

Company Registration Number 5993863

# WH HOLDING LIMITED

**Annual Report and Financial Statements**

**For the year ended 31 May 2021**

# WH HOLDING LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 May 2021

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# WH HOLDING LIMITED

## DIRECTORS AND PROFESSIONAL ADVISERS

<b>Directors</b>	David Sullivan David Gold Karren Brady Andy Mollett Daniel Harris J Albert Smith
<b>Company Secretary</b>	Andy Mollett
<b>Registered Office</b>	London Stadium Queen Elizabeth Olympic Park London E20 2ST
<b>Company Registration Number</b>	5993863
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	Barclays Plc 1, Churchill Place London EC14 5HP

# WH HOLDING LIMITED

## STRATEGIC REPORT for the year ended 31 May 2021

The directors present their annual report together with the audited financial statements of the Group for the year ended 31 May 2021.

### **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 26.

The shareholders invested £30.0m in the form of a rights issue on 1 July 2020 and remain focused on the growth and success of West Ham United. Given the long-term ambitions of the shareholders, short-term returns are not expected in line with the Club's objectives. 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, the directors do not propose the payment of a dividend (2020: £nil).

The consolidated balance sheet can be found on page 27 and shows that the total shareholders' deficit has decreased from 31 May 2020 by £7.1m due to the loss for the financial year being offset by the rights issue of £30.0m.

### **Review of the year**

This has been another difficult year for everyone, and the Club is no exception. The season was again impacted by the COVID-19 pandemic which caused almost every one of the games of the 2020-21 season to be played behind closed doors without fans.

The Manager has proved to be a real asset to the Club since his return at the end of 2019 with the Club making the strategic decision to provide funds in line with his requirements to enhance the squad during the 2020-21 transfer windows. This strategy proved to be successful as we were able to secure our core aim of maintaining our Premier League status for a tenth consecutive season, which is now the longest period the Club has remained in the Premier League since its inception in 1992, but also in line with our objective to progress and be challenging for Europe consistently, we achieved the highest points tally in our Premier League history and finished in 6th place and in doing so qualifying for the Europa League group stages, an immense achievement by all during a difficult season.

The Club made significant investment to ensure the highest level of protocols were in place throughout the 2020-21 season to enable matches to take place safely. Unfortunately, due to the pandemic it was not possible for supporters to attend fixtures for the entire 2020-21 season with the exception of just two fixtures one allowing only 2,500 attendees and the second, the final home game at only substantially reduced numbers. They were missed at every level of the football club.

The accessible transport links and significant exterior space around London Stadium helped to ensure a safe and socially distanced ingress and egress when supporters were allowed to return fully. This, along with our 66,000 footprint and wide concourse areas are just some of the factors which highlight why we were as well placed as any other Premier League club to welcome back our fans. With the rigorous plans and processes in place, in strict compliance with Government guidelines, to make the

# WH HOLDING LIMITED

## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### Review of the year (continued)

London Stadium as safe as it can possibly be for all spectators, it is hoped that significant numbers of fans will be able to attend games for all of the 2021-22 season.

The financial effect of COVID this year has been significant for all Premier League Clubs and West Ham is no exception. The impact in this financial year is the almost complete lack of gate and corporate income due to the games all being played behind closed doors as well as matchday income from the Club's stadium retail store. This has been offset by the better performance on the pitch this season, as shown by the progress demonstrated by finishing 6<sup>th</sup>, up from 16<sup>th</sup> last season, and the recognition of all broadcasting income related to the nine fixtures played during Project Restart in June 2020 in the 2020-21 financial year, resulting in a substantial broadcast revenue increase in 2020-21.

Turnover at £192.7m was up £53.2m on last year, primarily driven by the increase in broadcasting income offset by the loss of regular matchday and ancillary income noted above despite the innovative approach employed by the Club in respect of online retail and its approach to deliver partnership inventory. The increase of £80.6m of broadcasting income is primarily a result of the deferral of the last nine games into financial year 2020-21, the recognition of facility income for 'live' matches and the improved league position achieved at the end of the 2020-21 season.

Broadcast income was also adversely impacted by a central rebate imposed on all Premier League clubs in respect of the matches not played during the season suspension from March to May 2020. The cost of the rebate to the Club was £8.0m, of which £6.1m was offset against 2019-20 income, with the balance of £1.9m charged in 2020-21. The rebate will be paid during the 2021-22 and 2022-23 seasons by way of a deduction from Premier League broadcast receivables.

Match income at £0.5m is also £22.0m lower due to the matches being held without fans against 14 home games with fans in the previous season which also impacted commercial revenue at £19.4m - a decrease of £6.5m on last year.

Retail at £9.7m is £1.1m higher, as despite the retail outlets being closed during the lockdown for almost half of the year, the Club was able to innovate and the online offering was able to successfully resume, using all digital opportunities to make up the shortfall.

The primary reason for the decrease in the net loss for the year by £38.8m to £26.5m, is the increase in turnover noted above, with slightly lower staff costs, and other overheads. This was partly offset by higher amortisation, lower profit on sale of players and higher interest costs.

The Club ensured again that despite the challenges no redundancies were made.

The total estimated impact on the Club's financial results in 2020-21, 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.

# WH HOLDING LIMITED

## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### Review of the year (continued)

As a result of the suspended matches in 19-20 the Club gave the option of a refund to all its supporters although many opted to take the option of Club Cash with the Club as a result of the loyalty of its supporters and loyalty incentives offered. Ticketing income lost in the year included season ticket and match day revenue of £28.7m and corporate seasonal memberships income of £9.1m. Other attributable income lost due to COVID was £4.4m.

This was offset by Broadcast income deferred to the following financial year of £25.7m due to the season being realised in 2020-21, less by the charge of a broadcaster rebate of £1.9m.

