

Company Registration No. 66516

WEST HAM UNITED FOOTBALL CLUB PLC

Report and Financial Statements

31 May 2000



WEST HAM UNITED FOOTBALL CLUB PLC

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 May 2000.

Principal Activity

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

Results and Dividends

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

The directors do not propose the payment of a dividend (1999 - nil).

Review of the Company's Activities

The team finished ninth in The FA Premier League, its third consecutive top ten finish in three years representing the best league performance over a three year period in the club's history.

Turnover increased by 28% from £24.3 million to £31.1 million but increases in overheads, principally wages, resulted in a pre-tax loss of £1.6 million against a loss of £2.5 million in the previous year.

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

Directors and their Interests

The directors who held office during the year and since the year end are as follows.

TW Brown
MW Cearns
CJ Warner
N Igoe
PM Aldridge
CBC Manhire (appointed 14 July 2000)

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

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

31 May 1999 &
31 May 2000

TW Brown	2
MW Cearns	2
CJ Warner	6

WEST HAM UNITED FOOTBALL CLUB PLC

DIRECTORS' REPORT

(continued)

Payment of Suppliers

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

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

At 31 May 2000 the aggregate amount owed to trade creditors, as a proportion of the aggregate amounts invoiced by suppliers to the company during the year then ended, represented an average of 50 days' credit (1999 – 54 days'). Average figures calculated on the basis laid down by the regulations bear little or no relation to actual days' credit taken as a result of the irregular pattern of invoiced supplies during the year.

Auditors

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

By order of the board



N Igoe
Secretary

22 November 2000

WEST HAM UNITED FOOTBALL CLUB PLC

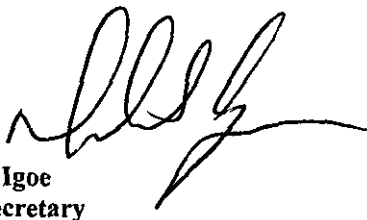
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

By order of the board



N Igwe
Secretary

22 November 2000

WEST HAM UNITED FOOTBALL CLUB PLC

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

We have audited the financial statements on pages 6 to 19, which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards.. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

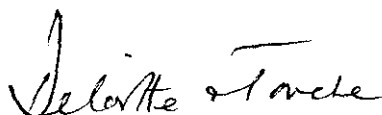
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

22 November 2000

WEST HAM UNITED FOOTBALL CLUB PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31 May 2000

		2000			1999
	Notes	Operations excluding player trading £000	Player trading £000	Total £000	Total £000
Turnover	2	31,102	-	31,102	24,317
Other operating income		-	-	-	1
Administrative expenses		(31,295)	(5,966)	(37,261)	(30,890)
Operating loss	3	<u>(193)</u>	<u>(5,966)</u>	<u>(6,159)</u>	<u>(6,572)</u>
Profit on disposal of players	4	-	5,642	5,642	4,898
Loss before interest and taxation		<u>(193)</u>	<u>(324)</u>	<u>(517)</u>	<u>(1,674)</u>
Net interest payable	5			(1,056)	(785)
Loss for the financial year	22			<u>(1,573)</u>	<u>(2,459)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £000	1999 £000
Total recognised losses relating to the year (as above)	(1,573)	(2,459)
Unrealised surplus on revaluation of properties	6,541	-
Total gains/(losses) recognised since the last annual report	<u>4,968</u>	<u>(2,459)</u>

All activities derive from continuing operations.

