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WEST HAM UNITED FOOTBALL COMPANY LIMITED

REPORT OF THE DIRECTORS
AND
STATEMENT OF ACCOUNTS
at
31st JULY 1982

WEST HAM UNITED FOOTBALL COMPANY LIMITED

President:

R. H. PRATT

Directors:

L. C. CEARNS (Chairman)

W. F. CEARNS

B. R. CEARNS, F.C.I.S.

J. PETCHEY

M. W. CEARNS, A.I.B.

Auditors:

DELOITTE HASKINS & SELLS

128 Queen Victoria Street, London, EC4P 4JX

Secretary and Registered Office:

E. CHAPMAN, F.A.A.I.

Boleyn Ground, Green Street, Upton Park, London, E.13

WEST HAM UNITED FOOTBALL COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the **Eighty-second Annual General Meeting** of the above Company will be held at the Registered Offices of the Company, Boleyn Ground, Green Street, Upton Park, E.13, on **Tuesday 29 March 1983 at 7.00 p.m.**

AGENDA

1. To consider and adopt the Directors' Report and Accounts for the year ended 31st July, 1982.
2. To re-elect Mr. W. F. Cearns and Mr. M. W. Cearns, A.I.B., as directors.
3. To re-appoint Deloitte Haskins & Sells as auditors to the Company and to fix their remuneration.

A member entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend and vote instead of him and a proxy need not be a member of the Company.

By Order of the Board,
E. CHAPMAN
Secretary

Boleyn Ground
Green Street
Upton Park, E.13
4th March 1983

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st July 1982.

ACTIVITIES

The principal activity of the company continues to be that of a professional football club as members of the Football Association and Football League.

RESULTS AND DIVIDEND

The company made a loss for the year of £564,446. A net donation of £70,676 was received from the West Ham United Association. An amount of £452,264 being the cost during the year to 31st July 1982 of the West Enclosure development has been charged in the accounts. The directors do not recommend the payment of a dividend.

The directors consider that the state of the company's affairs is satisfactory.

DIRECTORS AND THEIR SHAREHOLDINGS

The interests of the directors were as follows:

	Ordinary Shares 31st July 1982	Ordinary Shares 1st August 1981
L. C. Cearns	585	585
W. F. Cearns	284	266
B. R. Cearns	64	46
M. W. Cearns	45	27
J. Petchey	32	14

Mr. W. F. Cearns and Mr. M. W. Cearns, A.I.B., retire by rotation and, being eligible, offer themselves for re-election.

Mr. L. C. Cearns and Mr. W. F. Cearns have disclosed that as directors of W. J. Cearns Ltd., they had an interest in building contracts amounting to £423,000 with the company during that year.

FIXED ASSETS

In the opinion of the directors, the market value of the freehold property is in excess of its book value. In view of the specialised nature of these assets, it is not considered appropriate to quantify the excess over book value.

CHARITABLE DONATIONS

The company made charitable donations during the year totalling £2,835 (1981 : £2,623).

AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the re-appointment of Deloitte Haskins & Sells, will be put to the Annual General Meeting.

By Order of the Board,

E. CHAPMAN
Secretary

4th March 1983

CHAIRMAN'S STATEMENT

In the football season 1981-82 covered by these accounts we finished ninth in Division I, a satisfactory position after an absence of three years.

Our Youth Section had a very successful year, winning the Southern Junior Floodlit Cup, two Knock-out Competitions in the South East Counties League and a Youth Tournament in Holland.

Our accounts show a healthy revenue profit, but the transfer deficit of £1,073,556 (our highest ever) explains once again our overall loss.

The conversion of our West Enclosure from standing accommodation to seating with first-class amenities was completed during the season and the costs are included in these accounts.

I would like to express our thanks to all our executives and employees in various departments of our Club for their valuable help during the year, and I would like to congratulate our supporters, not only for their constant attendance, but also for their excellent behaviour at our home matches during these difficult times.

