

Company Registration Number 5993863

WH HOLDING LIMITED

Annual Report and Financial Statements

For the year ended 31 May 2022



WH HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 May 2022

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WH HOLDING LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

| | |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors | David Sullivan Daniel Kretinsky (appointed 12 November 2021) David Gold Baroness Brady Andy Mollett Daniel Harris J Albert Smith Daniel Cunningham (appointed 12 November 2021) Jack Sullivan (appointed 16 November 2021) David K E Sullivan (appointed 12 November 2021) Pavel Horsky (appointed 12 November 2021, resigned 25 August 2022) Jiri Svarc (appointed 25 August 2022) |
| Company Secretary | Andy Mollett |
| Registered Office | London Stadium Queen Elizabeth Olympic Park London E20 2ST |
| Company Registration Number | 5993863 |
| Independent Auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH |
| Bankers | Barclays Plc 1, Churchill Place London EC14 5HP |

WH HOLDING LIMITED

STRATEGIC REPORT for the year ended 31 May 2022

The directors present their annual report together with the audited financial statements of the Group for the year ended 31 May 2022.

Principal Activities

The principal activity of the Company is to act as a holding company. The principal activity of the Group 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 Group are as set out in the consolidated statement of comprehensive income on page 27.

The shareholders remain focused on the growth and success of West Ham United, and the new investment made during the year will facilitate these aims.

In line with the strategic decision taken when the majority shareholders acquired the Club in 2010 to re-invest all surplus into the squad and infrastructure, and in keeping with all the years since they took ownership in 2010, the directors do not propose the payment of a dividend (2021: £nil).

The consolidated balance sheet can be found on page 28 and shows that the total shareholders' deficit has decreased from 31 May 2021 by £134.1m. This is now a surplus of shareholder funds due to the profit for the financial year and the new equity investment of £125.0m during the year.

Review of the year

This has been an exciting season as we moved away from COVID restrictions and enjoyed a successful year both in the Premier League and in our first European campaign for twenty years, reaching the semi-final in the latter.

The Club once again made the strategic decision to provide funds in line with the requirements of the Manager to enhance the squad during the 2021-22 transfer window. This strategy proved to be successful as we were able to secure our core aim of maintaining our Premier League status for an eleventh 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 a 7th place and in doing so qualified for the Europa Conference League qualifying stages, an immense achievement on both fronts. The club also took the decision to retain all key players for the 2022-23 season.

As opposed to last season, when the financial effect of COVID was significant because of the lack of gate and corporate income due to the games all being played behind closed doors without fans attending, the club has enjoyed a full season of games with fans, who we were delighted to see return, including extra games from our participation in the Europa League and domestic cup competitions.

The club has an ongoing insurance claim in progress in respect of the interruption to business suffered as a result of the COVID-19 pandemic, although the outcome of this is not yet known. A payment of £2.5m was received in 2020-21 in respect of the same insurance claim against financial losses arising from the COVID-19 pandemic.

WH HOLDING LIMITED

STRATEGIC REPORT for the year ended 31 May 2022 (continued)

Review of the year (continued)

Turnover at £252.7m was up £60.0m on last year, with all areas of the club driving income including match income, commercial income and retail income.

Broadcasting revenue of £163.6m this year includes all of the Europa League income, the positional fee awarded for finishing 7th in the Premier League and facility fees for having been selected for 23 'live' Premier League matches. Last year's broadcasting income included the deferral of the last nine games from the previous season into financial year 2020-21, the recognition of facility income for these nine 'live' matches and the positional fee for finishing 6th.

Match income at £41.3m is £40.8m higher this year (last season's games were played behind closed doors) boosted by the extra Europa League games.

Commercial income at £34.7m also reflects a whole season with fans present in corporate hospitality and the extra games, against £19.4m last season which was predominantly sponsorship and partnership income, and no hospitality income.

Retail at £13.0m is £3.4m higher than last year, as all outlets were open throughout the season, notably the stadium store which performed especially well on the Europa League nights.

The primary reason for the change to a profit of £10.5m from the net loss for the year of £26.5m, a positive movement of £37.0m, is the increase in turnover noted above, lower amortization and lower interest costs, partially offset by higher player and staff costs, and lower profit on disposal of players.

There has been negligible impact of COVID in the 2021-22 season.

Last season, the total estimated impact on the Club's financial results, caused by the COVID-19 pandemic and the resultant inability to have supporters in the Stadium which followed a suspended season, was to increase the loss for the year by £12.5m.

On the pitch, under the guidance of football management, the team put in some very strong performances throughout the season, finishing the season in 7th place and ultimately reaching the semi-finals of the Europa League. In domestic cup competitions we reached the fifth round of the FA cup and the quarter finals of the Carabao cup.

There was also progress across the Club as the West Ham United Women's first team continued to make positive forward strides. The team achieved their highest Womens Super League points tally since the Club turned professional in 2018-19, as well as enjoying impressive runs in both domestic cup competitions, reaching the semi-final of the Vitality Women's FA Cup and the quarter-final of the Continental Tyres League Cup.

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STRATEGIC REPORT for the year ended 31 May 2022 (continued)

Review of the year (continued)

The continued improvements following the redevelopment project at Chadwell Heath ahead of the 2021-22 season highlighted the Club's continued commitment to providing an environment of excellence for the current and future generations of players, with the women's team continuing to benefit from the newly refurbished environment.

The pathway from the Club's revered Academy of Football remains as strong as ever, demonstrated by recent debuts of Academy players in last season's Europa 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.

The Club continues to make a positive impact across our community alongside the West Ham United Foundation, which is based in Beckton, Newham. Our work extends across east London, Essex and International sites, 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 ever 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 30 programmes that span health, education, community initiatives and football development, which engage with up to 50,000 people per year. The 2021-22 season saw a full repurposing of priorities, our close ties with the NHS strengthened further and we were able to grow innovative ways to help the NHS to tackle some of the most serious 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 18 and 19 within the Directors Report.

The most important development off the pitch was the new investment by 1890 holdings a.s, the entity controlled by Daniel Kretinsky. In acquiring 20% of new equity in WH Holding Limited, £125.0m was invested in the Group. The transaction took place on 10th November 2021 and at the same time, 1890 holdings a.s also acquired a further 7% of WH Holding Limited from certain existing directors.

This new funding was then utilised to clear down existing debt, with shareholder loans of £53.5m and accrued interest of £4.6m being settled immediately from the proceeds. In addition, £25.0m of the five-year term loan provided by MSD Holdings Limited was repaid on 21st February 2022, and the remaining proceeds were retained in the company to invest in the playing squad in the summer transfer window.