There were also cost savings resulting from the season being played behind closed doors and these were approximately £3.4m. This included £4.5m of natural savings due to matches not being hosted, offset by £1.1m in respect of costs deferred from 2019-20 in respect of the five Project Restart matches.

An insurance claim for a contribution towards the financial losses sustained as a result of the pandemic in 2019-20 has been submitted and £2.5m has been received to date. No further amounts in respect of this claim have been recognised in these financial statements.

In order to support effective business continuity during the pandemic and maintain the ongoing levels of cash required, the shareholders injected a further £30.0m of funding through a rights issue on 1 July 2020.

The adverse effects of the pandemic on the Club's cashflow were also temporarily alleviated by the deferral £3.6m of VAT payments due in March and June 2020, to March 2021.

On the pitch, under the guidance of the new management structure, the team put in some very strong performances throughout the season, finishing the season in 6<sup>th</sup> place and ultimately securing our highest points tally to date in the Premier League as well as qualification into the Group stages of the Europa League.

In order to provide long term financial stability and sustainability at the Club, a new £120.0m five-year term loan was provided by MSD Holdings Limited on 26 February 2021. A drawdown of £55.0m from the new facility was utilised on 17 March 2021 and the funds used to repay the Rights and Media Funding Limited facilities and the short-term overdraft provided by Barclays Bank prior to their maturities in July 2021. This forms part of the Club's strategy and provides stronger foundations to deliver against its short, mid and long-term objectives.

The Club is now focused on growth both domestically and internationally. We are in the latter stages of securing planning consent to increase the Stadium's capacity to upwards of 62,500 and in doing so making the Stadium the largest in the capital and among the highest in the Premier League. We plan to fully maximise the opportunity this brings for the benefit of our supporters and to the Club overall.

On the pitch, under the guidance of the new Manager, the team put in some very strong performances throughout the season, finishing the season in 6<sup>th</sup> place and ultimately securing not only our Premier League status but also qualification into the Group stages of the Europa league.

# WH HOLDING LIMITED

## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### **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 new management team and backroom staff, as well as an exciting squad assembled, has given the Club hope of consistently higher finishes as the Club embark upon their first ever Europa League campaign from the group stages.

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 partnership 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 2021-22 season, which achieved 99% despite the pandemic and provides a positive sign for the appetite of supporters to return to matches when it is safe to do so.

It is anticipated that the return of fans to matches in 2021-22 will be at full capacity as a result of the successful vaccination campaign against COVID though we must anticipate that uncertainty around returning could impact attendances – though with the highest number of Season Ticket holders in London and second highest in the Premier League the Club is in a strong position as we move forward.

Thus far, the return of fans to matches in 2021-22 have been at full capacity as a result of the successful vaccination campaign against COVID and easing of government restrictions. The average attendance of the first three home league matches was 59,870.

For West Ham United, the brand and team are its greatest contributors to value, resulting in it being Forbes 18<sup>th</sup> most valuable Club in the world and the 8<sup>th</sup> most valuable Premier League Club, in line with its goal of building sustainable value. The Club will now look to leverage the additional global exposure European football brings to further build the brand internationally, growing its fanbase and footprint across the world, opening up new markets and expanding revenue opportunities.

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## STRATEGIC REPORT for the year ended 31 May 2021 (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 FA Premier League with the serious financial consequences which follow. 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 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 2022 and 2023 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, or in many cases received, by 31 July each year. However, with the impact of COVID-19 and games being played behind closed doors, the sale of season tickets and Corporate hospitality has been impacted, and whilst we have been able to achieve encouraging volumes of sales, we have not been able to accommodate the supporters due to the restrictions in place. We expect this to be rectified by full capacities again in the 2021-22 season.

To the extent that there are ever any material variances from 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 injecting £30m cash, the progress and strong performance of the team, and the effective measures taken to improve the corporate structure, this is not a measure WHU 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.



# WH HOLDING LIMITED

## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### *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 gain on foreign currency translation of £1.1m due to favourable movements in the Euro foreign exchange markets at the year-end date.

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.

### *Going Concern*

As of the date of approval of these financial statements the Group has £53.5m of shareholder loans, and has drawdown £75.0m of a £120.0m 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. Both the shareholder loans and the long term loan facility are 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 £30.0m of proceeds from the rights issue in July 2020, the Board has prepared and approved forecasts for the current and forthcoming season (through to May 2023), 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. Furthermore the base forecast assumes that fans will be able to attend all matches and these will continue to be played across period to May 2023.

However, in order to be prudent despite the current strong squad and its current level of performance, the Board has also considered a downside scenario. This scenario includes relegation at the end of the 2021-22 season. Additionally the downside scenario assumes a resurgence of COVID-19 and hence that matches will have to be played behind closed doors for a period of 2021-22. However the downside forecast continues to assume matches will be played and broadcast (as has been evidenced in the lockdowns of November 2020 and January-February 2021).

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.

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## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### *Going Concern (Continued)*

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 2021-22 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.

### **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 9 for details on the Group's Financial risk management objectives and policies.

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## STRATEGIC REPORT for the year ended 31 May 2021 (continued)

### Section 172(1) statement (continued)

#### 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, and we are committed to paying the London Living Wage.
- We have created Hammers Working from Home, which has been set up to increase connectedness among the staff in the changing work environment caused by the COVID-19 pandemic.
- 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.
- 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, to which we deliver through a variety of projects.
- The West Ham United Foundation is the Club's community outreach vehicle, delivering more than thirty community projects in East London, Essex and international locations; engaging up to 50,000 people every year across Health, Community Sport, Football Development and Learning and Employability.

#### High standards of business conduct

- The 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.

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## STRATEGIC REPORT for the year ended 31 May 2021 (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.

