

Company Registration Number 5993863

WH HOLDING LIMITED

Report and Financial Statements

For the year ended 31 May 2013

WH HOLDING LIMITED

THE YEAR IN SUMMARY

Highlights

- Top 10 Finish in the FA Premier League;
- Awarded the Olympic Stadium on a 99 year lease to start from August 2016;
- Participation in the Premier League from season 2013/2014 will generate at least an additional £20m of income;
- Major investment in first team squad of £26.7m (2012/13) and £27.3m (2013/14 to date);
- Significant financial support from major shareholders of £10.5m in 2012/13;
- Major new sponsorship contracts secured with Adidas and Alpari from the 2013/14 season;
- Refinancing of the Club concluded on 1st July 2013, extending the banking facility and repayment schedule to the end of 2016;
- Further investment in the equity of the business by David Sullivan, who together with David Gold now owns 86.2% of the club;

WH HOLDING LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 May 2013

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WH HOLDING LIMITED
DIRECTORS AND PROFESSIONAL ADVISERS

Directors	David Sullivan David Gold Karren Brady Andy Mollett Andrew Bernhardt Daniel Harris
Company Secretary	Andy Mollett
Registered Office	Boleyn Ground Green Street Upton Park London E13 9AZ
Company Registration Number	5993863
Independent Auditors	PricewaterhouseCoopers LLP Chartered accountants and statutory auditors London
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ Barclays Plc 1, Churchill Place London EC14 5HP

WH HOLDING LIMITED

CHAIRMAN'S STATEMENT

My Board and I are delighted with the achievements we have made this season. The 3 key highlights for me being;

- Finishing in the top 10 of the Premier League;
- Being awarded the Olympic Stadium, and signing a deal that will see us move in for the 2016/17 season; and,
- Our fantastic support this season. We have had the highest average crowds in our 118 year history.

My Co-Chairman David Gold and I, on top of investing £17.1m into securing our promotion into the Premier League, decided to personally invest a further £10.5m to allow the manager to go into the transfer market and buy the players we needed to secure such a strong finish.

During the year we bought Matt Jarvis, Mo Diame, James Collins, Alou Diarra and Modibo Maiga, investing a total of £26.7m. We also took Andy Carroll on loan for the season.

Subsequent to the year end, we have further invested in the playing staff for the 2013-4 season with the significant purchase of Andy Carroll, the UK's most expensive player, and Stewart Downing, both current England International players.

After the season ended, I further invested in the club by purchasing 25% of the club from CB Holding ehf, taking the combined shareholding of myself and David Gold to 86.2%.

I am thrilled we managed to secure the clubs current condition, and now, I believe have secured its future by finally signing the contract that sees us move into our new stadium in 2016. We now start to make the preparations for that historic move; don't underestimate how hard this negotiation has been, or how long, but as I always say nothing worth having comes easily!

I want to take this opportunity to thank on behalf of myself and my Board the manager, the team and the supporters for everything that has been achieved this year. And finally to our loyal, hardworking and dedicated members of staff for the contribution they have made towards this year's performance. You have all surpassed yourself and your loyalty, unwavering hard work and determination never ceases to amaze and impress me.

This season will bring its own challenges. But we continue to believe we will deliver both on and off the pitch by investing in the team, the brand and managing the business well.

David Sullivan
Joint Chairman
5 November 2013

WH HOLDING LIMITED

DIRECTORS' REPORT & BUSINESS REVIEW for the year ended 31 May 2013

The directors present their annual report together with the audited financial statements of the group for the year ended 31 May 2013.

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 profit and loss account on page 19. The directors do not propose the payment of a dividend (2012 – £nil).

Karren Brady, Vice Chairman's Review

Overview

2012-3 was a very successful year for the club both on and off the pitch. Sam Allardyce and his back room team have all signed new 2 year contracts, reflecting the tremendous on-pitch success they achieved with the team this season.

Off the pitch all areas of income increased, from ticket sales through to commercial revenue, creating total additional revenue of £43.6m this year.

The Retail team drove a 25% increase in sales, achieving a club record high in turnover. A new technical partnership was signed with Adidas, a world-class brand that we know will have a further positive impact on sales.

The Commercial and Sponsorship departments generated £13.9m of revenue which is another record high for the club. A new shirt sponsorship with Alpari was agreed in the year as were new deals for Lyca Mobile, Suremen and Carlsberg.

The Marketing team drove our attendance strategy and delivered 17 sell-out crowds resulting in the highest average attendance at the club in our 118 year history.

The Ticketing team increased match day ticket sales by 32% from £13.6m to £18.0m and season ticket sales for 2013/14 have already exceeded 20,000. Importantly, the strategy we followed also saw a 23% increase in our under-18 supporter category.

The Media team focused hard on making WHU a global brand and again drove up the data base of the club to hit the one million people mark, all of whom are actively involved with the club, from buying tickets to engaging in the activities of the club.

WH HOLDING LIMITED

DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013

(continued)

16 of our matches were televised this season and we were officially recognised as one of the worlds' leading football brands by *Brandfinance*, placing us in the top 7 of Premier League clubs in the worlds' 50 most valuable football brands.

For the year under review the group recorded a profit before interest and taxation of £1.2m on turnover of £89.8m, a massive improvement on last years' loss before interest and taxation of £20.7m on turnover of £46.2m, with turnover increasing by 94%.

Through the hard work of a fantastic, dedicated, loyal and determined team the club has grown in size, revenue and in stature this season. The management team off the pitch were able to capitalise and maximise on all the opportunities the manager and the team delivered on the pitch.

Olympic stadium

One of the most important things we did this year was to instruct YouGov to conduct an independent poll amongst our supporters to find out if they were supportive of the club's move to the new stadium. 85% voted in favour, and 10% were undecided, only 5% voted against. This was a fantastic result for the club and I think proved that we have communicated as well as we could with our supporters who are overwhelmingly in favour of the move. The club intends to do further consultation work with the 10% of supporters who are still undecided over the coming months.

Perhaps the most significant achievement this year was finally signing a contract to move into the Olympic Stadium for the start of the 2016-2017 season. The agreement is in place for the next 99 years and the future which the stadium offers to the club is incredibly exciting. The stadium is iconic and will continue to be once it has undergone the multi-million pound conversion into a UEFA Category 4 stadium, recognised as the best in the world. It is the jewel in the crown of the Queen Elizabeth Olympic Park, and it is the best-connected stadium in the UK.

