

**TOTTENHAM HOTSPUR FOOTBALL
AND ATHLETIC COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS 1996**

For the fourteen months ended 31st July 1996



Registered in England and Wales

Number 57186

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC COMPANY LIMITED

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TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED
DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the fourteen months ended 31st July 1996.

BUSINESS REVIEW

The principal activity of the Company is the operation of a professional football club. The Company derives its income principally from ticket sales, executive box rentals, sponsorship and television revenue.

Under the terms of a management agreement the parent company provides playing facilities and other services to the Company for which it charges hire and management fees.

For the 1995/96 season the Club completed the league programme in eighth position in the Premier League. The Club progressed to the fifth round of the FA Cup and the third round of the Coca Cola Cup.

The commercial activities of the Club continued to produce substantial income. The Directors expect the Company to trade profitably in future.

The results for the fourteen months are set out in the profit and loss account on page 5.

CHANGE OF FINANCIAL YEAR END

The Company changed its financial year end to 31st July 1996 to be coterminous with that of its parent undertaking. Accordingly, these financial statements have been prepared for a fourteen month period.

DIVIDENDS AND TRANSFER TO RESERVES

The Directors do not recommend the payment of a dividend (1995 - £nil). The retained profit for the fourteen months of £1,461,000 (1995 - loss £1,176,000) was transferred to reserves.

DIRECTORS

The Directors who served since 1st June 1995 were as follows:

A.M. Sugar (Chairman)

C.M. Littner

J. Sedgwick - appointed 21 August 1995

C.T. Sandy*

A.G. Berry*

D.A. Alexiou*

I. Yawetz*

* Non-executive

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED
DIRECTORS' REPORT (continued)

The Directors, other than I. Yawetz, are all Directors of Tottenham Hotspur Plc, the parent undertaking. Their interests in the shares of that company are shown in its financial statements. I. Yawetz had an interest in 125,000 shares of that company at 31st July 1996 (1995 - 250,000).

None of the Directors has any other interests in the shares of the Company or any other Group company.

DIRECTORS' INTERESTS IN CONTRACTS

The following paragraphs give details of all material interests of Directors in contracts and transactions involving the Company and any of its subsidiary undertakings.

A three year advertising contract worth £57,000 plus VAT, between the Company and Amstrad plc over the three years terminated in the period and a further £50,000 plus VAT has been paid for advertising facilities for one year. A. M. Sugar holds 100% of the shares of Amshold Ltd which has a substantial minority shareholding in Amstrad plc.

A three year advertising contract between the Company and Viglen Limited (total value £65,000 plus VAT) was entered into during the period. Viglen Limited is a subsidiary of Amstrad plc.

A three year advertising contract between the Company and Amstrad Consumer Electronics Limited (total value £65,000 plus VAT) was entered into during the period. Amstrad Consumer Electronics Limited is a subsidiary of Amstrad plc.

All of these transactions were at arm's length.

The Company's parent undertaking company, Tottenham Hotspur plc, has incurred architect fees from Igal Yawetz and Associates Limited, a company in which I. Yawetz is a majority shareholder, amounting to £238,400 plus VAT. Since the period end a further figure of £125,000 in respect of architect fees has been authorised for expenditure in the future. All of these fees are at arm's length.

POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

A number of player transactions have taken place since the period end.

Details are included in note 18 to the accounts.

TAX STATUS

In the opinion of the Directors the Company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 during the fourteen months ended 31st July 1996.

FIXED ASSETS

Details of changes in fixed assets are given in note 6 to the accounts.

DONATIONS

During the fourteen months to 31st July 1996 the Company made £1,000 of charitable donations (1995 - £nil). There were no political donations during the period (1995 - £nil).

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are obliged by law to prepare the financial statements for each financial year and to present them annually to the Company's members at the Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements and estimates and for applying the going concern basis to the financial statements unless it is not appropriate to assume that the Company will continue in business.