WEST HAM UNITED FOOTBALL CLUB PLC

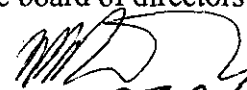

BALANCE SHEET

as at 31 May 2000

	Notes	2000		1999	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		37,502		28,526
Intangible assets	10		19,089		17,309
			<u>56,591</u>		<u>45,835</u>
Current assets					
Debtors – due within one year	11	5,504		5,296	
Debtors – due after more than one year	11	44		67	
Cash at bank and in hand		88		250	
		<u>5,636</u>		<u>5,613</u>	
Creditors - amounts falling due within one year	12	(20,037)		(16,955)	
Net current liabilities			<u>(14,401)</u>		<u>(11,342)</u>
Total assets less current liabilities			<u>42,190</u>		<u>34,493</u>
Creditors – amounts falling due after more than one year	12		(10,532)		(6,549)
Deferred grant income	17		(3,648)		(3,648)
Provisions for liabilities and charges	18		(3,449)		(2,703)
Total net assets			<u>24,561</u>		<u>21,593</u>
Capital and reserves					
Called up share capital	20		5,500		5,500
Share premium account			4,847		4,847
Revaluation reserve	21		14,204		7,965
Profit and loss account	22		10		3,281
Total equity shareholders' funds	23		<u>24,561</u>		<u>21,593</u>

These financial statements were approved by the board of directors on 22 November 2000.

Signed on behalf of the board of directors

 TW Brown
 N Igoe

Director

Director

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS

for the year ended 31 May 2000

1 Accounting Policies

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

Accounting convention

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

Turnover

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

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.

Tangible fixed assets

Depreciation is not provided on freehold land and buildings since the Boleyn Ground stadium and adjoining land are valued, in accordance with FRS15, on a depreciated replacement cost basis. Depreciation in respect of all other fixed assets is provided at the followings rates on a straight line basis. The rates used are expected to write off the cost, less any estimated residual value, of each asset over its expected useful life.

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

Intangible assets – player registrations

Following the implementation of FRS 10 on Goodwill and Intangible Assets the company has changed its accounting policy for the cost of player registrations. Payments made to third parties in order to acquire a player's registration are now capitalised at cost. The cost is then amortised on a straight line basis over the period of the player's contract.

In the event of disposal of a player's registration, the unamortised cost of acquiring the registration is deducted from the net proceeds of disposal to arrive at a profit or loss on disposal.

Following the implementation of FRS 12 on Provisions, Contingent Liabilities and Contingent Assets, 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 now 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.

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

1 Accounting Policies (continued)

Grants and deferred income

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

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

Pension costs

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

Leases

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

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

Foreign exchange

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

2 Turnover

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

	2000 £000	1999 £000
Match receipts and related football activities	12,596	10,080
Television and FA Premier League distributions	13,053	9,886
Commercial activities	5,453	4,351
	<u>31,102</u>	<u>24,317</u>

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

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

3 Operating Loss

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

	2000 £000	1999 £000
Employment costs (note 6)	23,976	17,314
Depreciation on tangible fixed assets (note 9):		
- owned assets	359	354
- assets held under hire and lease purchase contracts	306	181
Auditors' remuneration:		
- audit	21	18
- other services	66	26
Operating leases	64	43
Loss/(profit) on disposal of fixed assets	10	(1)

4 Profit on Disposal of Players

	2000 £000	1999 £000
Disposal proceeds (net of costs of realisation)	10,460	10,651
Net book value of players sold (note 10)	(4,818)	(5,753)
	<u>5,642</u>	<u>4,898</u>

5 Net Interest Payable

	2000 £000	1999 £000
Interest payable on bank loans and overdrafts	582	548
Hire purchase loan interest	141	112
Bill of exchange discounting costs	360	211
Interest on other loans	5	10
	<u>1,088</u>	<u>881</u>
Bank and other interest receivable	(32)	(96)
	<u>1,056</u>	<u>785</u>

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

6 Staff Costs and Employees

	2000 £000	1999 £000
Wages and salaries	21,287	15,555
Social security costs	2,466	1,603
Other pension contributions	223	156
	<u>23,976</u>	<u>17,314</u>
	Number	Number
<u>Average number of persons employed</u>		
Full time employees	156	128
Part time employees	18	20
	<u>174</u>	<u>148</u>

7 Directors' Emoluments

	2000 £000	1999 £000
Emoluments	606	776
Compensation for loss of office	-	30
Aggregate payments made to a defined contribution scheme	51	60
	<u>657</u>	<u>866</u>
<u>Emoluments of highest paid director</u>		
Emoluments	368	328
Compensation for loss of office	-	30
Aggregate payments made to a defined contribution scheme	30	23
	<u>398</u>	<u>381</u>
	Number	Number
Directors who are members of a defined contributions pension scheme	3	3

8 Taxation on Loss on Ordinary Activities

The tax charge in the year was nil (1999 – nil). As at 31 May 2000, cumulative tax losses available to carry forward against future trading profits were approximately £5,300,000 (1999 – £2,200,000) subject to agreement with the Inland Revenue.