	2020/21	2019/2020	2018/19	2017/18	2016/17
League position	6 <sup>th</sup>	16 <sup>th</sup>	10 <sup>th</sup>	13 <sup>th</sup>	11 <sup>th</sup>
FA Cup	5 <sup>th</sup> round	4 <sup>th</sup> round	4 <sup>th</sup> round	4 <sup>th</sup> round	3 <sup>rd</sup> round
Caraboa Cup	4 <sup>th</sup> round	3 <sup>rd</sup> round	4 <sup>th</sup> round	5 <sup>th</sup> round	5 <sup>th</sup> round
Average league gate	568	59,925	58,325	56,923	56,972
Wage: turnover ratio	67.2%	93.8%	71.2%	60.8%	51.8%
Operating profit/(loss) before exceptional items & player trading	£33.2m	(£25.3m)	£20.7m	£34.7m	£56.7m

The average attendance in season 2020-21 was 568 due to matches played behind mostly behind closed doors resulting from COVID-19 pandemic restrictions. We were permitted to allow a very limited number of fans into the stadium for the fixtures against Manchester United (2,500) and Southampton (10,000). The 2020-21 Wage: turnover ratio, as adjusted for the impact of deferring broadcasting income for 9 out of 38 games from the 2019-20 season into 2020-21 was 70% (2020: 73.0%).

On behalf of the board



**Andy Mollett**  
Director

**11 October 2021**

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021

### **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  
David Gold  
Karren Brady  
Andy Mollett  
Daniel Harris  
J Albert Smith

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 26. The directors do not propose the payment of a dividend (2020: £nil).

### **Political donations**

No donations were made to a registered political party or other political organisation in the EU (including the UK), or any independent elections candidate and no EU political expenditure exceeding £2,000 in aggregate was incurred in the financial year (2020: £nil).

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (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 was awarded the Premier League's Equality Standard Advanced level in December 2020, recognising our ongoing dedication and commitment to equality, diversity and inclusion. 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.

The Club were proud to be recognised by winning the London Living Wage COVID-19: Stronger Together Award.

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (continued)

### *Engagement & Involvement*

Engaged 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 remote 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 remote meetings with the vice-chairman or other 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 General Data Protection Regulations, Cardiopulmonary Resuscitation, fire awareness, Safeguarding and Display Screen Equipment.

Since the COVID-19 pandemic the Club has designed and implemented an online training and development schedule which includes a six-part management series offering practical tips to working remotely, guidance on how to get the most out of technology and connect positively with each other, as well as bespoke sessions on how to support physical and mental health. As well as traditional learning programmes, staff also take part in learning lunches, book and film clubs to broaden their knowledge of equality, diversity and inclusion topics.

### *Compensation & Benefits*

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.

In line with legislation the Club has also undertaken a gender pay gap audit and the results show that the pay gap is currently -32.2%, an 18.8% improvement from 2017 (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.

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (continued)

### *Compensation & Benefits (continued)*

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 Board has worked 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.

### **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 measures that were discovered 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 2020-21, 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 2021 was 2.702 million kWh and total UK emissions were 589.8. This represents an intensity ratio of 3.0 (tCO<sub>2</sub>e per £1m of turnover).



# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (continued)

### Streamlined Energy and Carbon Reporting (SECR) (continued)

	2021	2020
Electricity	324.32	376.9
Gas	164.12	186.8
Transport	70.69	73.7
Other Fuels	30.62	122.37
<b>Total GHG Emissions (tCO<sub>2</sub>e)</b>	<b>589.75</b>	<b>759.77</b>
Scope 1 CO <sub>2</sub> emissions (tonnes)	243.91	382.7
Scope 2 CO <sub>2</sub> emissions (tonnes)	324.32	376.9
<b>Total GHG Emissions (tCO<sub>2</sub>e)</b>	<b>568.23</b>	<b>759.6</b>
<b>Intensity Ratio tCO<sub>2</sub>e per £M turnover</b>	<b>3.06</b>	<b>5.5</b>

### West Ham United Foundation

As the official charity of the club the West Ham United Foundation is the focal point of our community work. Its project delivery spans East London, Essex and international sites and is centred around Health, Community, Football Development and Learning and Employability; catering for all ages and abilities.

Over the past 18 months, due to impact of the COVID-19 pandemic, there has been heightened levels of need across our local areas. Therefore, as an integral part of the community and with ongoing support from the club, the Foundation has remobilised its operations in order to continue to make a positive difference.

The Foundation has formed new collaborations, strengthened partnerships and created projects, all with the aim of tackling the inequalities and issues which have been produced or exacerbated throughout this period. This includes initiatives focusing on tackling racism, improving mental health and wellbeing among children and young adults, prevention and intervention of anti-social behaviour and offering mentoring and employability opportunities.

Adding to this is our continued efforts to support frontline services including our local NHS; Barts Health NHS Trust and Barking, Havering, Redbridge University Hospitals NHS Trust. This has consisted of a range of activities, such as: volunteering, donations, guest speakers at workshops, delivery of live online exercise classes for NHS Trust staff, hosting NHS Trust staff and their friends and family at the final game of the 2020-21 season, where the key workers acted as flagbearers, as well as remote and innovative player appearances through the Players' Project.

While the pandemic has tested the organisation, and led to alterations of some its work streams, its five-year plan - established in 2019 - has proved to be robust and so we have been able to remain clear in our approach:

Vision - Harnessing the power of football to maximise life-chances and inspire better futures for all.

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (continued)

### **West Ham United Foundation (continued)**

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 need 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.

As a club which has deep roots into its community, we understand that we operate in some of the most diverse and deprived boroughs in the UK and in the past 18 months the people and communities closest to us have been disproportionately affected.