As a result of the move we will be the 4th biggest stadia in the country, the 3rd biggest in the Premier League after Old Trafford and the Emirates, with a capacity 54% higher than we enjoy at the Boleyn Ground. Of these seats, 3,400 will be world-class corporate hospitality seating. We will set a new benchmark in premium sporting experience both in the hospitality areas and outside the stadium, the concourses and the park itself. We will bring 1.2million visitors to the park and the new stadium will become the UK's premium destination. It will be a stadium built to the highest technical standards and with the highest-grade UEFA pitch.

There is an immense amount of work going on behind the scenes. The roof, the mechanical and electrical and the enabling works have been awarded and work has begun. We have appointed a project manager to oversee this work from a West Ham United point of view.

We are now working hard on delivering a migration formula that is fair, transparent, and will ensure all supporters are recognised and have a seamless transition into their new home. We are developing the best product and pricing model to suit every single supporter.

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DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013

(continued)

We are also working on our corporate hospitality plans and layouts and will be making announcements with regard to these areas in the coming months.

We have been working with a highly organised group of supporters called the SAB (Supporter Advisory Board) and they spend their time with the club and have become the club's consultants in effect with regards to everything we do that involves the fans and the club. My team and I remain grateful to them for the time and effort they put into ensuring that the club always has the supporters at the heart of every decision we make.

Football

Following promotion to the Premier League in May 2012 the Board is determined to maximise the club's prospects of retaining Premier League status by making a significant investment in the playing squad. There was a net investment of £6.4m in transfer fees while the major component of the annual wage cost of £55.4m was wages for the first team squad and management.

The group benefitted from excellent support from the major shareholders, David Sullivan and David Gold, who invested loans totalling £10.5m in the year.

Future Prospects

Retention of Premier League status in 2012-3 season will allow the group to benefit from significantly increased Premier League distributions with effect from 2013/14. The three year TV contract from the summer of 2013 represents a significant increase on the current contract, likely to be worth at least an estimated £20m annually to our club.

Financial Fair Play is the new legislation for the next three years which will limit the ability of clubs to over-extend themselves on players' costs and will likely enable all clubs, including ourselves, to increase profitability.

We refinanced our bank debt this year, concluding a deal in July 2013 that has secured long-term funding to December 2016. The group continues to reduce historical debt with bank borrowings reduced by £5m in the year and net third party indebtedness (including cash but excluding amounts owed to the shareholders) falling by £3.8m.

As a result of this refinancing, we appointed Barclays PLC as our retail bank, replacing Bank of Scotland who were a part of the banking syndicate which have been paid off and replaced.

We also renewed our short-term secured facility for a further year in August 2013 which enabled us to invest in more on field talent.

The club is extremely lucky to have the support of Mr David Sullivan and Mr David Gold who invested loans totalling £10.5m in the year. In addition David Sullivan increased his share ownership and along with Mr Gold they now own 86.2% of the club.

The Olympic Stadium offers enormous commercial and brand opportunities, and we have a strategy to deliver sell-out crowds and enter that stadium with a team that are benefiting of such an amazing iconic venue.

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Finally, we know that we have set a level of expectation amongst our supporters this year and myself and my Board and all the staff on and off the pitch relish the opportunity to continue to build on this year's success and believe we have both the strategy and people to deliver much more in years to come.

Karren Brady
Vice-Chairman

5 November 2013

WH HOLDING LIMITED

DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013
(continued)

Principal Risk and Uncertainties

The group's principal business risk is that of the football club being relegated from the FA Premier League with the serious financial consequences which follow. The club had the experience of dealing with the consequences of this in the Summer of 2011 and, as a result of careful planning and decisive action, promotion was achieved at the first attempt. The group prepares budgets three 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 summer 2016, incorporating a significant annual uplift on the previous contract. The group's own major sponsorship and partnership agreements are also in place until Summer 2015. Season ticket sales (including corporate sales) are 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 70% of the group's annual turnover will be guaranteed, or in many cases received, by 31 July each year.

To the extent that there are ever any material variances from forecast, football clubs are in the unique position of being able to trade footballers to address any potential liquidity risks, although this ability can on occasion be constrained if less transfer activity is conducted by clubs (either domestically or internationally) in any one transfer window. Clubs can also normally accelerate receipt of deferred elements of transfer fees receivable by discounting those proceeds with a financial institution, although there can be no certainty of the availability of such funding.

Health and safety considerations at the Boleyn Ground on match days are of paramount importance. At the start of each season the group is awarded an annual safety certificate by the Safety Advisory Group, which comprises the local authority, police, fire service and other stakeholders. Thereafter the Safety Advisory Group meets monthly and also arranges for ad hoc inspections to ensure continuing compliance with all safety criteria. The group holds £300 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 very occasional 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 which forms part of the exceptional costs for the year.

The group places its cash with creditworthy institutions. 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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DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013
(continued)

Going Concern

The board was pleased to be able to finalise, in July 2013, a new loan facility, which totalled £25.5m as at 31 May 2013 and which extends to December 2016. Since the year end the board has increased this facility by £6.7m and repaid £5.5m. It has also secured additional short term loan finance of £15.0m.

The board has to assess the risk in relation to the group's forecast trading performance. The group has prepared and approved forecasts for the current and forthcoming seasons including the period of twelve months from the date of signing these financial statements. The board also performs sensitivity analyses on these forecasts, including identification of mitigating actions, to take account of any projected shortfalls. Mitigating actions include alternative sources of loan finance, the option of player disposals to generate transfer fee income and wage savings as well as support from its investing owners.

The board has concluded that its forecast for the year in question and the assumptions on which it is based are sufficiently robust to justify confidence in the company's going concern status. A major element of the company's annual turnover comes from contractual broadcasting and central sponsorship distributions and is therefore effectively guaranteed for the seasons covered by the company's forecasts. The company also generates turnover from season ticket, match ticket, corporate and retail sales and, while the board recognises uncertainties about these sources of income in the current economic climate, the evidence of the current season is that demand remains strong due to the high level of supporter loyalty enjoyed by the club.

In the event that the foregoing initiatives did not generate the necessary cash flows to allow the group to operate within its borrowing limits certain of the company's 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 operate within its agreed borrowing limits and meet its debts as they fall due.

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 the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

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DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013
(continued)

Key Performance Indicators

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.