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

9 Tangible Fixed Assets

	Freehold land & buildings £000	Assets under construction £000	Plant, fittings & equipment £000	Motor vehicles £000	Total £000
<u>Cost or valuation</u>					
1 June 1999	25,700	-	4,295	356	30,351
Additions	141	2,259	663	126	3,189
Adjustment arising on revaluation	6,315	-	226	-	6,541
Transfers to group companies	-	-	(160)	-	(160)
Reclassification	(99)	99	-	-	-
Disposals	(4)	-	(32)	(102)	(138)
31 May 2000	32,053	2,358	4,992	380	39,783
<u>Depreciation</u>					
1 June 1999	-	-	1,687	138	1,825
Charge for the year	-	-	578	87	665
Transfers to group companies	-	-	(128)	-	(128)
Disposals	-	-	(21)	(60)	(81)
31 May 2000	-	-	2,116	165	2,281
<u>Net book value</u>					
31 May 2000	32,053	2,358	2,876	215	37,502
31 May 1999	25,700	-	2,608	218	28,526

Edward Symmons Hotel & Leisure, Chartered Surveyors, undertook a valuation of the stadium and adjoining land belonging to the company as at 20 July 2000 the results of which have been reflected in these accounts. The valuation was on a depreciated replacement cost basis. No separate valuation of land was undertaken.

The valuation was in the sum of £34,000,000 and includes plant, fittings & equipment valued at £1,947,000.

The comparable amounts for freehold land and buildings determined according to the historical cost convention are cost of £12,680,000 (1999 – £12,642,000) and accumulated depreciation of £1,792,000 (1999 – £1,575,000).

Assets under construction comprise a new west stand to the Boleyn Ground and a school in the course of construction on land owned by the company. Subsequent to the year end the company disposed of its freehold interest in the school building and land on which it had been constructed in exchange for another parcel of land adjoining the site of the Boleyn Ground.

The Boleyn Ground land and buildings and adjoining land are charged to Barclays Bank PLC as trustee for themselves, Bank of Scotland and Lombard North Central plc.

The net book value of the company's assets includes £2,469,000 (1999 – £2,081,000) in respect of assets held under hire and lease purchase contracts.

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

10 Intangible Fixed Assets

	£000
<u>Cost of player registrations</u>	
1 June 1999	28,502
Additions	12,564
Disposals	(7,543)
31 May 2000	<u>33,523</u>
<u>Amortisation of player registrations</u>	
1 June 1999	11,193
Charge for the year	5,966
Disposals	(2,725)
31 May 2000	<u>14,434</u>
<u>Net book value</u>	
31 May 2000	<u>19,089</u>
31 May 1999	<u>17,309</u>

The European Commission is currently reviewing the transfer system for European nationals in Europe. At present the outcome of the review is unknown. The directors have therefore decided that any adjustment to player carrying values would be speculative and have prepared the accounts on a basis consistent with prior years.

11 Debtors

	2000 £000	1999 £000
<u>Due within one year</u>		
Trade debtors	1,079	822
Amounts owing by fellow group undertakings	1,666	1,447
Freehold property	251	-
Other debtors	971	1,278
Prepayments and accrued income	1,437	1,749
	<u>5,504</u>	<u>5,296</u>
<u>Due after more than one year</u>		
Prepayments and accrued income	<u>44</u>	<u>67</u>

In 1994 the company entered into an interest rate cap agreement which effectively limits the maximum rate of interest payable on part of the company's borrowings at 6% per annum. The company paid a premium to acquire the capping agreement of which £67,000 (1999 - £94,000) is included in prepayments. The premium is being amortised over the ten year life of the cap.