The existing £95.0m MSD facility on 26 February 2021 remains in place. During the year drawdowns of £25.0m from the new facility were utilised, £20.0m on 2nd September 2021, and £5.0m on 28th October 2021, to provide short-term working capital and these were repaid on 21st February 2022.

As 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.

WH HOLDING LIMITED

STRATEGIC REPORT for the year ended 31 May 2022 (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 secured planning consent to increase the Stadium's capacity to 62,500 – this significant 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 hope of consistently higher finishes as we embark upon our first ever Europa Conference League 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.

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 level of renewals for the 2022-23 season of 95% despite the increase in capacity to 62,500, gives us the highest number of Season Ticket holders in the Premier League, putting the Club in a strong position as we move forward.

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 being 18th in the 2021-22 (2020-21:18th) Forbes most valuable club in the world list in line with our goal of building sustainable value.

WH HOLDING LIMITED

STRATEGIC REPORT for the year ended 31 May 2022 (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 Group's principal business risk remains that of the football club being relegated from the Premier League with the serious financial consequences which follow. The Group 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 Group's own major sponsorship and partnership agreements are also in place until the end of seasons 2023 and 2024 respectively. Season ticket sales (including corporate sales) would usually be made at the start of each season or accounting year and represent the bulk of the Group's match day revenue. It follows that in the region of 75% of the Group'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 new 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.

Financial Risk Management

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

The Group 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 Group made a loss on foreign currency translation of £0.3m (2020-21: £1.1m gain) due to adverse movements in the Euro foreign exchange markets at the year-end date. The Group manages its risk by engaging in foreign exchange forward contracts.

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

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STRATEGIC REPORT for the year ended 31 May 2022 (continued)

Going Concern

As of the date of approval of these financial statements the Group has drawn down £55.0m of a £95.0m long-term financing facility, which is due for repayment in March 2026. In the event of relegation, the total available facility is subject to certain reductions. This long term loan facility is secured for a period of at least 12 months from the date of approval of these financial statements.

Taking into account this long term secured financing, as well as the £125.0m of proceeds from the new equity injection in November 2021, the Board has prepared and approved forecasts for the current and forthcoming season (through to May 2024), 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 2023-24 season.

However, in order to be prudent despite the current strong squad, the Board has also considered a severe but plausible scenario. This scenario includes relegation at the end of the 2022-23 season.

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

Under the base case forecast, the Board has concluded that the Group 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. The Board also expects to be able to comply with the covenants within its long term financing facility over the same period. In the event that the severe but plausible scenario occurs (i.e. relegation at the end of the 2022-23 season), and the associated mitigating initiatives did not generate the necessary cash flows to allow the Group to operate within its secured borrowing limits, certain of the investing owners have undertaken to provide what the Board has concluded would be a sufficient level of financial support to allow the Group to continue to 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 Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

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STRATEGIC REPORT for the year ended 31 May 2022 (continued)

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires each director of the Group to act in a way in which he/she considers, in good faith, would be most likely to promote the success of the Group 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 Group's employees.
- The need to foster the Group's business relationship with suppliers, customers and others.
- The impact of the Group's operations on the community and the environment.
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between the Group'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 Group's adherence to UEFA and Premier League Financial Fair Play rules ensures sustainable, responsible and transparent spending.
- Risk appetite and risk management
 - See page 8 for details on the Group's Financial risk management objectives and policies.

Interest 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.

Interest 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.

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STRATEGIC REPORT for the year ended 31 May 2022 (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 of community

- The Group places huge importance on being a pillar of our community at the heart of London on 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 Group 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 Group 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.

WH HOLDING LIMITED

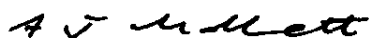
STRATEGIC REPORT for the year ended 31 May 2022 (continued)

Key Performance Indicators (“KPI’s”)

The Group monitors its performance 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 Group does not set targets to be achieved each season it nevertheless seeks to maximise performance, both financial and non-financial, on an annual basis.

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| League position | 7 th | 6 th | 16 th | 10 th | 13 th |
| FA Cup | 5 th round | 5 th round | 4 th round | 4 th round | 4 th round |
| EFL Cup | 5 th round | 4 th round | 3 rd round | 4 th round | 5 th round |
| UEFA Europa League | Semi final | - | - | - | - |
| Average league gate | 59,789 | 568 | 59,925 | 58,325 | 56,923 |
| Wage: turnover ratio | 53.7% | 67.2% | 93.8% | 71.2% | 60.8% |
| Operating profit/(loss) before exceptional items & player trading | £70.5m | £33.2m | (£25.3m) | £20.7m | £34.7m |

On behalf of the board



Andy Mollett
Director

6 October 2022

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022

Directors

The directors of the Company who were in office during and at the end of the year of signing the audited financial statements of the Group were:

David Sullivan
Daniel Kretinsky (appointed 12 November 2021)
David Gold
Baroness Brady
Andy Mollett
Daniel Harris
J Albert Smith
Daniel Cunningham (appointed 12 November 2021)
Jack Sullivan (appointed 16 November 2021)
David K E Sullivan (appointed 12 November 2021)
Pavel Horsky (appointed 12 November 2021, resigned 25 August 2022)
Jiri Svarc (appointed 25 August 2022)

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 Group are as set out in the consolidated statement of comprehensive income on page 27. The directors do not propose the payment of a dividend (2021: £nil).

Political donations

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 no EU political expenditure exceeding £2,000 in aggregate was incurred in the financial year (2021: £nil).

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DIRECTORS' REPORT for the year ended 31 May 2022 (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.

This Club was the first Premier League club to become a Good Work Standard employer in London, following the Standard's official launch in the summer of 2019, as part of the Mayor's commitment to making London the best city in the world in which to work. 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, while we continue to work as part of the Premier League's Coach Inclusion & Diversity Scheme (CIDS) 2020-21, providing high-quality personal development work placements to coaches from under-represented groups in football, appointing its first ever female coach and also a male coach through the Football Association's Black, Asian and Minority Ethnic/female coaching programme.

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, 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.

Our Staff Equality Forum supports 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.

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.

The Club has Mental Health First Aiders 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.

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

Employees (continued)

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 remotely 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 Chairman as well as through communications via our intranet, staff newsletter, staff surveys and email.

The Group'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 group. 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.

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 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 and film clubs to broaden their knowledge of equality, diversity and inclusion topics.

The Club is proud this year to have implemented a menopause policy dedicated to support, educate and raise awareness of menopause; whether that be staff experiencing menopause themselves or indirectly through a partner, mother, daughter, friend or colleague.

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DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

Employees (continued)

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 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 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 also undertaken a gender pay gap audit and the results show that the pay gap is currently -18.3% (2021: -32.2%) , and for the sixth 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 playing 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-Chairman'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 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.

