

Company Registration No. 66516

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

Report and Financial Statements

31 May 1998



WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 May 1998.

Principal Activity

The company changed its name from West Ham United plc to West Ham United Football Club plc on 24 February 1998

The principal activity of the company is that of a professional football club as a member of The Football Association and The FA Premier League.

Results and Dividends

The results of the company are as set out in the profit and loss account on page 6.

The directors do not propose the payment of a dividend (1997 - nil)

Review of the Company's Activities

The team finished eighth in The FA Premier League, its highest position for twelve seasons, and reached the quarter finals of both the FA Cup and the Coca Cola Cup.

The team's success contributed to improved financial results with turnover up 38% from £15.3 million to £21.1 million and operating profit before transfer fees up 138% from £1.7 million to £4.0 million.

The company continues to strengthen the playing squad and is hopeful that this investment will result in further success in future.

Directors and their Interests

The directors who held office during the year are as follows. All the directors continue in office at the date of this report.

TW Brown
MW Cearn
PJ Storrie
CJ Warner
N Igoe (appointed 28 August 1997)
PM Aldridge (appointed 30 October 1997)

None of the directors had a beneficial interest in the shares of the company. The directors' beneficial interests in the shares of the parent company, West Ham United plc, are disclosed in that company's report and financial statements.

Set out below are the directors' beneficial interests in 'C' class debentures in the company.

	31 May 1997 & 31 May 1998
TW Brown	2
MW Cearn	2
CJ Warner	6
PJ Storrie	2

WEST HAM UNITED FOOTBALL CLUB PLC

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DIRECTORS' REPORT

(continued)

Playing Squad

In the opinion of the directors the value of the playing squad at 31 May 1998 amounted to approximately £52 million (1997 - £31 million). Insurance cover for this amount, subject to adjustment for post year end transfers, is in place for the 1998/99 season.

Year 2000 Compliance

Many computer and digital storage systems express dates using only the last two digits of the year and thus require modification or replacement to accommodate the transition from 1999 to 2000 in order to avoid malfunction and consequent commercial disruption.

The directors fully recognise the potential risks associated with this issue and are taking steps to ensure that the group is prepared for the transition. The costs associated with the transition are not considered to be significant.

Payment of Suppliers

The Companies Act 1985 (Directors' Report) (Statement of Payment Practice) Regulations 1997 require the company to make a statement of its policy on the payment of creditors.

The company seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment which will be agreed with suppliers when the details of each transaction are settled. The company will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders.

At 31 May 1998 the aggregate amount owed to trade creditors, as a proportion of the aggregate amounts invoiced by suppliers to the company during the year then ended, represented an average of 108 days' credit (1997 - 49 days). Average figures calculated on the basis laid down by the regulations bear little or no relation to actual days' credit taken as a result of the irregular pattern of invoiced supplies during the year.

Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors of the company and, accordingly, a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

By order of the board



N Igoo
Secretary

11 September 1998

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

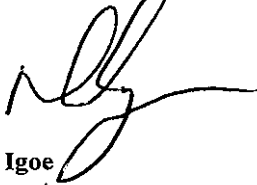
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

By order of the board



N Igoo
Secretary

11 September 1998

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

REPORT OF THE AUDITORS TO THE MEMBERS OF WEST HAM UNITED FOOTBALL CLUB PLC

We have audited the financial statements on pages 6 to 18, which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London EC4A 3TR

11 September 1998

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 1998

	Notes	1998 £000	1997 £000
Turnover			
Continuing operations		21,129	13,643
Discontinued operations		-	1,613
	2	<u>21,129</u>	<u>15,256</u>
Other operating income		22	-
Net operating expenses			
Net transfer fees	3	(5,727)	(6,657)
Other		(17,185)	(13,589)
Operating (loss)/profit			
Continuing operations		(1,761)	(5,610)
Discontinued operations		-	620
	4	(1,761)	(4,990)
Net interest payable	5	(693)	(633)
Loss for the financial year before and after taxation transferred from reserves	22	<u>(2,454)</u>	<u>(5,623)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998 £000	1997 £000
Loss for the financial year	(2,454)	(5,623)
Adjustment arising on revaluation of land and buildings	(10)	2,016
Realisation of revaluation surplus on disposal of land & buildings	(13)	-
Total recognised losses relating to the year	<u>(2,477)</u>	<u>(3,607)</u>