Some effects have been immediate and others are medium and long-term. Therefore, it's crucial for us to keep focused on our objectives. This also means harnessing the power of sport as much as possible to maximise our impact.

Since the inception of the Players' Project in 2018 - whereby the men's, women's and academy players began acting as ambassadors for areas of community work - it has grown tremendously and the players have become even more ingrained in the community. Evidence has shown that has been extremely positive for the people, services and causes they have supported and, following that, industry recognition has been widespread. Adding to the London Sport Impact of Elite Sport Award received in March 2020, the initiative won the Sports Business Award for Best CSR/Community Scheme in December 2020.

At the heart of our club is community and we are all dedicated to fulfilling our role and responsibilities. The frameworks and protocols put in place across the charity over the past few years, as well as the combined effort at every level of the club and Foundation, and the way we have been able to remobilise, puts us in a positive position to build on our work to date so that we can proactively serve our community, aid recovery and enhance the lives of people and communities now and for years to come.

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (continued)

### **Financial risk management**

See Strategic Report, page 9.

### **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 9-10.

### **Dividends**

See Strategic Report, page 4.

# WH HOLDING LIMITED

## DIRECTORS' REPORT for the year ended 31 May 2021 (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 2021 (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



**A Mollett**  
**Director**  
**11 October 2021**

# 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 2021 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 (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 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the notes to the Consolidated Cash Flow Statement, 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 2021 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](http://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  
11 October 2021

# WH HOLDING LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 May 2021

	Note	2021			2020		
		Operations excluding player trading* £000	Player trading ** (notes 6 & 10) £000	Total £000	Operations excluding player trading* £000	Player trading ** (notes 6 & 10) £000	Total £000
<b>Group turnover</b>	3	192,728	-	192,728	139,500	-	139,500
Other operating income		4,571	-	4,571	1,377	-	1,377
Administrative expenses		(165,519)	(67,633)	(233,152)	(166,155)	(59,856)	(226,011)
<b>Group operating profit/(loss)</b>	5	31,780	(67,633)	(35,853)	(25,278)	(59,856)	(85,134)
Analysed as;							
Operating profit/(loss) before Exceptional items		33,223	(67,633)	(34,410)	(25,278)	(59,856)	(85,134)
Exceptional items	4	(1,443)	-	(1,443)	-	-	-
<b>Gross Operating profit/(loss)</b>		31,780	(67,633)	(35,853)	(25,278)	(59,856)	(85,134)
Profit on disposal of players		-	17,584	17,584	-	24,933	24,933
<b>Profit/(loss) on operating activities before interest and taxation</b>		31,780	(50,049)	(18,269)	(25,278)	(34,923)	(60,201)
Interest receivable and similar income	8			5			31
Interest payable and similar expenses	9			(8,652)			(5,165)
<b>Loss before taxation</b>				(26,916)			(65,335)
Tax on Loss	10			397			-
<b>Loss for the financial year</b>				(26,519)			(65,335)
<b>Other comprehensive income</b>							
Revaluation of tangible assets	12			3,618			-
<b>Total comprehensive expense for the financial year</b>				(22,901)			(65,335)

\*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 and impairment of registrations, and the profit or loss on disposal of registrations.

All activities derive from continuing operations.

The notes on pages 33 to 55 are an integral part of these financial statements.

# WH HOLDING LIMITED

## CONSOLIDATED BALANCE SHEET

as at 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	11		94,127		147,091
Tangible assets	12		25,888		23,589
			<u>120,015</u>		<u>170,680</u>
<b>Current assets</b>					
Stocks	14	1,369		1,765	
Debtors: amounts falling due after more than one year	15	16,899		17,473	
Debtors: amounts falling due within one year	15	39,614		18,435	
Cash at bank and in hand		19,984		14,663	
		<u>77,866</u>		<u>52,336</u>	
<b>Creditors: amounts falling due within one year</b>	16	(136,237)		(199,966)	
			<u>(58,371)</u>		<u>(147,630)</u>
<b>Net current liabilities</b>					
			61,644		23,050
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	16	(139,288)		(101,595)	
<b>Provisions for liabilities</b>	20,21	(34)		(6,232)	
<b>Net liabilities</b>			<u>(77,678)</u>		<u>(84,777)</u>
<b>Capital and reserves</b>					
Called up share capital	22		3		2
Share premium account	23		64,998		34,999
Capital redemption reserve	24		111,499		111,499
Revaluation reserve	25		5,017		1,399
Profit and loss account	26		(259,195)		(232,676)
<b>Total shareholders' deficit</b>	27		<u>(77,678)</u>		<u>(84,777)</u>

The notes on pages 33 to 55 are an integral part of these financial statements.

These financial statements, on pages 26 to 55 for company registration number 5993863, were authorised by the board of directors on 11 October 2021 and signed on its behalf.



**Andy Mollett**  
Director

# WH HOLDING LIMITED

## COMPANY BALANCE SHEET

as at 31 May 2021

	Note	2021		2020	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	13		123,199		123,199
<b>Current assets</b>					
Debtors	15	62,215		32,235	
<b>Creditors: amounts falling due within one year</b>	16	(9,500)		(9,500)	
<b>Net current assets</b>			<u>52,715</u>		<u>22,735</u>
<b>Total assets less current liabilities</b>			<u>175,914</u>		<u>145,934</u>
<b>Net assets</b>			<u>175,914</u>		<u>145,934</u>
<b>Capital and reserves</b>					
Called up share capital	22		3		2
Share premium account	23		64,998		34,999
Capital redemption reserve	24		111,499		111,499
Profit and loss account	26		(586)		(566)
<b>Total shareholders' funds</b>			<u>175,914</u>		<u>145,934</u>

The Company generated a loss of £20,000 for the year (2020: Nil).