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DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

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 GHG is the Greenhouse Gas (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 2021-22 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 2022 was 3.220 million kWh (2020-21 2,702 kWh) and total UK emissions were 670.4 tCO₂e (2020-21 589.8 tCO₂e). This represents an intensity ratio of 2.66 (tCO₂e per £1m of turnover) against 3.06 in 2020-21.

| | 2022 | 2021 | 2020 |
|---------------------------------------------------------|---------------|---------------|---------------|
| Electricity | 339.60 | 324.32 | 376.90 |
| Gas | 185.12 | 164.12 | 186.80 |
| Transport | 112.60 | 70.69 | 73.70 |
| Other Fuels | 33.09 | 30.62 | 122.37 |
| Total GHG Emissions (tCO₂e) | 670.41 | 589.75 | 759.77 |
| Scope 1 CO ₂ emissions (tonnes) | 282.36 | 243.91 | 382.70 |
| Scope 2 CO ₂ emissions (tonnes) | 339.60 | 324.32 | 376.90 |
| Total GHG Emissions (tCO₂e) | 621.96 | 568.23 | 759.60 |
| Intensity Ratio tCO₂e per £M turnover | 2.66 | 3.06 | 5.50 |

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

West Ham United Foundation

The West Ham United Foundation is the Football Club's official charity and harnesses the power of football to maximise life-chances and inspire better futures for all.

With over 30 initiatives delivered across Essex and the East London boroughs of Newham, Tower Hamlets, Redbridge, Barking and Dagenham, and Havering, as well as international sites, reaching up to 50,000 people of all ages and abilities each year.

Based in the heartland of our football club, in Beckton, Newham, the West Ham United Foundation delivers in the context of some of the most diverse and underprivileged areas of the UK. Over the past decade, the Football Club's community work has grown from being primarily football focused, to span community prescription health interventions; employability programmes; youth work that supports children in care and young people most at risk within our communities.

At the heart of all of this has been an understanding of the people we reach. We take the time to understand their needs and aspirations. We talk to partners and others who can play a part, provide insight or offer ongoing support, and we develop an approach that fuses all of that together.

While our reaction to COVID-19 saw us change the way we work, our overarching commitments remained consistent, both during and after the pandemic:

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.

With the backdrop of the pandemic, the Foundation has continued to be an anchor institution in the community. We are proud of the scale of our work and our continued efforts to keep improving. The Football Club's values of community are entrenched in the Foundation's work and we remain committed to be a force for social good; being a welcoming and safe space for all, inspiring others and addressing a range of issues facing society.

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

West Ham United Foundation (continued)

The innovative and award-winning Players' Project demonstrates how the West Ham United family comes together to address issues and advocate for campaigns important to Hammers' fans and projects which help those most in need in the local community.

An example of the exceptional impact of the Players' Project on our programmes can be seen through the lens of the Stop the Hate programme. Since its inception in 2015, this initiative, which seeks through workshops to raise awareness and tackle racism and discrimination in partnership with Show Racism the Red Card, has seen increased participation across schools in East London. Following the appointment of first team players, such as Ben Johnson as an ambassador for equality, whereby they have hosted workshops and shared their own experiences and insights publicly, there has been a correlating increase in engagement, from just over 1,530 children and young people engaged in 2019-20 to over 6,100 in 2021-22.

We are focused on continuing to make a positive difference across the strands represented in the Players' Project, including poverty, equality and loneliness, so that we can do everything possible to help local communities recover from the impact of COVID-19 and thrive in the future.

In addition, we cannot lose sight of the importance of our work before this. Individuals, communities and other groups still need the help and support our outreach was previously offering.

We will need to deepen our work in some areas and continue to build partnerships and grow collaborations so that we can keep driving forward. We remain focused and encouraged by the role we play in the community and we are committed to remain a reliable source of help, guidance and support across the communities we serve.

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (continued)

Financial risk management

See Strategic Report, page 8.

Future prospects

See Strategic Report, page 7.

Post Balance Sheet Events

Note 31 provides details of material events which have occurred since the balance sheet date.

Going Concern

See Strategic Report, page 9.

Dividends

See Strategic Report, page 4.

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (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.

WH HOLDING LIMITED

DIRECTORS' REPORT for the year ended 31 May 2022 (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 Group and 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 Group and Company and of the profit or loss of the Group 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 Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and 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 Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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



Andy Mollett
Director
6 October 2022

WH HOLDING LIMITED

Independent auditors' report to the members of WH Holding Limited

Report on the audit of the financial statements

Opinion

In our opinion, WH Holding Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 May 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared 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); 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 Consolidated Balance Sheet and the Company Balance Sheet as at 31 May 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the notes to the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity and the Company 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 Group 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 Group's and 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 Group's and 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.

WH HOLDING LIMITED

Independent auditors' report to the members of WH Holding Limited

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 2022 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 Group and Company and their 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

WH HOLDING LIMITED

Independent auditors' report to the members of WH Holding Limited

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 Group 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 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. 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 and FFP and PSR submissions 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.

WH HOLDING LIMITED

Independent auditors' report to the members of WH Holding Limited

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 Company 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
6 October 2022

WH HOLDING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 May 2022

| | | 2022 | | | 2021 | | |
|-------------------------------------------------------------------------------|------|-------------------------------------------------------|---------------------------------------------------|---------------|-------------------------------------------------------|---------------------------------------------------|---------------|
| | Note | Operations excluding player trading* £000 | Player trading ** (notes 7 & 11) £000 | Total £000 | Operations excluding player trading* £000 | Player trading ** (notes 7 & 11) £000 | Total £000 |
| Group turnover | 3 | 252,720 | - | 252,720 | 192,728 | - | 192,728 |
| Other operating income | | 2,406 | - | 2,406 | 4,571 | - | 4,571 |
| Administrative expenses | | (187,201) | (48,825) | (236,026) | (165,519) | (67,633) | (233,152) |
| Group operating profit/(loss) | 5 | 67,925 | (48,825) | 19,100 | 31,780 | (67,633) | (35,853) |
| Analysed as; | | | | | | | |
| Operating profit/(loss) before Exceptional items | | 70,513 | (48,825) | 21,688 | 33,223 | (67,633) | (34,410) |
| Exceptional items | 4 | (2,588) | - | (2,588) | (1,443) | - | (1,443) |
| Group Operating profit/(loss) | | 67,925 | (48,825) | 19,100 | 31,780 | (67,633) | (35,853) |
| Profit on disposal of players | | - | 709 | 709 | - | 17,584 | 17,584 |
| Profit/(loss) on operating activities before interest and taxation | | 67,925 | (48,116) | 19,809 | 31,780 | (50,049) | (18,269) |
| Interest receivable and similar income | 8 | | | 92 | | | 5 |
| Interest payable and similar expenses | 9 | | | (7,624) | | | (8,652) |
| Profit / (loss) before taxation | | | | 12,277 | | | (26,916) |
| Tax (charge)/credit on Profit/(loss) | 10 | | | (1,748) | | | 397 |
| Profit/(Loss) for the financial year | | | | 10,529 | | | (26,519) |

*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 34 to 56 are an integral part of these financial statements.