The Directors confirm that the above requirements have been complied with in the financial statements.

In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

AUDITORS

On 1st February 1996 our auditors changed the name under which they practise to Deloitte & Touche and accordingly they have signed their report in their new name. Deloitte & Touche have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as Auditors of the Company.

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



J. Ireland
Secretary

14th November 1996

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF TOTTENHAM HOTSPUR
FOOTBALL AND ATHLETIC COMPANY LIMITED

We have audited the accounts on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3 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.

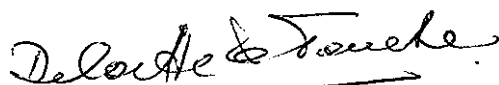
Basis of Opinion

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 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 31st July 1996 and of its profit for the fourteen months then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors

 22
14th November 1996

Hill House
1 Little New Street
LONDON EC4A 3TR

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
For the fourteen months ended 31st July 1996**

	Note	14 months to 31st July 1996 £'000	Year to 31st May 1995 £'000
CONTINUING OPERATIONS			
TURNOVER	2	<u>22,773</u>	<u>17,937</u>
NET OPERATING EXPENSES			
Player and match expenses		12,642	9,625
Administrative expenses		9,511	5,675
Net transfer fees	12	(1,278)	4,337
		<u>20,875</u>	<u>19,637</u>
OPERATING PROFIT/(LOSS)		1,898	(1,700)
Interest receivable/(payable)	13	<u>1</u>	<u>3</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,899	(1,697)
Taxation on Profit/(Loss) on ordinary activities	14	<u>(438)</u>	<u>521</u>
RETAINED PROFIT/(LOSS) FOR THE PERIOD		<u>1,461</u>	<u>(1,176)</u>

There are no other recognised gains and losses or movements in shareholders' funds for the current financial period or preceding financial year other than as stated in the profit and loss account.

Movements on reserves are shown in note 11 to the accounts.

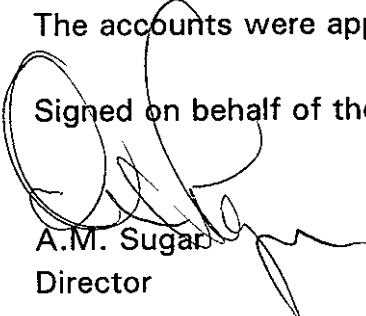
The notes on pages 7 to 13 form part of these accounts.


**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
BALANCE SHEET
As at 31st July 1996**

	<u>Note</u>	<u>1996 £'000</u>	<u>1995 £'000</u>
TANGIBLE FIXED ASSETS	6	<u>83</u>	<u>189</u>
CURRENT ASSETS			
Debtors	7	9,351	4,753
Cash at bank and in hand		<u>5,182</u>	<u>-</u>
		14,533	4,753
CREDITORS - amounts falling due within one year	8	<u>(11,216)</u>	<u>(2,915)</u>
NET CURRENT ASSETS		<u>3,317</u>	<u>1,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,400	2,027
CREDITORS - amounts falling due after more than one year	9	(71)	(159)
NET ASSETS		<u>3,329</u>	<u>1,868</u>
CAPITAL AND RESERVES			
Called up share capital	10	54	54
Share premium account		1,083	1,083
Profit and loss account	11	2,192	731
EQUITY SHAREHOLDERS' FUNDS		<u>3,329</u>	<u>1,868</u>

The accounts were approved by the Board of Directors on 14 November 1996.

Signed on behalf of the Board


A.M. Sugar
Director


J. Sedgwick
Director

The notes on pages 7 to 13 form part of these accounts.

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996**

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents gate receipts, commercial income and the proceeds of the sale of player's registrations, exclusive of Value Added Tax.

