

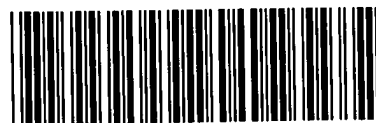
**Company Registration No. 03388437**

**Wembley National Stadium Limited**

**Report and Financial Statements**

**Year ended 31 July 2021**

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# **Wembley National Stadium Limited**

## **Report and financial statements 31 July 2021**

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# **Wembley National Stadium Limited**

## **Report and financial statements 31 July 2021**

### **Officers and professional advisers**

#### **Directors**

M Bullingham  
M Burrows  
R McDermott

#### **Secretary**

R McDermott

#### **Registered office**

Wembley Stadium  
Wembley  
London  
HA9 0WS

#### **Independent Auditor**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
EC4A 3HQ

# Wembley National Stadium Limited

## Strategic report

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

### Principal activity

The principal activity of 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 Football Association Limited (The FA), The English Football League and The Rugby Football League. 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, and other sporting bodies.

Wembley Stadium remains fully accessible, and we pride ourselves on being able to offer every visitor an unrivalled event-day experience. There is an accessible entrance at every set of turnstiles for wheelchair users, semi-ambulant visitors and those accompanied by assistance dogs and we have more than 310 wheelchair spaces across all levels. Wembley also provides a full 90-minute commentary service, including information and emergency announcements, to ensure that blind and partially sighted football fans are able to enjoy their match day experience fully and safely. Off the pitch, we continue to work closely with Level Playing Field (LPF) to improve the accessibility, customer service and overall experience of live events for disabled fans.

### Review of business

During the current year WNSL generated turnover of £18.7 million (2020: £35.5 million) and an operating loss of £27.5 million (2020 Restated: Operating loss of £42.4 million). Operating loss and turnover are the two main KPIs of WNSL. WNSL's operating loss was impacted significantly in the year by COVID-19, more so than the prior year, forcing almost all events to be hosted behind closed doors. The result of this was lower event day revenues but, more significantly, almost no Club Wembley revenue during the year.

In addition to the operating activities set out above, both 2020 and 2021 have been impacted by the impairment testing carried out on the carrying value of the Wembley Stadium assets. When testing the Stadium assets for impairment at 31 July 2020, the carrying value of the assets were understated due to incorrectly excluding FA Group capitalised interest relating to the construction of the Stadium. When factoring in the capitalised interest, the recoverable amount of the Stadium assets was determined to be less than the carrying value by £14.7 million at 31 July 2020 resulting in a prior period restatement. When performing the similar test at 31 July 2021 the recoverable amount of the stadium assets exceeded the carrying value in excess of £14.7 million and so the full amount has been written back in the current year.

### Liquidity and financing

WNSL activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. All revenue is generated in GBP and therefore is not impacted by changes in foreign currency exchange rates.

WNSL principal financial assets are bank balances and cash, trade and other receivables.

WNSL credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables.

WNSL has a net current liabilities position of £166.9 million (2020: £147.6 million), creating a liquidity risk, and is therefore reliant on its parent company The FA to provide it with financial resources when required in order to enable WNSL to meet its obligations as they fall due.

At 31 July 2021 The FA had sufficient ability to provide WNSL with this financial support. Alongside this the directors of The FA have concluded that The FA remains a going concern after considering the principal risks and uncertainties, including the impact of COVID-19 as disclosed within The FA consolidated financial statements.

# Wembley National Stadium Limited

## Strategic report

### 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.

The FA Group's management team actively review existing risks across the Group and assess whether there are new risks on a monthly basis. Suitable controls are put in place and action plans are established to mitigate risks. The risk management process is overseen by the Group Audit Committee, as described in the Directors' report.

Given the high profile and public status of Wembley Stadium, the risk of a terrorist-related incident must be continually monitored and managed. Furthermore, the public disorder experienced at the EURO 2020 Final in which ticketless fans gained entry to the Stadium through coordinated attacks has potentially identified elements of weakness within the Stadium infrastructure and security. If The FA Group does not prepare adequately to prevent or respond to a terrorist attack on a major event, it could result in reputational damage, financial loss and most importantly loss of life.