L. C. CEARNS
Chairman

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Balance Sheet — 31st July 1982

	£	£	1981 £
FIXED ASSETS (note 2)		148,735	150,353
STAFF LOANS		5,000	507
CURRENT ASSETS			
Stock (note 1(c))	38,865		51,391
Debtors	90,462		102,179
Bank balances, deposits and cash	585,758		944,762
	715,085		1,098,332
CURRENT LIABILITIES			
Creditors (note 3)	779,205		342,236
Season tickets paid in advance	928,404		799,711
	1,707,609		1,141,947
NET CURRENT LIABILITIES		(992,524)	(43,615)
		£(838,789)	£107,245
Financed by:			
SHARE CAPITAL			
Authorised, issued and fully paid 4,000 shares of 50p each		2,000	2,000
RESERVES (page 7)		(840,789)	105,245
		£(838,789)	£107,245

The financial statements on pages 6 to 11 were approved by the board of directors on 28th February 1983 and are signed on its behalf by:

L. C. CEARNS }
W. F. CEARNS } Directors

W F Cearns

WEST HAM UNITED

Profit and Loss Acc

PROFIT on revenue account

DEFICIT on transfer fees

OPERATING LOSS (note 6)

BUILDING FUND write off

DEFICIT FOR THE YEAR

At 1st August 1981

At 31st July 1982

BUILDING FUND

At 1st August 1981

Net donation from West Ham United Ass

Building expenditure

Transfer from profit and loss account

At 31st July 1982

RESERVES

Accumulated deficit

Building Fund

COMPANY LIMITED

uly 1982

	£	£	1981 £
....		148,735	150,353
....		5,000	507
....	38,865		51,391
....	90,462		102,179
....	585,758		944,762
	715,085		1,098,332
....	779,205		342,236
....	928,404		799,711
	1,707,609		1,141,947
....		(992,524)	(43,615)
		£(838,789)	£107,245
....		2,000	2,000
....		(840,789)	105,245
		£(838,789)	£107,245

by the board of directors on 28th February

ctors

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Profit and Loss Account for the year ended 31st July 1982

	£	1981 £
PROFIT on revenue account	509,110	609,207
DEFICIT on transfer fees	(1,073,556)	(860,824)
OPERATING LOSS (note 6)	(564,446)	(251,617)
BUILDING FUND write off	(168,619)	—
DEFICIT FOR THE YEAR	(733,065)	(251,617)
At 1st August 1981	(107,724)	143,893
At 31st July 1982	£(840,789)	£(107,724)
BUILDING FUND		
At 1st August 1981	212,969	362,868
Net donation from West Ham United Association	70,676	133,423
Building expenditure	(452,264)	(283,322)
	(168,619)	212,969
Transfer from profit and loss account	168,619	—
At 31st July 1982	£ —	£212,969
RESERVES		
Accumulated deficit	(840,789)	(107,724)
Building Fund	—	212,969
	£(840,789)	£105,245

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Source and Application of Funds Statement for the year ended 31st July 1982

		1981
	£	£
APPLICATION OF FUNDS		
Loss before taxation	564,446	251,617
Depreciation	(12,053)	(10,579)
Funds applied to operations	552,393	241,038
Purchase of fixed assets	462,699	297,108
Dividends paid	—	140
Total application of funds	1,015,092	538,286
SOURCE OF FUNDS		
Net donation from West Ham United Association	70,676	133,423
Repayment of mortgage	—	50,875
Book value of fixed assets sold	—	1,642
Total source of funds	70,676	185,940
Net application of funds	£944,416	£352,346
The net application of funds is represented by the following decrease in working capital:		
Decrease (Increase) in stocks	12,526	(36,816)
Decrease (Increase) in debtors	7,224	(23,604)
Increase in creditors	436,969	76,673
Increase in Season Tickets paid in advance	128,693	398,578
	585,412	414,831
Movement in net liquid funds: Decrease (Increase) in bank balances, deposits and cash	359,004	(62,485)
Decrease in working capital	£944,416	£352,346

Report of the Auditors to the Members of West Ham United Football Company Limited

We have audited the financial statements on pages 6 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st July 1982 and of its loss and source and application of funds for the year then ended and comply with the Companies Acts, 1948 to 1981.