The notes on pages 33 to 55 are an integral part of these financial statements.

These financial statements, on pages 26 to 55 for company registration number 5993863, were authorised by the board of directors on 11 October 2021 and signed on its behalf.



**Andy Mollett**  
Director

# WH HOLDING LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 May 2021

	Called up share capital	Share premium Account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total shareholders' deficit
	£000	£000	£000	£000	£000	£000
<b>Balance as at 1 June 2019</b>	2	34,999	111,499	1,399	(167,341)	(19,442)
Loss for the year	-	-	-	-	(65,335)	(65,335)
<b>Balance as at 31 May 2020</b>	2	34,999	111,499	1,399	(232,676)	(84,777)
<b>Balance as at 1 June 2020</b>	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
<b>Total comprehensive expense for the year</b>	-	-	-	<b>3,618</b>	<b>(26,519)</b>	<b>(22,901)</b>
Rights Issue	1	29,999	-	-	-	30,000
<b>Total transactions with owners, recognised directly in equity</b>	<b>1</b>	<b>29,999</b>	-	-	-	<b>30,000</b>
<b>Balance as at 31 May 2021</b>	3	64,998	111,499	5,017	(259,195)	(77,678)

The notes on pages 33 to 55 are an integral part of these financial statements.

# WH HOLDING LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 May 2021

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Capital redemption reserve £000</b>	<b>Profit and loss account £000</b>	<b>Total shareholders' funds £000</b>
<b>Balance as at 1 June 2019</b>	<b>2</b>	<b>34,999</b>	<b>111,499</b>	<b>(566)</b>	<b>145,934</b>
Result for the year	-	-	-	-	-
<b>Balance as at 31 May 2020</b>	<b>2</b>	<b>34,999</b>	<b>111,499</b>	<b>(566)</b>	<b>145,934</b>
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
<b>Balance as at 31 May 2021</b>	<b>3</b>	<b>64,998</b>	<b>111,499</b>	<b>(586)</b>	<b>175,914</b>

The notes on pages 33 to 55 are an integral part of these financial statements.

# WH HOLDING LIMITED

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 May 2021

	2021		2020	
	£000	£000	£000	£000
<b>Net cash generated from operating activities</b> <b>(Note A)</b>		28,403		1,317
<b>Cash flow from investing activities</b>				
Purchase of tangible fixed assets	(1,411)		(2,164)	
Purchase of player registrations	(79,544)		(88,051)	
Proceeds from disposal of player registrations, net of costs	46,373		53,370	
Interest received	5		31	
<b>Net cash used in investing activities</b>		(34,577)		(36,814)
<b>Cash flow from financing activities</b>				
Rights Issue proceeds	30,000		-	
Bank and other loans advanced	110,000		63,500	
Bank and other loans repaid	(120,450)		(22,250)	
Interest paid	(8,055)		(3,611)	
Net cash generated from financing activities		11,495		37,639
<b>Net increase/(decrease) in cash and cash equivalents</b>		5,321		2,142
Cash and cash equivalents at start of the year		14,663		12,521
<b>Cash and cash equivalents at the end of the year</b>		19,984		14,663

The notes on pages 33 to 55 are an integral part of these financial statements.

# WH HOLDING LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 May 2021

### A Reconciliation of Operating Loss to Net Cash Inflow from Operating Activities

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Operating loss from continuing activities including player trading	(35,853)	(85,134)
Depreciation charge	2,730	2,586
Amortisation of cost of player registrations	57,755	58,036
Impairment of Player Registration costs	9,878	1,820
Decrease in stocks	396	1,138
(Increase)/Decrease in debtors	(9,544)	11,991
Increase in creditors	3,041	10,880
Net cash inflow from operating activities	<u>28,403</u>	<u>1,317</u>

### B Analysis of Changes in Net Debt

	<b>1 June</b> <b>2020</b> <b>£000</b>	<b>Cash</b> <b>Flows</b> <b>£000</b>	<b>Other non-</b> <b>cash</b> <b>changes</b> <b>£000</b>	<b>31 May</b> <b>2021</b> <b>£000</b>
Cash at bank and in hand	14,663	5,321	-	19,984
	<u>14,663</u>	<u>5,321</u>	<u>-</u>	<u>19,984</u>
Debt due within one year	(73,600)	64,100	-	(9,500)
Debt due after one year	(45,961)	(53,650)	-	(99,611)
	<u>(119,561)</u>	<u>10,450</u>	<u>-</u>	<u>(109,111)</u>
Net debt	<u>(104,898)</u>	<u>15,771</u>	<u>-</u>	<u>(89,127)</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 2021

### 1. Accounting Policies

#### a) General information

WH Holding Limited (“the Company”) and its subsidiaries (together “the Group”) operates 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 1d.

Certain comparative disclosures have been amended in order to ensure the comparability of the figures with the year ended 31 May 2021 disclosures. These amendments have no impact on the Company’s primary financial statements including the result for the year nor net assets.

#### *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 2021

(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 £53.5m of shareholder loans, and has drawdown £75.0m of a £120.0m 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. Both the shareholder loans and the long term loan facility are 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 £30.0m of proceeds from the rights issue in July 2020, the Board has prepared and approved forecasts for the current and forthcoming season (through to May 2023), 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. Furthermore the base forecast assumes that fans will be able to attend all matches and these will continue to be played across period to May 2023.

However, in order to be prudent despite the current strong squad and its current level of performance, the Board has also considered a downside scenario. This scenario includes relegation at the end of the 2021-22 season. Additionally the downside scenario assumes a resurgence of COVID-19 and hence that matches will have to be played behind closed doors for a period of 2021-22. However the downside forecast continues to assume matches will be played and broadcast (as has been evidenced in the lockdowns of November 2020 and January-February 2021).