WEST HAM UNITED FOOTBALL CLUB PLC

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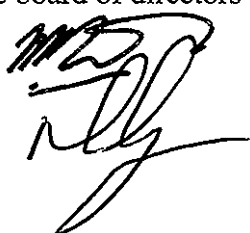
BALANCE SHEET

as at 31 May 1998

	Notes	1998 £000	1997 £000
Fixed assets			
Tangible assets	9	26,717	26,956
Investments	10	-	-
		<u>26,717</u>	<u>26,956</u>
Current assets			
Stocks – goods for resale		-	169
Debtors – due within one year	11	3,908	2,394
Debtors – due after more than one year	11	94	127
Cash at bank and in hand		1,428	5,216
		<u>5,430</u>	<u>7,906</u>
Creditors - amounts falling due within one year	12	(13,592)	(14,711)
Net current liabilities		<u>(8,162)</u>	<u>(6,805)</u>
Total assets less current liabilities		<u>18,555</u>	<u>20,151</u>
Creditors – amounts falling due after more than one year	12	(6,724)	(6,349)
Deferred grant income	17	(3,498)	(3,498)
Total net assets		<u>8,333</u>	<u>10,304</u>
Capital and reserves			
Called up share capital	19	5,500	54
Share premium account	20	4,847	4,392
Revaluation reserve	21	7,965	13,383
Profit and loss account	22	(9,979)	(7,525)
Total equity shareholders' funds	23	<u>8,333</u>	<u>10,304</u>

These financial statements were approved by the board of directors on 11 September 1998.

Signed on behalf of the board of directors



TW Brown

Director

N Igoe

Director

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

for the year ended 31 May 1998

1 Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards. The following are the accounting policies used by the company.

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

Turnover

Turnover represents all amounts received and receivable in respect of football matches played, goods sold and services provided during the year excluding value added tax.

Transfers

Transfer costs payable and fees receivable are dealt with in the year of registration of the players' transfer. Transfer costs include fees payable, resettlement expenses, termination payments and all other costs directly related to the transfer of players. Transfer costs or fees contingent on future events, for example team selection, are dealt with through the profit and loss account in the period in which they become payable or receivable.

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 year of departure, the balance of any signing on fees paid or payable to a player is charged to the transfer account.

Tangible fixed assets

Depreciation is not provided on freehold land. It is the group's policy to maintain all its properties in such a condition that the estimated residual value of buildings is at least equal to their book value. Consequently, any element of depreciation would, in the opinion of the directors, be immaterial. Depreciation in respect of all other fixed assets is provided at the followings rates on a straight line basis. The rates used are expected to write off the cost, less any estimated residual value, of each asset over its expected useful life.

Plant & equipment	15%
Motor vehicles	25%
Computer equipment	25%

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is the invoiced value of goods purchased for resale. Provision is made to reduce cost to net realisable value having regard to age, condition and saleability of stocks.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising, 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, to the extent that it is probable that a liability or asset will crystallise in the future.

Grants and deferred income

Grants receivable from the Football Trust and the former Football Grounds Improvement Trust in respect of capital expenditure are treated as deferred income and released to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. Deferred income in the balance sheet represents total grants receivable less amounts released to the profit and loss account.

WEST HAM UNITED FOOTBALL CLUB PLC

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NOTES TO THE ACCOUNTS

(continued)

Pension costs

Defined contribution arrangements are made for eligible employees of the company. The pension cost charged in the period represent contributions payable by the company to the relevant pension schemes.

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to 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 rates ruling at the dates of the transactions. 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.

2 Turnover

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

	1998 £000	1997 £000
<u>Continuing activities</u>		
Match receipts and related football activities	10,196	7,015
Television and FA Premier League distributions	8,437	4,308
Commercial activities	2,496	2,320
	<u>21,129</u>	<u>13,643</u>
<u>Discontinued activities</u>		
Retail and merchandising	-	1,613
	<u>21,129</u>	<u>15,256</u>

The directors have not provided an analysis of operating profit or net assets by class of business as they believe it would be prejudicial to the interests of the company to do so.

3 Net Transfer Fees

	1998 £000	1997 £000
Transfer fees receivable	5,425	7,909
Transfer fees payable	(11,152)	(14,566)
	<u>(5,727)</u>	<u>(6,657)</u>

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

4 Operating Loss

Operating loss is stated after charging/(crediting) the following.

