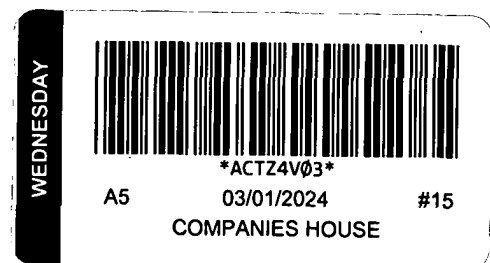


Company Registration Number 66516

WEST HAM UNITED FOOTBALL CLUB LIMITED

Annual Report and Financial Statements

For the year ended 31 May 2023



WEST HAM UNITED FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 May 2023

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WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023

The directors present their annual report together with the audited financial statements of West Ham United Football Club Limited (“the Company”) for the year ended 31 May 2023.

Principal Activities

The principal activity of the Company is that of a professional football club as a member of The FA Premier League and the Football Association together with related and ancillary activities.

Results and Dividends

The results of the Company are as set out in the statement of comprehensive income on page 26.

In line with the strategic decision taken when David Sullivan and David Gold acquired the Club in 2010 to re-invest all surplus funds into the squad and infrastructure, the directors do not propose the payment of a dividend (2022: £nil).

The balance sheet can be found on page 27 and shows that the total shareholders’ deficit has increased from 31 May 2022 by £16.0m in line with the loss for the year.

Review of the year

2023 began with the deeply sad passing of our beloved Joint-Chairman, David Gold, who died on 4 January following a short illness. A lifelong and ardent West Ham United fan, David Gold was born in Stepney in September 1936 and grew up at 442 Green Street, directly opposite the Boleyn Ground. As a promising young schoolboy player, he represented the Club’s boys’ team between the ages of 13 and 16 and later appeared in the youth team.

After forging a career as a hugely successful businessman, his life came full circle in January 2010 when he became Joint-Chairman of West Ham United alongside his long-term business partner Joint Chairman David Sullivan. Following the successful takeover during a period of great uncertainty for the Club they helped to steady the ship and protect its future, and following the years of hard work which followed, culminated in a turnaround which saw him watching his beloved Hammers enjoy back-to-back European campaigns. His passing was mourned by everybody at the Club, as was the tragic loss just two months later of David’s daughter and great friend of all at the Club, Jacqueline. The Gold family legacy has continued however, following the appointment of Vanessa Gold as Joint-Chair in August 2023.

This has been an unforgettable season as we enjoyed winning the Club’s first trophy in 43 years with victory in Prague on 7 June 2023 in the UEFA Europa Conference League final which more than compensated for a challenging Premier League campaign.

The Club once again made the strategic decision to provide funds in line with the requirements of the men’s first-team Manager to significantly enhance the squad during the 2022-23 summer and winter transfer windows, with new additions to the squad costing £184m, increasing the total net book value of the men’s first team players to £219m. This strategy proved to be successful as we were able to secure our core aim of maintaining our Premier League status for a twelfth consecutive season, which is the longest period the Club has remained in the Premier League since its inception in 1992.

In line with our objective to progress and be challenging for Europe consistently, we achieved qualification for the UEFA Europa League group stages due to our success in the UEFA Europa Conference League, and will be playing in European competition for a third consecutive season for the first time in the Club’s history.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Review of the year (continued)

Turnover at £235.4m was £16.4m lower than last year, mainly due to the position in the Premier league (14th v 7th) and lower European income, despite winning the competition, due to the relative values of the UEFA Europa Conference League and Europa League.

Broadcasting revenue of £147.6m (2021-22 £163.6m) this year includes all of the UEFA Europa Conference League income (except for the final, which occurred after the end of the financial year), the positional fee awarded for finishing 14th in the Premier League and facility fees for having been selected for 21 'live' Premier League matches. Last year's broadcasting income included the income from our Europa League games and the recognition of facility income for 23 'live' matches and the positional fee for finishing 7th in the Premier League.

Match income at £40.3m is £0.6m lower this year, reflecting the lower crowds in the UEFA Europa Conference League.

Commercial income at £34.5m is marginally higher than last year by £0.3m due to slightly improved partnership income.

Retail income at £13.0m is the same as last year.

The primary reasons for the change from a profit of £11.6m to the net loss for the year of £16.2m, are due to the decrease in turnover largely explained by the lower Premier League position, contrasting revenues between the UEFA Europa League and Europa Conference League, along with higher amortisation resulting from the increased playing squad value following last summer's investment in new players, partially offset by higher profit on disposal of players.

In addition, this year's financial results have been impacted by a significant increase in implied interest on transfer fees payable with extended payment terms. This is driven by a combination of significant investment in the playing squad during the year, the significant value of transfer fees payable with extended payment terms, the current high level of interest rates and the requirement to discount such payments to present value upon initial recognition. The effect of this is a net charge to this year's accounts of £4.8m, resulting from an implied interest expense of £11.6m (Note 8), partially offset by a reduction to the annual amortisation charge of £6.8m compared to if transfer fee payables had been recognised at face value.

The Club continues to optimise its funding and, as a result, took the decision to repay the outstanding £55.0m MSD facility in August 2023. The Club entered into a new £40m overdraft facility with Barclays Bank PLC on 29 August 2023 and has accelerated a future transfer fee receivable (Note 29).

On the pitch, the team finished the Premier League season in 14th place but compensated for this by ultimately winning the final of the UEFA Europa Conference League. In domestic cup competitions we reached the fifth round of the FA Cup and the third round of the Carabao Cup.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Review of the year (continued)

The pathway from the Club's world-famous Academy of Football remains as strong as ever, demonstrated by recent debuts of Academy players in last season's UEFA Europa Conference League group stages – with several Academy players breaking through and being handed first team debuts in the past year. To date, the Academy has produced 166 first team players since 1952, with a focus on that figure continuing to increase. A hugely successful season for the U18 group saw them claim significant success through winning the FA Youth Cup and U18 Premier League South trophies, signaling a bright future.

The Club continues to make a hugely positive impact across our community alongside the West Ham United Foundation, which is based in Beckton, in the London Borough of Newham. Our work extends across East London, Essex and overseas to India, spanning all ages and abilities, harnessing the power of football to maximise life-chances and inspire better futures for all.

The Club prioritises community initiatives that make the most positive and tangible impact on our local community, most notably the Players' Project. Launched in November 2018, the Players' Project is the most ambitious and integrated community programme created by a Premier League Club, with men's, women's and Academy players regularly giving their time to directly work with thousands of people from the local community since launch. The scheme delivers over 35 programmes that span health, education, community initiatives and football development, which engage with up to 50,000 people per year. The 2022-23 season saw a full repurposing of priorities, our close ties with the NHS strengthened further and we were able to identify innovative ways to help the NHS to tackle some of the issues they are facing today e.g. the development of our Advantage programme which works closely with our local NHS Trusts and CAMS unit to help tackle the growing mental health issues that young people face which has been further heightened by the impact of the COVID-19 pandemic.

A detailed review of the excellent work undertaken by the West Ham United Foundation can be found on pages 17 and 18 within the Directors' Report.

Our commitment to equality, diversity and inclusion remains unwavering. We have become the first Premier League Club to receive the Menopause Friendly Accreditation, joined the Hidden Disabilities Sunflower Scheme and are a member of the Valuable 500 Partnership of organisations dedicated to ending disability exclusion.

We have appointed our first Academy Link Mentor specifically to provide pathways into football for players and coaches from South Asian backgrounds, male and female. We have led from the front in our support for Premier League campaigns including No Room For Racism, Rainbow Laces and Inside Matters and supported important national moments such as Mental Health Awareness Week, Holocaust Memorial Day, Black History Month, and International Women's Day.

West Ham United are committed to the long-term development and growth of our women's team, and in order to drive progress, Vice-Chairman Baroness Brady, Club Executive Director Tara Warren, and Director of Ticketing Nicola Keye were appointed as directors of the West Ham United Women Football Club Limited, a fellow group undertaking.