	2012/13	2011/12	2010/11	2009/10	2008/09
League position	10 th	3 rd (Football League Championship)	20 th	17 th	9 th
FA Cup	3 rd round	3 rd round	Quarter final	3 rd round	5 th round
Carling Cup	2 nd round	1 st round	Semi final	3 rd round	3 rd round
Average league gate	34,720	30,800	32,800	33,100	33,000
Wage:turnover ratio	62.6%	90.2%	68.0%	70.2%	78.8%
Operating profit/(loss) before exceptional items & player trading	£16.7m	(£9.0m)	£8.4m	£1.4m	(£4.1m)

Directors

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

D Sullivan
D Gold
K Brady
N Igoe (resigned 7.12.12)
A Mollett (appointed 7.12.12)
R Ellis (resigned 1.7.13)
A Bernhardt (appointed 1.7.13)
D Harris

Employees

People

West Ham United's employees are key to its business and are the most visible part of the business to its customers. 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.

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DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013
(continued)

Engaging our people

Engaged staff help us to continue to be successful and grow. We continue to hold regular events to connect with our people, such as an annual family fun day, business results briefings and our Christmas parties. These reinforce our informal, relaxed culture and promote our family and community focus.

Our unique and informal culture means that most of our people have direct access to our senior management team. We hold monthly management meetings and ensure that employees from across the business are in dialogue with our business leaders. West Ham United 's employees are kept well informed of the performance of the Club and key events concerning the business through regular staff briefings by management and through communications via our intranet and email.

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.

West Ham United's people have a range of backgrounds and we work hard to provide opportunities to move around the business where appropriate and provide training to develop skills for current and future roles. We have a good track record in promoting our staff internally through investment in training and development.

Diversity of our people

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.

It is the policy of the Club that applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled all reasonable effort is made to ensure that their employment within the Club continues. It is the policy of the Club that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of an able bodied person.

Employee Consultation and Involvement

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 as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings usually with the vice-chairman or other senior management and is underpinned by the group intranet and a performance appraisal system for all staff. Regular Heads of Department meetings are held and committees have been established charged with reviewing contracts, controlling costs and maximising the group's income from staging events. Employees across the entire range of the group's operations participate in these committees.

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DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013

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Community

West Ham United continues to lead the way in terms of community engagement. All levels of the club embrace the work delivered by West Ham United Community Sports Trust to ensure sport, and the legacy programme now underway, can continue to inspire people for generations to come. Utilising our sites at Beckton, Upton Park, Chadwell Heath and Rush Green, we have delivered an increasing number of events and activities for local people of all ages and backgrounds.

These events are designed to have a lasting impact on all who take part, whether from the club or from the local community. The Trust promotes health and economic wellbeing by providing the best inclusive community engagement programmes in sports, education and inclusion. By promoting individual success and raising achievement and aspiration among the communities it serves, the investment from the West Ham United Club and Trust in East London will support the wider community work and participants.

Over the next three years and in preparation for the stadium move to the Olympic Park, the West Ham United Community Sports Trust will be building on this year's work which positively engaged and promoted sporting opportunities to the wider communities. By then harnessing the power of sport, the Trust will further develop the young people engaged by supporting them to increase their economic wellbeing through Education, Employment and Skills programming. The summary below of milestones is not an exhaustive list but highlights the key areas of development:

- Enrol over 100 NEET young people (Not in Education, Employment or Training) into our new College Programme in partnership with Newham College, students that without the association with the Club would not have engaged in further education
- Work with over 900 primary school students per year through our new Premier League Schools Programme, providing high quality school sports and brokering opportunities for elite pathways into clubs and potentially professional academies
- Continue to work and mentor young trainees across the Olympic Boroughs and work with a further 30 apprentices over the next three years with key partners and employers. This will directly impact over 14,000 young people giving inspiration and aspirational focus and ultimately increasing economic wellbeing for the young people involved
- Engage with 2,000 young people through our Kicks programme over the next three years in Newham and Tower Hamlets
- Establish over 20 satellite multi-sport sessions per week through our partnership with the Premier League, Sport England and a number of National Governing Bodies. The Premier League 4Sport programme has the unique model of cutting across schools, community centres, Local Authorities and sporting clubs to maximise opportunities for 14 – 25 year olds desperate to continue their sporting passions. Over the next three years, more than 2,000 young people will access the programme each year making this one of the key Olympic Legacy programmes delivered
- Support over 500 children and their family to lead healthier more active lifestyles

WH HOLDING LIMITED

DIRECTORS' REPORT & BUSINESS REVIEW

for the year ended 31 May 2013

(continued)

- Support over 100 people who have a mental health condition to become more active and lead healthier lifestyles, provide training and volunteering opportunities and to allow them to help others in the local community

We also continue to set the standard for promoting diversity, recognised by the Professional Footballers' Association for our efforts in raising awareness of anti-racism and diversity. Through our recent work delivered, with specific note to our match-day audio commentary for our visually impaired supporters, and also our continued effort to make the experience of watching live football more accessible and affordable during these difficult austere times; our football-for-all family initiative offers regular discounts on match prices for young people, including the 'Kids for a Quid' tickets.

Our job is to make a difference in our community and we aspire to deliver the club ethos for everyone who wants to be associated with it. With the Trust in a very positive position, the continuous aim is for the delivery and partnerships to prosper and to be maintained at the highest possible standard.

We are proud to acknowledge that our external perception is strong but always remember that 'there has never been a player who has made it from the dressing room'. (Tony Carr, Academy Director). The current staff and delivery team have shown continued dedication and passion over the past year and whilst process is important, people are at the heart of every successful organisation!

Exceptional Items

Note 4 discloses exceptional items of £1,769,000 in the year (2012- £2,763,000).

Post Balance Sheet Events

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

WH HOLDING LIMITED
DIRECTORS' REPORT & BUSINESS REVIEW
for the year ended 31 May 2013
(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.