WH HOLDING LIMITED

CONSOLIDATED BALANCE SHEET as at 31 May 2022

| | Note | 2022 | 2021 |
|----------------------------------------------------------------|-------|----------------|-----------------|
| | | £000 | £000 |
| Fixed assets | | | |
| Intangible assets | 11 | 107,383 | 94,127 |
| Tangible assets | 12 | 25,073 | 25,888 |
| | | <u>132,456</u> | <u>120,015</u> |
| Current assets | | | |
| Stocks | 14 | 1,341 | 1,369 |
| Debtors: amounts falling due after more than one year | 15 | 13,965 | 16,899 |
| Debtors: amounts falling due within one year | 15 | 25,789 | 39,614 |
| Cash at bank and in hand | | 96,503 | 19,984 |
| | | <u>137,597</u> | <u>77,866</u> |
| Creditors: amounts falling due within one year | 16 | (109,395) | (136,237) |
| | | <u></u> | <u></u> |
| Net current assets/(liabilities) | | <u>28,202</u> | <u>(58,371)</u> |
| Total assets less current liabilities | | 160,658 | 61,644 |
| Creditors: amounts falling due after more than one year | 16 | (103,191) | (139,288) |
| Provisions for liabilities | 20,21 | (1,026) | (34) |
| Net assets/(liabilities) | | <u>56,441</u> | <u>(77,678)</u> |
| Capital and reserves | | | |
| Called up share capital | 22 | 3 | 3 |
| Share premium account | 23 | 188,588 | 64,998 |
| Capital redemption reserve | 24 | 111,499 | 111,499 |
| Revaluation reserve | 25 | 5,017 | 5,017 |
| Profit and loss account | 26 | (248,666) | (259,195) |
| Total shareholders' funds/(deficit) | 27 | <u>56,441</u> | <u>(77,678)</u> |

The notes on pages 34 to 56 are an integral part of these financial statements.

These financial statements, on pages 27 to 56 for company registration number 5993863, were authorised by the board of directors on 6 October 2022 and signed on its behalf.



Andy Mollett
Director

WH HOLDING LIMITED

COMPANY BALANCE SHEET

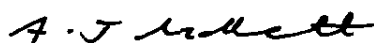
as at 31 May 2022

| | Note | 2022 £000 | 2021 £000 |
|-------------------------------------------------------|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 13 | 123,199 | 123,199 |
| Current assets | | | |
| Debtors | 15 | 176,305 | 62,215 |
| Creditors: amounts falling due within one year | 16 | - | (9,500) |
| Net current assets | | 176,305 | 52,715 |
| Total assets less current liabilities | | 299,504 | 175,914 |
| Net assets | | 299,504 | 175,914 |
| Capital and reserves | | | |
| Called up share capital | 22 | 3 | 3 |
| Share premium account | 23 | 188,588 | 64,998 |
| Capital redemption reserve | 24 | 111,499 | 111,499 |
| Profit and loss account | 26 | (586) | (586) |
| Total shareholders' funds | | 299,504 | 175,914 |

The company generated a profit of neither a profit or a loss for the year (2021: loss £20,000)

The notes on pages 34 to 56 are an integral part of these financial statements.

These financial statements, on pages 27 to 56 for company registration number 5993863, were authorised by the board of directors on 6 October 2022 and signed on its behalf.



Andy Mollett
Director

WH HOLDING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 May 2022

| | Called up share capital | Share premium account | Capital redemption reserve | Revaluation reserve | Profit and loss account | Total shareholders' (deficit)/funds |
|--------------------------------------------------------------------------|-------------------------------|-----------------------------|----------------------------------|------------------------|----------------------------|-------------------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Balance as at 1 June 2020 | 2 | 34,999 | 111,499 | 1,399 | (232,676) | (84,777) |
| Loss for the year | - | - | - | - | (26,519) | (26,519) |
| Other comprehensive income for the year | - | - | - | 3,618 | - | 3,618 |
| Total comprehensive expense for the year | - | - | - | 3,618 | (26,519) | (22,901) |
| Rights Issue | 1 | 29,999 | - | - | - | 30,000 |
| Total transactions with owners, recognised directly in equity | 1 | 29,999 | - | - | - | 30,000 |
| Balance as at 31 May 2021 | 3 | 64,998 | 111,499 | 5,017 | (259,195) | (77,678) |
| Balance as at 1 June 2021 | 3 | 64,998 | 111,499 | 5,017 | (259,195) | (77,678) |
| Profit for the year | - | - | - | - | 10,529 | 10,529 |
| Issue of new shares, net of £1.4m costs | - | 123,590 | - | - | - | 123,590 |
| Balance as at 31 May 2022 | 3 | 188,588 | 111,499 | 5,017 | (248,666) | 56,441 |

The notes on pages 34 to 56 are an integral part of these financial statements.

WH HOLDING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 May 2022

| | Called up share capital £000 | Share premium account £000 | Capital redemption reserve £000 | Profit and loss account £000 | Total shareholders' funds/(deficit) £000 |
|----------------------------------|-------------------------------------------------|-----------------------------------------------|----------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|
| Balance as at 1 June 2020 | 2 | 34,999 | 111,499 | (566) | 145,934 |
| Loss for the year | - | - | - | (20) | (20) |
| Rights Issue | 1 | 29,999 | - | - | 30,000 |
| Balance as at 31 May 2021 | 3 | 64,998 | 111,499 | (586) | 175,914 |
| Balance as at 1 June 2021 | 3 | 64,998 | 111,499 | (586) | 175,914 |
| Result for the year | - | - | - | - | - |
| Issue of new shares, net of cost | - | 123,590 | - | - | 123,590 |
| Balance as at 31 May 2022 | 3 | 188,588 | 111,499 | (586) | 299,504 |

The notes on pages 34 to 56 are an integral part of these financial statements.