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 2021-22 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 2021

(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.

Turnover for season 2020-21 includes broadcasting revenue for nine Premier League fixtures played during Project Restart, which took place in June and July 2021. In addition, an apportioned share of the Premier League merit fee for season 2019-20, attributable to these matches has also been recognised in these financial statements.

##### *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 2021

(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 football season on a straight-line basis over the period of the player's contract. 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 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. 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 2021

(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 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 plan 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 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.

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2021

(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 2021

(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 2021

(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. A contingent liability is disclosed in relation to those amounts not considered likely to become payable.

### 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.

### 3. Group Turnover

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Match receipts and related football activities	508	22,510
Broadcast and central sponsorship distributions	163,104	82,520
Commercial activities	19,444	25,910
Retail and merchandising	9,672	8,560
	<u>192,728</u>	<u>139,500</u>

### 4. Exceptional Items

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
English Football League Pension scheme revaluation (note 32)	1,443	-
	<u>1,443</u>	<u>-</u>



# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2021

(continued)

### 5. Group Operating loss

Group operating loss is stated after charging the following:

	<b>2021</b>	<b>Group</b>
	<b>£000</b>	<b>2020</b>
		<b>£000</b>
Employment costs (note 6)	129,425	130,831
Insurance claim received	(2,500)	-
Premier League Youth Academy grant income	(1,161)	(1,156)
Gains on translation of foreign currency	(1,064)	(643)
Amortisation of intangible fixed assets (note 11)	57,755	58,036
Impairment of Player Registration costs (note 11)	9,878	1,820
Depreciation on tangible fixed assets (note 12)	2,730	2,586
Fees payable to the Company's auditors for the audit of the Company's annual financial statements and the Group's consolidated financial statements	75	69
Fees payable to the Company's auditors for the audit of the Company's subsidiaries	5	3
Fees payable to the Company's auditors for the half year review:	15	11
Operating leases – land and buildings	2,831	2,979
Operating leases – plant and machinery	78	76

The audit fee for the Company of £3,000 (2020: £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 2021 (continued)

### 6. Staff Costs, Emoluments and Employees

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	112,892	114,791
Social security costs	16,284	15,782
Other pension costs	249	258
	<u>129,425</u>	<u>130,831</u>

	<b><u>Number</u></b>	<b><u>Number</u></b>
Average monthly number of persons employed (including directors)		
Players, team management & training	127	108
Commercial & administrative	216	224
	<u>343</u>	<u>332</u>
Part-time employees	309	250
	<u>652</u>	<u>582</u>

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Aggregate directors' emoluments	<u>1,777</u>	<u>1,392</u>

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Aggregate emoluments of highest paid director	<u>1,331</u>	<u>1,027</u>

There were no payments to directors for compensation for loss of office (2020: £nil).

The holding Company had no employees during 2021 and 2020.

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2021

(continued)

### 7. Profit on Disposal of Players

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Profit on sale of players	17,436	22,833
Income on loan of players	148	2,100
	<u>17,584</u>	<u>24,933</u>

### 8. Interest Receivable and Similar Income

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank and other interest receivable	<u>5</u>	<u>31</u>

### 9. Interest Payable and Similar Expenses

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest payable on secured loans	5,224	3,216
Interest on loans from shareholders	1,870	1,930
Other finance costs	1,558	19
	<u>8,652</u>	<u>5,165</u>

### 10. Tax on Loss

As at 31 May 2021 cumulative unrecognised tax losses available to carry forward against future trading profits were £153,847,331 (2020: £140,108,078). Refer to note 21 for the associated unprovided deferred tax asset.

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the United Kingdom of 19.0% (2020: 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 2021 (continued)

### 10 Tax on Loss (continued)

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Loss before taxation	(26,916)	(65,335)
Tax charge at 19.0% (2019: 19.0%) thereon	(5,114)	(12,414)
Expenses not deductible/income not taxable for tax purposes	914	654
Fixed asset timing differences	324	211
Adjustments to tax charge in respect of previous periods	(397)	-
Losses carried forward unrecognised	3,598	12,637
Other timing differences	278	(1,088)
Corporation tax repayment for the year	(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

	<b>Player Registrations</b>	<b>Goodwill on acquisition</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<u>Cost</u>			
1 June 2020	298,981	37,965	336,946
Additions	54,124	-	54,124
Disposals	(94,435)	-	(94,435)
31 May 2021	258,670	37,965	296,635
<u>Accumulated amortisation</u>			
1 June 2020	151,890	37,965	189,855
Charge for the year	57,755	-	57,755
Impairment of player registration costs	9,878	-	9,878
Disposals	(54,980)	-	(54,980)
31 May 2021	164,543	37,965	202,508
<u>Net book value</u>			
31 May 2021	94,127	-	94,127
31 May 2020	147,091	-	147,091

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

### 12. Tangible Assets

	<b>Freehold land &amp; buildings £000</b>	<b>Plant, fittings &amp; equipment £000</b>	<b>Motor vehicles £000</b>	<b>Total £000</b>
<u>Cost or valuation</u>				
1 June 2020	23,409	17,027	74	40,510
Additions	308	1,103	-	1,411
Revaluation	2,116	-	-	2,116
31 May 2021	25,833	18,130	74	44,037
<u>Accumulated depreciation</u>				
1 June 2020	5,569	11,309	43	16,921
Charge for the year	1,232	1,480	18	2,730
Revaluation	(1,502)	-	-	(1,502)
31 May 2021	5,299	12,789	61	18,149
<u>Net book value</u>				
31 May 2021	20,534	5,341	13	25,888
31 May 2020	17,840	5,718	31	23,589

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.