On behalf of the board



A Mollett
Director

5 November 2013

WH HOLDING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the board



A Mollett
Director

5 November 2013

WH HOLDING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WH HOLDING LIMITED

We have audited the group and parent company financial statements of WH Holding Limited for the year ended 31 May 2013 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement, Notes to the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement, or inconsistencies we consider the implication, for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2013 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Julian Jenkins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 November 2013

WH HOLDING LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2013

	Note	2013			2012		
		Operations excluding player trading £000	Player trading * (notes 8 & 12) £000	Total £000	Operations excluding player trading (restated) £000	Player trading * (notes 8 & 12) £000	Total £000 (restated)
Group turnover	3	89,815	-	89,815	46,165	-	46,165
Other operating income		1,032	-	1,032	734	-	734
Administrative expenses		(75,956)	(13,838)	(89,794)	(58,687)	(9,774)	(68,461)
Group operating profit/(loss)	5	<u>14,891</u>	<u>(13,838)</u>	<u>1,053</u>	<u>(11,788)</u>	<u>(9,774)</u>	<u>(21,562)</u>
Analysed as:							
Operating profit/(loss) before exceptional items		16,660	(13,838)	2,822	(9,025)	(9,774)	(18,799)
Exceptional items	4	(1,769)	-	(1,769)	(2,763)	-	(2,763)
Group operating profit/(loss)	5	<u>14,891</u>	<u>(13,838)</u>	<u>1,053</u>	<u>(11,788)</u>	<u>(9,774)</u>	<u>(21,562)</u>
Profit on disposal of players	7	-	171	171	-	911	911
Profit/(loss) on operating activities before interest and taxation		<u>14,891</u>	<u>(13,667)</u>	<u>1,224</u>	<u>(11,788)</u>	<u>(8,863)</u>	<u>(20,651)</u>
Interest receivable and similar income	8			7			9
Interest payable and similar charges	9			(4,742)			(3,214)
Loss on ordinary activities before taxation				<u>(3,511)</u>			<u>(23,856)</u>
Tax on loss on ordinary activities	10			-			-
Loss for the financial year	27			<u>(3,511)</u>			<u>(23,856)</u>

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

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

All activities derive from continuing operations.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 May 2013

	2013 £000	2012 £000 (restated)
Loss for the financial year	(3,511)	(23,856)
Adjustment on revaluation of fixed assets	-	831
Total recognised losses for the year	<u>(3,511)</u>	<u>(23,025)</u>

WH HOLDING LIMITED

CONSOLIDATED BALANCE SHEET

as at 31 May 2013

	Note	2013		2012 (restated)	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		24,479		17,924
Tangible assets	12		40,852		41,160
			<u>65,331</u>		<u>59,084</u>
Current assets					
Stocks	14	782		2,080	
Debtors	15	9,493		7,100	
Cash at bank and in hand		13,478		1,854	
		<u>23,753</u>		<u>11,034</u>	
Creditors - amounts falling due within one year	16	(136,767)		(45,950)	
Net current liabilities			<u>(113,014)</u>		<u>(34,916)</u>
Total assets less current liabilities			<u>(47,683)</u>		<u>24,168</u>
Creditors – amounts falling due after more than one year	16		(8,842)		(79,881)
Provisions for liabilities	20,21		(5,319)		(2,620)
Net liabilities			<u>(61,844)</u>		<u>(58,333)</u>
Capital and reserves					
Called up share capital	22		2		2
Share premium account	23		34,999		34,999
Revaluation reserve	25		831		831
Capital redemption reserve	24		111,499		111,499
Profit and loss account	26		(209,175)		(205,664)
Total shareholders' deficit	27		<u>(61,844)</u>		<u>(58,333)</u>

These financial statements, on pages 19 to 39 for company registration number 5993863, were approved by the board of directors on 5 November 2013 and signed on its behalf



A Mollett
Director

WH HOLDING LIMITED

COMPANY BALANCE SHEET

as at 31 May 2013

	Note	2013		2012	
		£000	£000	£000	£000
Fixed assets					
Investments	13		65,000		65,000
Current assets					
Debtors	15	26,845		26,845	
Creditors - amounts falling due within one year	16	(3,545)		-	
Net current assets			<u>23,300</u>		<u>26,845</u>
Total assets less current liabilities			<u>88,300</u>		<u>91,845</u>
Creditors - amounts falling due after one year	16		-		(3,545)
Net assets			<u><u>88,300</u></u>		<u><u>88,300</u></u>
Capital and reserves					
Called up share capital	22		2		2
Share premium account	23		34,999		34,999
Capital redemption reserve	24		111,499		111,499
Profit and loss account	26		(58,200)		(58,200)
Total shareholders' funds			<u><u>88,300</u></u>		<u><u>88,300</u></u>

These financial statements, on pages 19 to 39 for company registration number 5993863, were approved by the board of directors on 5 November 2013 and signed on its behalf.



A Mollett
Director

WH HOLDING LIMITED
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 May 2013

	Note	2013		2012	
		£000	£000	£000	£000
Net cash inflow/(outflow) from operating activities	A		8,595		(21,828)
Returns on investments & servicing of finance					
Interest paid		(1,031)		(1,570)	
Interest received		7		9	
		-----		-----	
Net cash outflow from returns on investments & servicing of finance			(1,024)		(1,561)
Capital expenditure & financial investment					
Purchase of tangible fixed assets		(891)		(318)	
Proceeds on disposal of tangible fixed assets		1		7	
Purchase of player registrations		(20,436)		(11,588)	
Proceeds on disposal of player registrations, net of disposal costs		7,009		6,193	
		-----		-----	
Net cash outflow from capital expenditure & financial investment			(14,317)		(5,706)
Net cash outflow before financing			(6,746)		(29,095)
Financing					
Bank loans advanced		12,870		329	
Loans advanced from shareholders		10,500		32,200	
Bank and other loans repaid		(5,000)		(4,500)	
Hire and lease purchase loans repaid		-		(338)	
		-----		-----	
Net cash inflow from financing			18,370		27,691
Increase/(decrease) in cash & bank balances			<u>11,624</u>		<u>(1,404)</u>

WH HOLDING LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 May 2013

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

	2013 £000	2012 £000
Operating profit/(loss) from continuing activities	1,053	(21,562)
Depreciation charge	1,199	1,084
(Profit)/loss on disposal of tangible fixed assets	(1)	71
Release of deferred grant income	(67)	(67)
Amortisation of cost of player registrations	13,838	9,774
Decrease/(increase) in stocks	1,298	(1,649)
Increase in debtors	(2,473)	(190)
Decrease in creditors	(6,252)	(9,289)
Net cash inflow/(outflow) from operating activities	<u>8,595</u>	<u>(21,828)</u>