According to Forbes, West Ham United is one of the fastest growing brands in world football. The Club is now focused on continuing to grow its stature both domestically and internationally, maximising the presence, reach and exposure of the Club by championing our values in key targeted territories.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Review of the year (continued)

Alongside success on the pitch, the Club's overriding priority is to work with fans and listen to their feedback to ensure a continued improvement in the matchday experience at London Stadium. We have increased the Stadium's capacity to 62,500, an increase of 2,500 from season 2021/22. This increase in attendance is another positive step forward for the Club in ultimately reaching the stadium's full capacity. This has made the London Stadium one of the largest in the capital, boasting one of the highest capacities in the Premier League, with the highest number of season tickets of all Premier League teams. We will continue to drive the stadium forward to realise its potential and maximise the opportunity it provides for the Club and its supporters.

Future Prospects

As with all Premier League football clubs, the performance of the men's first team and the league in which it operates remains a future risk. However, strong performances under the guidance of the first team management team and backroom staff, as well as an exciting squad assembled through retaining top talent alongside a successful transfer window, has given the Club a sound platform as we embark upon our third consecutive European campaign.

The Club's current position is in line with its mission and goal to be a London Premier League Club at the heart of its community challenging for Europe for the benefit and enjoyment of its fans at home and across the globe.

The Club's strong relationship with the Manager will continue to assist in building and improving the squad. The loyalty displayed by the Club's fanbase, indicated by the exceptionally high level of renewals for the 2023-24 season even following the increase in capacity to 62,500, gives us one of the highest number of Season Ticket holders in the London and the Premier League, putting the Club in a strong position as we move forward.

Our ticket exchange grew and saw an additional average of 3,682 resales in the period, an increase of 90% year on year, and is set to continue to grow along with the growth seen in waiting list products across both general admission and corporate sales, showing that demand continues to exceed supply and points to a bright future. The Club continues to explore every opportunity to continue to expand our offering to meet demand and was proud to welcome one of the highest attendances in Europe to the London Stadium. Our global focus has seen our global footprint grow 50% in the year to a digital footprint of over 18m followers across social media platforms which is only set to continue as we enjoy regularly being one of the most highly engaged Premier Clubs on an international scale.

Despite our recent success, in line with our values and commitment to our community, the Club continues to offer one of the cheapest Season Tickets in the Premier League, which is aligned to our objective to make London Stadium accessible to all and to support our local community with affordable family football in the heart of the capital.

For West Ham United, the brand and team are its greatest contributors to value, resulting in it growing further to 15th in the 2022-23 (2021-22: 18th) Forbes World's Most Valuable Soccer Clubs list in line with our goal of building sustainable value.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Principal Risks and Uncertainties

There are a number of potential matters which could have a material impact on the Club's long-term performance. These are monitored by the Board on a regular basis.

The Company's principal business risk remains that of the football club being relegated from the Premier League with the serious financial consequences which follow. The Company prepares budgets two seasons in advance which include an evaluation of the impact of relegation and associated contingency plans.

It is a feature of football clubs' income streams that a significant element is known in advance because of its long-term contractual nature. Centrally negotiated broadcast and sponsorship deals are presently in place to at least the end of the 2025-26 season. The Company's own major sponsorship and partnership agreements are also in place until the end of seasons 2024-25 and 2025-26 respectively. Season ticket sales (including corporate sales) are usually made at the start of each season or accounting year and represent the bulk of the Company's match day revenue. It follows that in the region of 75% of the Company's annual turnover will be guaranteed, and in many cases received, by 31 July each year.

To the extent that there are ever any material variances from the forecast, football clubs have the ability to address any potential liquidity risks through player trading. However, this is in extreme circumstances and given the strong measures taken by the Club's shareholders in raising investment, and the progress and strong performance of the team, this is not a measure West Ham United are expected to require in the short or long term.

At the London Stadium, the stadium operator holds the annual safety certificate, however we continue to hold £500 million of public liability insurance in respect of any one occurrence.

As a professional football club playing in the English Premier League, West Ham United is regulated by the Football Association, the Premier League and UEFA, and therefore operates within their regulatory framework which includes the risk of breach of Financial Fair Play rules.

Financial Risk Management

Financial assets that expose the Company to financial risk consist principally of cash, and trade and other debtors. Financial liabilities that expose the Company to financial risk consist principally of trade and other creditors. The financial risks associated with these financial instruments are considered minimal.

The Company is exposed to foreign exchange risks in respect of the purchase or sale of player registrations negotiated in foreign currency. In the course of the year just ended, the Company made a loss on foreign currency translation of £0.6m (2021-22: £0.3m loss) due to adverse movements in the Euro foreign exchange markets at the year-end date. The Company manages its risk by engaging in foreign exchange forward contracts where considered necessary.

The Company places surplus cash with a creditworthy institution. The Company performs ongoing credit evaluation of its debtors' financial condition. The carrying amounts of cash, and trade and other debtors represent the maximum credit risk to which the Company is exposed.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Going Concern

The Board has prepared and approved forecasts for the current and forthcoming season (through to May 2025), which capture the period of at least twelve months from the date of approval of these financial statements.

The base forecast has been prepared assuming the Club remains in the Premier League for the 2024-25 season. This forecast assumes no further player trading, reasonable progression in Europe, revenues received in line with current commercial agreements and other revenues in line with historical achievement. In August 2023 the Company repaid in full the long-term financing facility with MSD, of which £55.0m was drawn down prior to repayment (see the post balance sheet event note for more information). The Company has agreed a new overdraft facility with Barclays to replace the MSD facility which expires in July 2024. The Barclays facility has a variable limit with a maximum of £40.0m. This is assumed to be either extended on a season by season basis, or a similar facility entered into for the 2024-25 season.

Despite the current strong squad, the Board has also considered a severe but plausible scenario as required. This scenario includes relegation at the end of the 2023-24 season and includes the adjustments necessary to revenues and costs, although the scenario does not include any player trading as this is uncertain. This is considered to be the main business risk that warrants scenario analysis.

In the event the severe but plausible scenario occurs, mitigating actions considered by the Board include the factoring of transfer fee receivables, the option of player disposals to generate transfer fee income and wage savings, and obtaining additional third party financing.

Under the base case forecast, the Board has concluded that the Company has sufficient liquidity to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, subject to the extension of the existing overdraft facility on the same terms as it is currently, as this facility currently expires during the going concern period due to the nature of it being in place for one football season at a time.

In the event that it is required (i.e. under the severe but plausible scenario or there is an inability to extend the existing overdraft facility), and the associated mitigating initiatives do not generate the necessary cash flows to allow the Company to operate within its secured borrowing limits, certain of the investing owners have undertaken to provide what the Board has concluded would be sufficient financial support to allow the Company to continue to operate within its borrowing limits and meet its debts as they fall due for at least 12 months from the date of approval of these financial statements.

Consequently, after making enquiries and taking account of the uncertainties described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider no material uncertainty to exist in relation to the Company's ability to continue as a going concern. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires each director of the Company to act in a way in which he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters including;

- The likely consequences of any decision in the long term.
- The interests of the Company's employees.
- The need to foster the Company's business relationship with suppliers, customers and others.
- The impact of the Company's operations on the community and the environment.
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between the Company's members.

With respect to this, the Board meets on a regular basis and refers to ongoing strategic plans having regard to the following considerations;

Long term consequences

- Long term sustainability / viability of business model
 - We continue to invest substantial funds into the playing squad in order to maximise the best possible chances of achieving success on the football pitch.
 - The Company's adherence to UEFA and Premier League Financial Fair Play rules ensures sustainable, responsible and transparent spending.
- Risk appetite and risk management
 - See page 7 for details on the Company's Financial risk management objectives and policies.

Interests of employees

- The health, safety and well-being of our employees is one of our primary considerations. We put a great emphasis on employee consultation, we actively promote equality and diversity - it is a Board objective to be an Equity leader in the Premier League, and we are committed to paying the London Living Wage.
- We are committed to ensuring that male and female employees are paid equally for equivalent work and release an Annual Gender Pay Gap Report to support this.

Interests of other stakeholders (suppliers, customers, others)

- Fans
 - Fans are the lifeblood of our club and are always foremost in our decision making.
 - We are proud to have an ever-increasing number of supporters' clubs around the world.
 - The Club meets regularly with supporters' groups to discuss key issues affecting fans.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Section 172(1) statement (continued)

- Partners
 - Our commercial partners remain as important to us as ever and we are pleased to have multi-year contracts in place with key partners across a variety of industries.
- Suppliers
 - We value our suppliers and have long-standing contracts with key suppliers who share our core values.

