

**WEST HAM UNITED plc**

66516

**Report and Financial Statements**

**31 July 1993**

**Touche Ross & Co.  
Hill House  
1 Little New Street  
London EC4A 3TR**





**REPORT AND FINANCIAL STATEMENTS 1993**

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**REPORT AND FINANCIAL STATEMENTS 1993**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

T.W. Brown	FCIS, ATII, FCCA (Chairman)
M.W. Cearns	ACIB (Vice Chairman)
W.F. Cearns	
P.J. Storrie	(Managing Director)
C.J. Warner	MA Notary

**SECRETARY**

T.M. Finn

**REGISTERED OFFICE**

Boleyn Ground  
Green Street  
Upton Park  
London  
E13 9AZ

**COMPANY REGISTRATION NUMBER**

66516

**BANKERS**

Barclays Bank PLC  
Plaistow Business Centre  
London  
E13 9PL

**AUDITORS**

Touche Ross & Co.  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

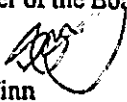


**NOTICE OF MEETING**

Notice is hereby given that the ninety second Annual General Meeting of the company will be held at the Registered Office of the company, being the Boleyn Ground, Green Street, Upton Park, London E13 9AZ on Thursday 27 January 1994 at 7.00 pm for the following purposes:

1. To receive the directors' report and accounts for the year ended 31 July 1993.
2. To re-elect Mr. M.W. Cearns as a director.
3. To re-appoint Touche Ross & Co. as auditors and to authorise the directors to fix their remuneration.
4. To transact any other ordinary business of the company.

By order of the Board

  
T.M. Finn

Secretary

Registered Office  
Boleyn Ground  
Green Street  
Upton Park  
London  
E13 9AZ

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

## CHAIRMAN'S STATEMENT

The last twelve months have seen many changes in the fortunes of West Ham United, with the highlight being promotion to The FA Premier League in May 1993. The scenes at the end of the match against Cambridge United, with thousands of supporters celebrating, not only at the ground, but throughout East London, remind us of our importance to so many people.

Tragically, 1993 also saw the loss of two great servants.

On 24 February 1993 Bobby Moore sadly lost his fight against cancer. Bobby joined the Club in 1957 and signed professional forms in 1958. He first wore the number 6 shirt against Manchester United on 8 September 1958. He made 544 League appearances, scoring 24 goals, and 98 Cup appearances. As Captain of the Club he held aloft the FA Cup in 1964, the European Cup Winners Cup in 1965 and the World Cup for England in 1966. The title "the most famous Hammer of them all" and "the finest defender in the world" are two accolades which could justly be given to a player who epitomised the elegance of the soccer played by West Ham United and England during his years in the game.

Leonard Cearnis (Mr Len as he was affectionately known at Upton Park) sadly passed away on 28 October 1993. Len served as a director of the company from 1948. He was appointed Vice-Chairman when Reg Pratt took over as Chairman and then in 1979 was appointed Chairman of the Club. In 1990 he stood down as Chairman but continued as a director. He served on Committees of the Football Association, Football League and Football Combination and was a life Vice-President of the Football League. His wealth of experience and knowledge will be sadly missed.

During the year the company was able to reduce operating costs and generate transfer income and, as a result, and despite a reduction of £1.19 million in turnover, made a profit of £174,000. This profit follows losses in each of the three preceding financial years (totalling £3.2 million before exceptional items) and a return to profit under the difficult financial circumstances facing the company was an excellent achievement. Certain key performance statistics, from the last seven years, are depicted diagrammatically on pages 25 and 26 of these Accounts.

Your Board are determined to ensure that, with a full year's reduction in operating costs and promotion to The FA Premier League, the company will return to profit before transfer fees during the current financial year. We must then build upon this base and, during the coming years, restore our balance sheet, which has been somewhat ravaged by the requirements of Lord Justice Taylor's Report. We will then have established a sound financial structure which will secure West Ham United for future generations of supporters.

There is perhaps a perceived view that, over the years, the company has banked transfer fee income and been frugal in reinvesting those receipts in the transfer market. With this in mind it is perhaps interesting to note that the Club incurred expenditure of £11.5 million on the transfer of players' registrations during the seven years ended 31 July 1993.

The construction of The Bobby Moore Stand is nearing completion and your Board are hopeful that this magnificent stand will be well received by our supporters. The lower tier of the East Stand will be converted to all seater viewing in May 1994 and we hope to commence the conversion of the North end of the ground at the same time.

The Club has worked closely with Newham Council during the redevelopment of the Stadium and I would like to take this opportunity to thank the Councillors and Officers of Newham for their very valuable support, advice and assistance.

I would also like to record our grateful thanks to The Football Trust, whose grant has made the development of The Bobby Moore Stand possible.

My thanks also go, once again, to my fellow directors, the Management and all our staff, who have worked so hard during the year; to all our club sponsors, all those who have advertised with us and, of course, our tremendous supporters.