B Analysis of Changes in Net Debt

	01 June 2012 £000	Cash Flows £000	Other non- cash changes £000	31 May 2013 £000
Cash at bank and in hand	1,854	11,624	-	13,478
	<u>1,854</u>	<u>11,624</u>	<u>-</u>	<u>13,478</u>
Debt due within one year	(5,000)	(7,870)	(77,452)	(90,322)
Debt due after one year	(67,563)	(10,500)	77,452	(611)
	<u>(72,563)</u>	<u>(18,370)</u>	<u>-</u>	<u>(90,933)</u>
Net Debt	<u>(70,709)</u>	<u>(6,746)</u>	<u>-</u>	<u>(77,455)</u>

C Reconciliation of Net Cash Flow to Movement in Net Debt

	2013 £000	2012 £000
Increase/(decrease) in cash balances	11,624	(1,404)
Cash inflow from increase in debt and lease financing	(18,370)	(27,691)
Change in net debt resulting from cash flows	<u>(6,746)</u>	<u>(29,095)</u>
Net debt at start of year	(70,709)	(41,614)
Net debt at end of year	<u>(77,455)</u>	<u>(70,709)</u>

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013

1 Accounting Policies

These financial statements are prepared on the going concern basis, as discussed further in the Directors' Report on page 11. The company continues to have a number of options available in respect of mitigating actions in the event of liquidity issues. This includes the sale of players, refinancing options, and financial support from the shareholders. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold land and buildings, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries using acquisition accounting. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover represents all amounts received and receivable in respect of football matches played, goods sold and services provided during the year excluding value added tax. Gate receipts and other match day revenue is recognised as games are played. Sponsorship and similar commercial income is 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 earned. Merit awards are accounted for only when known at the end of the football season.

Non trading income is disclosed as other operating income and is recognised once there is certainty that the income will be received.

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.

Exceptional items

Items of income and expenditure, which fall within the ordinary activities of the company, may be considered to be exceptional by virtue of their size or the frequency with which they occur and these are disclosed in the financial statements as exceptional items.

Tangible fixed assets and depreciation

The football club has signed an agreement to become a tenant at the Olympic Stadium, so given that it is the club's intention to vacate the Boleyn ground in the future, the depreciated replacement cost accounting policy is no longer appropriate as the club are performing an assessment of the future possible uses of the Boleyn Ground and adjoining land, which could include disposal. In these circumstances, the historical cost accounting policy is considered to be more appropriate.

Under FRS 18, Accounting Policies, the Directors believe that a change in accounting policy is required, and so the comparative figures have been amended to show the effect of the change in the accounting policy to ensure appropriate like-for-like comparatives. The impact of this change to the 2012 year-end consolidated balance sheet and consolidated profit and loss statement is as follows:

- Reversal of the previously recognised revaluation reserve of £7.6m, including £0.8m of depreciation charged between the P&L reserve and revaluation reserve
- The Net Book Value of tangible fixed assets has been adjusted by £40.2m to £41.2m as at 31 May 2012.
- Reversal of £4.8m of depreciation originally charged in excess of the residual value.
- Adjustment of £39.4m to brought forward profit and loss reserves, resulting in a restated balance of £(181.8m) as at 01 June 2012.

In accordance with FRS 15 "Tangible Fixed Assets", the Chadwell Heath training ground and the Beckton Community Centre are valued on a depreciated replacement cost basis. The Little Heath training ground and the Rush Green training ground are valued on a current existing use value basis. Other assets which have not been the subject of a valuation are carried in the balance sheet at cost less accumulated depreciation.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013
(continued)

1 Accounting Policies (continued)

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.

Depreciation is provided at the following rates on a straight line basis. The rates used are expected to write off the cost, less any estimated residual value, of each asset over its expected useful life.

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

Assets are stated net of any provision for impairment.

Intangible fixed assets – player registrations

Payments made to third parties in order to acquire a player's registration, including agents' fees and transfer fee levy, are capitalised at cost. The cost is then amortised during the football season on a straight line basis over the period of the player's contract. In accordance with FRS 10, where a player's contract is renegotiated before its expiry, on broadly similar financial terms, 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 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.

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.

Intangible fixed assets – goodwill

Following the purchase of the share capital of West Ham United Limited and its subsidiary companies, the surplus of the total consideration (including cost of acquisition) over the fair value of the net assets acquired at the date of takeover, has been capitalised as "Goodwill on Acquisition" in these group financial statements. Goodwill is amortised over ten years, that being the estimated useful economic life. Following an impairment review in a prior period, the unamortised balance of goodwill was written down to nil.

Grants and deferred income

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

Stocks

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013

(continued)

1 Accounting Policies (continued)

Provisions

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

Pension costs

The group makes contributions on behalf of employees and directors to a number of independently controlled defined contribution and money purchase schemes the principal one of which is The Football League Pension and Life Assurance Scheme. 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 defined benefit section 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. Under FRS 17 - Retirement Benefits - The Scheme would be treated as a defined benefit multi-employer scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable basis and accordingly no disclosures are made under the provisions of FRS 17.

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

Investments

Investments are carried at cost less provision for any impairment.

Leases

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

Rental costs under operating leases are charged to 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 rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account.

2 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. The result for the parent company amounted to £nil (2012: £nil).

3 Group Turnover

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

	2013	Group	2012
	£000		£000
Match receipts and related football activities	17,973		13,596
Broadcast and central sponsorship distributions	51,824		19,769
Commercial activities	13,946		7,944
Retail and merchandising	6,072		4,856
	<u>89,815</u>		<u>46,165</u>

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

4 Exceptional Items

	2013	Group	2012
	£000		£000
Contributions towards deficit on Football League Pension and Life Assurance Scheme	-		1,735
Compensation for loss of office and associated professional fees	107		237
Football League parachute payment	-		165
Loss on foreign exchange transactions	303		-
Settlement of litigation	-		339
Olympic Stadium project costs	1,359		287
	<u>1,769</u>		<u>2,763</u>

Tax attributable to exceptional items was £422,000 (2012 – £765,000). As the group is loss making this merely serves to increase tax losses (see note 11).

5 Group Operating Profit/(Loss)

Group operating profit/(loss) is stated after charging/(crediting) the following.

	2013	Group	2012
	£000		£000
			(restated)
Employment costs (note 6)	56,220		41,645
Amortisation of intangible fixed assets (note 11)	13,838		9,774
Depreciation on tangible fixed assets (note 12):			
- owned assets*	1,199		1,084
Release of grant income	(67)		(67)
Fees payable to the company's auditors for the audit of the company's annual financial statements and the group's consolidated financial statements:	3		3
Fees payable to the company's auditors for the audit of the company's subsidiaries:	43		42
Fees payable to the company's auditors for other services pursuant to legislation:	8		7
Operating leases – land and buildings	259		346
Operating leases – plant and machinery	63		91
(Profit)/loss on disposal of tangible fixed assets	(1)		71

The audit fee for the company of £3,000 (2012 - £3,000) is borne by West Ham United Football Club Limited.