WH HOLDING LIMITED

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 May 2022

| | 2022 | | 2021 | |
|-----------------------------------------------------------------|----------|----------|-----------|----------|
| | £000 | £000 | £000 | £000 |
| Net cash generated from operating activities (Note A) | | 70,932 | | 28,403 |
| Cash flow from investing activities | | | | |
| Purchase of tangible fixed assets | (2,289) | | (1,411) | |
| Purchase of player registrations | (74,102) | | (79,544) | |
| Proceeds from disposal of player registrations, net of costs | 24,417 | | 46,373 | |
| Interest received | 92 | | 5 | |
| | | | | |
| Net cash used in investing activities | | (51,882) | | (34,577) |
| Cash flow from financing activities | | | | |
| Rights Issue proceeds | - | | 30,000 | |
| Proceeds from issue of new shares | 125,000 | | - | |
| Transaction fees paid on new investment | (1,410) | | - | |
| Bank and other loans advanced | 25,000 | | 110,000 | |
| Bank and other loans repaid | (78,500) | | (120,450) | |
| Interest paid | (12,621) | | (8,055) | |
| | | | | |
| Net cash generated from financing activities | | 57,469 | | 11,495 |
| Net increase/(decrease) in cash and cash equivalents | | 76,519 | | 5,321 |
| Cash and cash equivalents at start of the year | | 19,984 | | 14,663 |
| Cash and cash equivalents at the end of the year | | 96,503 | | 19,984 |

The notes on pages 34 to 56 are an integral part of these financial statements.

WH HOLDING LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 May 2022

A Reconciliation of Operating Profit/(Loss) to Net Cash Inflow from Operating Activities

| | 2022 £000 | 2021 £000 |
|-----------------------------------------------------------------------------|---------------|---------------|
| Operating profit/(loss) from continuing activities including player trading | 19,100 | (35,853) |
| Depreciation charge | 3,104 | 2,730 |
| Amortisation of cost of player registrations | 48,825 | 57,755 |
| Impairment of Player Registration costs | - | 9,878 |
| (Increase)/Decrease in stocks | (28) | 396 |
| (Increase) in debtors | (5,576) | (9,544) |
| Increase in creditors | 5,506 | 3,041 |
| Net cash inflow from operating activities | <u>70,932</u> | <u>28,403</u> |

B Analysis of Changes in Net Debt

| | 1 June 2021 £000 | Cash Flows £000 | Other non- cash changes £000 | 31 May 2022 £000 |
|----------------------------|------------------------|-----------------------|---------------------------------------|------------------------|
| Cash at bank and in hand | 19,984 | 76,519 | - | 96,503 |
| | <u>19,984</u> | <u>76,519</u> | <u>-</u> | <u>96,503</u> |
| Debt due within one year | (9,500) | 9,500 | - | - |
| Debt due after one year | (99,611) | 44,000 | - | (55,611) |
| | <u>(109,111)</u> | <u>53,500</u> | <u>-</u> | <u>(55,611)</u> |
| Net (debt)/funds available | <u>(89,127)</u> | <u>130,019</u> | <u>-</u> | <u>40,892</u> |

Net debt is calculated exclusive of interest accrued on loans.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

1. Accounting Policies

a) General information

WH Holding Limited (“the Company”) and its subsidiaries (together “the Group”) operate 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, in the 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 WH Holding 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 consolidated 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 Group and Company 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 1(d).

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 requirements of Section 7 *Statement of Cash Flows* on the basis that it is a qualifying entity and the consolidated cash flow statement, included in these financial statements, includes the Company’s cash flows.
- (ii) The requirement of Section 33 *Related Party Disclosures* to disclose transactions with Group companies.
- (iii) The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

The Company has taken an exemption from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statements.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

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

Going Concern

As of the date of approval of these financial statements the Group has drawn down £55.0m of a £95.0m long-term financing facility, which is due for repayment in March 2026. In the event of relegation, the total available facility is subject to certain reductions. This long term loan facility is secured for a period of at least 12 months from the date of approval of these financial statements.

Taking into account this long term secured financing, as well as the £125.0m of proceeds from the new equity injection in November 2021, the Board has prepared and approved forecasts for the current and forthcoming season (through to May 2024), 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 2022-23 season.

However, in order to be prudent despite the current strong squad, the Board has also considered a downside scenario. This scenario includes relegation at the end of the 2022-23 season.

In the event the downside scenario occurs, mitigating actions considered by the Board include the option of player disposals to generate transfer fee income and wage savings.

Under the base case forecast, the Board has concluded that the Group 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. The Board also expects to be able to comply with the covenants within its long term financing facility over the same period. In the event that the downside sensitivity occurs (i.e. relegation at the end of the 2022-23 season), and the associated mitigating initiatives did not generate the necessary cash flows to allow the Group to operate within its secured borrowing limits, certain of the investing owners have undertaken to provide what the Board has concluded would be a sufficient level of financial support to allow the Group to continue to 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 Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (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 Group 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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies (continued)

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.

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 (see note 29)

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 Group 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 expense 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 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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies (continued)

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.

Pension costs

The Group 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 Group 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 Group's liability for the contributions payable for its share of the deficit.

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

Provisions

Provisions are recognised when the Group 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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies (continued)

Financial instruments

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

(i) 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.

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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

c) Significant accounting policies (continued)

(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 Group discloses transactions with related parties which are not wholly owned within the same Group. 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 Group financial statements.

Investment in subsidiary company

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

d) Critical accounting judgements and estimates

The Group 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 Group 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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

1. Accounting Policies (continued)

d) Critical accounting judgements and estimates (continued)

(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 Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

2. Company Profit and Loss Account

In accordance with the provisions of section 408 of the Companies Act 2006, the profit and loss account for the parent company is not included in these financial statements. Result for the year £nil (2021: loss £20,000)

3. Group Turnover

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

| | Group | |
|-------------------------------------------------|----------------|----------------|
| | 2022 | 2021 |
| | £000 | £000 |
| Match receipts and related football activities | 41,339 | 508 |
| Broadcast and central sponsorship distributions | 163,620 | 163,104 |
| Commercial activities | 34,708 | 19,444 |
| Retail and merchandising | 13,053 | 9,672 |
| | <u>252,720</u> | <u>192,728</u> |

4. Exceptional Items

| | Group | |
|--------------------------------------------------------------|--------------|--------------|
| | 2022 | 2021 |
| | £000 | £000 |
| English Football League Pension scheme revaluation (note 32) | - | 1,443 |
| Stadium lease penalty clause | 2,588 | - |
| | <u>2,588</u> | <u>1,443</u> |

The Stadium lease penalty clause relates to the sale of shares in WH Holding Limited to 1890s holdings a.s which triggered a payment under the Concession Agreement to the owners of the stadium, E20 Limited. If similar further transactions occur prior to April 2023 then additional payments may be required.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