Transfer fees

Transfers of players' registrations, together with associated costs, are dealt with through the profit and loss account in the year in which the transfer takes place. Transfers are recognised in the year in which the transfer is registered with the relevant football governing body (currently the Premier League) except where the contract is not conditional upon registration in which case the transfer is recognised when the contract becomes unconditional (usually when payment is made or received). Payments or receipts which are contingent on the performance of team or player are not recognised until the event crystallising such payments or receipts has taken place. Signing on fees are charged to the profit and loss account in the period in which they are payable.

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 pension scheme.

Depreciation

Fixed assets are depreciated on a straight line basis at annual rates appropriate to their estimated useful lives as follows:

Motor vehicles	20%
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Finance leases

Assets held under finance leases are included in fixed assets at total rental cost less finance charges. Finance charges are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation. Rental costs under operating leases are charged to the profit and loss account in equal amounts over the period of the leases.

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 the financial statements to the extent that it is probable that assets or liabilities will crystallise in the foreseeable future.

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED**
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996

2. TURNOVER

	14 months to 31st July 1996 £'000	Year to 31st May 1995 £'000
Turnover comprises:		
Gate receipts	13,668	11,656
Sponsorship	2,503	3,033
T. V. fees	5,299	2,239
Other	1,303	1,009
	<u>22,773</u>	<u>17,937</u>

Turnover all derives from activities in the United Kingdom.

3. STAFF NUMBERS AND COSTS

	14 months to 31st July 1996 No.	Year to 31st May 1995 No.
The average numbers of employees during the period was as follows:		
Players	62	59
Football Administration	23	23
Administration	41	43
	<u>125</u>	<u>125</u>

The aggregate payroll costs of these
employees were as follows:

	14 months to 31st July 1996 £'000	Year to 31st May 1995 £'000
Wages, salaries and bonuses	9,765	7,078
Social security costs	937	650
Other pension costs	25	15
	<u>10,727</u>	<u>7,743</u>

**4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES
BEFORE TAXATION**

	14 months to 31st July 1996 £'000	Year to 31st May 1995 £'000
This is stated after charging:		
Depreciation on tangible fixed assets	50	64
Auditors' remuneration and expenses:		
audit fee	28	24
other services	-	1
Stadium hire and management fees	7,805	3,914
Operating lease rentals	<u>68</u>	<u>63</u>

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED**
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996

5. DIRECTORS' EMOLUMENTS

None of the Directors received any remuneration from the Company during the fourteen month period (1995 - 12 months - £Nil).

6. TANGIBLE FIXED ASSETS

	Motor Vehicles £'000
<u>COST</u>	
As at 1st June 1995	351
Purchases	-
Transfers in from parent undertaking	3
Disposals	(145)
As at 31st July 1996	<u>209</u>
<u>DEPRECIATION</u>	
As at 1st June 1995	162
Transfers in from parent undertaking	-
Disposals	(86)
Charged in the period	50
As at 31st July 1996	<u>126</u>
<u>NET BOOK VALUE</u>	
As at 31st July 1996	<u>83</u>
As at 31st May 1995	<u>189</u>

Included in fixed assets are assets which are held under finance leases and similar hire purchase contracts as follows:

	<u>1996</u>	<u>1995</u>
Net book value	22	8
Depreciation charged in the period	<u>8</u>	<u>6</u>

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS**

For the fourteen months ended 31st July 1996

7. DEBTORS

	1996	1995
	£'000	£'000
Trade debtors	4,271	715
Amounts owed by group undertakings	4,547	2,879
Other debtors	105	625
Prepayments and accrued income	428	534
	<u>9,351</u>	<u>4,753</u>

Trade debtors above include £2,498,542 (1995 - £437,905) in respect of transfers of players' registrations.

**8. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	1996	1995
	£'000	£'000
Bank overdraft	-	254
Obligations under finance leases	11	67
Payments received in advance	7,751	602
Trade creditors	699	647
Other creditors	313	264
Taxation and Social security	2,257	250
Accruals and deferred income	185	831
	<u>11,216</u>	<u>2,915</u>

Trade creditors above include £333,340 (1995 - £Nil) in respect of transfers of players' registrations.