**CHAIRMAN'S STATEMENT (continued)**

We have superb support. We have the full backing of our local community in the form of Newham Council. We have outstanding management and staff at all levels and a squad of extremely skilful and dedicated players. We have a great history and culture and are half way towards building a very fine stadium. We deserve to succeed and your Board will do everything within its power to ensure that we do.

That success will ultimately depend upon our ability to continue to produce teams able to play the type of football Bobby Moore and Len Cearns would recognise and understand. This is the challenge which lies ahead.



T.W. Brown

21 December 1993

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 July 1993.

### **PRINCIPAL ACTIVITIES**

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

### **REVIEW OF DEVELOPMENTS**

The financial results for the year are as shown on page 9.

The club gained promotion to the F.A. Premier League by finishing the 1992/3 season as runners up in the Barclays League First Division.

The redevelopment of the ground continued with the demolition of the old South Stand in May 1993.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not propose the payment of a dividend. Retained profits of £173,581 (1992: losses £2,045,872) have been credited/(charged) to reserves.

### **PLAYING SQUAD**

In the opinion of the directors the value of the playing squad at 31 July 1993 amounted to approximately £10 million (1992: £10.675 million).

### **DIRECTORS AND THEIR INTERESTS**

The present membership of the Board is set out on page 1. These directors served throughout the year.

Mr. L.C. Cearn, who died on 28 October 1993, also served as a Board member throughout the year.

In accordance with the company's Articles of Association, Mr. M.W. Cearn and Mr. W.F. Cearn retire by rotation. Mr. M.W. Cearn being eligible offers himself for re-election. Mr. W.F. Cearn is not seeking re-election.

The directors' interests, as defined by the Companies Act, in the shares of the company at 1 August 1992 and 31 July 1993 were as follows:

	50p Ordinary shares	
	31 July 1993	1 August 1992
T.W. Brown	36,700	35,700
M.W. Cearn	1,125	1,125
L.C. Cearn (died 28 October 1993)	16,195	16,195
W.F. Cearn	1,200	2,200
C.J. Warner	12,500	12,500
P.J. Storrie	1,925	1,925

In addition to the shareholdings detailed above, each director held one 'C' Class Debenture, under the Hammers Bond Scheme, at both of the above dates. Nine 'B' Class Debentures were also held at both dates, on behalf of the above six Directors by Mr P.J. Storrie as trustee under a Declaration of Trust dated 28 May 1992. All the debentures have been paid for in full.

Mr. T.W. Brown is Managing Director of Sussex Beach Holiday Village Limited with whom the club has entered into sponsorship and advertising arrangements during the year.

**DIRECTORS' REPORT (continued)**

**DIRECTORS AND THEIR INTERESTS (continued)**

Mr. C.J. Warner is a partner in the firm of Messrs. Warners, Solicitors, which has undertaken legal work for the club during the year.

**FIXED ASSETS**

During the year the redevelopment of the Boleyn ground commenced with the demolition of the South Stand and the construction of the new Bobby Moore Stand, incorporating 7,600 seats and executive box facilities. The financing to perform this work is fully committed and comprises Bond Scheme receipts, underwriting and bank loans.

**DONATIONS**

During the year the company made no charitable donations (1992 - £nil).

**AUDITORS**

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



T.M. Finn

Secretary

21 December 1993



**DIRECTORS' STATEMENT OF 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 and the group as at the end of the financial year and of the profit or loss of the group 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 the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Signed on behalf of the Board of Directors



Director

21 December 1993



## Chartered Accountants

Touche Ross & Co.  
Hill House  
1 Little New Street  
London EC4A 3TR

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## AUDITORS' REPORT TO THE MEMBERS OF WEST HAM UNITED plc

We have audited the financial statements on pages 9 to 24 which have been prepared under the accounting policies set out on pages 14 and 15.

### Respective responsibilities of directors and auditors

As described on page 7 the company's directors are responsible for the preparation of financial statements. 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 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 circumstances of the company and the group, 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 the affairs of the company and the group as at 31 July 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*

Touche Ross & Co.

Chartered Accountants and  
Registered Auditors  
London

21 December 1993

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 July 1993**

	Note	1993 £	1992 As restated £
<b>TURNOVER</b>			
- continuing operations	2	6,571,319	7,767,706
<b>Net operating expenses</b>			
- Debenture issue costs		33,781	1,394,471
- Net transfer fees	3	(520,366)	406,554
- Other	4	<u>6,586,466</u>	<u>7,743,256</u>
		<u>6,099,881</u>	<u>9,544,281</u>
<b>OPERATING PROFIT/(LOSS)</b>			
- continuing operations		471,438	(1,776,575)
<b>Net interest payable</b>	5	<u>(297,857)</u>	<u>(269,297)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		173,581	(2,045,872)
<b>Tax on profit/(loss) on ordinary activities</b>	7	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE YEAR, TRANSFERRED TO/(FROM) RESERVES</b>	18	<u>173,581</u>	<u>(2,045,872)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 July 1993**