We therefore remain in regular contact with Counter Terrorism agencies, with risk profiles / categories determined on an event-by-event basis using intelligence gathered. Furthermore, throughout the season, we will continuously evolve and update our safety and security plans as per agency recommendations, as well as introduce improved safety and security infrastructure and processes. From a business perspective, we maintain and update annually, a detailed set of business continuity plans for all areas of the organisation. These plans aim to ensure that key processes and departments can continue to operate if The FA Group loses access to Wembley Stadium.

All principal risks and uncertainties have been disclosed in full within The FA consolidated financial statements.

### Directors' section 172(1) statement

WNSL is a wholly owned subsidiary of The Football Association Limited and there is one common director in Mark Bullingham. Board decisions are taken at the FA Group level, and therefore the section 172(1) statement for the FA Group has been included as follows:

The directors have sought, collectively and individually, to conduct themselves at all times honestly, fairly, impartially and in accordance with the highest ethical standards. These behaviours are considered central to promoting the success of The FA, and in exhibiting them the Board have had careful regard to the matters set out in section 172(1)(a-f) of the Companies Act 2006. Examples of how the directors have had regard to each of these matters is set out below, with reference to information found elsewhere in this Strategic report.

#### *Making Decisions in the Long Term*

Securing the long-term health of football in England, at all levels, is vital to the success of the organisation and is therefore central to the decision-making processes of the Board. As a result, consideration of the likely consequences of a decision in the long term permeates the Board's thinking on all issues. Whilst day-to-day management is delegated to the Senior Management Team, the Board retains oversight of matters of strategic importance, including the long-term objectives and overall strategic policy of the FA.

#### *Considering Employees*

Directors maintain a close regard for the interests of the company's employees by spending time meeting with senior employees to understand and discuss their areas. The directors provide feedback as a result of those meetings and use the knowledge gained when making relevant decisions. For further information please refer to the Employee consultation section within the Directors' report within the FA consolidated financial statements.

#### *Fostering Relationships with Suppliers, Customers and Stakeholders*

The Board is very conscious of the importance of lasting relationships with stakeholder groups within football. Board members are aware of and actively consider the interests of stakeholders as part of the decision-making process.

#### *Community and Environment*

Contributing to the community is a key part of the FA Group's activities, especially with regard to football at grassroots levels. The FA runs various projects and initiatives to support the community and works to mitigate the impact of football on the environment. For further information please refer to the Corporate social responsibility section within the Strategic report within the FA consolidated financial statements.

#### *Maintaining a Reputation for High Standards of Conduct*

The Board aspires to the highest ethical standards in its management of the organisation. The Board achieves this internally by strict adherence to the company's codes of conduct, conflict of interest and anti-bribery policies and by prioritising the integrity of The FA in each decision it makes. The Board considers that the reputation of the company and operating it in accordance with high standards of conduct is of paramount importance to safeguarding football in the long-term in England.

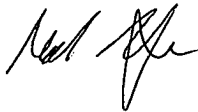
# **Wembley National Stadium Limited**

## **Strategic report**

### *Acting fairly between Members*

The members of the company are all stakeholders in football. The Board is always aware of the importance of acting fairly between the stakeholders and this is considered whenever a decision is being made which affects one or more of the members. The Board engages with its stakeholders to ensure that it is aware of their views and to assist it in complying with its duty to act fairly between them.

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



**Mark Bullingham**  
Director  
Wembley National Stadium Limited  
9 December 2021

# Wembley National Stadium Limited

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 July 2021.

As permitted under section 414C(11) of the Companies Act 2006, the disclosures required by regulations made under section 416(4) in relation to financial risk management objectives and policies have been included in the Strategic report and form part of this report by cross-reference.