5. Group Operating Profit/(loss)

Group operating Profit/(loss) is stated after charging/(crediting) the following:

| | 2022 | Group 2021 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------|
| | £000 | £000 |
| Employment costs (note 6) | 135,709 | 129,425 |
| Insurance claim received | - | (2,500) |
| Premier League Youth Academy grant income | (1,161) | (1,161) |
| Loss / (gain) on translation of foreign currency | 288 | (1,064) |
| Amortisation of intangible fixed assets (note 11) | 48,825 | 57,755 |
| Impairment of Player Registration costs (note 11) | - | 9,878 |
| Depreciation on tangible fixed assets (note 12) | 3,104 | 2,730 |
| Fees payable to the Company's auditors for the audit of the Company's annual financial statements and the Group's consolidated financial statements | 90 | 75 |
| Fees payable to the Company's auditors for the audit of the Company's subsidiaries | 5 | 5 |
| Fees payable to the Company's auditors for the half year review: | 15 | 15 |
| Operating leases – land and buildings | 3,646 | 2,831 |
| Operating leases – plant and machinery | 68 | 78 |

The audit fee for the Company of £5,000 (2021: £3,000) is borne by West Ham United Football Club Limited.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

6. Staff Costs, Emoluments and Employees

| | Group | |
|-----------------------|----------------|----------------|
| | 2022 | 2021 |
| | £000 | £000 |
| Wages and salaries | 118,709 | 112,892 |
| Social security costs | 16,759 | 16,284 |
| Other pension costs | 241 | 249 |
| | <u>135,709</u> | <u>129,425</u> |

| | Number | Number |
|------------------------------------------------------------------|---------------|---------------|
| Average monthly number of persons employed (including directors) | | |
| Players, team management & training | 132 | 127 |
| Commercial & administrative | 238 | 216 |
| | <u>370</u> | <u>343</u> |
| Part-time employees | 356 | 309 |
| | <u>726</u> | <u>652</u> |

| | Group | |
|---------------------------------|--------------|--------------|
| | 2022 | 2021 |
| | £000 | £000 |
| Aggregate directors' emoluments | <u>2,646</u> | <u>1,777</u> |

| | 2022 | 2021 |
|-----------------------------------------------|--------------|--------------|
| | £000 | £000 |
| Aggregate emoluments of highest paid director | <u>2,240</u> | <u>1,331</u> |

Aggregate emoluments of the highest paid director include a one-off payment of £1.0m in respect of the new investment received by the Group in November 2021.

There were no payments to directors for compensation for loss of office (2021: £nil).

The holding Company had no employees during 2022 and 2021.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

7. Profit on Disposal of Players

| | Group | |
|---------------------------|--------------|---------------|
| | 2022 £000 | 2021 £000 |
| Profit on sale of players | 709 | 17,436 |
| Income on loan of players | - | 148 |
| | <u>709</u> | <u>17,584</u> |

8. Interest Receivable and Similar Income

| | Group | |
|------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Bank and other interest receivable | <u>92</u> | <u>5</u> |

9. Interest Payable and Similar Expenses

| | Group | |
|-------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Interest payable on secured loans | 6,284 | 5,224 |
| Interest on loans from shareholders | 835 | 1,870 |
| Other finance costs | 505 | 1,558 |
| | <u>7,624</u> | <u>8,652</u> |

10. Tax on Profit/(loss)

As at 31 May 2022 cumulative unrecognised tax losses available to carry forward against future trading profits were £135,497,636 (2021: £153,847,331). Refer to note 21 for the associated unprovided deferred tax asset.

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the United Kingdom of 19.0% (2021: 19.0%).

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

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

10 Tax on Profit/loss (continued)

| | Group | |
|-------------------------------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Profit/(loss) before taxation | 12,277 | (26,916) |
| Tax charge at 19.0% (2021: 19.0%) thereon | 2,333 | (5,114) |
| Expenses not deductible/income not taxable for tax purposes | 2,339 | 914 |
| Fixed asset timing differences | (37) | 324 |
| Adjustments to tax charge in respect of previous periods | - | (397) |
| (Loss utilisation)/Losses carried forward unrecognised | (3,962) | 3,598 |
| Other timing differences | 1,075 | 278 |
| Total tax payable / (repayment) for the year | 1,748 | (397) |

In the 2021 Spring Budget, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. Deferred taxes at the balance sheet date have been measured using these tax rates and reflected in these financial statements.

11. Intangible Assets

| | Player Registrations £000 | Goodwill on acquisition £000 | Total £000 |
|---------------------------------|---------------------------------|------------------------------------|---------------|
| <u>Cost</u> | | | |
| 1 June 2021 | 258,670 | 37,965 | 296,635 |
| Additions | 63,974 | - | 63,974 |
| Disposals | (54,635) | - | (54,635) |
| 31 May 2022 | 268,009 | 37,965 | 305,974 |
| <u>Accumulated amortisation</u> | | | |
| 1 June 2021 | 164,543 | 37,965 | 202,508 |
| Charge for the year | 48,825 | - | 48,825 |
| Disposals | (52,742) | - | (52,742) |
| 31 May 2022 | 160,626 | 37,965 | 198,591 |
| <u>Net book value</u> | | | |
| 31 May 2022 | 107,383 | - | 107,383 |
| 31 May 2021 | 94,127 | - | 94,127 |

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

12. Tangible Assets

| | Freehold land & buildings £000 | Plant, fittings & equipment £000 | Motor vehicles £000 | Total £000 |
|---------------------------------|-----------------------------------------|-------------------------------------------|---------------------------|---------------|
| <u>Cost or valuation</u> | | | | |
| 1 June 2021 | 25,833 | 18,130 | 74 | 44,037 |
| Additions | 1,654 | 609 | 26 | 2,289 |
| 31 May 2022 | 27,487 | 18,739 | 100 | 46,326 |
| <u>Accumulated depreciation</u> | | | | |
| 1 June 2021 | 5,299 | 12,789 | 61 | 18,149 |
| Charge for the year | 1,427 | 1,668 | 9 | 3,104 |
| 31 May 2022 | 6,726 | 14,457 | 70 | 21,253 |
| <u>Net book value</u> | | | | |
| 31 May 2022 | 20,761 | 4,282 | 30 | 25,073 |
| 31 May 2021 | 20,534 | 5,341 | 13 | 25,888 |

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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

13. Investments

Company

| | £000 |
|---------------------------|----------------|
| <u>Cost</u> | |
| 1 June 2021 | 123,199 |
| 31 May 2022 | <u>123,199</u> |
| <u>Net book value</u> | |
| 31 May 2022 | <u>123,199</u> |
| 31 May 2021 | <u>123,199</u> |

Subsidiary undertakings comprise the following.

| Company | Percentage of ordinary shares held | Country of incorporation and operation | Principal activities |
|--------------------------------------------------|------------------------------------|----------------------------------------|----------------------------|
| West Ham United Limited | 100% | Great Britain | Holding company |
| West Ham United Football Club Limited | 100% | Great Britain | Professional football club |
| *West Ham United Women Football Club Limited | 100% | Great Britain | Professional football club |
| West Ham United Sportswear Limited | 100% | Great Britain | Non-trading |
| West Ham United Hospitality Limited | 100% | Great Britain | Non-trading |
| West Ham United FC Limited | 100% | Great Britain | Non-trading |
| Thames Iron Works & Shipbuilding Company Limited | 100% | Great Britain | Non- trading |

*West Ham United Women Football Club Limited is exempt from an audit of its individual accounts by virtue of section 479A of the Companies Act 2006.