	1993 £	1992 As restated £
Profit/(loss) for the financial year	173,581	(2,045,872)
Revaluation surplus	-	643,783
Revaluation reserve deficit on part demolition of revalued properties (note 9)	(392,000)	-
Total recognised gains and losses relating to the year	<u>(218,419)</u>	<u>(1,402,089)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	1993 £	1992 As restated £
Reported profit/(loss) on ordinary activities before taxation	173,581	(2,045,872)
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	177,115
Historical cost profit/(loss) on ordinary activities before taxation	<u>173,581</u>	<u>(1,868,757)</u>

**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**31 July 1993**

	Note	1993 £	GROUP 1992 £	1993 £	COMPANY 1992 £
<b>FIXED ASSETS</b>					
Tangible assets	9	15,472,982	14,529,764	14,572,982	13,629,764
Investments	10	-	-	2	2
		<u>15,472,982</u>	<u>14,529,764</u>	<u>14,572,984</u>	<u>13,629,766</u>
<b>CURRENT ASSETS</b>					
Stocks	11	82,765	150,890	82,765	150,890
Debtors	12	967,469	662,742	1,867,467	1,562,240
Cash in hand		4,224	3,013	4,224	3,013
		<u>1,054,458</u>	<u>816,645</u>	<u>1,954,456</u>	<u>1,716,143</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(3,838,430)</u>	<u>(5,091,050)</u>	<u>(3,839,430)</u>	<u>(5,091,050)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,783,972)</u>	<u>(4,274,405)</u>	<u>(1,884,974)</u>	<u>(3,374,907)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,689,010</u>	<u>10,255,359</u>	<u>12,688,010</u>	<u>10,254,859</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
Debenture loans and subscriptions	14	(2,042,025)	(521,348)	(2,042,025)	(521,348)
Bank overdraft	14	(1,110,137)	-	(1,110,137)	-
Bank loan	14	(1,600,000)	(1,600,000)	(1,600,000)	(1,600,000)
Obligations under hire purchase contracts	14	(11,343)	-	(11,343)	-
<b>DEFERRED GRANT INCOME</b>	15	<u>(564,293)</u>	<u>(554,380)</u>	<u>(564,293)</u>	<u>(554,380)</u>
<b>NET ASSETS</b>		<u>7,361,212</u>	<u>7,579,631</u>	<u>7,360,212</u>	<u>7,579,131</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	17	50,000	50,000	50,000	50,000
Revaluation reserve	18	8,930,394	9,322,394	8,286,611	8,678,611
Profit and loss account	18	(1,619,182)	(1,792,763)	(976,399)	(1,149,480)
		<u>7,361,212</u>	<u>7,579,631</u>	<u>7,360,212</u>	<u>7,579,131</u>

These financial statements were approved by the Board of Directors on 21 December 1993.

Signed on behalf of the Board of Directors

T.W. Brown  
Director

P.J. Storrie  
Director

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 July 1993**

	Note	1993 £	1992 As restated £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	(A)	629,493	(2,335,294)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received	13,818	22,145	
Interest paid	(348,944)	(202,142)	
Net cash outflow from returns on finance and servicing of finance		(335,126)	(179,997)
<b>TAXATION</b>			
Corporation tax paid		-	-
<b>INVESTING ACTIVITIES</b>			
Receipts from sales of tangible fixed assets	-	47,867	
Payments to acquire tangible fixed assets	(1,201,448)	(2,381,027)	
Net cash outflow from investing activities		(1,201,488)	(2,333,160)
Net cash outflow before financing		(907,121)	(4,848,451)
<b>FINANCING</b>	(B)		
Hire purchase contract repayments	(11,536)	-	
Grants received	16,581	86,569	
Debenture subscriptions received	1,220,777	521,348	
Bank loan received	-	1,600,000	
Net cash inflow from financing		1,225,822	2,207,917
Increase/(decrease) in cash and cash equivalents	(C),(D)	318,701	(2,640,534)

**NOTES TO THE CASH FLOW STATEMENT**  
**Year ended 31 July 1993**

**A. Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities**

	1993		1992
	£	£	As restated £
Operating profit/(loss) from continuing operations	471,438	(1,776,575)	
Depreciation charges	75,155	259,230	
Profit on disposal of tangible fixed assets	-	(1,636)	
Grants released	(6,668)	(7,308)	
Decrease/(increase) in stocks	68,125	(26,357)	
(Increase)/decrease in debtors	(4,827)	240,755	
Increase/(decrease) in creditors	26,270	(1,023,408)	
<b>Net cash inflow/(outflow) from operating activities</b>	<b>629,493</b>	<b>(2,335,295)</b>	