### Going concern

The directors have considered the principal risks and uncertainties as disclosed within its parent company accounts including the impact of COVID-19. The directors have taken account of these factors 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. This conclusion is contingent upon the fact that 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 this report and financial statements. The directors, one of whom is also a director of The FA, are satisfied that The FA has sufficient resources to provide financial support.

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 (2020: £nil).

### Equal opportunities

At The FA Group, equality, diversity and inclusion mean valuing and celebrating our differences. Differences can include protected characteristics, but also go far beyond this. Additionally, differences can be visible or invisible. Irrespective of any differences, we are committed to treating all our employees and prospective employees fairly and respectfully. We have policies, practices and checks and balances in place to ensure this happens. In addition to this we have an Inclusion Advisory Board with a remit that includes advising The FA on improving the diversity of The FA's wider football workforce alongside partnerships with all the football bodies and campaign groups such as Kick It Out with the aim of eradicating discrimination. In 2018 we published a three-year diversity and inclusion plan called *In Pursuit of Progress* covering all areas of our work across football and setting workforce diversity targets for the first time. Our new strategy in this field of work *A Game for All* continue with the most successful aspects from our previous plan and builds on these with a more external focus to tackle discrimination on and off the pitch.

### Disabled employees

As an inclusive employer, we welcome applications from all candidates and are focussed on recruiting based on merit so that the best person for the role is always appointed. As part of our recruitment approach, our resourcing team works with candidates to make reasonable adjustments wherever requested and as appropriate. In the event of members of staff becoming disabled during their employment with The FA Group, or declaring their disability after being appointed, we provide individual and team training and resources, ensuring every effort is made to ensure that their employment with the Group continues in a supportive way.

### Employee consultation

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, an employee consultation forum, staff surveys, staff intranet as well as all-staff conferences and other staff communication events.

### Corporate governance

#### *The Board*

The main functions of the Board are to formulate the strategy, objectives and major policies of the company. The Board did not meet formally during the reporting period with matters relating to WNSL being discussed by the FA Board. Statutory matters may be dealt with by way of a written resolution of the Board.

Where directors, 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.

# Wembley National Stadium Limited

## Directors' report

The directors of the company during the period and after were as follows:

Name	Role
M Burrows	Executive Director
M Bullingham	Executive Director
R McDermott	Executive 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.

### Group Audit Committee

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

- 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, covering the consolidated Group and the individual entities: Football Association Limited, Wembley National Stadium Limited and National Football Centre Limited.

The GAC is comprised of an independent chair, Tim Score, alongside Kate Tinsley (FA independent non-executive board director) and two independent members, Jill Ainscough and Mary Reilly.

The independent chairman and independent members have no connections with The FA companies such as through a material business relationship or by representing a shareholder. As well as bringing independence and objectivity, these members are appointed onto the GAC in view of the skills, experience and professional qualifications 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 FA 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 Remuneration Committee comprises Peter McCormick OBE (Chair), Jack Pearce and Kate Tinsley. It is responsible for advising the Board on the pay and terms and conditions of the Chief Executive Officer, members of senior management and the Chair and non-executive directors of FA Group companies. In discharging its duties, the 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*

The Health and Safety Committee is responsible for overseeing health and safety matters within The FA and to ensure that The FA is discharging its statutory and regulatory obligations. The Committee is chaired by Thura Win and comprises other members of The FA's executive

### 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



# **Wembley National Stadium Limited**

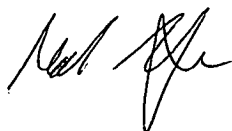
## **Directors' report**

- 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 has 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



**Mark Bullingham**  
Director  
Wembley National Stadium Limited  
9 December 2021

# **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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements 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**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Wembley National Stadium Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Wembley National Stadium Limited**

### **Independent auditor's report to the members of Wembley National Stadium Limited**

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006, UK tax legislation, and UK pension legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including internal specialists such as tax, financial instruments, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC.

## **Wembley National Stadium Limited**

### **Independent auditor's report to the members of Wembley National Stadium Limited**

#### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **Use of our report**

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.