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS

(continued)

12 Creditors

	2000 £000	1999 £000
<u>Due within one year</u>		
Bank overdrafts (notes 13 & 15)	5,202	1,520
Bank loans (notes 13 & 15)	1,406	264
Bills of exchange payable	0	625
Obligations under hire and lease purchase contracts (notes 13 & 16)	523	511
Trade creditors	1,086	1,001
Amounts owing to group undertakings	1,715	343
Taxation and social security	2,177	2,277
Season ticket and other receipts in advance	5,222	3,552
Other creditors	1,283	5,444
Accruals	1,423	1,418
	<u>20,037</u>	<u>16,955</u>
<u>Due after more than one year</u>		
Debenture loans and subscriptions (notes 13 & 14)	611	612
Bank loans (notes 13 & 15)	8,571	4,724
Obligations under hire and lease purchase contracts (notes 13 & 16)	1,350	1,213
	<u>10,532</u>	<u>6,549</u>

13 Total Borrowings

	2000 £000	1999 £000
Debenture loans and subscriptions repayable after 5 years or more	611	612
Bank loans repayable:		
Within 1 year or on demand	1,406	264
Between 1 and 2 years	1,331	264
Between 2 and 5 years	6,433	786
After 5 years or more	807	3,674
	9,977	4,988
Obligations under hire and lease purchase contracts repayable:		
Within 1 year	523	511
Between 1 and 2 years	442	486
Between 2 and 5 years	908	727
	1,873	1,724
	<u>12,461</u>	<u>7,324</u>

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS

(continued)

14 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. Under the terms of the issue the definitive certificate can only be issued once payment has been received in full. At 31 May 1999 and 2000 the following applications had been received.

	2000 £000	1999 £000
97 'A' bonds	49	49
641 'B' bonds	481	481
70 'C' bonds	68	68
Part payments	13	14
	<u>611</u>	<u>612</u>

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

15 Bank Loans

The loans held by the company and in respect of which an amount is repayable after more than five years include four loans which were refinanced on 19 July 2000 by a single loan provided by a syndicate of three banks. This loan is repayable between July 2002 and July 2011 and interest is charged at between 1.5% and 1.65% over LIBOR.

The above bank loan and the bank overdrafts are secured by legal charges on the Boleyn Ground land and buildings and the adjoining land and debentures over all the assets and undertaking of the company in favour of the syndicate of three banks.

16 Obligations Under Hire and Lease Purchase Contracts

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

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

17 Deferred Grant Income

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

The movements for the year are as follows.

	2000 £000	1999 £000
1 June 1999	3,648	3,498
Grant received	-	150
31 May 2000	<u>3,648</u>	<u>3,648</u>

18 Provisions for Liabilities and Charges – Cost of Player Registrations

Following the implementation of FRS 12 on Provisions, Contingent Liabilities and Contingent Assets, 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 now recognised within the original cost of acquisition if, in the opinion of the directors, it is probable that these payments will eventually be made. Provision has been made for these future payments as follows.

	2000 £000	1999 £000
1 June 1999	2,703	777
Movement for year	746	1,926
31 May 2000	<u>3,449</u>	<u>2,703</u>

19 Provisions for Liabilities and Charges – Deferred Taxation

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

	2000 £000	1999 £000
Capital allowances in excess of depreciation	914	759
Other timing differences	(108)	(66)
	<u>806</u>	<u>693</u>
Less unutilised tax losses	(806)	(660)
Surplus on revaluation of properties	3,994	2,516
Unprovided deferred tax liability	<u>3,994</u>	<u>2,549</u>

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

20 Called up Share Capital

	2000 £000	1999 £000
<u>Authorised</u>		
11,000,000 ordinary shares of 50 pence each	<u>5,500</u>	<u>5,500</u>
<u>Called up, allotted and fully paid</u>		
11,000,000 ordinary shares of 50 pence each	<u>5,500</u>	<u>5,500</u>