<b>Property</b>	<b>Basis of valuation</b>	<b>£000</b>
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 2021 (continued)

### 13. Investments / Company

	<b>£000</b>
<u>Cost</u>	
1 June 2020	123,199
31 May 2021	<u>123,199</u>
<u>Net book value</u>	
31 May 2021	<u>123,199</u>
31 May 2020	<u>123,199</u>

Subsidiary undertakings comprise the following.

<b>Company</b>	<b>Percentage of ordinary shares held</b>	<b>Country of incorporation and operation</b>	<b>Principal activities</b>
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 2021 (continued)

### 14. Stocks

	Group	
	2021 £000	2020 £000
Goods for resale	1,369	1,765

The Company does not hold any stock (2020: £nil).

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

### 15. Debtors

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
<b>Amounts falling due within one year:</b>				
Trade debtors	9,234	2,923	-	-
Amounts owed by Group undertakings	-	-	62,215	32,235
Debtors arising from player transfers due within one year	24,180	13,092	-	-
Other debtors	723	354	-	-
Corporation tax receivable	397	-	-	-
Prepayments and accrued income	5,080	2,066	-	-
<b>Debtors: amounts falling due within one year</b>	<b>39,614</b>	<b>18,435</b>	<b>62,215</b>	<b>32,235</b>
<b>Amounts falling due after more than one year:</b>				
Debtors arising from player transfers due in greater than one year	2,782	3,205	-	-
Prepayments and accrued income	14,117	14,268	-	-
<b>Debtors: amounts falling due after more than one year</b>	<b>16,899</b>	<b>17,473</b>	<b>-</b>	<b>-</b>
	<b>56,513</b>	<b>35,908</b>	<b>62,215</b>	<b>32,235</b>

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.

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

16. Creditors	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
<u>Amounts falling due within one year</u>				
Bank and other loans (notes 17 & 19)	-	64,100	-	-
Trade Creditors	2,129	1,961	-	-
Taxation and social security	13,361	17,826	-	-
Creditors arising from player transfers	54,346	56,626	-	-
Derivative financial instruments	1,202	-	-	-
Other creditors and Season Tickets refundable	5,598	10,243	-	-
Receipts in advance	26,117	23,895	-	-
Unsecured shareholder loan (note 17)	9,500	9,500	9,500	9,500
Accruals	23,984	15,815	-	-
	<u>136,237</u>	<u>199,966</u>	<u>9,500</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	44,000	-	-
Bank and other loans (notes 17 & 19)	55,000	1,350	-	-
Creditors arising from player transfers	37,066	54,008	-	-
Other creditors	2,611	1,626	-	-
	<u>139,288</u>	<u>101,595</u>	<u>-</u>	<u>-</u>

The long-term bank loan of £55.0m was drawn down on 17 March 2021 from a new £120.0m five-year facility provided by MSD Holdings Limited. This facility is secured, subject to retaining Premier League status, by a fixed and floating charge on the assets of the Club.

The balance held within Other Creditors and Season Tickets refundable include the value of monies due back to season ticket holders in respect of matches played behind closed doors of £4.3m (2020: £10.2m).

The Derivative financial instruments balance of £1.2m (2020: £0.0m) represents a financial liability measured at fair value through the profit and loss account. All other creditors are financial liabilities measured at amortised cost.

The Group entered into forward foreign exchange contracts totalling €30.0m to mitigate the exchange rate risk for certain foreign currency payables after the year end date. At 31 May 2021, the outstanding contracts all mature within four months of the year end. Under these contracts, the Group is committed to purchase €30.0m for a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for EUR:GBP.

The Group has no interest rate derivative financial instruments (2020: None).



# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

### 17. Total Borrowings

	Group	
	2021 £000	2020 £000
Debenture loans and subscriptions repayable after five years or more (note 18)	<u>611</u>	<u>611</u>
Secured loan repayable within one year	-	64,100
Secured loan repayable after greater than one year	55,000	1,350
Unsecured Shareholder loan repayable upon change of control	9,500	9,500
Loans from Shareholders repayable after greater than one year	44,000	44,000
	<u>108,500</u>	<u>118,950</u>

The loans from shareholders repayable after greater than one year are unsecured, with interest accruing at 4.0% p.a. The interest accrued as at the balance sheet date amounts to £3.7m (2020: £1.8m).

The repayment date for these shareholder loans is 1 January 2024.

An Unsecured Shareholder loan of £9,500,000 was received on 21 September 2017. The loan is non-interest bearing and repayable upon a change of control of the Group.

### 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 2021 and at 31 May 2020 the following applications had been received.

	Group	
	2021 £000	2020 £000
97 'A' bonds	49	49
641 'B' bonds	481	481
70 'C' bonds	68	68
Part payments	13	13
	<u>611</u>	<u>611</u>

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

### 19. Bank and other loans

During the year to 31 May 2021, the Company took out a £120.0m long term financing facility with MSD Holdings Limited. At the balance sheet date, £55.0m of the facility had been drawn down. 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 2021 (continued)

### 20. Provisions for Liabilities – Cost of Player Registrations

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At start of the year	6,232	10,256
Utilised in the year	(2,099)	(4,811)
Released in the year	(4,099)	(1,379)
Provided in the year	-	2,166
At end of the year	<u>34</u>	<u>6,232</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 2021 (2020: £nil).

### 21. Provisions for Liabilities – Deferred Taxation

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fixed asset timing differences	(608)	(563)
Other timing differences	2,695	1,111
Surplus on revaluation of properties	(2,087)	(548)
Total deferred tax asset/(liability)	<u>-</u>	<u>-</u>

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Unprovided deferred tax asset	<u>38,462</u>	<u>27,094</u>

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

### 22 Called up Share Capital

	<i>Number of shares</i>		<b>Group and Company</b>	
	<i>2021</i>	<i>2020</i>	<b>2021</b>	<b>2020</b>
			<b>£000</b>	<b>£000</b>
<u>Allotted and fully paid (ordinary shares of £1)</u>				
At start year	2,000	2,000	2	2
Rights Issue	750	-	1	-
At end of year	<u>2,750</u>	<u>2,000</u>	<u>3</u>	<u>2</u>

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

See note 23 for details of rights issue.