Other than the holding in West Ham United Limited, all of the above investments are held indirectly. The other investments are all held by West Ham United Limited. The proportion of voting rights held in respect of each of the investments above is the same as the proportion of ordinary shares held.

The directors believe that the carrying value of the investments is supported by their underlying fair value of the West Ham United Football Club Limited business.

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

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

14. Stocks

| | Group | |
|------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Goods for resale | <u>1,341</u> | <u>1,369</u> |

The Company does not hold any stock (2021: £nil).

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

15. Debtors

| | Group | | Company | |
|--------------------------------------------------------------------|----------------------|----------------------|-----------------------|----------------------|
| | 2022 £000 | 2021 £000 | 2022 £000 | 2021 £000 |
| Amounts falling due within one year: | | | | |
| Trade debtors | 4,297 | 9,234 | - | - |
| Amounts owed by Group undertakings | - | - | 176,305 | 62,215 |
| Debtors arising from player transfers due within one year | 4,627 | 24,180 | - | - |
| Other debtors | 2,736 | 723 | - | - |
| Corporation tax receivable | - | 397 | - | - |
| Prepayments and accrued income | <u>14,129</u> | <u>5,080</u> | <u>-</u> | <u>-</u> |
| Debtors: amounts falling due within one year | 25,789 | 39,614 | 176,305 | 62,215 |
| Amounts falling due after more than one year: | | | | |
| Debtors arising from player transfers due in greater than one year | - | 2,782 | - | - |
| Prepayments and accrued income | <u>13,965</u> | <u>14,117</u> | <u>-</u> | <u>-</u> |
| Debtors: amounts falling due after more than one year | 13,965 | 16,899 | - | - |
| | <u>39,753</u> | <u>56,513</u> | <u>176,305</u> | <u>62,215</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.

A bad debt provision of £1.0m has been made in respect of a sell on fee receivable in respect of a former player sold to a Russian football club.

Within the year a deferred transfer fee of €13.3m was settled with MSD Holdings Limited on 24 June 2021. Further, a factoring agreement with Macquarie Bank Limited resulted in €15.8m net of interest charges being received on 21 June 2021 on an outstanding transfer fee receivable of €16.9m.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

| 16. Creditors | Group | | Company | |
|-----------------------------------------------------|----------------|----------------|--------------|--------------|
| | 2022 £000 | 2021 £000 | 2022 £000 | 2021 £000 |
| <u>Amounts falling due within one year</u> | | | | |
| Trade Creditors | 5,362 | 2,129 | - | - |
| Taxation and social security | 15,949 | 13,361 | - | - |
| Corporation Tax (note 10) | 1,748 | - | - | - |
| Creditors arising from player transfers | 36,581 | 54,346 | - | - |
| Derivative financial instruments | - | 1,202 | - | - |
| Other creditors and Season Tickets refundable | 5,614 | 5,598 | - | - |
| Receipts in advance | 17,229 | 26,117 | - | - |
| Unsecured shareholder loan (note 17) | - | 9,500 | - | 9,500 |
| Accruals | 26,912 | 23,984 | - | - |
| | <u>109,395</u> | <u>136,237</u> | <u>-</u> | <u>9,500</u> |
| <u>Amounts falling due after more than one year</u> | | | | |
| Debenture loans (notes 17 & 18) | 611 | 611 | - | - |
| Loans from shareholders (note 17) | - | 44,000 | - | - |
| Bank and other loans (notes 17 & 19) | 55,000 | 55,000 | - | - |
| Creditors arising from player transfers | 44,912 | 37,066 | - | - |
| Other creditors | 2,668 | 2,611 | - | - |
| | <u>103,191</u> | <u>139,288</u> | <u>-</u> | <u>-</u> |

Creditors arising from player transfers include a total of £7.8m payable to 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. A further £25.0m was drawn down during the year, and subsequently repaid on 21 February 2022. The facility is secured, subject to retaining Premier League status, by a fixed and floating charge on the assets of the Club. In addition, there is a floating interest charge against the drawn down amount.

Secured and unsecured loans from shareholders were repaid in full on 11 November 2021.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

17. Total Borrowings

| | Group | |
|--------------------------------------------------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Debenture loans and subscriptions repayable after five years or more (note 18) | 611 | 611 |
| Secured loan repayable after greater than one year | 55,000 | 55,000 |
| Unsecured Shareholder loan repayable upon change of control | - | 9,500 |
| Loans from Shareholders repayable after greater than one year | - | 44,000 |
| | 55,000 | 108,500 |

Loans from shareholders were repaid in full on 11 November 2021.

18. 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. At 31 May 2022 and at 31 May 2021 the following applications had been received.

| | Group | |
|---------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| 97 'A' bonds | 49 | 49 |
| 641 'B' bonds | 481 | 481 |
| 70 'C' bonds | 68 | 68 |
| Part payments | 13 | 13 |
| | 611 | 611 |

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.

19. Bank and other loans

During the year to 31 May 2022, the Company drew down £25.0m from the long-term financing facility with MSD Holdings Limited. This was subsequently repaid on 22 February 2022.

The facility is secured by a fixed and floating charge on the assets of the Club.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

20. Provisions for Liabilities – Cost of Player Registrations

| | Group | |
|----------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| At start of the year | 34 | 6,232 |
| Utilised in the year | (35) | (2,099) |
| Released in the year | - | (4,099) |
| Provided in the year | 1,027 | - |
| At end of the year | <u>1,026</u> | <u>34</u> |

The above provision represents contingent amounts payable under the terms of transfer agreements which are deemed probable to be paid.

The Company had no player related provisions at 31 May 2022 (2021: £nil).