**B. Analysis of changes in financing during the year**

	Hire purchase contracts £	Grants £	Debenture loans and subscriptions £	Bank loan £
Balance at 1 August 1992	-	554,380	521,348	1,600,000
Cash inflow/(outflow) from financing	(11,536)	16,581	1,220,777	-
Non-cash movement	36,226	(6,668)	299,900	-
<b>Balance at 31 July 1993</b>	<b>24,690</b>	<b>564,293</b>	<b>2,042,025</b>	<b>1,600,000</b>

**C. Analysis of decrease in cash and cash equivalents during the year**

	£
Balance at 1 August 1992	(2,082,383)
Net cash inflow	318,701
<b>Balance at 31 July 1993</b>	<b>(1,763,682)</b>

**D. Analysis of the balances of cash and cash equivalents as shown in the balance sheet**

	1993 £	1992 £	Change in year £
Cash at bank and in hand	4,224	3,013	1,211
Bank overdrafts	(1,767,906)	(2,085,396)	317,490
	<b>(1,763,682)</b>	<b>(2,082,383)</b>	<b>318,701</b>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below. The format of the comparatives has been restated to comply with Financial Reporting Standard Number 3 to allow proper comparison between accounting periods.

**Accounting convention**

The financial statements are 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. All turnover is derived in the United Kingdom

**Transfers**

Transfer costs payable and fees receivable are dealt with in the year of the registration of the players' transfer. Transfer costs include fees payable, resettlement expenses, termination payments and all other costs directly related to the transfer of players. Transfer costs or fees contingent on future events, for example team selection, are dealt with through the profit and loss account in the period in which they become payable or receivable.

**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 F.A. Premier League regulations, they are charged to the profit and loss account evenly over the period of the player's contract.

**Tangible fixed assets**

Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts less their estimated residual values, in equal instalments over the estimated lives of the assets. It is the group's policy to maintain all its properties in such a condition that the estimated aggregate residual value of buildings are at least equal to their book values. Consequently, any element of depreciation would, in the opinion of the directors, be immaterial. The annual rates of depreciation are as follows:

Freehold buildings	- 2%
Fixtures, fittings, equipment and floodlighting installations	- 15%
Motor vehicles	- 25%
Computer equipment	- 25%

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is the invoiced value of goods purchased for resale. Provision is made to reduce costs to net realisable value having regard to age, condition and saleability of stocks.

**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 taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.



# NOTES TO THE ACCOUNTS

## Year ended 31 July 1993

### 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.

#### Pension costs

Defined contribution arrangements are made for eligible employees of the company. The pension cost charged in the year 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.

### 2. TURNOVER AND RESULTS

Analyses by class of business by turnover and operating profit/(loss) are stated below:

	1993 £	Turnover 1992 £	1993 £	Operating profit/(loss) 1992 £
Football	4,636,573	5,016,407	(787,818)	(992,700)
Commercial	1,934,746	2,751,299	772,671	1,017,150
	<u>6,571,319</u>	<u>7,767,706</u>	<u>(15,147)</u>	<u>24,450</u>
Net transfer fees			520,366	(406,554)
Debenture issue costs			(33,781)	(1,394,471)
Operating profit/(loss)			<u>471,438</u>	<u>(1,776,575)</u>

### 3. NET TRANSFER FEES

	1993 £	1992 £
Transfer fees receivable	(2,210,000)	(1,062,500)
Transfer fees payable	1,689,634	1,469,054
	<u>(520,366)</u>	<u>406,554</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**4. NET OPERATING EXPENSES - OTHER**

	Continuing operations	
	1993	1992
	£	As restated £
Employment costs (note 6)	3,763,685	3,646,209
Other operating charges	2,644,633	3,741,156
Profit on sale of fixed assets	-	(1,636)
Depreciation on tangible fixed assets:		
- own assets	66,776	259,230
- assets held under hire purchase contracts	8,379	-
Auditors' remuneration:		
- audit	14,000	16,682
- other	15,500	26,680
Hire of plant and machinery	-	905
Other operating leases	73,493	54,030
	<u>6,586,466</u>	<u>7,743,256</u>

**5. NET INTEREST PAYABLE**

	Continuing operations	
	1993	1992
	£	£
Bank, loan and other interest receivable	13,818	22,145
Bank loan, overdraft and other loan interest repayable within five years	(311,675)	(291,442)
	<u>(297,857)</u>	<u>(269,297)</u>

**6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1993	1992
	£	£
Employee costs during the year are as follows:		
Wages and salaries	3,387,598	3,287,325
Social security costs	334,228	316,233
Other pension costs	41,859	42,651
	<u>3,763,685</u>	<u>3,646,209</u>

Included in wages and salaries above are signing on fees to players of £320,333 (1992 - £500,534).