* Depreciation charged in the 2012 year end has been restated for the impact on the accounting policy change in respect of the football stadium.

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

6 Staff Costs, Emoluments and Employees

	Group	
	2013	2012
	£000	£000
Wages and salaries	49,278	34,950
Compensation for loss of office	107	237
Social security costs	6,713	4,585
Other pension costs	122	1,873
	56,220	41,645
	Number	Number
Average monthly number of persons employed (including directors)		
Players, team management & training	103	104
Commercial & administrative	123	112
	226	216
Part-time employees	354	370
	580	586
	Group	
	2013	2012
	£000	£000
Directors' Emoluments	1,962	653
Aggregate payments made to a defined contribution pension scheme	26	16
Total directors' emoluments	1,988	669
	2013	2012
	£000	£000
Emoluments of highest paid director	1,634	427
	Number	Number
Directors who are members of a defined contributions pension scheme	2	1

There were no payments to directors for compensation for loss of office (2012 – nil).

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

7 Profit on Disposal of Players

	2013 £000	2012 £000
Disposal proceeds (net of costs of realisation)	6,518	6,011
Net book value of players sold (note 11)	(6,347)	(5,100)
	<u>171</u>	<u>911</u>

Tax attributable to the profit on disposal of players was a charge of £41,000 (2012 £252,000). As the group is loss making this merely serves to reduce (2012 – reduce) tax losses (see note 10).

8 Interest Receivable and Similar Income

	2013 £000	2012 £000
Bank and other interest receivable	<u>7</u>	<u>9</u>

9 Interest Payable and Similar Charges

	2013 £000	Group 2012 £000
Interest payable on bank loans	2,210	1,417
Interest on loans from shareholders	2,373	1,083
Hire purchase loan interest	-	7
Discounting costs	133	132
Other interest payable	26	575
	<u>4,742</u>	<u>3,214</u>

10 Tax on Loss on Ordinary Activities

As at 31 May 2013 cumulative tax losses available to carry forward against future trading profits were approximately £122,000,000 (2012 – £119,000,000) subject to agreement with HM Revenue & Customs.

There is no tax charge in the current year (2012: £nil)

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the United Kingdom of 23.84% (2012: 25.67%). The differences are explained below:

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

	2013 £000	Group 2012 £000 (restated)
Loss on ordinary activities before tax	<u>(3,511)</u>	<u>(23,856)</u>
Tax credit @ 23.84% (2012 – 25.67%) thereon	(837)	(6,124)
Expenses not deductible for tax purposes	349	365
Depreciation for year in excess of capital allowances	(264)	117
Other timing differences	(66)	403
Increase in tax losses	818	5,239
Current corporation tax charge for year	<u>-</u>	<u>-</u>

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

10 Tax on Loss on Ordinary Activities (continued)

As announced in the March 2012 Budget, the main rate of UK corporation tax was reduced to 24% from 1 April 2012 and 23% from 1 April 2013. The reductions were substantively enacted at the balance sheet date and, therefore recognised in these financial statements.

Further reductions to the UK corporation tax rate were announced in the March 2013 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 21% from 1 April 2014, followed by a further 1% reduction to 20% by 1 April 2015. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

11 Intangible Fixed Assets – Group

	Player Registrations £000	Goodwill on acquisition £000	Total £000
<u>Cost</u>			
1 June 2012	39,631	37,965	77,596
Additions	26,740	-	26,740
Disposals	(19,236)	-	(19,236)
31 May 2013	47,135	37,965	85,100
<u>Accumulated amortisation</u>			
1 June 2012	21,707	37,965	59,672
Charge for the year	13,838	-	13,838
Disposals	(12,889)	-	(12,889)
31 May 2013	22,656	37,965	60,621
<u>Net book value</u>			
31 May 2013	24,479	-	24,479
31 May 2012	17,924	-	17,924

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

12 Tangible Fixed Assets – Group

	Freehold land & buildings £000	Plant, fittings & equipment £000	Motor vehicles £000	Total £000
<u>Cost or valuation</u>				
1 June 2012 (as originally disclosed)	96,724	16,478	91	113,293
Adjustment in respect of the change in accounting policy	(50,935)	-	-	(50,935)
1 June 2012 Restated	45,789	16,478	91	62,358
Additions	-	891	-	891
Disposals	-	-	(24)	(24)
31 May 2013	45,789	17,369	67	63,225
<u>Accumulated depreciation</u>				
1 June 2012 (as originally disclosed)	19,454	12,415	84	31,953
Adjustment in respect of the change in accounting policy	(10,755)	-	-	(10,755)
1 June 2012 (restated)	8,699	12,415	84	21,198
Charge for the year	80	1,115	4	1,199
Disposals	-	-	(24)	(24)
31 May 2013	8,779	13,530	64	22,373
<u>Net book value</u>				
31 May 2013	37,010	3,839	3	40,852
31 May 2012 (restated)	37,090	4,063	7	41,160

The football club has signed an agreement to become a tenant at the Olympic Stadium, so given that it is the club's intention to vacate the Boleyn ground in the future, the depreciated replacement cost accounting policy is no longer appropriate as the club are performing an assessment of the future possible uses of the Boleyn Ground and adjoining land, which could include disposal. In these circumstances, the historical cost accounting policy is considered to be more appropriate.

Under FRS18, the change in accounting policy is applied retrospectively to demonstrate the historical cost accounting policy, resulting in the restatement of comparative figures. For details on the change in accounting policy, refer to Note 1.

Edward Symmons & Partners, Chartered Surveyors, undertook valuations of the freehold properties belonging to the company as at 31 May 2012. 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	4,500
Little Heath training ground	Existing use value	740
Rush Green training ground	Existing use value	1,600
Beckton Community Centre	Depreciated replacement cost	1,500

The value of land included in the above is £3,759,000. The valuation of the Chadwell Heath training ground included plant, fittings and equipment valued at £1,250,000.