### 23 Share Premium Account

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At start of year	34,999	34,999
Rights Issue	29,999	-
At end of year	<u>64,998</u>	<u>34,999</u>

A rights issue was made to existing shareholders in July 2020, raising a total of £30,000,000 in exchange for 750 new shares of £1.

### 24. Capital Redemption Reserve

	<b>Group &amp; Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
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.

### 25. Revaluation Reserve

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At start of the financial year	1,399	1,399
Surplus on revaluation of properties	3,618	-
At end of the financial year	<u>5,017</u>	<u>1,399</u>

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

### 26. Profit and Loss Account

	Group		Company	
	2021 £000	2020 £000	2021 £000	2020 £000
At start of the year	(232,676)	(167,341)	(566)	(566)
Loss for the financial year	(26,519)	(65,335)	(20)	-
At end of the year	<u>(259,195)</u>	<u>(232,676)</u>	<u>(586)</u>	<u>(566)</u>

### 27. Reconciliation of Movements in Shareholders' Deficit

	Group	
	2021 £000	2020 £000
At the start of the year	(84,777)	(19,442)
Loss for the financial year	(26,519)	(65,335)
Rights Issue	30,000	-
Surplus on revaluation of properties	3,618	-
Total Shareholders' Deficit	<u>(77,678)</u>	<u>(84,777)</u>

### 28. Operating Lease Commitments

At 31st May 2021 the Group was committed to making the following annual payments in respect of operating leases.

	Group	
	2021 £000	2020 £000
<u>Land and buildings</u>		
Expiring within one year	3,358	3,205
Expiring within two to five years	14,156	14,248
Expiring more than five years	303,004	306,408
	<u>320,518</u>	<u>323,861</u>
<u>Other operating leases</u>		
Expiring within one year	9	13
Expiring within two to five years	94	154
	<u>103</u>	<u>167</u>
	<u>320,621</u>	<u>324,028</u>

The Company had no capital or other commitments at 31 May 2021 (2020: £nil).

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2021

(continued)

### 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 £975,000 (2020: £985,000).

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.

### 31. Post Balance Sheet Events

The transfer of player registrations completed subsequent to 31 May 2021 amount to a net £62,965,000 (inclusive of player related agent fees), payable by the Group over the long and short-term (2020: £8,861,000 payable), with a further net £7,111,000 (2020: £1,449,000) payable contingent on certain future events.

An agreement was reached on 17 September 2020 which deferred the remaining transfer fee balance of €24.7m payable to Eintracht Frankfurt for the transfer of Sebastian Haller until 17 September 2022. The player was subsequently sold to AFC Ajax for an undisclosed fee on 7 January 2021.

A payment of €11.4m was made on 27 May 2021 and the final balance of €13.3m from the deferred transfer fee was settled with MSD Holdings Limited on 24 June 2021. In addition, interest and finance charges accrued on the deferred fee, totalling €1.2m were paid to MSD Holdings Limited on 5 July 2021 (€0.8m) and 29 July 2021 (€0.4m).

The outstanding transfer fee receivable of €16.9m from AFC Ajax for their purchase of Sebastian Haller, was accelerated via a facility with Macquarie Bank Limited. This resulted in €15.8m net of interest charges being received on 21 June 2021.

A draw down of £20.0m was received from the five-year facility provided by MSD Holdings Limited on 2 September 2021. 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 2021 (continued)

### 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 the most recent valuation, dated September 2021, the Group's total contribution towards the deficit was calculated as £2,701,000, and this has resulted in a one-off exceptional charge in the current financial year accounts of £1,443,000. 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 2021 was £2,860,000 owed by the Group.

Total pension costs charged under other defined contribution schemes during the year amounted to £248,900 (2020: £258,000).

### 33. Ultimate Controlling Party

As at the balance sheet date, David Sullivan owns 51.5% of the issued share capital of WH Holding Limited, and as a result 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

# WH HOLDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2021 (continued)

### 34. Related Party Disclosures

On 28 August 2019 the Group made payments of £956,250 to Rickleford Limited and Gold Group International Limited, entities wholly owned by David Sullivan and to David Gold respectively, in partial settlement of interest accrued on the Shareholder loans. These loans were originally made from December 2011 to April 2013, and they have accrued interest at 4.25%.

At 31 May 2021 the combined balance of unsecured loans advanced by David Sullivan and David Gold via their companies was £44,000,000 (2020: £44,000,000). Interest accrued at the year-end totalled £3,716,305 (2020: £1,846,000) on the two loans. In the wake of the pandemic, the owners have once again decided to defer payment of the interest accrued.

An interest free loan of £9,500,000 was made to the Group by J Albert Smith upon the acquisition of shares in WH Holding Limited by WHU LLC on 21 September 2017. The loan is only repayable in the event of a change in control of the Club.

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 2021, the Group paid fees of £56,637 (2020: £87,282) to Telecom2 Limited for services procured. At 31 May 2021, a balance of £4,699 (2020: £152) was owed by the Group.

Sales of £11,969 (2020: £2,290) were made to Telecom 2 Limited during the year. At 31 May 2021, the balance remained outstanding.

Conegate Limited, a company wholly owned by David Sullivan, owed a balance of £4,540 to the Group. This was cleared after year end. Payments made to Conegate Limited for services procured amounted to £7,560.