	1998 £000	1997 £000
Employment costs (note 6)	10,984	8,298
Depreciation on tangible fixed assets (note 9):		
- owned assets	320	241
- assets held under hire and lease purchase contracts	20	16
Auditors' remuneration:		
- audit	16	15
- other services	68	25
Operating leases	45	46
Profit on disposal of fixed assets	(22)	-

5 Net Interest Payable

	1998 £000	1997 £000
Interest payable on bank loans and overdrafts and other loans	607	560
Hire purchase loan interest	45	77
Bill of exchange discounting costs	111	-
Interest on other loans	29	10
	<hr/> 792	<hr/> 647
Bank and other interest receivable	(99)	(14)
	<hr/> 693	<hr/> 633

6 Staff Costs and Employees

	1998 £000	1997 £000
Wages and salaries	9,895	7,449
Social security costs	1,001	790
Other pension contributions	88	59
	<hr/> 10,984	<hr/> 8,298
<u>Average number of persons employed</u>	Number	Number
Full time employees	116	113
Part time employees	22	23
	<hr/> 138	<hr/> 136

WEST HAM UNITED FOOTBALL CLUB PLC

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NOTES TO THE ACCOUNTS

(continued)

7 Directors' Emoluments

	1998 £000	1997 £000
Emoluments	525	256
Aggregate payments made to a defined contribution scheme	30	9
	<u>555</u>	<u>265</u>
<u>Emoluments of highest paid director</u>		
Emoluments	267	136
Aggregate payments made to a defined contribution scheme	15	-
	<u>282</u>	<u>136</u>
	Number	Number
Directors who are members of a defined contributions pension scheme	3	1

8 Taxation on Profit on Ordinary Activities

The tax charge in the year was nil (1997 – nil). As at 31 May 1998, cumulative tax losses available to carry forward against future trading profits were approximately £15,900,000 (1997 – £14,000,000) subject to agreement with the Inland Revenue.

9 Tangible Fixed Assets

	Freehold land & buildings £000	Plant, fittings & equipment £000	Motor vehicles £000	Total £000
<u>Cost or valuation</u>				
1 June 1997	25,825	2,086	181	28,092
Additions	10	145	191	346
Transfer to group company	(125)	(128)	-	(253)
Revaluation reserve	(10)	-	-	(10)
Disposals	-	(2)	(83)	(85)
31 May 1998	<u>25,700</u>	<u>2,101</u>	<u>289</u>	<u>28,090</u>
<u>Depreciation</u>				
1 June 1997	-	1,037	99	1,136
Charge	-	299	41	340
Transfer to group company	-	(41)	-	(41)
Disposals	-	(2)	(60)	(62)
31 May 1998	<u>-</u>	<u>1,293</u>	<u>80</u>	<u>1,373</u>
<u>Net book value</u>				
31 May 1998	<u>25,700</u>	<u>808</u>	<u>209</u>	<u>26,717</u>
31 May 1997	<u>25,825</u>	<u>1,049</u>	<u>82</u>	<u>26,956</u>

WEST HAM UNITED FOOTBALL CLUB PLC

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NOTES TO THE ACCOUNTS

(continued)

9 Tangible Fixed Assets (continued)

Edward Symmons Hotel & Leisure, Chartered Surveyors, undertook a valuation of the stadium and adjoining land belonging to the company as at 21 August 1997 the results of which have been reflected in these accounts. No separate valuation of land was undertaken

A summary of previous valuations of the stadium and adjoining land is set out below.

Date of valuation	Valuation £000
July 1991	11,210
May 1995	24,799
August 1997	25,700

The comparable amounts for freehold land and buildings determined according to the historical cost convention are costs of £12,770,000 (1997 – £12,873,000) and accumulated depreciation of £1,370,000 (1997 – £1,154,000).

The Boleyn Ground land and buildings and adjoining land are charged firstly to Barclays Bank PLC and secondly to Bank of Scotland.

The net book value of the company's assets includes £1,012,000 (1997 – £962,000) in respect of assets held under hire and lease purchase contracts.

10 Investments held as Fixed Assets

At 31 May 1997 the company's investment in its wholly owned subsidiary, Thames Iron Works and Shipbuilding Company Limited (formerly The Thames Ironworks, Shipbuilding and Engineering Company Limited, formerly West Ham United (Chadwell Heath) Limited), a company incorporated in England and Wales whose principal activity is property ownership and management, was included at cost of £2. The shares in this company were transferred to West Ham United plc (formerly West Ham Holdings plc) in February 1998.