Impact on the community

- The Company places huge importance on being a pillar of our community, to which we deliver through a variety of projects.
- The West Ham United Foundation is the Club's community outreach vehicle, delivering more than thirty community projects in East London, Essex and international locations; engaging up to 50,000 people every year across Health, Community Sport, Football Development and Learning and Employability.

High standards of business conduct

- The Company is committed to ensuring there is openness in our own business and in our approach to tackling modern slavery both within our business and through our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.
- The Company is committed to paying the right amount of tax, in the right place, on a timely basis in accordance with tax law and practice in the United Kingdom.

WEST HAM UNITED FOOTBALL CLUB LIMITED

STRATEGIC REPORT for the year ended 31 May 2023 (continued)

Key Performance Indicators (“KPI’s”)


The Company monitors the financial performance of the first team against a range of key performance indicators on an annual basis. Although not exhaustive, the table below summarises major KPI’s over the last five years. Although the Company does not set targets to be achieved each season it nevertheless seeks to maximise performance, both financial and non-financial, on an annual basis.

	2022-23	2021-22	2020-21	2019-20	2018-19
League position	14 th	7 th	6 th	16 th	10 th
FA Cup	5 th round	5 th round	5 th round	4 th round	4 th round
EFL Cup	3 rd round	5 th round	4 th round	3 rd round	4 th round
UEFA Europa League	-	Semi final	-	-	-
UEFA Conf. League	Winners*	-	-	-	-
Average league gate	62,459	59,789	568**	59,925	58,325
Wage: turnover ratio	57.5%	53.4%	66.9%	93.7%	71.2%
Operating profit/(loss) before exceptional items & player trading	£53.3m	£71.6m	£34.0m	(£24.7m)	£20.7m

*The 2022-23 UEFA Conference League final tie was played in June 2023. Income and costs arising from the fixture will be accounted for in the 2023-24 financial statements.

**Indicates the season played during the COVID-19 pandemic, which saw only two home fixtures played with few spectators present, both games at a significantly reduced stadium capacity due to the Government restrictions that were in place at the time.

On behalf of the board



Andy Mollett
Director

23 November 2023

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023

Directors

The directors of the Company who were in office during the year and up to the date of signing the audited financial statements of the Company were:

D Sullivan
D Gold (Deceased)
Baroness Brady, CBE
A Mollett
J Albert Smith
P Horsky
P Mitka
T Warren
DEK Sullivan
JHF Sullivan
D Cunningham
V Gold (appointed 7 August 2023)

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Results and Dividends

The results of the Company are as set out in the statement of comprehensive income on page 26. The directors do not propose the payment of a dividend (2022: £nil).

Political donations

During the year, the Company purchased a table at a cost of £12,500 for a dinner event hosted by the Conservative party. Attendees at the dinner were representatives of Club Sponsors and Commercial Partners. No donations were made to a registered political party or other political organisation in the EU or the UK, or any independent elections candidate and there was no EU political expenditure exceeding £2,000 in the financial year 2022.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Employees

Recruitment & Staffing

West Ham United's employees are key to the Club and are the most visible part of the business to its supporters. We are committed to high standards of employment practice and to providing equality of opportunity, training and development and a safe workplace, in addition to developing initiatives which encourage innovation.

West Ham United aims to be an exceptional employer; one that recognises talent and develops people to the best of their abilities. We ask our people to share our determination to succeed and to deliver strong business success which is why it is important for us to appropriately reward, engage, listen to and develop our employees.

Equity, Diversity & Inclusion

Our commitment to equality, diversity and inclusion remains unwavering. As a proud member of the Valuable 500 Partnership of organisations dedicated to ending disability exclusion, we strive harder every year to make the matchday experience the best it can be for all supporters with disabilities.

That includes dedicated expert teams, bespoke matchday commentary for visually impaired supporters, dedicated access lanes to enter the Stadium, our Sensory Room and our 18 complimentary shuttle buses, which assist over 840 disabled supporters with accessibility requirements in travelling to and from the Stadium every matchday.

We have joined the Hidden Disabilities Sunflower Scheme to identify what further support we can provide to supporters whose disabilities are not visible. Those hidden disabilities include mental health conditions, an issue that is particularly important to our Club.

This year, we rolled out a pioneering suicide prevention tool named Ripple across all of our digital channels, created by a West Ham supporter, following the tragic loss of her brother. We were the first Premier League Club to work with Ripple, and they are now engaging with over half a dozen teams in the league due to the success of our partnership, which we will further expand through external campaigns and strong integration with our Academy.

We have appointed our first Academy Link Mentor specifically to provide pathways into football for players and coaches from South Asian backgrounds, both male and female, whilst in April, we joined with the local Masjid Ibrahim Islamic Centre to stage a Unity Iftar at London Stadium, the first time an Iftar event had been staged at our iconic venue. It served to promote a greater understanding of Islam and the life of the mosque among our wider fanbase.

As well as our own EDI campaigns, we have taken a pro-active and creative approach to supporting important national moments such as Mental Health Awareness Week, Holocaust Memorial Day, Black History Month, and International Women's Day. We have led from the front in our support for Premier League campaigns including No Room For Racism, Rainbow Laces and Inside Matters.

A particular highlight as part of the No Room For Racism campaign was the role the Club played in amplifying the story of Jack Leslie, who has now been awarded a posthumous honorary England cap, 97 years after his call-up as England's first black player.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Equity, Diversity & Inclusion (continued)

The Club is proud to be a Disability Confident Leader and is part of The Valuable 500, committed to putting diversity inclusion onto our business leadership agenda. The Club is also signed up to the Football League Diversity Code; committing to tackle inequality across senior leadership positions, broader team operations and coaching roles in both the women's and men's games. The Club has appointed its first female manager since earning Women's Super League status in 2018 and in line with the Club's key objective to continue driving the progress and success of women's football, the Women's Team recently appointed three female directors to the Board.

The Club is proud this year to have become the first Premier League Club to receive the Menopause Friendly Accreditation (MFA) in recognition of its high standards and proven practices that embrace menopause in the workplace.

We are committed to equal opportunities for all of our people, regardless of disability or background, from recruitment and selection, through training and development and promotion. The Club has achieved the Premier League's Equality Standard Advanced level health check, the highest level of award, recognising our ongoing dedication and commitment to equality, diversity and inclusion, and we continue to maintain our efforts in this area. All members of staff continue to receive equality and diversity training including equality impact assessment, disability awareness, mental health awareness and equality and diversity in recruitment.

We have established a Staff Equality Forum to not only support the work of the Equality Strategic Group which feeds directly into the Board and helps to ensure that equality is embedded at every level of the organisation, in line with our goals and help us succeed in our aim to become an Equity leader in the Premier League.

Engagement & Involvement

Engaged and motivated staff help us to continue to be successful and grow.

Our informal and inclusive culture creates communication channels, promoting innovation and the sharing of ideas and we all work together in striving to achieve the common goal of the Club as a whole. We hold regular management meetings and ensure that employees from across the business are in dialogue with our business leaders. West Ham United's employees are kept well informed of the performance of the Club and key events concerning the business through regular staff briefings and updates from the Vice Chair as well as through communications via our intranet, staff newsletter, staff surveys and email.

The Company's policy is to communicate honestly with employees and encourage consultation between employees and management. It places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings with the vice-Chairman or other members of senior management. This leads to sharing the same understanding of goals, processes, and expectations.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Developing our people

Every employee plays a part in the Club's success and we are focused on developing our people to the best of their abilities. When joining the business, employees undertake a thorough induction which includes training on how to perform in their new role and orientation around different areas of the business, and mandatory training in Equality, Diversity and Inclusion, mental health awareness training and General Data Protection Regulations, Cardiopulmonary Resuscitation, fire awareness, Safeguarding and Display Screen Equipment.

The West Ham United Skills School was launched in 2017 and the Club has heavily invested in staff who have benefitted from a range of training programmes and development courses, including apprenticeships, that have further enhanced skills and output across all departments, upskilling the entire workforce and producing stars of the future who can lead the Club as it grows at London Stadium.

The Club has a monthly Learning & Development Newsletter, informing staff of all of the training available to them. As well as traditional learning programmes, staff also take part in learning lunches, listen to expert talks, as well as going to theatre trips and having book clubs to broaden their knowledge of equality, diversity and inclusion topics. The Club also operates a biannual mentoring programme to support and encourage employees to actively enhance their skills and enhance their opportunities for progression.