**NOTES TO THE ACCOUNTS**

**Year ended 31 July 1993**

**6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	<b>1993 Number</b>	<b>1992 Number</b>
Average number of persons employed:		
Full time employees	95	90
Part time employees	23	23
	<u>118</u>	<u>113</u>

The directors of the company received the following remuneration:

	<b>1993 £</b>	<b>1992 £</b>
Emoluments for management services	68,995	42,885
Pension contributions	6,021	2,331
	<u>75,016</u>	<u>45,216</u>

The above remuneration was entirely in respect of the Managing Director. The figure for 1992 was for a part year only. No other director, including the Chairman, received any remuneration.

**7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

The profits arising in the year are able to be covered by brought forward losses and accordingly no tax charge arises. As at 31 July 1993 cumulative tax losses to carry forward against future trading profits were approximately £3,800,000 (1992 - £3,100,000) subject to agreement with the Inland Revenue.

**8. PROFIT OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, a separate profit and loss account for the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £173,081 (1992 - loss £1,402,589).



**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**9. TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Assets in the course of construction £</b>	<b>Freehold land and buildings £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Cost or valuation:					
At 1 August 1992	515,633	14,286,843	579,582	25,809	15,407,867
Additions	1,205,315	109,030	62,512	33,516	1,410,373
Deficit on revaluation	-	(400,000)	-	-	(400,000)
At 31 July 1993	1,720,948	13,995,873	642,094	59,325	16,418,240
Depreciation:					
At 1 August 1992	-	479,137	377,804	21,162	878,103
Charge for the year	-	-	64,353	10,802	75,155
Deficit on revaluation	-	(8,000)	-	-	(8,000)
At 31 July 1993	-	471,137	442,157	31,964	945,258
Net book value: At 31 July 1993	1,720,948	13,524,736	199,937	27,361	15,472,982
At 31 July 1992	515,633	13,807,706	201,778	4,647	14,529,764

<b>COMPANY</b>	<b>Assets in the course of construction £</b>	<b>Freehold land and buildings £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Cost or valuation:					
At 1 August 1992	515,633	13,386,843	579,582	25,809	14,507,867
Additions	1,205,315	109,030	62,512	33,516	1,410,373
Deficit on revaluation	-	(400,000)	-	-	(400,000)
At 31 July 1993	1,720,948	13,095,873	642,094	59,325	15,518,240
Depreciation:					
At 1 August 1992	-	479,137	377,804	21,162	878,103
Charge for the year	-	-	64,353	10,802	75,155
Deficit on revaluation	-	(8,000)	-	-	(8,000)
At 31 July 1993	-	471,137	442,157	31,964	945,258
Net book value: At 31 July 1993	1,720,948	12,624,736	199,937	27,361	14,572,982
At 31 July 1992	515,633	12,907,706	201,778	4,647	13,629,764

**NOTES TO THE ACCOUNTS**

**Year ended 31 July 1993**

**9. TANGIBLE FIXED ASSETS (continued)**

Included in freehold land and buildings is land valued at £2,272,380 in the group and £1,852,380 in the company which is not depreciated.

The net deficit on revaluation in freehold land and buildings of £392,000 refers to the old South Stand which was demolished in May 1993 as part of the ground redevelopment programme. A valuation of the ground was undertaken by Edward Symmons & Partners, Chartered Surveyors, on a depreciated replacement cost basis as at 30 July 1991. Subsequent acquisitions of the land, comprising the former St. John's School in Green Street and in Castle Street have been included at cost. In the view of the Directors these acquisitions will have enhanced the overall value of the ground. Subsequently the demolition of the South Stand has resulted in a reduction in the previous valuation. Work has commenced on the erection of the new Bobby Moore Stand which is due for completion early next year. Accordingly the Directors have felt it appropriate to await the opening of the new Stand prior to obtaining a formal revaluation.

The comparable amounts of freehold land and buildings determined according to the historical cost convention for the group are costs of £4,896,364 (1992 - £4,787,334) and accumulated depreciation of £302,022 (1992 - £302,022) and for the company, costs of £4,640,147 (1992 - £4,531,117) and accumulated depreciation of £302,022 (1992 - £302,022).

The Bolyn ground land and buildings and the adjoining land are charged to Barclays Bank PLC. The Diocese of Brentwood hold a second charge on the adjoining land as security against their share of potential profits should the land be resold.

The net book value of the group and company's fixed assets includes £25,137 in respect of assets held under hire purchase contracts (1992 - £nil).

**10. INVESTMENTS HELD AS FIXED ASSETS**

This investment comprises the company's investment in its wholly owned subsidiary West Ham United (Chadwell Heath) Limited, a company registered in England and Wales whose principal activity is property ownership and management.