All of the freehold properties were charged to Standard Bank plc as agent for a syndicate of banks, however, since the refinancing carried out after the balance sheet date in July 2013, they are charged to CBH ehf and David Sullivan as lenders to the company.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013
(continued)

13 Fixed Asset Investments – Company

	£000
<u>Cost</u>	
1 June 2012	123,199
Additions	-
31-May 2013	123,199
<u>Impairment</u>	
1 June 2012 and 31 May 2013	58,199
<u>Net book value</u>	
31 May 2012 and 31 May 2013	65,000

13 Fixed Asset Investments (continued)

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 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

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 net assets.

14 Stocks

	Group	
	2013 £000	2012 £000
Goods for resale	782	2,080

The company does not hold any stock.

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

15 Debtors

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade debtors	2,408	2,010	-	-
Amounts owed by group undertaking	-	-	26,845	26,845
Debtors arising from player transfers	1,291	1,371	-	-
Other debtors	517	435	-	-
Prepayments and accrued income	5,277	3,284	-	-
	9,493	7,100	26,845	26,845

16 Creditors

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
<u>Amounts falling due within one year</u>				
Bank loan (notes 17 & 19)	44,622	5,000	3,545	-
Trade creditors	2,489	3,886	-	-
Loans from Shareholders (note 17)	45,700	-	-	-
Taxation and social security	7,000	2,546	-	-
Creditors arising from player transfers	13,810	10,816	-	-
Other creditors	5,826	9,147	-	-
Season ticket and other receipts in advance	8,538	9,480	-	-
Accruals	8,782	5,075	-	-
	136,767	45,950	3,545	-
<u>Amounts falling due after more than one year</u>				
Debenture loans & subscriptions (notes 18 & 19)	611	611	-	-
Bank loans (notes 18 & 20)	-	31,752	-	3,545
Loans from shareholders (note 18)	-	35,200	-	-
Creditors arising from player transfers	5,269	4,658	-	-
Other creditors	536	5,099	-	-
Deferred grant income	2,426	2,561	-	-
	8,842	79,881	-	3,545

As at 31st May 2013, the bank facilities and shareholder loans were due for repayment on 31st December 2013 and 1st January 2014 respectively and have been classified as current liabilities. On 1st July 2013, these facilities were refinanced and are now repayable by 31st December 2016. Therefore, in the 2013/14 financial statements these will be reclassified as due in greater than one year, except for any amounts payable within one year.

Grant income has been received from the Football Stadia Improvement Fund (formerly the Football Trust) against approved capital projects and is not repayable. It is the group's policy to release deferred income to the profit and loss account so as to match the depreciation charged on the tangible fixed assets purchased with the grant.

WH HOLDING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013
(continued)

17 Total Borrowings and Hire Purchase Obligations

	Group	
	2013	2012
	£000	£000
Debenture loans and subscriptions repayable after five years or more (note 18)	611	611
Secured bank loan repayable:		
Within one year or on demand	44,622	5,000
After greater than one year	-	25,527
	44,622	30,527
Loans from Shareholders repayable within one year	45,700	-
Unsecured loans repayable:		
After greater than one year	-	6,225
Loans from shareholders repayable:		
After greater than one year	-	35,200
	90,933	72,563

The loans from shareholders are unsecured and are subordinated to the secured bank loan. Interest is accrued at 6-7% but will not be paid or added to the loans until the loans are repaid. The interest accrued as at the balance sheet date amounts to £3,456,025.

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. Under the terms of the issue the definitive certificate can only be issued once payment has been received in full. At 31 May 2013 and 31 May 2012 the following applications had been received.

	Group	
	2013	2012
	£000	£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 Loan

The secured bank loan, in the sum of £25,527,000 (2012 - £30,527,000), was provided by a syndicate of five banks. The expiry date of the loan was 31 December 2013. Interest was charged at 2.5% over LIBOR.

This loan was secured by legal charges on the company's freehold land and buildings and debentures over all the assets and undertaking of the company in favour of the syndicate of five banks.

On 1st July 2013, this loan was refinanced with the syndicate being replaced by CB Holding ehf and David Sullivan. The loan of £25,527,000 was increased by £6,738,198 to include further subordinated loans. It is repayable by 31st December 2016 but there is an amortization schedule in place which will reduce the loan over that period. On 30th August 2013, £5,500,000 was repaid. Interest is charged at 3.0% over LIBOR.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2013 (continued)

19 Bank Loan (continued)

There were two unsecured loans provided by CB Holding ehf. These were repayable on 1 January 2014. Interest was charged at 2.5% over LIBOR on a loan in the sum of £1,622,000 (2012 – £1,622,000) and at 5% over LIBOR on a further loan in the sum of £3,545,000 (2012 – £3,545,000). Both loans were transferred to the new secured bank loan above.

A further unsecured loan in the sum of £1,058,000 (2012 – £1,058,000) was provided by ALMC hf. and was also repayable on 1 January 2014. Interest was charged at 5% over LIBOR. This loan is also transferred to the new secured bank loan.

20 Provisions for Liabilities – Cost of Player Registrations

	Group	
	2013 £000	2012 £000
At start of the year	2,620	364
Utilised in the year	(2,278)	(353)
Released in the year	(2,134)	(11)
Provided in the year	7,111	2,620
	5,319	2,620
At end of the year		

The above provision represents contingent amounts payable under the terms of transfer agreements.

21 Provisions for Liabilities – Deferred Taxation

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

	Group	
	2013 £000	2012 £000
Capital allowances in excess of depreciation	(592)	(650)
Other timing differences	592	650
Unutilised tax losses	-	-
	-	-
Total deferred tax liability		

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

	Group	
	2013 £000	2012 £000
Unutilised tax losses	28,060	28,525
Surplus other timing differences	-	32
Surplus on revaluation of properties	(213)	(213)
	27,847	28,344
Unprovided deferred tax asset		

The deferred tax asset of £27,847,000 (2012 – £28,344,000) has not been recognised as, in the opinion of the board, there is insufficient evidence of appropriate profits in the future that would lead to the asset crystallising.

The group's freehold properties, excluding the Boleyn Ground, were revalued in 2012 in accordance with FRS 15 "Tangible Fixed Assets". It is the group's intention to retain these properties for the foreseeable future. No deferred tax has therefore been provided on the gains arising from the revaluation as such tax would only become payable if any of the properties were sold without rollover relief being obtained.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013

(continued)

22 Called up Share Capital

	Group & Company	
	2013	2012
	£000	£000
<u>Allotted and fully paid</u>		
2,000 ordinary shares of £1 each	2	2

Ordinary shares have full voting and dividend rights.