21. Provisions for Liabilities – Deferred Taxation

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

| | Group | |
|--------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| Fixed asset timing differences | (519) | (608) |
| Other timing differences | 2606 | 2,695 |
| Surplus on revaluation of properties | (2087) | (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:

| | Group | |
|-------------------------------|---------------|---------------|
| | 2022 £000 | 2021 £000 |
| Unprovided deferred tax asset | <u>33,874</u> | <u>38,462</u> |

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

22 Called up Share Capital

| | <i>Number of shares</i> | | Group and Company | |
|--------------------------------------------------------|-------------------------|--------------|--------------------------|-------------|
| | <i>2022</i> | <i>2021</i> | 2022 | 2021 |
| | | | £000 | £000 |
| <u>Allotted and fully paid (ordinary shares of £1)</u> | | | | |
| At start year | 2,750 | 2,000 | 3 | 2 |
| Rights issue | - | 750 | - | 1 |
| Share Issue | 688 | - | - | - |
| At end of year | <u>3,438</u> | <u>2,750</u> | <u>3</u> | <u>3</u> |

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

23 Share Premium Account

| | Group and Company | |
|-----------------------------------|--------------------------|---------------|
| | 2022 | 2021 |
| | £000 | £000 |
| At start of year | 64,998 | 34,999 |
| Rights Issue | - | 29,999 |
| Issue of new shares, net of costs | 123,590 | - |
| At end of year | <u>188,588</u> | <u>64,998</u> |

On the 11 November 2021, 1890s holdings a.s acquired 688 newly issued shares in exchange for gross proceeds of £125.0m. Transaction fees of £1.4m were incurred and these have been deducted from the initial investment, with the net proceeds being credited to the Share Premium account.

24. Capital Redemption Reserve

| | Group & Company | |
|----------------------------------------|----------------------------|----------------|
| | 2022 | 2021 |
| | £000 | £000 |
| At start and end of the financial year | <u>111,499</u> | <u>111,499</u> |

The Capital Redemption Reserve is a historic balance which arose from a group reorganisation in prior years.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

25. Revaluation Reserve

| | Group | |
|--------------------------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 |
| At start of the financial year | 5,017 | 1,399 |
| Surplus on revaluation of properties | - | 3,618 |
| At end of the financial year | <u>5,017</u> | <u>5,017</u> |

26. Profit and Loss Account

| | Group | | Company | |
|----------------------------------------|------------------|------------------|--------------|--------------|
| | 2022 £000 | 2021 £000 | 2022 £000 | 2021 £000 |
| At start of the year | (259,195) | (232,676) | (586) | (566) |
| Profit / (Loss) for the financial year | 10,529 | (26,519) | - | (20) |
| At end of the year | <u>(248,666)</u> | <u>(259,195)</u> | <u>(586)</u> | <u>(586)</u> |

27. Reconciliation of Movements in Shareholders' Funds/deficit

| | Group | |
|----------------------------------------|---------------|-----------------|
| | 2022 £000 | 2021 £000 |
| At the start of the year | (77,678) | (84,777) |
| Profit / (Loss) for the financial year | 10,529 | (26,519) |
| Rights Issue | - | 30,000 |
| Surplus on revaluation of properties | - | 3,618 |
| Share Premium account | 123,590 | - |
| Total Shareholders' Funds/(deficit) | <u>56,441</u> | <u>(77,678)</u> |

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

28. Operating Lease Commitments

At 31st May 2022 the Group was committed to making the following annual payments in respect of operating leases.

| | Group | |
|-----------------------------------|----------------|----------------|
| | 2022 £000 | 2021 £000 |
| <u>Land and buildings</u> | | |
| Expiring within one year | 3,681 | 3,358 |
| Expiring within two to five years | 14,340 | 14,156 |
| Expiring more than five years | 307,720 | 303,004 |
| | <u>325,740</u> | <u>320,518</u> |
| <u>Other operating leases</u> | | |
| Expiring within one year | 17 | 9 |
| Expiring within two to five years | 12 | 94 |
| | <u>29</u> | <u>103</u> |
| | <u>325,664</u> | <u>320,621</u> |

The Company had no capital or other commitments at 31 May 2022 (2021: £nil).

29. Contingent Liabilities & Guarantees

There is an ongoing HMRC investigation in relation to agents' fees which commenced on 26 April 2017. During the year, HMRC informed the Club that the associated criminal investigation has been terminated. However, the civil compliance investigation is still open. The outcome of which and potential quantum of any liability are still unknown, and hence no provision has been made in the accounts.

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.

The Company is a guarantor of sums borrowed by West Ham United Football Club Limited under its banking facilities.

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 maximum unprovided contingent liability was £6,225,000 (2021: £975,000).

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.

The Company has guaranteed the liabilities of the following West Ham United Women Football Club Limited in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 May 2022.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2022

(continued)

30. 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.

A business interruption insurance claim, in relation to disruption caused by the COVID-19 pandemic is ongoing; the magnitude of the probable inflow of economic benefit, over and above the £2.5m previously received, is yet to be confirmed.

31. Post Balance Sheet Events

The transfer of player registrations completed subsequent to 31 May 2022 amount to a net £155,092,000 (inclusive of player related agent fees), payable by the Group over the long and short-term (2021: £62,965,000 payable), with a further net £18,087,000 (2021: £7,111,000) payable contingent on certain future events.

32. 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 Group, 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 Group, 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 Group'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 2022 was £2,436,912 (2021: £2,860,000) owed by the Group.

Total pension costs charged under other defined contribution schemes during the year amounted to £241,900 (2021: £248,900).

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2022 (continued)

33. Ultimate Controlling Party

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

| | 2021-22 | 2020-21 |
|------------------|---------|---------|
| David Sullivan | 38.8% | 51.5% |
| Daniel Kretinsky | 27.0% | - |
| David Gold | 25.1% | 35.1% |
| J Albert Smith | 8.0% | 10.0% |
| Other investors | 1.1% | 3.4% |

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

Additional copies of these consolidated 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

34. Related Party Disclosures

David Sullivan and David Gold both own interests in Telecom2 Limited, which is a telecommunications services provider to the Group. During the year ended 31 May 2022, the Group paid fees of £98,315 (2021: £56,637) to Telecom2 Limited for services procured. At 31 May 2022, a balance of £5,291 (2021: £4,699) was owed by the Group.

1890 holdings a.s, an entity controlled by Daniel Kretinsky acquired 20% of new equity in WH Holding Limited for £125.0m. The transaction took place on 10th November 2021 and at the same time, 1890 holdings a.s also acquired a further 7% of WH Holding Limited from certain existing directors.

This new funding was utilised to repay existing debt, with shareholder loans of £53.5m and accrued interest of £4.6m being settled immediately from the proceeds

Sales of £6,953 (2021: £11,969) were made to Telecom 2 Limited during the year. At 31 May 2022, the balance outstanding was £3,113 (2021: £11,969).

Sales of £5,954 (2021: £4,540) to Conegate Limited, a company wholly owned by David Sullivan were made during the year and remained outstanding at 31 May 2022. Payments made to Conegate Limited for services procured during the year amounted to £1,920. At 31 May 2022, a balance of £nil (2021: £nil) was owed by the Group.

During the year, sales of £6,065 (2021: nil) were made to Daniel Harris, a Director of the Group. The balance outstanding at 31 May was £4,031 (2021: nil). The Group made payments to Daniel Harris of £21,478 (2021: nil) in respect of purchases. At 31 May 2022, a balance of £nil (2021: £nil) was owed by the Group.