Deloitte Haskins & Sells

DELOITTE HASKINS & SELLS
Chartered Accountants

London
4th March 1983

WEST HAM UNITED FO

Revenue Account -

Net gate receipts

Other income:

- Programmes and publications
- Catering
- Broadcast and television fees
- Advertising and commission
- Sales service — surplus
- Travel and Social Club — surplus
- Interest — Bank and Staff loans
- — Mortgage
- Rent receivable
- Profit from sale of fixed assets
- Sponsorships
- Donation — Supporters Club

deduct:

- Wages, salaries, national insurance and pension
- Match and training expenses
- Maintenance of grounds less grants received
- Medical expenses
- Outfits and equipment
- Heating and lighting
- Rent and rates
- Stationery, postage, telephones, etc.
- Insurance — general and players
- General expenses
- Auditors' remuneration
- Depreciation

REVENUE PROFIT for the year

COMPANY LIMITED

for the year ended 31st July 1982

	£	1981 £
	564,446	251,617
	(12,053)	(10,579)
	552,393	241,038
	462,699	297,108
	—	140
	1,015,092	538,286
	70,676	133,423
	—	50,875
	—	1,642
	70,676	185,940
	£944,416	£352,346
	12,526	(36,816)
	7,224	(23,604)
	436,969	76,673
	128,693	398,578
	585,412	414,831
sits and cash	359,004	(62,485)
	£944,416	£352,346

Ham United Football Company Limited

pages 6 to 11 in accordance with approved

rue and fair view of the state of the company's
application of funds for the year then ended and

Deloitte Haskins & Sells

DELOITTE HASKINS & SELLS
Chartered Accountants

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Revenue Account — Year to 31st July 1982

	£	£	1981 £
Net gate receipts		1,677,180	1,664,810
Other income:			
Programmes and publications	81,499		82,471
Catering	21,241		20,759
Broadcast and television fees	30,625		48,770
Advertising and commission	104,686		79,792
Sales service — surplus	267		44,460
Travel and Social Club — surplus	2,965		23,503
Interest — Bank and Staff loans	64,475		86,873
— Mortgage	—		2,425
Rent receivable	500		1,270
Profit from sale of fixed assets	—		1,458
Sponsorships	27,573		20,974
Donation — Supporters Club	—		6,000
		333,831	418,755
		2,011,011	2,083,565
deduct:			
Wages, salaries, national insurance and pension contributions	1,013,836		982,887
Match and training expenses	227,905		251,412
Maintenance of grounds less grants received	77,026		75,004
Medical expenses	10,222		12,242
Outfits and equipment	3,578		7,068
Heating and lighting	24,740		18,278
Rent and rates	42,100		32,021
Stationery, postage, telephones, etc.	17,243		20,739
Insurance — general and players	10,259		16,307
General expenses	60,039		45,421
Auditors' remuneration	2,900		2,400
Depreciation	12,053		10,579
		1,501,901	1,474,358
REVENUE PROFIT for the year		£509,110	£609,207

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Notes to Financial Statements — 31st July 1982

1. **ACCOUNTING POLICIES**

(a) BASIS OF ACCOUNTING

The company prepares its accounts on the historical cost basis of accounting.

(b) DEPRECIATION

Boleyn Ground and Chadwell Heath: major improvements including related furniture and equipment are written off in the year of purchase.

Houses: depreciated on a straight line basis at a rate of 2% per annum.

Other fixed assets are depreciated on a straight line basis at the following rates:

Furniture, equipment and floodlighting installations	15%
Motor vehicles	25%

(c) STOCK

Stock is valued at the lower of cost and net realisable value.

Cost is the net invoice value of goods purchased for resale.

Provision is made to reduce cost to net realisable value having regard to the age, condition and saleability of stock

(d) TRANSFER FEES

Fees payable and receivable are taken into account on an accruals basis, effective from the date of the registration of the player's transfer.

(e) GRANTS

Grants received from the Football Grounds' Improvement Trust are credited against expenditure incurred on additional safety precautions. Capital grants received from The Sports Council are credited against the cost of construction.