21 Revaluation Reserve

	2000 £000	1999 £000
1 June 1999	7,965	7,965
Adjustment arising on revaluation	6,541	-
Transfer to profit and loss account relating to prior year	(302)	-
31 May 2000	<u>14,204</u>	<u>7,965</u>

As a result of the revaluation of the company's freehold land and buildings included in the financial statements for the year ended 31 May 1997 depreciation previously charged on freehold buildings, totalling £471,000, was credited to the revaluation reserve. Of this total, £302,000 had originally been charged on historical cost and £169,000 on the surplus arising on earlier revaluations. The above transfer of £302,000 corrects the misposting in 1997.

22 Profit and Loss Account

	2000 £000	1999 £000
1 June 1999	3,281	5,740
Loss for the year	(1,573)	(2,459)
Dividend	(2,000)	-
Transfer from revaluation reserve relating to prior year	302	-
31 May 2000	<u>10</u>	<u>3,281</u>

23 Reconciliation of Movements in Shareholders' Funds

	2000 £000	1999 £000
Loss for the year	(1,573)	(2,459)
Dividend	(2,000)	-
Adjustment arising on revaluation	6,541	-
Opening shareholders' funds	21,593	24,052
Closing shareholders' funds	<u>24,561</u>	<u>21,593</u>

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS (continued)

24 Capital Commitments

	2000 £000	1999 £000
Contracted for but not provided in the financial statements	<u>19,657</u>	<u>430</u>

25 Operating Lease Commitments

At 31 May 2000 the company was committed to making the following payments in respect of operating leases.

	2000 £000	1999 £000
<u>Land and buildings</u>		
Expiring after five years	<u>11</u>	<u>11</u>
<u>Other operating leases</u>		
Expiring within one year	5	8
Expiring within two to five years	21	38
	<u>26</u>	<u>46</u>
	<u>37</u>	<u>57</u>

26 Pension Scheme

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

Total pension costs charged during the year amounted to £223,000 (1999 - £156,000).

27 Contingent Liabilities

Under a group banking facility, the company has guaranteed certain bank overdrafts of other group companies. At 31 May 2000 the balances outstanding on these overdrafts was £24,000 (1999 - nil).

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.

Certain employees of the company are members of the Football League Limited Pension and Life Assurance Scheme. Following a review of the minimum funding requirement (MFR) of the scheme the scheme actuary has identified a substantial deficit and accrual of benefits has been suspended with effect from 31 August 1999.

Under the Pensions Act 1995, participating employers to the scheme, including the company, will be required to contribute to the deficit in accordance with an agreed schedule of contributions. At this stage no schedule of contributions has been prepared and, since the company's liability cannot therefore be accurately quantified, no provision has been made in these financial statements.

WEST HAM UNITED FOOTBALL CLUB PLC

NOTES TO THE ACCOUNTS

(continued)

28 Post Balance Sheet Events

Net transfers of player registrations completed subsequent to 31 May 2000 amounted to a minimum of £2,820,000 receivable (1999 – £972,000 receivable) by the company with a further £270,000 payable (1999 – £500,000 receivable) contingent on certain future events.

29 Related Party Transactions

Mr CBC Manhire, a director of the company, is also a director of Nash & Partners Limited, a firm of surveyors, which undertook work on behalf of the company in the course of the year. Fees paid to Nash & Partners Limited in respect of these services totalled £23,000 (1999 - £8,500).

Mr Charles Warner, a director of the company, is also a partner in the firm of Messrs Warners, Solicitors, which undertook legal work on behalf of the company in the course of the year. Fees paid to Messrs Warners in respect of these services totalled £28,000 (1999 - £38,500).

In accordance with the exemption permitted by paragraph 3(c) Financial Reporting Standard 8 (Related Party Transactions), transactions between group companies have not been disclosed.

30 Ultimate Parent Company

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