11 Debtors

	1998 £000	1997 £000
<u>Due within one year</u>		
Trade debtors	773	554
Amounts owing by group company	1,243	898
Other debtors	339	592
Prepayments and accrued income	1,553	350
	<u>3,908</u>	<u>2,394</u>
<u>Due after more than one year</u>		
Prepayments and accrued income	<u>94</u>	<u>127</u>

In 1994 the company entered into an interest rate cap agreement which effectively limits the maximum rate of interest payable on a significant part of the company's borrowings. The company paid a premium to acquire the capping agreement of which £127,000 (1997 – £156,000) is included in prepayments. The premium is amortised over the ten year life of the cap.

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

12 Creditors

	1998 £000	1997 £000
<u>Due within one year</u>		
Bank loans (notes 13 & 15)	251	319
Bills of exchange payable	2,005	-
Obligations under hire and lease purchase contracts (notes 13 & 16)	241	206
Trade creditors	1,215	668
Amounts owing to group company	711	-
Taxation and social security	1,974	1,894
Season ticket and other receipts in advance	4,828	3,260
Other creditors	1,852	7,608
Accruals	515	756
	<u>13,592</u>	<u>14,711</u>
<u>Due after more than one year</u>		
Debenture loans and subscriptions (notes 13 & 14)	612	612
Bank loans (notes 13 & 15)	5,004	5,246
Bills of exchange payable	625	-
Obligations under hire and lease purchase contracts (notes 13 & 16)	333	491
Other creditors	150	-
	<u>6,724</u>	<u>6,349</u>

13 Total Borrowings

	1998 £000	1997 £000
Debenture loans and subscriptions repayable after 5 years or more	612	612
Bank loans repayable:		
Within 1 year or on demand	251	319
Between 1 and 2 years	258	244
Between 2 and 5 years	817	732
After 5 years or more	3,929	4,270
	5,255	5,565
Obligations under hire purchase contracts repayable:		
Within 1 year	241	206
Between 1 and 5 years	333	491
	574	697
	<u>6,441</u>	<u>6,874</u>

WEST HAM UNITED FOOTBALL CLUB PLC

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NOTES TO THE ACCOUNTS

(continued)

14 Debenture Loans and Subscriptions

The balance of £612,000 comprises both full and part payments towards the purchase of debentures under the Hammers Bond Scheme. Under the terms of the issue the definitive certificate can only be issued once payment has been received in full. At 31 May 1997 and 1998 the following applications had been received.

	1998 £000	1997 £000
97 'A' bonds	49	49
641 'B' bonds	481	481
70 'C' bonds	68	68
Part payments	14	14
	<u>612</u>	<u>612</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.

15 Bank Loans

The loans held by the company and in respect of which an amount is repayable after more than five years include the following:

Term of loan	Date of termination	Frequency of repayments	Interest rate
10 years	February 2004	Monthly instalments	Base rate plus 2.5%
20 years	January 2015	Quarterly instalments	LIBOR plus 2.5%
20 years	June 2014	Monthly instalments	Base rate plus 1.0%
20 years	March 2016	Monthly instalments	Base rate plus 1.0%

The bank loans and overdraft are secured by legal charges on the Boleyn Ground land and buildings and the adjoining land and debentures over all the assets and undertaking of the company in favour of Barclays Bank plc and Bank of Scotland.

16 Obligations Under Hire and Lease Purchase Contracts

Obligations under hire and lease purchase contracts are in respect of certain assets of the company and are secured on the assets themselves. One of the contracts is additionally secured by a charge over certain debts of the company.

17 Deferred Grant Income

Grant income has been received from the Football Trust against approved capital projects and is not repayable. It is the group's policy to release deferred income to the profit and loss account so as to match the depreciation charged on the fixed assets purchased with the grant. However, since the group maintains all its properties in such a condition that the estimated residual value of buildings is at least equal to their book value no depreciation is currently being provided on freehold buildings. Consequently, no deferred grant income has been released to profit and loss account in either the current or preceding accounting periods.

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

18 Provisions for Liabilities and Charges – Deferred Taxation

No provision has been made for deferred taxation as, in the opinion of the board, no liability is likely to crystallise in the foreseeable future. The amount of potential deferred taxation not provided in the accounts is as follows.