2. **FIXED ASSETS**

	PROPERTY					
	Freehold Boleyn Ground	Freehold Houses	Short Leasehold (Chad. Hth.)	Furniture Equipment and Flighting	Motor Vehicles	Total
	£	£	£	£	£	£
Cost:						
Balance 1981	562,181	53,837	113,271	85,296	30,895	845,480
Additions	301,454	—	28,924	132,321	—	462,699
(Disposals)	—	—	—	—	—	—
Balance 1982	863,635	53,837	142,195	217,617	30,895	1,308,179
Depreciation (charged to Revenue or Building Fund):						
Balance 1981	487,181	2,153	113,271	78,341	14,181	695,127
(Disposals)	—	—	—	—	—	—
Revenue Account	—	1,077	—	3,496	7,480	12,053
Building Fund	301,454	—	28,924	121,886	—	452,264
Balance 1982	788,635	3,230	142,195	203,723	21,661	1,159,444
Book value: 1982	75,000	50,607	—	13,894	9,234	148,735
1981	75,000	51,684	—	6,955	16,714	150,353

The original cost of all stands and buildings have been written off against the Building Fund. The balance of £75,000 represents the cost of land

There were no capital commitments outstanding at 31st July 1982 (1981: £400,000). No other capital work has been authorised by the directors.

Notes to Financial

3. **CREDITORS**

Creditors include an amount of £2,499 conditions for bar developments which is

4. **DIRECTORS' EMOLUMENTS**

In accordance with the Articles of Associa

5. **EMPLOYEES' EMOLUMENTS**

The number of employees whose total en £30,000 were:

£30,001 - £35,000
£35,001 - £40,000
£40,001 - £45,000
£50,001 - £55,000
£55,001 - £60,000
£60,001 - £65,000

6. **TAXATION**

In view of the operating loss no tax li amounting to approximately £1,000,000 (1

7. **CONTINGENT LIABILITY**

There is a contingent liability in respect of a loan to a player by his banker. The ar £12,451 (1981: £16,688).

8. **COMPANIES ACT 1981**

The Company is not yet required to com of the Companies Act, 1981. These financi and Schedule 8A, to the Companies Act 1 ost basis of accounting.

vements including related furniture and

of 2% per annum.
asis at the following rates:
...... 15%
.. 25%

value.
e cals.
ue having regard to the age, condition

on an accruals basis, effective from the

nt Trust are credited against expenditure
nts received from The Sports Council are

Short Leasehold had. Hth.)	Furniture Equipment and Flighting	Motor Vehicles	Total
£	£	£	£
113,271	85,296	30,895	845,480
28,924	132,321	—	462,699
—	—	—	—
142,195	217,617	30,895	1,308,179
113,271	78,341	14,181	695,127
—	—	—	—
—	3,496	7,480	12,053
28,924	121,886	—	452,264
142,195	203,723	21,661	1,159,444
—	13,894	9,234	148,735
—	6,955	16,714	150,353

tten off against the Building Fund. The

July 1982 (1981: £400,000). No other

WEST HAM UNITED FOOTBALL COMPANY LIMITED

Notes to Financial Statements — 31st July 1982

3. CREDITORS

Creditors include an amount of £2,499 (1981: £2,742) relating to a loan made under special conditions for bar developments which is interest free and has no specified date for repayment.

4. DIRECTORS' EMOLUMENTS

In accordance with the Articles of Association, no remuneration has been paid to the directors.

5. EMPLOYEES' EMOLUMENTS

The number of employees whose total emoluments excluding pension fund contributions exceeded £30,000 were:

	1982	1981
£30,001 - £35,000	4	2
£35,001 - £40,000	1	4
£40,001 - £45,000	4	3
£50,001 - £55,000	—	1
£55,001 - £60,000	—	1
£60,001 - £65,000	1	—

6. TAXATION

In view of the operating loss no tax liability arises on the year's result. There are tax losses amounting to approximately £1,000,000 (1981: £400,000) available to be set off against future profits.

7. CONTINGENT LIABILITY

There is a contingent liability in respect of a guarantee, limited to £21,000, given in connection with a loan to a player by his banker. The amount of loan outstanding at 31st July 1982 amounted to £12,451 (1981: £16,688).

8. COMPANIES ACT 1981

The Company is not yet required to comply with the accounting and disclosure provisions of Part I of the Companies Act, 1981. These financial statements are drawn up in accordance with Section 149A and Schedule 8A, to the Companies Act 1948.