Compensation & Benefits

The Club invests in benefits, programmes and services to assist its employees and provides a wide range of resources to support mental and physical health and financial well-being. The Club has Mental Health Champions, a regular GP drop-in service and an Employee Assistance Programme to help employees deal with personal problems that might adversely impact their work performance, health and wellbeing. The programme generally includes assessment, short-term counselling and referral services for both staff and their immediate family. We have also joined with Ripple, a suicide prevention tool.

The Club has also undertaken a gender pay gap audit and the results show that the real pay gap is currently -1% (2022: -18.3%), and for the seventh consecutive year running is in favour of women (excluding first team players, management and coaching staff).

The Club pays equal pay for men and women performing equal jobs who are not on the football operations staff. Categorically, men and women doing the same non-playing job are paid the same rate of pay.

The Board continues to work very hard to address the gender issues faced in football. This has been achieved through the promotion and development of existing staff and positive action in external recruitment and more than half of the Vice-Chair's direct reports are female.

The Club is also very supportive of its workforce who have children, providing generous maternity and paternity pay and is welcome to considering all flexible working requests.

Additionally, West Ham United has paid the equivalent of the London Living Wage to all full-time and part-time permanent members of staff since June 2015 and became an accredited London Living Wage Employer in December 2017, the second Premier league club in London to do so.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Employees (continued)

Safeguarding

Our Safeguarding Team comprises of six members of staff who work across our Men's First Team & Academy, Academy House, Women's First Team, and match-days and events. We have recently brought onboard a dedicated Women's Safeguarding Officer and invested additional resources for match-day safeguarding arrangements to assist the Team in responding appropriately to incidents, concerns and allegations.

Our Barnardo's end of season audit gave a glowing report highlighting that the Team has a robust structure, and the Team demonstrates a commitment to continuous improvement and quality assurance of safeguarding across all areas of the Club and players feel supported and confident that any concerns would be acted upon.

This season we have made a concentrated effort to raise awareness and work with lead managers and department heads to formalise the tackling incidences of poor practice.

Club resourcing and arrangements to support staff well-being is an area the Club continues to strengthen, with, among other initiatives, the introduction of Mental Health Ambassadors and the uptake of R;pple anti-suicide prevention technology.

To strengthen our recruitment process and ensure the safety of all involved, we have enlisted the help of a third-party company to manage our social media and online screening services. By conducting thorough checks, we can identify any potential issues related to safeguarding or inclusivity that may pose a risk to children or the reputation of West Ham United Football Club and take action to prevent them.

Streamlined Energy and Carbon Reporting (SECR)

The Club is firmly committed to operating in a green and sustainable manner and takes its responsibilities in these areas extremely seriously. Environmental awareness is embedded into the Club's day to day operations with initiatives in place across operational sites including reduced energy consumption with the use of LED lighting, installation of lighting motion sensors and centrally controlled heating. The Club has been and will continue to explore several improvements that were recommended from our ESOS phase 1 and 2 assessments which include BMS upgrades, boiler optimisation, LED upgrades and controls, solar thermal, secondary metering, power management and better practices.

Data has been collected from a variety of sources including utility providers, plant asset lists, fuel usage and mileage records. The methodology used to calculate our Greenhouse Gas (GHG) emissions is the GHG Protocol Corporate Accounting and Reporting Standard. The SECR disclosure presents our carbon footprint across Scopes 1 and 2 along with an appropriate intensity metric and our total energy use of electricity and gas. The external consultants used our energy invoices and bill validation reports to calculate, quantify and validate our GHG emissions disclosure for 2022-23 in line with the methodology set out in the GHG Protocol Corporate Standard and the Energy Managers Association.

The Club's energy usage in the year ending 31 May 2023 was 3,259 million kWh (2021-22 3,220 million kWh) and total UK emissions were 647.1 tCO₂e (2022-23 670.4 tCO₂e). This represents an intensity ratio of 2.73 (tCO₂e per £1m of turnover) against 2.66 in 2021-22. The drivers of change were improved power management and awareness of green issues.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Streamlined Energy and Carbon Reporting (SECR) (continued)

	2023	2022	2021	2020
Electricity	323.69	339.60	324.32	376.90
Gas	175.73	185.12	164.12	186.80
Transport	115.89	112.60	70.69	73.70
Other Fuels	31.77	33.09	30.62	122.37
Total GHG Emissions (tCO₂e)	647.09	670.41	589.75	759.77
Scope 1 CO ₂ emissions (tonnes)	268.76	282.36	243.91	382.70
Scope 2 CO ₂ emissions (tonnes)	323.69	339.60	324.32	376.90
Scope 3 CO ₂ emissions (tonnes)	54.63	48.50	23.49	33.36
Total GHG Emissions (tCO₂e)	647.09	670.46	591.72	792.96
Intensity Ratio tCO₂e per £M turnover	2.73	2.66	3.07	5.44

West Ham United Foundation

West Ham United Foundation is the focal point for the football club's community work and aims to respond to local needs, unite our community and provide an environment where all can thrive.

With more than 35 initiatives delivered annually and hundreds of partners across education, employment, health and the third sector, the Foundation is making a positive difference to individuals, groups and communities.

Delivery spans Essex and the East London boroughs of Newham, Tower Hamlets, Redbridge, Barking and Dagenham, and Havering, as well as international sites, with up to 50,000 people of all ages and abilities engaged each year.

As an anchor institution in the community, the Foundation's main base is situated a stone's throw away from the London Stadium, in Beckton, Newham, and each week sees thousands taking part in programmes both on and off the pitch.

These programmes, which encompass comprehensive health interventions; employability pathways; mentoring schemes and bespoke support for at-risk young people and care experienced within local neighbourhoods, have continued to develop through hard times.

Inequalities have been heightened, the cost of living is rising, all while consequences of the pandemic continue to emerge. By using the power of the West Ham United badge, we are able to deliver aspiration and hope.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

West Ham United Foundation (continued)

Underpinning all of this are the Foundation's mission and strategic objectives.

Mission: To provide an innovative approach to understanding and meeting the needs of our community; building partnerships and utilising insight and technology to create an environment where all can thrive - from the heart of East London.

Strategic Objectives:

- Responding to local need - Engaging our community to understand local needs and to ensure that our programmes, facilities and reporting structures are designed around them.
- Uniting our community - Understanding our community, what works and how innovative thinking across our stakeholders is essential to support fitter and healthier lifestyle choices.
- Providing an environment for all to thrive - Shaping the programmes we run and our ways of working to create effective, efficient and innovative mechanisms that support anyone in need of help for as long as they need it.

Through our continued commitment to the community, there have been milestone moments for programmes aiming to combat some of the most prevalent issues facing our societies.

A couple of examples are:

- The Advantage scheme, created in partnership with the NHS to increase access to NHS Child and Adolescent Mental Health Services (CAMHS) and help tackle waiting times by offering mentoring support and opportunities for 14-21-year-olds, which has significantly expanded. This has been due to the growth of the programme from Newham to Tower Hamlets and Barking and Dagenham, leading to young person reach almost quadrupling.
- The progression of the Primary Care Network pilot (which concentrates on youth violence reduction and offers support for 11-18-year-olds at risk, by taking a public health approach centred around outreach mentoring services). Through the scheme the Foundation's Youth Mentor supports a network of seven GP practices, working closely with health and social care professionals to identify the children and/or young people at risk of involvement in knife crime and implements preventative measures through bespoke mentoring support. During the 22-23 season, 38 people have been referred with 18 sustaining engagement and 75% reporting positive changes of behaviour.

Alongside this, our football players have continued to showcase their understanding of our club's history and values through the Players' Project. As ambassadors of key areas of community work, they have continued to engage, encourage, inspire and advocate for causes which they care about.

This has included Nayef Aguerd, Kurt Zouma and Saïd Benrahma from the Men's Team and Hawa Cissoko from the Women's Team joining the first ever Unity Iftar held at London Stadium, in a collaboration between the football club and UKIM Masjid Ibrahim.