**11. STOCKS**

	<b>Group and Company</b>	
	<b>1993</b>	<b>1992</b>
	<b>£</b>	<b>£</b>
Goods for resale	<u>82,765</u>	<u>150,890</u>

**12. DEBTORS**

	<b>Group 1993</b>	<b>Company 1993</b>	<b>Group 1992</b>	<b>Company 1992</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	94,225	94,225	91,145	91,145
Amount owed by subsidiary company	-	899,998	-	899,498
Other debtors	697,564	697,564	394,918	394,918
Prepayments and accrued income	<u>175,680</u>	<u>175,680</u>	<u>176,679</u>	<u>176,679</u>
	<u>967,469</u>	<u>1,867,467</u>	<u>662,742</u>	<u>1,562,240</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 1993 £	Company 1993 £	Group and Company 1992 £
Bank overdrafts (note 14)	657,769	658,769	2,085,396
Trade creditors	297,500	297,500	807,592
Obligations under hire purchase contracts	13,347	13,347	-
Other creditors	566,659	566,659	312,127
Taxation and social security	170,792	170,792	426,252
Accruals	481,147	481,147	420,091
Season ticket and other receipts in advance	1,651,216	1,651,216	1,039,592
	<u>3,838,430</u>	<u>3,839,430</u>	<u>5,091,050</u>

The bank overdrafts are secured by a legal charge on the stadium in favour of Barclays Bank PLC.

**14. BORROWINGS**

	Group and Company 1993 £	1992 £
Bank loan and overdrafts repayable:		
Within one year or on demand	657,769	2,085,396
Between one and two years	2,710,137	1,600,000
	<u>3,367,906</u>	<u>3,685,396</u>
(a) Debenture loans and subscriptions repayable:		
After five years	2,042,025	521,348
(b) Obligations under hire purchase contracts repayable:		
Within one year	13,347	-
Between two and five years	11,343	-
Total borrowings	<u>5,434,621</u>	<u>4,206,744</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**14. BORROWINGS (continued)**

**(a) Debenture loans and subscriptions**

The total of £2,042,025 is a combination of debentures sold to the public and of debentures subscribed for by the underwriters as a result of the Underwriting Agreement, dated 26 November 1991, in respect of the Hammers Bond Scheme.

At the balance sheet date an amount of £1,480,075 was due or had been received from the underwriters by their subscription for 245 'A' Bonds, 1,658 'B' Bonds and 117 'C' Bonds.

An amount of £561,950 refers to full or part payments received towards the purchase of debentures under The Hammers Bond scheme by parties other than the underwriters. Under the terms and conditions of the issue the definitive certificate can only be issued where payment has been received in full and the designated seat in the relevant stand within the stadium is in existence.

A 31 July 1993 applications meeting the above criteria were for 89 'A' bonds valued at £44,500 and 569 'B' bonds valued at £426,750. Under the terms and conditions of the debentures, the debentures are repayable at par after 150 years. The debentures are non interest bearing subject to the conditions of issue. The debenture loans are unsecured.

**(b) Obligations under hire purchase contracts**

Obligations under hire purchase contracts are in respect of motor vehicles and are secured on the assets themselves.

	1993 £	1992 £
Minimum lease payments payable:		
within one year	13,347	-
within two to five years	15,158	-
	<hr/> 28,505	<hr/> -
Less: finance charges allocated to future periods	(3,815)	-
	<hr/> 24,690	<hr/> -

**15. DEFERRED GRANT INCOME**

	Group and Company £
Balance at 1 August 1992	554,380
Grants received	16,581
Grants released to the profit and loss account	(6,668)
Balance at 31 July 1993	<hr/> 564,293

The grant income has been received from the Football Trust against approved capital projects and is not repayable.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

- (a) No provision has been made for deferred taxation as in the opinion of the directors no liability is likely to crystallise in the foreseeable future.
- (b) The amount of potential deferred taxation unprovided in the accounts is:

	1993 £	1992 £
Capital allowances in excess of depreciation	19,627	1,419
Surplus on revaluation	950,000	1,450,000
Other timing differences:		
Interest	-	(34,419)
General provisions	(2,196)	-
	<u>967,431</u>	<u>1,417,000</u>
Less: unutilised tax losses	<u>(1,254,000)</u>	<u>(1,023,000)</u>
	<u>(286,569)</u>	<u>394,000</u>

**17. CALLED UP SHARE CAPITAL**

	No.	£
Authorised, allotted and fully paid Ordinary shares of 50p each:		
Balance at 1 August 1992 and 31 July 1993	<u>100,000</u>	<u>50,000</u>

**18. RESERVES**

	Revaluation reserve Group £	Company £	Profit and loss account Group £	Company £
Balance at 1 August 1992	9,322,394	8,678,611	(1,792,763)	(1,149,480)
Profit for the year	-	-	173,581	173,081
Deficit on revaluation	<u>(392,000)</u>	<u>(392,000)</u>	-	-
Balance at 31 July 1993	<u>8,930,394</u>	<u>8,286,611</u>	<u>(1,619,182)</u>	<u>(976,399)</u>

The deficit on revaluation reserve released is in respect of the old South Stand, demolished in May 1993 as part of the ground redevelopment programme.