**Judith Tacon (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

9 December 2021

## Wembley National Stadium Limited

### Profit and loss account Year ended 31 July 2021

	Notes	2021 £'000	Restated* 2020 £'000
Turnover	3	18,656	35,519
Cost of sales		(8,846)	(9,370)
<b>Gross profit</b>		<b>9,810</b>	<b>26,149</b>
Administrative expenses		(52,009)	(53,802)
Impairment of tangible assets	10	14,700	(14,700)
<b>Operating loss</b>		<b>(27,499)</b>	<b>(42,353)</b>
Finance costs (net)	4	(6,921)	(7,073)
<b>Loss before taxation</b>	5	<b>(34,420)</b>	<b>(49,426)</b>
Tax credit on loss	8	5,414	5,809
<b>Loss for the financial period</b>		<b>(29,006)</b>	<b>(43,617)</b>

The above results relate to continuing operations.

There were no items of Other Comprehensive Income for the year ended 31 July 2021 or the year ended 31 July 2020. Accordingly, no separate statement of comprehensive income is presented.

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

# Wembley National Stadium Limited

## Statement of financial position As at 31 July 2021

	Notes	2021 £'000	Restated* 2020 £'000
<b>Fixed assets</b>			
Intangible assets	9	204	210
Tangible assets	10	498,632	501,517
		<u>498,836</u>	<u>501,727</u>
<b>Current assets</b>			
Debtors due within one year	11	13,150	12,421
Cash at bank and in hand		24,787	15,325
		<u>37,937</u>	<u>27,746</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(204,850)</u>	<u>(175,368)</u>
<b>Net current liabilities</b>		<u>(166,913)</u>	<u>(147,622)</u>
<b>Total assets less current liabilities</b>		<b>331,923</b>	<b>354,105</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(359,136)</u>	<u>(353,932)</u>
<b>Deferred tax liability</b>	14	<u>(9,186)</u>	<u>(7,566)</u>
<b>Net liabilities</b>		<u>(36,399)</u>	<u>(7,393)</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Share premium account	15	230,000	230,000
Profit and loss account		<u>(266,399)</u>	<u>(237,393)</u>
<b>Shareholders' funds</b>		<u>(36,399)</u>	<u>(7,393)</u>

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

These financial statements of Wembley National Stadium Limited (company number 03388437) were approved by the Board of Directors.

Signed on behalf of the Board of Directors



**Mark Burrows**  
Director  
9 December 2021

## Wembley National Stadium Limited

### Statement of changes in equity Year ended 31 July 2021

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 August 2019	-	230,000	(193,776)	36,224
Total comprehensive loss (Restated*)	-	-	(43,617)	(43,617)
Balance at 31 July 2020 (Restated*)	-	230,000	(237,393)	(7,393)
Total comprehensive loss	-	-	(29,006)	(29,006)
<b>Balance at 31 July 2021</b>	<b>-</b>	<b>230,000</b>	<b>(266,399)</b>	<b>(36,399)</b>

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.



# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 1. Accounting policies

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

#### a) General information and basis of accounting

Wembley National Stadium Limited is a company incorporated in the United Kingdom under the UK Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The company's financial statements are therefore presented in pounds sterling.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The results of the company are included in the consolidated accounts of its ultimate parent company, Football Association Limited.

#### *Restatement of a prior year error*

When testing the Stadium cash generating unit assets for impairment at 31 July 2020, the carrying value of the assets were understated due to incorrectly excluding certain capitalised interest costs relating to the construction of the Stadium, related to intercompany financing provided by The FA. When corrected for the incremental capitalised interest, the recoverable amount of the Stadium assets was determined to be less than the carrying value by £14.7 million at 31 July 2020, resulting in a £14.7 million pre-tax impairment charge. The comparative figures in the primary statements and notes have been restated to reflect the prior period error.