Another historical moment offered a global level of awareness regarding the Club's commitment to the community. With the men's team lifting the UEFA Europa Conference League trophy, the Foundation's logo took a position of prominence on the back of the team's shirts and asserted the community-minded attitude at West Ham United.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Financial risk management

See Strategic report, page 7

Future prospects

See Strategic report page 6.

Post Balance Sheet Events

Note 29 provides details of material events which have occurred since the balance sheet date.

Going Concern

See Strategic report, page 8.

Dividends

See Strategic report, page 3.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Statement on Information Given to Independent Auditors

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

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

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

WEST HAM UNITED FOOTBALL CLUB LIMITED

DIRECTORS' REPORT for the year ended 31 May 2023 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

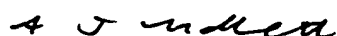
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

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

On behalf of the board



A Mollett
Director
23 November 2023

WEST HAM UNITED FOOTBALL CLUB LIMITED

Independent auditors' report to the members of West Ham United Football Club Limited

Report on the audit of the financial statements

Opinion

In our opinion, West Ham United Football Club Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 May 2023; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

WEST HAM UNITED FOOTBALL CLUB LIMITED

Independent auditors' report to the members of West Ham United Football Club Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

WEST HAM UNITED FOOTBALL CLUB LIMITED

Independent auditors' report to the members of West Ham United Football Club Limited (continued)

Auditors' 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 auditors' 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.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the risk surrounding non-compliance with the Financial Fair Play (FFP) regulations imposed by UEFA and the Profit and Sustainability Rules (PSR) by the FA Premier League and employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation, including corporation tax, sales tax and employment tax. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the manipulation of the financial statements through journal entries, and bias shown in judgements and estimates to further manipulate the above. Audit procedures performed by the engagement team included:

- Enquiries of the directors and management including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Review of minutes of meetings of the Board of Directors;
- Challenging assumptions and judgements made by management in relation to their significant accounting judgements and estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WEST HAM UNITED FOOTBALL CLUB LIMITED

Independent auditors' report to the members of West Ham United Football Club Limited (continued)

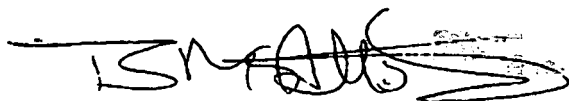
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Timothy McAllister (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

23 November 2023

WEST HAM UNITED FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2023

		2023			2022		
	Note	Operations excluding player trading* £000	Player trading ** (notes 6 & 11) £000	Total £000	Operations excluding player trading* £000	Player trading ** (notes 6 & 11) £000	Total £000
Turnover	2	235,361	-	235,361	251,791	-	251,791
Other operating income		2,495	-	2,495	2,406	-	2,406
Operating costs		(188,470)	(65,306)	(253,776)	(185,234)	(48,825)	(234,059)
Operating (loss)/profit	4	49,386	(65,306)	(15,920)	68,963	(48,825)	20,138
Analysed as;							
Operating (loss)/profit before Exceptional items (Non-GAAP)		53,327	(65,306)	(11,979)	71,551	(48,825)	22,726
Exceptional items	3	(3,941)	-	(3,941)	(2,588)	-	(2,588)
Operating (loss)/profit		49,386	(65,306)	(15,920)	68,963	(48,825)	20,138
Profit on disposal of players	6	-	16,980	16,980	-	709	709
Profit on operating activities before interest and taxation		49,386	(48,326)	1,060	68,963	(48,116)	20,847
Interest receivable and similar income	7			579			92
Interest payable and similar expenses	8			(19,025)			(7,624)
(Loss)/profit before taxation				(17,386)			13,315
Tax on (loss)/profit	9			1,217			(1,748)
(Loss)/profit after taxation	24			(16,169)			11,567
Other comprehensive income for the financial year				-			-
Total comprehensive (expense)/income for the financial year				(16,169)			11,567

**Excludes all player trading related costs and income which if included would materially distort the results derived from normal operations.

** Player trading represents the amortisation of registrations, and the profit or loss on disposal of registrations.

All activities derive from continuing operations.

The notes on pages 29 to 47 are an integral part of these financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

BALANCE SHEET

as at 31 May 2023

	Note(s)	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Investments	10		-		-
Intangible assets	11		218,738		107,383
Tangible assets	12		24,454		25,073
			<u>243,192</u>		<u>132,456</u>
Current assets					
Stocks	13	2,475		1,341	
Debtors: amounts falling due after more than one year	14	22,823		13,964	
Debtors: amounts falling due within one year	14	32,128		27,491	
Cash at bank and in hand		35,122		96,483	
		<u>92,548</u>		<u>139,279</u>	
Creditors - amounts falling due within one year	15	(342,595)		(320,905)	
Net current liabilities			<u>(250,047)</u>		<u>(181,626)</u>
Total assets less current liabilities			<u>(6,855)</u>		<u>(49,170)</u>
Creditors - amounts falling due after more than one year	15		(146,703)		(103,191)
Provisions for liabilities	19,20		(15,998)		(1,026)
Net liabilities			<u>(169,556)</u>		<u>(153,387)</u>
Capital and reserves					
Called up share capital	21		5,500		5,500
Share premium account	22		4,847		4,847
Revaluation reserve	23		3,936		3,936
Profit and loss account	24		(183,839)		(167,670)
Total shareholders' deficit	25		<u>(169,556)</u>		<u>(153,387)</u>

The notes on pages 29 to 47 are an integral part of these financial statements.

These financial statements, on pages 26 to 47, for company registration number 66516, were approved by the board of directors on 23 November 2023 and signed on its behalf.

A J Mollett

A Mollett
Director

WEST HAM UNITED FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2023

	Called up share capital	Share premium	Revaluation reserve	Profit and loss account	Total shareholders' deficit
	£000	£000	£000	£000	£000
Balance as at 1 June 2021	5,500	4,847	3,936	(179,237)	(164,954)
Profit for the year	-	-	-	11,567	11,567
Balance as at 31 May 2022	5,500	4,847	3,936	(167,670)	(153,387)
Balance as at 1 June 2022	5,500	4,847	3,936	(167,670)	(153,387)
(Loss) for the year	-	-	-	(16,169)	(16,169)
Balance as at 31 May 2023	5,500	4,847	3,936	(183,839)	(169,556)

The notes on pages 29 to 47 are an integral part of these financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

1. Accounting Policies

a) General information

West Ham United Football Club Limited ('the Company') operates as a professional football club, West Ham United Football Club, currently playing in the English Premier League.

The Company is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is London Stadium, Queen Elizabeth Olympic Park, London E20 2ST.

b) Statement of compliance and basis of preparation

The financial statements of West Ham United Football Club Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

These financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of freehold land and buildings.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1d.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following disclosure exemptions:

- (i) The requirement to prepare a statement of cash flows under Section 7 of FRS 102 and para 3.17(d).
- (ii) The requirement of Section 33 *Related Party Disclosures* to disclose transactions with fellow group companies.
- (iii) A reconciliation of the number of shares outstanding at the beginning and end of the period under 4.12(a)(iv).

The Company has taken an exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as the information is provided in the financial statements of WH Holding Limited.

The Company is a wholly owned subsidiary of WH Holding Limited. It is included in the consolidated financial statements of WH Holding Limited which are publicly available. The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest Company to consolidate these financial statements is WH Holding Limited. The address of the parent's registered office is London Stadium, Queen Elizabeth Olympic Park, London, England, E20 2ST.

These financial statements are the Company's separate financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

b) Statement of compliance and basis of preparation (continued)

Going concern

The Board has prepared and approved forecasts for the current and forthcoming season (through to May 2025), which capture the period of at least twelve months from the date of approval of these financial statements.

The base forecast has been prepared assuming the Club remains in the Premier League for the 2024-25 season. This forecast assumes no further player trading, progression in Europe, revenues received in line with current commercial agreements and other revenues in line with historical achievement. In August 2023 the Company repaid in full the long-term financing facility with MSD, of which £55.0m was drawn down prior to repayment (see the post balance sheet event note for more information). The Company has agreed a new overdraft facility with Barclays to replace the MSD facility which expires in July 2024. The Barclays facility has a variable limit with a maximum of £40.0m. This is assumed to be either extended on a season by season basis, or a similar facility entered into for the 2024-25 season.