The group profit and loss account can be analysed as:

	1993 £
Accumulation of profits	5,003,818
Transfer fees paid for current playing staff	<u>(6,623,000)</u>
	<u>(1,619,182)</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**19. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS**

	1993	1992
	£	As restated £
Profit/(loss) for the financial year	173,581	(2,045,872)
Other recognised gains and losses relating to the year		
Revaluation surplus	-	643,783
Deficit on revaluation	(392,000)	-
Net decrease in shareholders' funds	(218,419)	(1,402,089)
Opening shareholders' funds	7,579,631	8,981,720
Closing shareholders' funds	7,361,212	7,579,631

**20. CAPITAL COMMITMENTS**

Contracted for but not provided in the financial statements	3,286,000	75,618
Authorised but not yet contracted for	24,336	-

**21. CONTINGENT LIABILITIES**

Contracts have been entered into with players whereby signing on fees will be payable in equal instalments over the life of the contract provided the player does not ask for a transfer in writing. The potential future commitment to pay signing on fees amounts to £479,000 (1992 - £367,334).

At the year end the company had four outstanding transfers where further amounts are payable to the selling clubs if the players concerned play a specified number of games or if the club retains Premier League status. The amounts payable, contingent on these events total £64,000 and £150,000 respectively.

**22. OPERATING LEASE COMMITMENTS**

At 31 July 1993 the group and the company were committed to making the following annual payments in respect of operating leases:

	£
Leases which expire:	
Within one year	3,653
Within two to five years	52,802
After five years	-
	<u>56,455</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 1993**

**23. PENSION SCHEME**

Eligible staff are members of the Football League Limited Pension and Life Assurance Scheme which is a defined contribution in nature. 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 £41,859 (1992 - £42,651).