The effects of the prior period error are summarised below:

	2020 £'000
<b>Profit and loss account</b>	
Impairment of tangible assets	(14,700)
Tax credit on loss	689
<b>Decrease in profit for the financial year</b>	<b>(14,011)</b>
<b>Balance sheet</b>	
Tangible assets	(14,700)
Deferred tax liability	689
<b>Decrease in net liabilities</b>	<b>(14,011)</b>

#### b) Going concern

The business activities of WNSL, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report. In particular, the Strategic report includes a summary of the principal risks and uncertainties affecting the company, including the continued impact of COVID-19. At the period end, the company has net current liabilities of £166.9 million (2020: £147.6 million). The company has received a letter of support from The FA, and the directors, one of whom is also a director of the FA, are satisfied that the FA has sufficient resources to provide financial support. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 1. Accounting policies (continued)

#### 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 intellectual property rights are being amortised using the straight-line method over a useful economic life in line with the stadium fixed assets. An impairment review is performed annually.

#### e) Impairment of tangible and intangible fixed assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets, the prior impairment loss is tested to determine whether a reversal is required. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### 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) 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 Statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of financial position 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 Statement of financial position 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.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 1. Accounting policies (continued)

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 Statement of financial position date. Deferred tax is measured on a non-discounted basis.

#### h) 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 Statement of financial position.

#### i) Borrowing costs

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.

#### j) 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. From the 2018/19 season new licence agreements are typically for a three-year term.

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 hospitality packages, 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 resale 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; 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.

#### k) 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.

#### l) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 1. Accounting policies (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### Critical accounting judgements

No critical accounting judgements have been made during the current season.

#### Key sources of estimation uncertainty in applying the company's accounting policies

The following are the key sources of estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Impairment review of tangible assets*

There are a number of assumptions management have considered in performing the impairment review of the company's tangible assets, the most significant of which is the Stadium (see note 10 for details of the carrying value). The determination of whether the Stadium cash generating unit assets are impaired requires an estimation of the value in use of the assets, based upon an estimate of the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate present value.

When testing the Stadium cash generating unit assets for impairment a number of assumptions have been used in estimating future cash flows. Wembley Stadium generates cash primarily from Club Wembley, event hosting and sponsorship. The significant cash outflows come from the on-going running costs of the stadium and capital projects required for the stadium.

When testing the Stadium cash generating unit assets for impairment at 31 July 2020, the carrying value of the assets were understated due to incorrectly excluding certain intercompany capitalised interest costs relating to the construction of the Stadium. When corrected for the incremental capitalised interest, the recoverable amount of the Stadium assets was determined to be less than the carrying value by £14.7 million at 31 July 2020, resulting in a £14.7 million impairment charge.

While the continued impact of COVID-19 on our Wembley Stadium cashflows continues to be felt, there has been a significant increase in our forecast revenues as we have been able to estimate with more certainty the number of Club Wembley seat and Box members that we have retained through the pandemic and have contracted moving into the 2021/22 season. This, amongst other less significant factors, has resulted in approximately £75 million of headroom vs the Stadium asset value and therefore we have reversed in full the £14.7 million impairment charge booked as a prior year restatement.

We recognise the sensitivity of our cashflow modelling and have performed a number of sensitivities on the key estimates that could potentially give rise to material changes within the next financial year, notably looking at retention and new sales rates within Club Wembley which are the two key assumption inputs in the model. We note that a 10% improvement in the renewal rate assumption would give rise to an additional £67 million of headroom. Conversely a 10% reduction in the assumed renewal rate would reduce the headroom versus the asset value down to £20 million. A reduction in our new seat sales assumption from 700 p.a. to 600 p.a. would equally lead to a reduction in the headroom down to £17 million.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

The 1.7% (2020: 1.4%) pre-tax discount rate used within the calculation is the 20-year AA UK corporate bond rate, which reflects a relevant market participant rate of return. Potential changes in discount rate estimates over the next financial year are not expected to result in an impairment charge.