Despite the current strong squad, the Board has also considered a severe but plausible scenario as required. This scenario includes relegation at the end of the 2023-24 season and includes the adjustments necessary to revenues and costs, although the scenario does not include any player trading as this is uncertain. This is considered to be the main business risk that warrants scenario analysis.

In the event the severe but plausible scenario occurs, mitigating actions considered by the Board include the factoring of transfer fee receivables, the option of player disposals to generate transfer fee income and wage savings, and obtaining additional third party financing.

Under the base case forecast, the Board has concluded that the Company has sufficient liquidity to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, subject to the extension of the existing overdraft facility on the same terms as it is currently, as this facility currently expires during the going concern period due to the nature of it being in place for one football season at a time

In the event that it is required (i.e. under the severe but plausible scenario or there is an inability to extend the existing overdraft facility), and the associated mitigating initiatives do not generate the necessary cash flows to allow the Company to operate within its secured borrowing limits, certain of the investing owners have undertaken to provide what the Board has concluded would be sufficient financial support to allow the Company to continue to operate within its borrowing limits and meet its debts as they fall due for at least 12 months from the date of approval of these financial statements.

Consequently, after making enquiries and taking account of the uncertainties described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and consider no material uncertainty to exist in relation to the Company's ability to continue as a going concern. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies

Turnover

Turnover represents the fair value of all amounts received and receivable in respect of football matches played, goods sold and services provided during the period excluding value added tax, returns discounts and rebates. Gate receipts and other match day revenue are recognised as games are played. Sponsorship and similar commercial income are recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season, whilst facility fees received for live coverage or highlights are taken when matches are played.

Other operating income

Non-trading income, which relates primarily to government and other grant income and insurance claims, is disclosed as other operating income and is recognised once there is certainty that the income will be received.

Tangible fixed assets

The Chadwell Heath, Little Heath, Rush Green training grounds and the Beckton Community Centre are held under the revaluation model. A full valuation was undertaken and reflected in the financial statements for the year ended 31 May 2021. Full valuations take place at least every three years and any surplus or deficit is transferred to the revaluation reserve through other comprehensive income, where the balance held on reserve permits.

Where insufficient revaluation reserve balances are held, the revaluation deficit is charged to the current year profit and loss account. Where depreciation charges are increased following a revaluation, where material, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold land and buildings	2-10%
Plant, fittings and equipment	10-33%
Motor vehicles	25%

At the balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use. Any impairment loss is recognised immediately as an expense. Assets are stated net of any provision for impairment.

Intangible assets – player registrations

Payments made to third parties in order to acquire a player's registration are capitalised at cost. The cost is then amortised during the year on a straight-line basis over the period of the player's contract. Where a player's contract is renegotiated before its expiry, the unamortised balance of the original capitalised cost is then amortised over the term of the new contract together with any costs associated with the renegotiation. In the event of the disposal of a player's registration, the unamortised cost of acquiring the registration is deducted from the net proceeds of disposal to arrive at a profit or loss on disposal.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies

Intangible assets – player registrations (continued)

Future payments for the acquisition of a player's registration, which may become due dependent on the performance of the team and/or the individual player, are recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these payments will eventually be made. Payments not considered as probable are not recognised in acquisition costs but are disclosed in the financial statements as contingent liabilities (see note 27). Payments which are considered to be remote are not disclosed in the financial statements.

Similar terms may exist in contracts for the sale of players' registrations but such payments are not recognised as part of the proceeds of disposal until the event upon which the payment is dependent is known to have occurred.

At the balance sheet date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use. Any impairment loss is recognised immediately as an expense.

Players on loan

Fees receivable for players on loan, over and above the reimbursement of salary costs, are recognised within profit/loss on the disposal of players.

Signing on fees

Signing on fees payable under an employment contract are accounted for on an earnings basis. Where such fees are payable in equal annual instalments, under Football League and FA Premier League regulations, they are charged to the profit and loss account evenly over the period of the player's contract. In the event of the player's registration being sold, the balance of any signing on fees paid or payable to a player is treated as a cost of disposal of the registration.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an operating cost of goods sold in the period in which the related turnover is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required, the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

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 taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on enacted or substantively enacted current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies

Pension costs

The Company makes contributions on behalf of employees and directors to a number of independently controlled defined contribution and money purchase schemes. Contributions are charged to the profit and loss account over the period to which they relate.

In addition, the Company is making contributions in respect of its share of the deficit of The Football League Pension and Life Assurance Scheme (the "Scheme"). Contributions are charged to the profit and loss account as soon as they are claimed by the Scheme. This is a multi-employer scheme therefore the liability recognised in the balance sheet in respect of the Scheme represents the Company's liability for the contributions payable for its share of the deficit.

The assets of all schemes are held in funds independent from the Company.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

Exceptional items

Exceptional items are charges and credits which are a non-recurring item that is outside the Company's normal course of business and material by size or nature. Adjustments have been made for specific costs associated with such transactions that have occurred during the financial year.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies (continued)

(i) Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Company. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

Investment in subsidiary company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Company owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

1. Accounting Policies (continued)

d) Critical accounting judgements and estimates

The Company makes estimates and assumptions concerning the future. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below, albeit such a risk is not expected to arise in the coming financial year. There are no critical judgements, but there are certain critical estimates which are set out below.

(i) Impairment of intangible assets

The Company considers whether intangible assets are impaired. Where an indication of impairment is identified the recoverable value of the cash generating units ("CGUs") is required to be determined. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Any players outside of the CGU are assessed for impairment on an individual basis.

(ii) Provisions

Provisions are made for contingent amounts payable under the terms of transfer agreements. These provisions require management's best estimate of the costs that will be incurred based on contractual agreements and the deemed likelihood of the trigger event occurring. Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot reliably be measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are not disclosed in the financial statements if the probability of an outflow of resources is remote.

(iii) Interest rate

During the year the Company had trade creditors with extended payment terms. These are initially measured at the present value of their future cash flows and subsequently at amortised cost over the period of repayment. Where the periods of repayment are determinable, an estimate of the interest rate to be used has to be made. The present value of these, and subsequent implied interest expense, could be materially different as a result of this estimate. Similarly, fluctuations in interest rates will impact the value of payables disclosed in the financial statements.

2. Turnover

An analysis of turnover by class of business is provided below. All turnover is derived in the United Kingdom.

	2023 £000	2022 £000
Match receipts and related football activities	40,267	40,852
Broadcast and central sponsorship distributions	147,584	163,620
Commercial activities	34,534	34,266
Retail and merchandising	12,976	13,053
	<u>235,361</u>	<u>251,791</u>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

3. Exceptional Items

	2023 £000	2022 £000
Stadium lease penalty clause	*3,941	2,588
	<u>3,941</u>	<u>2,588</u>

The Stadium lease penalty clause relates to the sale of shares in the ultimate parent company, WH Holding Limited, to 1890s holdings a.s which triggered a further payment under the Concession Agreement to the owners of the stadium, E20 Limited. This clause has subsequently lapsed.

*The stadium lease penalty clause payment made in March 2023 is being contested.

4. Operating (Loss)/profit

Company operating (loss)/profit is stated after charging/(crediting) the following:

	2023 £000	2022 £000
Employment costs (note 5)	135,343	134,397
Premier League Youth Academy grant income	(1,160)	(1,161)
Loss on translation of foreign currency	600	288
Amortisation of intangible fixed assets (note 11)	65,306	48,825
Depreciation on tangible fixed assets (note 12)	2,440	3,104
Fees payable to the Company's auditors for the audit of the Company's financial statements	100	90
Operating leases – land and buildings	3,569	3,646
Operating leases – plant and machinery	48	68

5. Staff Costs, Emoluments and Employees

	2023 £000	2022 £000
Wages and salaries	117,490	117,551
Social security costs	17,576	16,606
Other pension costs	277	240
	<u>135,343</u>	<u>134,397</u>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

5. Staff Costs, Emoluments and Employees (continued)

	<u>Number</u>	<u>Number</u>
	2023	2022
Average monthly number of persons employed (including directors)		
Players, team management & training	131	132
Commercial & administrative	221	238
	<hr/>	<hr/>
	352	370
Part-time employees	438	356
	<hr/>	<hr/>
	790	726
	<hr/>	<hr/>
	2023	2022
	£000	£000
	<hr/>	<hr/>
Aggregate Directors' emoluments	2,046	2,910
	<hr/>	<hr/>
	2023	2022
	£000	£000
	<hr/>	<hr/>
Aggregate emoluments of highest paid director	1,357	2,240

There were no payments to directors for compensation for loss of office (2022: £nil).