23 Share Premium Account

	Group & Company	
	2013	2012
	£000	£000
At start of the year	34,999	34,999
Issue of ordinary shares	-	-
At end of the year	<u>34,999</u>	<u>34,999</u>

24 Capital Redemption Reserve

	Group & Company	
	2013	2012
	£000	£000
At start and end of the year	<u>111,499</u>	<u>111,499</u>

25 Revaluation Reserve

	Group	
	2013	2012
	£000	£000
At start of the year as originally disclosed	-	(7,552)
Adjustment in respect of the change in accounting policy	-	7,552
At start of the year restated	831	-
Adjustment on revaluation of properties	-	831
At end of the year	<u>831</u>	<u>831</u>

26 Profit and Loss Account

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
At start of the year as originally disclosed	-	(142,450)	(58,200)	(58,200)
Adjustment in respect of the change in accounting policy	-	(39,358)	-	-
At start of the year restated	(205,664)	(181,808)	(58,200)	(58,200)
Loss for the financial year	(3,511)	(23,856)	-	-
At end of the year	<u>(209,175)</u>	<u>(205,664)</u>	<u>(58,200)</u>	<u>(58,200)</u>

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013
(continued)

27 Reconciliation of Movements in Shareholders' Deficit

	Group	
	2013 £000	2012 £000
At the start of the year as originally disclosed	-	(3,502)
Adjustment in respect of the change in accounting policy	-	(31,806)
	(58,333)	(35,308)
At the start of the year restated	(58,333)	(35,308)
Loss for the financial year	(3,511)	(23,856)
Adjustment on revaluation of properties	-	831
	(61,844)	(58,333)
Closing shareholders' deficit	(61,844)	(58,333)

28 Operating Lease Commitments

At 31 May 2013 the group was committed to making the following annual payments in respect of operating leases.

	Group	
	2013 £000	2012 £000
<u>Land and buildings</u>		
Expiring within one year	-	6
Expiring within two to five years	259	253
	259	259
<u>Other operating leases</u>		
Expiring within one year	11	33
Expiring within two to five years	90	60
	101	93
	360	352

29 Contingent Liabilities & Guarantees

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 contingent liability was £2,460,000 (2012 – £1,770,000).

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.

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.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013
(continued)

31 Post Balance Sheet Events

Transfer of player registrations completed subsequent to 31 May 2013 amount to a net £23,424,000 payable by the Group (2012 - £13,003,000 payable) with a further net £4,067,000 payable (2012 - £6,817,000 payable) contingent on certain future events.

On 1st July 2013, the Group completed a refinancing of the facilities which were due to expire on 31st December 2013. As a result the company has a new long term facility in place until 31st December 2016. These new facilities are disclosed as related party transactions in note 34.

On 1st July 2013, David Sullivan acquired 25% of the share capital of the company from CB Holding ehf, giving him a majority shareholding.

On 10th September 2012 the company took out a short term loan with Vibrac Corporation of £12.8m. This was secured on the Premier league basic payment for the 2013-4 season, and it was repaid accordingly on 5th August 2013. A further loan of £15.0m was taken out on 12th August 2013, again secured on future income from the Premier League broadcasting contract.

On 3rd October 2013, David Gold increased his shareholding in the Club by 4.5% to 35.1% through purchase of shares from David Sullivan.

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. It is required to carry out actuarial valuations every three years and updated deficits as at 31 August 2002, 31 August 2005, 31 August 2009 and 31 August 2012 were certified by the scheme actuary in January 2003, March 2006, July 2009 and May 2012 with new schedules of contributions put in place in April 2003, April 2006, September 2009 and September 2012 which took account of market movements since the valuation date.

Following these valuations, the group's total contribution towards the deficit was calculated as £4,957,000. 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 2012 and August 2023.

Total pension costs charged during the year amounted to £122,000 (2012 - £1,873,000).

33 Ultimate Controlling Party

As at the balance sheet date, David Sullivan owns 51.1% of the issued share capital of WH Holding Limited, and as a result has ultimate control over the Group.

34 Related Party Disclosures

ALMC hf. ("ALMC") has an indirect shareholding in the company by virtue of its 69.4% shareholding in CB Holding ehf. ("CBH") which company holds 10% of the share capital of the company at the date of these financial statements.

ALMC was a member of the syndicate of five banks which had advanced the secured bank loan to the company (note 20). Amounts owing to ALMC at 31 May 2013 totalled £8,410,000 (2012 - £10,040,000) in respect of the term loan. ALMC's share of interest paid to the syndicate or accrued as at the year end totalled £276,000 (2012 - £356,000).

As part of the refinancing completed on 1st July 2013, ALMC became one of the new lenders to the company, though it was repaid its balance in full on 30th August 2013.

WH HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013
(continued)

34 Related Party Disclosures (continued)

In October 2008, ALMC made available to the company a revolving credit facility which was later converted to an uncommitted revolving loan facility. This loan was subsequently novated in favour of CBH. At 31 May 2013 the balance on the loan was £3,892,000 (2012 – £3,545,000). Interest is capitalised on the loan and amounts charged or accrued for the year totalled £347,000 (2012 – £229,000).

As part of the refinancing completed on 1st July 2013, ALMC converted this loan into a new facility.

In addition, CBH had advanced an unsecured loan to the group on which the balance owing at 31 May 2013 was £1,681,000 (2012 – £1,622,000). Interest was capitalised on the loan and amounts capitalised or accrued as at the year end totalled £52,000 (2012 – £44,000).

As part of the refinancing completed on 1st July 2013, CBH converted this loan into a new facility.

On 30 May 2011, ALMC advanced a further unsecured loan on which the balance owing at 31 May 2013 was £1,139,000 (2012 – £1,058,000). Interest was capitalised on the loan and amounts capitalised or accrued as at the year end totalled £81,000 (2012 – £61,000).

As part of the refinancing completed on 1st July 2013, ALMC converted this loan into a new facility.

During 2013, entities controlled by David Sullivan and David Gold advanced unsecured loans of £5,250,000 each. This was in addition to the loans of £17,600,000 each advanced to the year ended 31 May 2012. Interest accrued at the year end totalled £1,742,000 and £1,714,000 respectively.

David Sullivan and David Gold both own interests in in Telecom2 Limited, which is a telecommunications services partner to the company. During the year ended 31st May 2013, the company received payments from Telecom2 Ltd amounting to £19,000.