### 3. 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.

The amount of barter transactions recognised in turnover is £0.4 million (2020: £0.4 million).

An analysis of the company's turnover by class of business is set out below.

	2021 £'000	2020 £'000
<b>Turnover</b>		
Club Wembley	65	17,342
Events	9,334	8,201
Sponsorship	5,172	5,899
Grant income	1,539	1,521
Other income	2,546	2,556
	<u>18,656</u>	<u>35,519</u>

An analysis of the company's turnover by type is as follows:

	2021 £'000	2020 £'000
Sale of goods	-	59
Rendering of services	16,399	33,221
Rental income	718	718
Grants	1,539	1,521
	<u>18,656</u>	<u>35,519</u>

Grants represent amounts received in respect of Stadium assets and infrastructure of the surrounding area (see note 13). The company has not directly benefited from any other forms of government assistance in relation to revenue income.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 4. Finance costs (net)

	2021 £'000	2020 £'000
Bank interest payable	(4)	(1)
Interest payable on intercompany borrowings	(6,919)	(7,092)
Bank interest receivable	2	20
Net interest payable	<u>(6,921)</u>	<u>(7,073)</u>

### 5. Loss before taxation

	2021 £'000	Restated* 2020 £'000
This is stated after charging/(crediting)		
Depreciation of tangible fixed assets	27,953	25,158
Impairment of tangible assets	(14,700)	14,700
Amortisation of intangible assets	6	6
Amortisation of deferred capital grants	<u>(1,037)</u>	<u>(1,037)</u>

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2021 £'000	2020 £'000
<b>Fees payable to the company's auditor for audit services</b>		
Fees payable to the company's auditor for the audit of WNSL's annual accounts	<u>96</u>	<u>78</u>
<b>Total audit fees</b>	<u>96</u>	<u>78</u>
<b>Fees payable to the company's auditor for other services</b>		
Taxation compliance services	<u>14</u>	<u>4</u>
<b>Total non-audit fees</b>	<u>14</u>	<u>4</u>

### 6. Staff numbers and costs

	2021 £'000	2020 £'000
Wages and salaries	5,500	6,297
Social security costs	442	580
Other pension costs	203	250
Severance costs	<u>234</u>	<u>206</u>
	<u>6,379</u>	<u>7,333</u>

The average monthly number of employees during the year was 76 (2020: 94). All members of staff fall within the stadium and event management category of employee.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 6. Staff numbers and costs (continued)

During the year WNSL took advantage of the UK Government's Coronavirus Job Retention Scheme. Wages and salaries costs disclosed above are shown net of contributions of £0.1 million from the UK Government. The total amount claimed in the prior year was £1.3 million.

### 7. Directors' remuneration

The total remuneration received by the directors is detailed below:

	2021 £'000	2020 £'000
Emoluments	-	203
Benefits in kind	-	1
Severance	-	181
Company contribution to pension schemes	-	5
	<u>-</u>	<u>390</u>

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

Emoluments	-	203
Benefits in kind	-	1
Severance	-	181
Company contribution to pension scheme	-	5
	<u>-</u>	<u>390</u>

In 2020/21 all directors were remunerated through Football Association Limited. In the prior year, one of the previous directors who is no longer in position was remunerated by the company.

### 8. Taxation

	2021 £'000	Restated* 2020 £'000
<b>Current tax</b>		
UK corporation tax at 19.00% (2020: 19.00%)	6,791	4,641
Adjustments in respect of prior years	243	37
	<u>7,034</u>	<u>4,678</u>
<b>Deferred tax</b>		
Deferred taxation (see note 14):		
- Timing differences, origination and reversal	1,235	2,003
- Effect of current year changes to statutory tax rate	(2,955)	(1,023)
- Adjustment in respect of prior years	100	151
	<u>(1,620)</u>	<u>1,131</u>
Tax credit on loss on ordinary activities	<u>5,414</u>	<u>5,809</u>

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 8. Taxation (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2021 £'000	Restated* 2020 £'000
Loss on ordinary activities before tax	(34,420)	(49,426)
Loss at standard rate of 19.00% (2020: 19.00%)	6,540	9,391
Effects of:		
- Expenses not deductible for tax purposes	1,289	(3,090)
- Non-taxable release of grant income	197	344
- Effect of current year changes to statutory tax rate	(2,955)	(1,023)
- Adjustments in respect of previous periods	343	187
Total tax credit for the period	5,414	5,809

The standard rate of tax applied to reported loss on ordinary activities is 19.00% (2020: 19.00%).