6. Profit on Disposal of Players

	2023	2022
	£000	£000
Profit on sale of players	16,980	709
	<hr/>	<hr/>
	16,980	709
	<hr/>	<hr/>

7. Interest Receivable and Similar Income

	2023	2022
	£000	£000
Bank and other interest receivable	579	92
	<hr/>	<hr/>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

8. Interest Payable and Similar Expenses

	2023 £000	2022 £000
Interest payable on secured loans	6,722	6,284
Interest on loans from shareholders	-	835
Other finance costs	750	505
Implied interest on transfer fees payable with extended payment terms	11,553	-
	<u>19,025</u>	<u>7,624</u>

The Implied interest charge represents the cost of discounting future transfer fees payable to present value as required by FRS102.

9. Tax on Loss/Profit

As at 31 May 2023 cumulative unrecognised tax losses available to carry forward against future trading profits were £129,785,211 (2022: £135,497,636). Refer to note 21 for the associated unprovided deferred tax asset.

There is no tax charge for the current year, however a tax credit arises due to losses carried back.

The standard rate of corporation tax in the United Kingdom is 20% (2022: 19.0%).

Factors affecting the corporation tax charge for the year are explained below.

	2023 £000	2022 £000
(Loss)/Profit before taxation	<u>(17,386)</u>	<u>13,315</u>
Tax (credit) on loss/charge @ 20.0% (2022: 19.00%) thereon	(3,477)	2,530
Expenses not deductible/income not taxable for tax purposes	3,347	2,339
Fixed asset timing differences	(33)	(37)
Adjustments to tax charge in respect of previous periods	(1,221)	-
Losses carried forward unrecognised	(1,078)	(4,159)
Other timing differences	(55)	1,075
Loss carried back	1,300	-
Corporation tax (repayment) / payable for the year	<u>(1,217)</u>	<u>1,748</u>

From 1 April 2023 the corporation tax rate increased to 25%. Deferred taxes at the balance sheet date have been measured using this tax rate and reflected in these financial statements.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

10. Investments

The Company acquired 100% of the share capital of West Ham United Women Football Club Limited on 1 June 2019 for £1, reflecting the value of the net assets acquired, from West Ham United Foundation.

Direct subsidiary undertakings comprise the following.

Company	Percentage of ordinary shares held	Country of incorporation and operation	Principal activities
West Ham United Women Football Club Limited	100%	Great Britain	Professional football club

The registered office of the subsidiary undertakings is London Stadium, Queen Elizabeth Olympic Park, London E20 2ST.

11. Intangible Assets

	Player Registrations £000
<u>Cost</u>	
1 June 2022	268,009
Additions	183,911
Disposals	(66,386)
	<u>385,534</u>
31 May 2023	
<u>Accumulated amortisation</u>	
1 June 2022	160,626
Charge for the year	65,306
Disposals	(59,136)
	<u>166,796</u>
31 May 2023	
<u>Net book value</u>	
31 May 2023	<u>218,738</u>
31 May 2022	<u>107,383</u>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

12. Tangible Assets

	Freehold land & buildings £000	Plant, fittings & equipment £000	Motor Vehicles £000	Total £000
<u>Cost or valuation</u>				
1 June 2022	27,487	18,739	100	46,326
Additions	1,037	784	-	1,821
Disposals	-	-	(10)	(10)
31 May 2023	28,524	19,523	90	48,137
<u>Accumulated depreciation</u>				
1 June 2022	6,726	14,457	70	21,253
Charge for the year	1,399	1,031	10	2,440
Disposals	-	-	(10)	(10)
31 May 2023	8,125	15,488	70	23,683
<u>Net book value</u>				
31 May 2023	20,399	4,035	20	24,454
31 May 2022	20,760	4,283	30	25,073

Montague Evans, independent Chartered Surveyors, undertook valuations of the freehold properties belonging to the Company as at 31 May 2021. A summary of valuations of the properties and the bases of valuation is set out below.

Property	Basis of valuation	£000
Chadwell Heath training ground	Depreciated replacement cost	10,147
Little Heath training ground	Depreciated replacement cost	458
Rush Green training ground	Depreciated replacement cost	3,751
Beckton Community Centre	Depreciated replacement cost	1,648

The historical cost equivalent of the revalued properties is £7,815,000.

13. Stocks

	2023 £000	2022 £000
Goods for resale	2,475	1,341

Stock expensed during the year was £7.2m (2022: £6.9m).

There is no significant difference between the replacement cost of goods for resale and their carrying amounts.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

14. Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade debtors	5,753	4,153
Amounts owed by Group undertakings	3,532	2,234
Debtors arising from player transfers	9,397	4,627
Other debtors	3,520	2,683
Corporation tax receivable	1,217	-
Prepayments and accrued income	8,709	13,794
	<u>32,128</u>	<u>27,491</u>
Amounts falling due after more than one year:		
Debtors arising from player transfers	9,010	-
Prepayments and accrued income	13,813	13,964
	<u>22,823</u>	<u>13,964</u>

Amounts owed by Group undertakings are interest free and repayable on demand.

Prepayments and accrued income due after more than one year relate primarily to an advanced one-off usage fee of £15,000,000 paid to E20 Stadium LLP in respect of use of the London Stadium in July 2016. The fee is being released to the profit and loss account on a straight-line basis over the term of the 99-year lease.

15. Creditors

	2023 £000	2022 £000
<u>Amounts falling due within one year</u>		
Trade Creditors	4,765	4,755
Amounts owed to Group undertakings	36,354	36,354
Amount owed to parent company	176,306	176,306
Corporation Tax payable	-	1,748
Other Taxation and social security	14,827	15,949
Creditors arising from player transfers	81,523	36,581
Other creditors	2,521	5,088
Receipts in advance	12,935	17,229
Accruals and deferred income	13,364	26,895
	<u>342,595</u>	<u>320,905</u>
<u>Amounts falling due after more than one year</u>		
Debtore loans (note 16 & 17)	611	611
Bank loans and overdrafts (note 16)	55,000	55,000
Creditors arising from player transfers	89,016	44,912
Other creditors	2,076	2,668
	<u>146,703</u>	<u>103,191</u>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

15. Creditors (continued)

The undiscounted value of creditors arising from player transfers due within one year is £82.0m and due after more than one year is £98.5m. The net charge to the profit and loss account resulting from the discounting of player transfer creditors is £4.8m.

Creditors arising from player transfers include a total of £14.0m payable to two Russian football clubs. The Club is currently prevented from making these payments due to the sanctions imposed by the UK Government.

The long-term bank loan of £55.0m was initially drawn down on 17 March 2021 from a £95.0m five-year facility provided by MSD Holdings Limited.

The loan was repaid in full in August 2023 and the fixed and floating charges held over the assets of the Club were released on 14 August 2023.

Amounts owed to Group Undertakings consist of legacy balances from a restructuring of the company and other members of the same Group. Interest is not chargeable on these amounts.

16. Total Borrowings

	2023 £000	2022 £000
Debenture loans and subscriptions repayable after five years or more (notes 15&17)	611	611
Secured loan repayable after greater than one year	55,000	55,000
	<u>55,000</u>	<u>55,000</u>

17. Debenture Loans and Subscriptions

The balance of £611,000 comprises both full and part payments towards the purchase of debentures under the Hammers Bond Scheme in 1991-92.

	2023 £000	2022 £000
97 'A' bonds	49	49
641 'B' bonds	481	481
70 'C' bonds	68	68
Part payments	13	13
	<u>611</u>	<u>611</u>

Under the terms and conditions of the scheme, the debentures are repayable at par after 150 years. The debentures are non-interest bearing and are unsecured.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

18. Bank and other loans

The secured loan provided by MSD Holdings Limited was repaid in August 2023 and the charge held over the assets of the Club subsequently released.

19. Provisions for Liabilities – Cost of Player Registrations

	2023 £000	2022 £000
At start of the year	1,026	34
Utilised in the year	(6,711)	(35)
Released in the year	-	-
Provided in the year	21,683	1,027
At end of the year	<u>15,998</u>	<u>1,026</u>

The above provision represents contingent amounts payable under the terms of transfer agreements which are deemed likely to be paid. The movement in the year is driven by the significant investment in the playing squad during the summer and winter transfer windows.