	1998 £000	1997 £000
Capital allowances in excess of depreciation	878	826
Other timing differences	(34)	(29)
	<hr/> 844	<hr/> (797)
Less unutilised tax losses	(844)	(797)
Surplus on revaluation of properties	2,668	3,087
	<hr/> 2,668	<hr/> 3,087
Unprovided deferred tax liability	<hr/> <hr/> 2,668	<hr/> <hr/> 3,087

19 Called up Share Capital

		1998 £000	1997 £000
<u>Authorised</u>			
11,000,000 ordinary shares of 50 pence each		<hr/> 5,500	<hr/> 5,500
	<i>Number of shares</i>		
<u>Called up, allotted and fully paid</u>			
1 June 1997	108,987	54	50
99 for 1 bonus issue	10,789,713	5,395	-
Shares issued pursuant to placing	101,300	51	4
	<hr/> 11,000,000	<hr/> 5,500	<hr/> 54
31 May 1998		<hr/> <hr/> 5,500	<hr/> <hr/> 54

Pursuant to a resolution passed at an Extraordinary General Meeting of the company held on 19 March 1997, on 24 June 1997 the company made a bonus issue by the capitalisation of £5,394,856 standing in the company's revaluation reserve, by paying up in full 10,789,713 unissued ordinary shares of 50 pence each and by the distribution of 99 new ordinary shares of 50 pence each for each one existing ordinary share.

On 3 November 1997 the company allotted 101,300 ordinary shares of 50 pence each with an aggregate nominal value of £50,650 for a consideration of £5 per share, representing £506,500 in total.

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

20 Share Premium Account

	1998 £000	1997 £000
1 June 1997	4,392	-
Shares issued pursuant to placing	456	4,489
Share placing expenses	(1)	(97)
31 May 1998	<u>4,847</u>	<u>4,392</u>

21 Revaluation Reserve

	1998 £000	1997 £000
1 June 1997	13,383	11,367
Adjustment arising on revaluation of land and buildings	(10)	2,016
Bonus issue	(5,395)	-
Realisation of revaluation surplus on disposal of land and buildings	(13)	-
31 May 1998	<u>7,965</u>	<u>13,383</u>

22 Profit and Loss Account

	1998 £000	1997 £000
1 June 1997	(7,525)	(1,902)
Loss for the year	(2,454)	(5,623)
31 May 1998	<u>(9,979)</u>	<u>(7,525)</u>

The profit and loss account can be analysed as follows.

	1998 £000	1997 £000
Accumulation of profits	13,947	7,788
Transfer fees paid for current playing staff at year end	(23,926)	(15,313)
	<u>(9,979)</u>	<u>(7,525)</u>

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

23 Reconciliation of Movements in Shareholders' Funds

	1998 £000	1997 £000
Loss for the year	(2,454)	(5,623)
Shares issued pursuant to placing	507	4,493
Share placing expenses	(1)	(97)
Adjustment arising on revaluation of land and buildings	(10)	2,016
Realisation of revaluation surplus on disposal of land and buildings	(13)	-
Net increase in shareholders' funds	(1,971)	789
Opening shareholders' funds	10,304	9,515
Closing shareholders' funds	8,333	10,304

24 Capital Commitments

	1998 £000	1997 £000
Contracted for but not provided in the financial statements	988	-

25 Operating Lease Commitments

At 31 May 1998 the company was committed to making the following payments in respect of operating leases.

	1998 £000	1997 £000
<u>Land and buildings</u>		
Expiring after five years	11	11
<u>Other operating leases</u>		
Expiring within one year	9	-
Expiring within two to five years	100	44
	109	44
	120	55

WEST HAM UNITED FOOTBALL CLUB PLC

(formerly West Ham United plc)

NOTES TO THE ACCOUNTS

(continued)

26 Contingent Liabilities

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due dependent on the success of the team and/or the individual players. Similar terms exist in contracts for the sale of players' registrations.

Under a group banking facility, the company has guaranteed certain bank overdrafts and loans of other group companies. At 31 May 1998 there were no balances outstanding on these overdrafts and loans.

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.

Contingent liabilities are not expected to give rise to any material losses.

27 Post Balance Sheet Events

Net transfers completed subsequent to 31 May 1998 amounted to £1,831,000 payable to the company.

28 Pension Scheme

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

Total pension costs charged during the year amounted to £88,000 (1997 - £59,000).

29 Related Party Transactions

Mr Charles Warner, a director of the company, is also a partner in the firm of Messrs Warners, Solicitors, which undertook legal work on behalf of the company in the course of the year. Fees paid to Messrs Warners in respect of these services totalled £28,724.

In accordance with the exemption permitted by Financial Reporting Standard 8 (Related Party Transactions), transactions between group companies have not been disclosed.

30 Ultimate Parent Company

In the opinion of the directors the ultimate parent company and controlling party is West Ham United plc, registered in England and Wales number 3407691. Copies of the group financial statements of West Ham United plc are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.