The Spring Budget 2021 proposed that from April 2023 the main rate of corporation tax will increase to 25% and this was substantively enacted on 24 May 2021, necessitating a remeasurement of the existing UK deferred tax liability position. With the exception of separately identifiable items which will unwind prior to 31 March 2023, deferred taxes have been re-measured to 25%, the rate at which the majority of items making up the deferred tax balance are expected to reverse.

There is no expiry date on timing differences, unused tax losses or tax credits.

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

### 9. Intangible fixed assets

	Total £'000
<b>Cost</b>	
At 1 August 2020 and 31 July 2021	250
<b>Amortisation</b>	
At 1 August 2020	40
Charge for the year	6
At 31 July 2021	46
<b>Net book value</b>	
At 31 July 2021	204
At 31 July 2020	210

Intangible assets represent the cost attributed to intellectual property on the acquisition of Wembley Stadium. This is amortised over the useful life of the stadium (50 years).



# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 10. Tangible fixed assets

	Freehold land £'000	Stadium £'000	Long Leasehold property £'000	Plant, machinery, furniture and fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>						
At 1 August 2020	64,500	731,522	2,500	60,685	9,329	868,536
Additions	-	1,791	-	5,056	3,523	10,370
<b>At 31 July 2021</b>	<b>64,500</b>	<b>733,313</b>	<b>2,500</b>	<b>65,741</b>	<b>12,852</b>	<b>878,906</b>
<b>Accumulated depreciation and impairment</b>						
At 1 August 2020 (Restated*)	-	332,711	84	26,998	7,226	367,019
Charge for the year	-	20,620	-	6,421	914	27,955
Impairment write-back	-	(13,370)	(84)	(1,173)	(73)	(14,700)
<b>At 31 July 2021</b>	<b>-</b>	<b>339,961</b>	<b>-</b>	<b>32,246</b>	<b>8,067</b>	<b>380,274</b>
<b>Net book value</b>						
<b>At 31 July 2021</b>	<b>64,500</b>	<b>393,352</b>	<b>2,500</b>	<b>33,495</b>	<b>4,785</b>	<b>498,632</b>
At 31 July 2020 (Restated*)	64,500	398,811	2,416	33,687	2,103	501,517

Freehold land and buildings represents the land purchased from Wembley plc in 1999 which is held at cost of £64.5 million (2020: £64.5 million).

The total amount of finance costs (pre accumulated depreciation) included within the cost of the Stadium asset at the year-end is £135.5 million (2020: £135.5 million).

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 11. Debtors

	2021 £'000	2020 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	9,540	4,204
Amounts owed by Group companies	-	2
Other debtors	1,125	4,991
Prepayments and accrued income	2,485	3,224
	<u>13,150</u>	<u>12,421</u>

### Total amounts owed by Group companies

Gross amounts owed by Group companies	1,349	956
Provision for impairment	<u>(1,349)</u>	<u>(954)</u>
Net amounts owed by Group companies	<u>-</u>	<u>2</u>

Since inception Wembley National Stadium Limited has lent operating funds to National Football Centre Limited. As part of our annual impairment assessment of amounts receivable from National Football Centre Limited we determined that the recoverable amount of these loans was less than the carrying amount and therefore a £395 thousand provision for impairment was recognised in the current year.