20. Provisions for Liabilities – Deferred Taxation

The amount of deferred taxation provided in the financial statements is as follows:

	2023 £000	2022 £000
Fixed asset timing differences	(530)	(519)
Other timing differences	2,617	2,606
Surplus on revaluation of properties	(2,087)	(2,087)
Total deferred tax asset/(liability)	<u>-</u>	<u>-</u>

The amount of potential deferred taxation not provided in the financial statements is as follows:

	2023 £000	2022 £000
Unprovided deferred tax asset	<u>32,446</u>	<u>33,874</u>

21. Called up Share Capital

	2023 £000	2022 £000
<u>Allotted and fully paid</u>		
11,000,000 (2022: 11,000,000) ordinary shares of 50 pence each	<u>5,500</u>	<u>5,500</u>

Ordinary shares have full voting and dividend rights. No dividends were paid during the year.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

22. Share Premium Account

	2023 £000	2022 £000
At start and end of the financial year	<u>4,847</u>	<u>4,847</u>

23. Revaluation Reserve

	2023 £000	2022 £000
At start of the financial year	3,936	3,936
Surplus on revaluation of properties	-	-
At end of the financial year	<u>3,936</u>	<u>3,936</u>

24. Profit and Loss Account

	2023 £000	2022 £000
At the start of the year	(167,670)	(179,237)
(Loss)/profit for the financial year	(16,169)	11,567
At the end of the year	<u>(183,839)</u>	<u>(167,670)</u>

25. Reconciliation of Movements in Shareholders' Deficit

	2023 £000	2022 £000
At the start of the year	(153,387)	(164,954)
(Loss)/profit for the financial year	(16,169)	11,567
Closing shareholders' deficit	<u>(169,556)</u>	<u>(153,387)</u>

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

26. Operating Lease Commitments

At 31 May 2023 the Company was committed to making the following annual payments in respect of operating leases.

	2023 £000	2022 £000
<u>Land and buildings</u>		
Expiring within one year	4,140	3,681
Expiring within two to five years	15,705	14,340
Expiring more than five years	340,443	307,720
	<u>360,288</u>	<u>325,740</u>
 <u>Other operating leases</u>		
Expiring within one year	12	17
Expiring within two to five years	50	12
	<u>62</u>	<u>29</u>
	<u>360,350</u>	<u>325,664</u>

The Company had no other commitments at 31 May 2023 (2022: £nil).

27. Contingent Liabilities & Guarantees

There is an ongoing HMRC investigation in relation to agents' fees which commenced on 26 April 2017. Although the associated criminal investigation has been terminated, a civil compliance investigation is still open. The outcome of which, potential quantum of any liability, and timing of resolution are still unknown, and hence no provision has been made in the accounts. The Club continues to defend its position and considers any potential claim received under the civil compliance investigation to be invalid.

In common with other Group companies, the Company is party to a Group VAT registration whereby each member company guarantees the liability to VAT of the other members.

Under the terms of transfer agreements for certain players, additional transfer fees might be payable dependent on the success of the football club or those players making a certain number of club or international appearances. At the balance sheet date, the unprovided contingent liability was £4,380,000 (2022: £6,225,000).

Other than with regard to the potential contingent liability in respect of additional transfer fees, contingent liabilities are not expected to give rise to any material losses.

28. Contingent Assets

Under the terms of certain contracts for the sale of players' registrations, future payments may be received over a number of years, dependent on the future performance of the players sold and the future success of the buying clubs. At this stage, it is impractical to quantify the likely financial effect of these provisions or to state with any degree of certainty that any payments will be received. Accordingly, no further disclosure is made.

WEST HAM UNITED FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2023

(continued)

29. Post Balance Sheet Events

The transfer of player registrations completed subsequent to 31 May 2023 amount to a net £4,678,000 (inclusive of player related agent fees) payable by the Company over the long and short-term (2022: £155,092,000 payable). A further net £12,629,000 (2022: £18,087,000) may become payable contingent on certain future events.

A future transfer fee receivable of £30m due on 31 July 2024 was accelerated without recourse via Barclays Bank PLC on 27 September 2023. The value of cash received after deduction of interest charges was £28.2m

The loans with MSD Holdings Limited were repaid in full by settlements of £40,000,000 and £15,000,000 made on 2 August 2023 and 7 August 2023 respectively. A final interest charge of £945,322 was also paid on 7 August 2023. Following the loan repayments, charges held by MSD Holdings Limited over assets of the Club were released on 14 August 2023.

The Company entered into a short-term overdraft facility agreement with Barclays Bank on 29 August 2023. The £30m facility is in place until 15th July 2024 and is secured, subject to retaining Premier League status and by a fixed and floating charge on the assets of the Club. The facility includes an ability to extend the borrowing to £40m in certain months.

The Club paid a delayed player loan fee of £430,828 on 7 June 2023 to Spartak Moscow in respect of Alex Kral. Interest of £21,144 was also paid. This payment had previously been forbidden due to the sanctions imposed after Russia's illegal invasion of Ukraine, but was settled following a change of ownership at the Club and an instruction received from FIFA. Payment was made within the legislative framework and with approval from the club's bankers.

30. Pension Scheme

Eligible staff are members of the Football League Limited Pension and Life Assurance Scheme which is a defined contribution scheme with a defined benefit section. The assets of the scheme are held separately from those of the Company, the defined contribution section being invested with an insurance company and the defined benefit section with professional investment managers.

Until 31 August 1999 the Football League Limited Pension and Life Assurance Scheme had been a defined benefit scheme. Following an actuarial funding review of the scheme, the scheme actuary identified a substantial deficit and accrual of benefits was suspended with effect from 31 August 1999. Thereafter, the defined contributions section was established for future contributions on behalf of members.

Under UK pensions legislation, participating employers to the scheme, including the Company, are required to contribute to the deficit in accordance with an agreed schedule of contributions. Following the actuarial valuation as at 31 August 1999 a schedule of contributions was put in place in July 2001 to pay off the deficit disclosed.

Following last year's valuation, the Company's total contribution towards the deficit was calculated as £2,701,000. Legislation permits participating employers to make good any deficit over an extended period and so the revised schedule provides for the balance of contributions to be paid between September 2017 and August 2023. The liability outstanding at 31 May 2023 was £1,992,993 (2022: £2,436,912) owed by the Company.

Total pension costs charged under other defined contribution schemes during the year amounted to £295,432 (2022: £241,900).

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NOTES TO THE FINANCIAL STATEMENTS

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(continued)

31. Ultimate Controlling Party

At the balance sheet date, the issued share capital of the ultimate parent company WH Holding Limited was held as follows;

	2022-23	2021-22
David Sullivan	38.8%	38.8%
Daniel Kretinsky	27.0%	27.0%
David Gold (Deceased)*	25.1%	25.1%
J Albert Smith	8.0%	8.0%
Other investors	1.1%	1.1%

As a consequence, no single party has ultimate control over the Company.

*Shares held by the Estate of David Gold.

Additional copies of these financial statements can be obtained by writing to the address shown below:

The Company Secretary
WH Holding Limited
London Stadium
Queen Elizabeth Olympic Park
London E20 2ST

32. Related Party Disclosures

David Sullivan and David Gold (deceased) both own interests in Telecom2 Limited, which is a telecommunications services provider to the Company. During the year ended 31 May 2023, the Company paid fees of £69,375 (2022: £98,315) to Telecom2 Limited for services procured. At 31 May 2023, a balance of £8,005 (2022: £5,291) was owed by the Company.

Sales of £368 (2022: £6,953) were made to Telecom 2 Limited during the year. At 31 May 2023, the balance outstanding was £0 (2022: £3,113).

Sales of £26,886 (2022: £4,540) to Conegate Limited, a company wholly owned by David Sullivan were made during the year. The balance had been received in full by 31 May 2023. Additional costs of £4,385 were incurred on Conegate Limited's behalf during the financial year and recharged after the year end date.

During the year, sales of £120 (2022: £6,065) were made to Daniel Harris, a Director of WH Holding Limited. The balance had been settled in full by 31 May 2023 (2022: £4,031).