**24. EVENTS OCCURRING AFTER THE END OF THE YEAR**

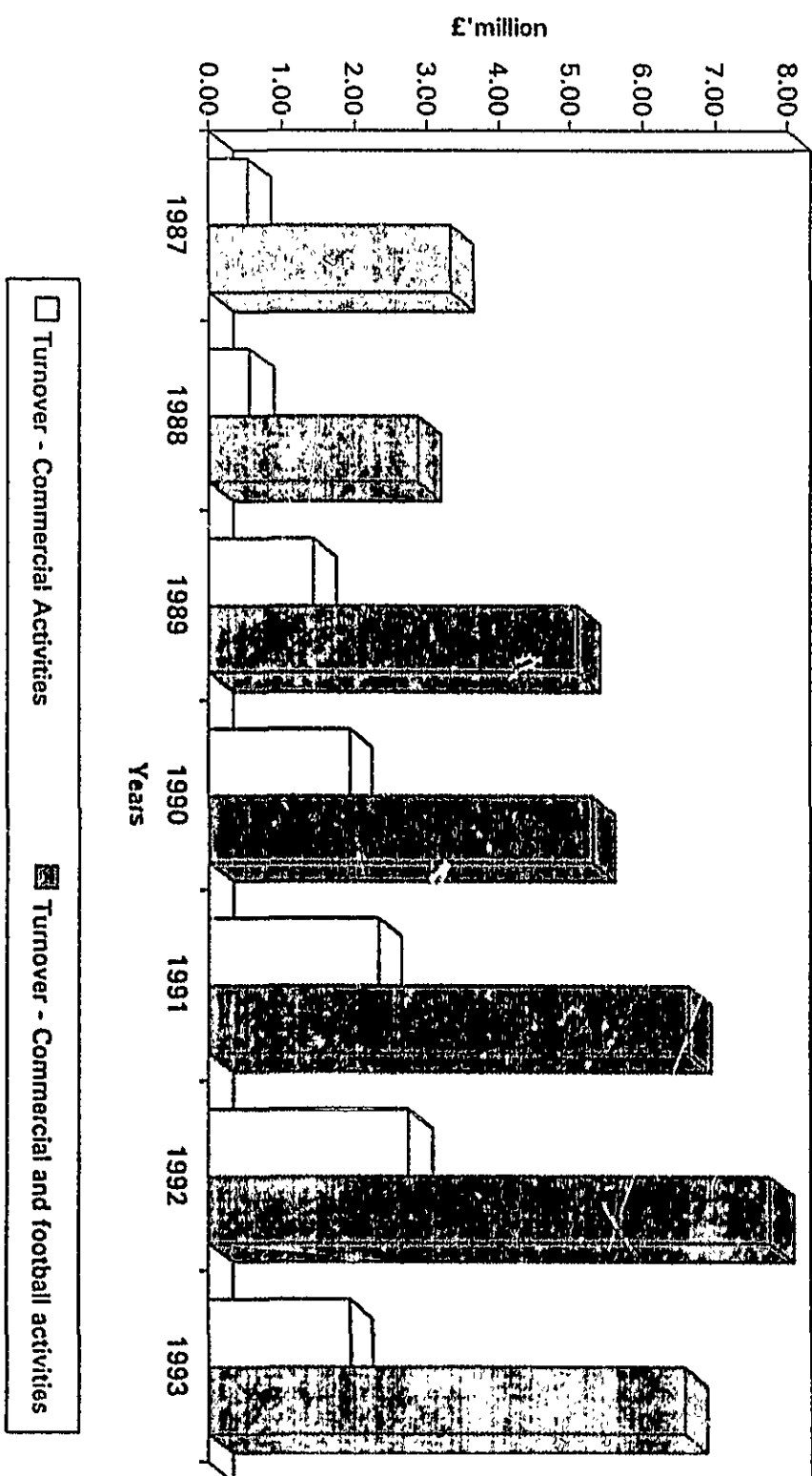
**(a) Subsequent transfers**

Net transfers completed subsequent to 31 July 1993 amounted to £498,750 payable by the company.

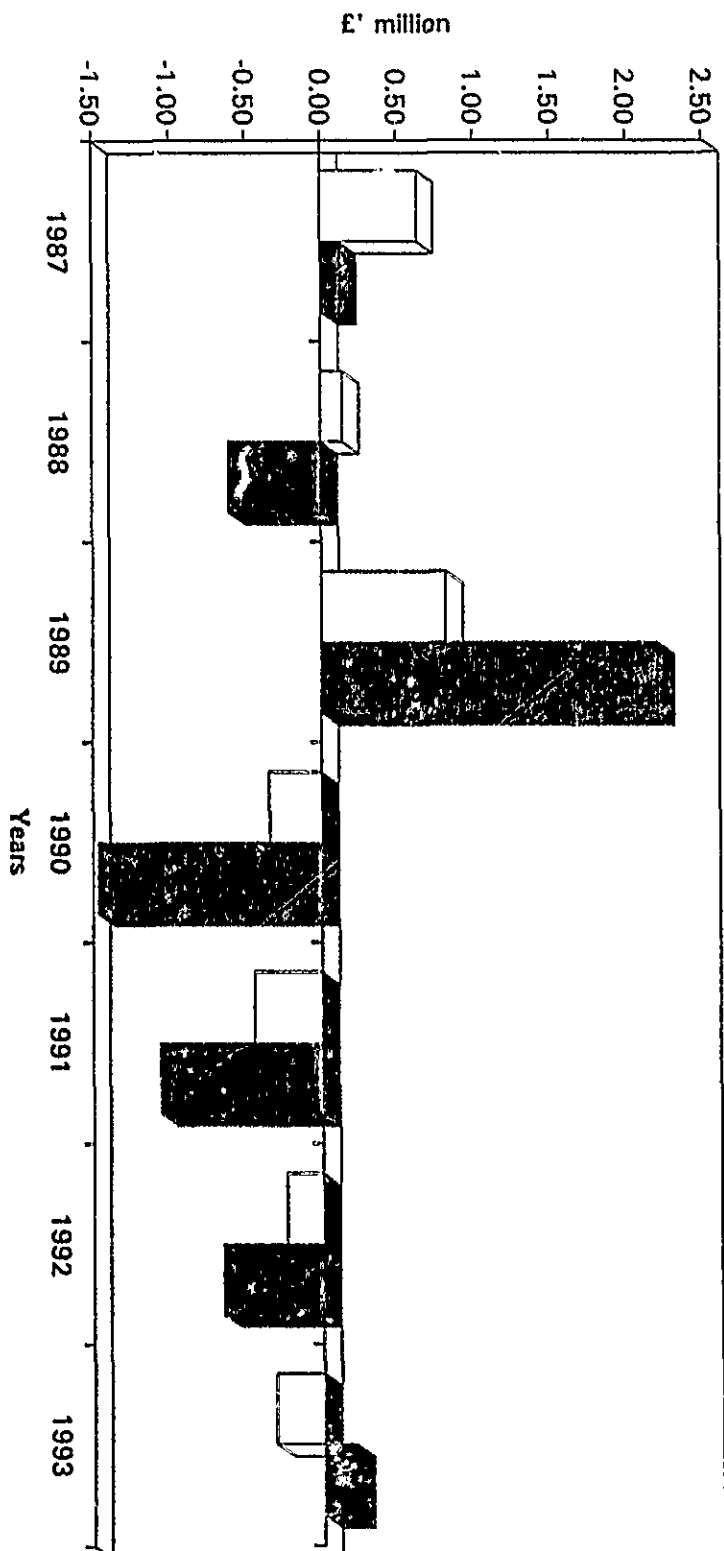
**(b) Ground redevelopment**

The Bobby Moore Stand is being built by Wimpey Construction Ltd under a fixed price design and build contract. Work is well advanced and remains on schedule to allow the stand to be ready for use towards the end of January 1994.

# West Ham United plc - Turnover



# West Ham United plc - Profit/(Loss) on ordinary activities before exceptional items and taxation



□ Profit/(Loss) before transfer fees, exceptional items and taxation

■ Profit/(Loss) after transfer fees but before exceptional items and taxation