### 12. Creditors – amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	8,345	21,007
Amounts owed to Parent*	166,632	142,557
UK corporation tax payable	-	78
Other taxation and social security	168	303
Other creditors	651	674
Accruals	7,514	5,338
Deferred capital grants	1,037	1,037
Deferred income	19,688	2,743
Provisions for liabilities**	815	1,631
	<u>204,850</u>	<u>175,368</u>

\* Amounts owed to Parent represents £160.1 million (2020: £140.8 million) of non-interest bearing intercompany loans and £6.5 million (2020: £6.5 million) of interest bearing loans. A variable rate of interest of 12 month Libor + a margin of 1.15% is charged on £3.1 million of this loan balance and a fixed rate of interest of 3.4% is charged on £3.4 million of this loan balance.

\*\* Provisions for liabilities relates entirely to negotiations with commercial partners around the impact of COVID-19.

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 13. Creditors – amounts falling due after more than one year

	2021 £'000	2020 £'000
Amounts owed to Parent	251,047	244,129
Deferred income	4,720	5,398
Deferred capital grants	103,369	104,405
	<u>359,136</u>	<u>353,932</u>

Amounts owed to Parent represent an interest bearing loan payable to The FA. A variable rate of interest of 12 month Libor + a margin of 1.15% is charged on £24.4 million of this loan balance and a fixed rate of interest of 3.4% is charged on £226.6 million of this loan balance.

#### Deferred capital grants comprise the following amounts:

WNSL received the following capital grants from the above public sector funders to assist with the construction of Wembley Stadium.

	Initial grant received £'000	Balance as at 2021 £'000	2020 £'000
Sport England	78,500	75,009	75,233
Department of Culture, Media and Sport	20,000	13,804	14,196
London Development Agency	21,000	14,556	14,976
	<u>119,500</u>	<u>103,369</u>	<u>104,405</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 mainly represents grants in respect of land of £64.5 million (not amortised).

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. Both grants are amortised over the life of the stadium.

The amount amortised to the profit and loss account in relation to these during the period was £1.0 million (2020: £1.0 million).

### 14. Deferred tax liability

	Deferred tax £'000
At 31 July 2020 (Restated*)	7,566
Charged to the profit and loss account in the period	1,620
At 31 July 2021	<u>9,186</u>

# Wembley National Stadium Limited

## Notes to the financial statements Year ended 31 July 2021

### 14. Deferred tax liability (continued)

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

	2021 £'000	Restated* 2020 £'000
Accelerated capital allowances	(8,037)	(4,624)
Interest rate swap	(1,053)	(1,778)
Capitalised finance costs	18,281	13,975
Other short-term timing differences	(5)	(7)
	<u>9,186</u>	<u>7,566</u>

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the same group.

The company recognised £1.8 million (2020: £1.8 million) in respect of the unwinding on an interest rate swap loss incurred in 2015/16 year. The company has an unrecognised gross deferred tax asset on capital losses of £nil (2020: £nil).

\*Please refer to Note 1 a) of the financial statements for further details of how the primary statements and notes have been restated to reflect a prior period error.

### 15. Called up share capital and reserves

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1 'A' share - non-equity	1	1
101 ordinary shares of £1 each	<u>101</u>	<u>101</u>
	<u>102</u>	<u>102</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.

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.

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. 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. On 28 July 2015, one ordinary share was subscribed for the sum of £60 million, which was applied towards a reduction on 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 of the stadium, unless specific permission from the Secretary of State is given otherwise.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

## **Wembley National Stadium Limited**

### **Notes to the financial statements Year ended 31 July 2021**

#### **16. Related party transactions**

No related party transactions requiring disclosure have been identified.

#### **17. Controlling party**

The ultimate and immediate parent company and parent company of the largest and smallest group of which the company is a member and which prepares group accounts is Football Association Limited, a company incorporated in the United Kingdom and Wales and registered office at Wembley Stadium, Wembley, London, HA9 0WS. Copies of the consolidated accounts of Football Association Limited (company number 00077797) may be obtained from the Company Secretary, Wembley Stadium, Wembley, London, HA9 0WS.