
	25,170	26,595

A deferred tax liability has been provided for fixed asset timing differences 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 also 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.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

15. Called up share capital

	31 July 2014 £	31 July 2013 £
Allotted, called up and fully paid		
1 'A' share - non-equity	1	1
100 ordinary shares of £1 each	100	100
	<u>101</u>	<u>101</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. This share is 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 profit 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.

16. Reconciliation of shareholders' funds and movements on reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 31 July 2013	-	170,000	(116,021)	53,979
Loss for the year	-	-	(11,416)	(11,416)
At 31 July 2014	<u>-</u>	<u>170,000</u>	<u>(127,437)</u>	<u>42,563</u>

On 20 December 2007, one ordinary share was subscribed for the sum of £170.0 million, which was applied towards a reduction in the debt currently outstanding to The FA. The Company must ensure that up to £100.0 million 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.

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

17. Financial commitments

Operating leases

At 31 July 2014 the Company had annual commitments under non-cancellable operating leases as set out below:

	31 July 2014		31 July 2013	
	Land and Buildings £'000	Plant and Machinery £'000	Land and Buildings £'000	Plant and Machinery £'000
Operating leases which expire:				
Within one year	65	-	382	-
Within two to five years	470	16	-	16
	<u>535</u>	<u>16</u>	<u>382</u>	<u>16</u>

18. Reconciliation of operating profit to net cash inflow from operating activities

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
Operating profit	7,374	4,718
Depreciation	29,148	16,778
Amortisation of deferred capital grants	(1,037)	(597)
Amortisation of deferred income grants	(875)	(510)
Loss on disposal of tangible fixed assets	17	26
Increase in stocks	(204)	(71)
Decrease / (increase) in debtors	753	(11,352)
(Decrease) / increase in creditors	(16,542)	34,823
Decrease in provisions	(453)	(504)
Net cash inflow from operating activities	<u>18,181</u>	<u>43,311</u>

Wembley National Stadium Limited

Notes to the financial statements (continued) Year ended 31 July 2014

19. Reconciliation of cash flow to movement in net debt

	Year ended 31 July 2014 £'000	Period ended 31 July 2013 £'000
(Decrease) / increase in cash in the year/period	(20,607)	12,706
Management of liquid resources	25,000	5,000
Cash (inflow) / outflow from change in debt financing	(13,537)	8,635
Change in net debt resulting from cash flows	(9,144)	26,341
Non-cash movement	(361)	(161)
Change in net debt	(9,505)	26,180
Net debt brought forward	(332,081)	(358,261)
Net debt carried forward	(341,586)	(332,081)

20. Analysis of net debt

	1 August 2013 £'000	Cash flow £'000	Non-cash movement £'000	31 July 2014 £'000
Cash and cash equivalents	55,978	(20,607)	-	35,371
Liquid resources	5,000	25,000	-	30,000
Cash and cash equivalents (as per Balance Sheet)	60,978	4,393	-	65,371
Bank loans due within one year	(10,137)	11,471	(12,794)	(11,460)
Bank loans due after one year	(264,054)	-	12,433	(251,621)
Intercompany loans due within one year	11,000	(11,000)	-	-
Intercompany loans due after one year	(129,643)	(14,053)	-	(143,696)
Finance lease due within one year	(45)	45	(45)	(45)
Finance lease due after one year	(180)	-	45	(135)
	(332,081)	(9,144)	(361)	(341,586)

The Company includes short-term treasury deposits as liquid resources.

The net non-cash movement comprises of an amortisation of bank signing fees of £0.4 million (2013: £0.2 million) in relation to Stadium financing.

Wembley National Stadium Limited

Notes to the financial statements (continued)

Year ended 31 July 2014

21. Related party transactions

By the Company's nature, and in accordance with its rules, WNSL enters into a number of transactions in the normal course of business with County Associations, The Premier League Limited, The Football League Limited, and other competitions and football clubs, some of whom share common directors with the Football Association's Group companies.

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 company and controlling party

The ultimate and immediate parent company and controlling party is The Football Association Limited ("The FA"), a company incorporated in the United Kingdom 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, PO Box 1966, London, SW1P 9EQ.