Obligations under finance leases are secured by related leased assets.

**9. CREDITORS - AMOUNTS FALLING DUE
AFTER ONE YEAR**

	1996	1995
	£'000	£'000
Obligations under finance leases	2	37
Payments received in advance	69	122
	<u>71</u>	<u>159</u>

The finance lease obligations are all repayable within five years.

Obligations under finance leases are secured by related leased assets.

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED**
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996

10. SHARE CAPITAL

	<u>Number</u>	<u>£'000</u>
Ordinary shares of £1 each		
Authorised:		
At 31st May 1995 and 31st July 1996	<u>53,812</u>	<u>54</u>
Allotted, called up and fully paid:		
At 31st May 1995 and 31st July 1996	<u>53,812</u>	<u>54</u>

11. RESERVES

	<u>Profit and Loss account</u>
	<u>£'000</u>
Balance at 1st June 1995	731
Profit for the fourteen months to 31st July 1996	1,461
Balance at 31st July 1996	<u>2,192</u>

12. TRANSFER FEES - NET

	14 months to 31st July 1996	Year to 31st May 1995
	<u>£'000</u>	<u>£'000</u>
Net sales	11,697	3,667
Purchases	<u>(10,419)</u>	<u>(8,004)</u>
	<u>1,278</u>	<u>(4,337)</u>

13. INTEREST RECEIVABLE / (PAYABLE)

	14 months to 31st July 1996	Year to 31st May 1995
	<u>£'000</u>	<u>£'000</u>
Interest receivable	7	13
Finance lease charges	(6)	(10)
Other interest charges	-	-
	<u>1</u>	<u>3</u>

**14. TAXATION ON PROFIT/(LOSS) ON
ORDINARY ACTIVITIES**

	14 months to 31st July 1996	Year to 31st May 1995
	<u>£'000</u>	<u>£'000</u>
UK Corporation tax at 33% (1995 - 33%) on Profit/(Loss) for the period/year	636	(521)
Adjustment in respect of prior year provisions:	<u>(198)</u>	<u>-</u>
	<u>438</u>	<u>(521)</u>

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996**

15. COMMITMENTS

	July 1996 £'000	May 1995 £'000
The annual commitments under non-cancellable operating leases are:		
Leases expiring within 1 year	9	5
Leases expiring within 2 to 5 years	20	5
	<u>29</u>	<u>10</u>

There were no capital commitments either contracted or authorised at 31st May 1995 or 31st July 1996.

16. PENSIONS

Certain staff of the Company are members of the Football League Limited Pension and Life Assurance scheme. Others are members of a self-administered Group money purchase scheme.

The assets of the schemes are held separately from those of the Company, being invested with insurance companies. The pension cost charged during the fourteen month period amounted to £24,703 (1995 - 12 months - £15,019).

17. CONTINGENT LIABILITIES

The Company, together with its parent and fellow subsidiaries, has given a multilateral guarantee to its bankers to guarantee the overdrafts of the Group companies.

Under the terms of certain contracts for the purchase of players' registrations future payments may be due, dependent on the success of the team and/or individual players. Similar terms exist in contracts for sales of players' registrations. In practice not all these contingent liabilities will crystallise and the Directors consider that it is unlikely that there will be a net material charge to the Company in any year in respect of the above.

**TOTTENHAM HOTSPUR FOOTBALL AND
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the fourteen months ended 31st July 1996**

18. POST BALANCE SHEET EVENTS

There were four player transactions since the period end:

C Day was sold by the Club in August 1996 for £225,000.

A Turner was sold by the Club in September 1996 for £250,000

A Nielsen was bought by the Club in August 1996 for £1,650,000.

G McMahon was sold in September 1996 for £250,000

19. CASH FLOW STATEMENT

The parent undertaking, Tottenham Hotspur plc, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1, thus exempting the company from the requirement to prepare a cash flow statement.

20. PARENT UNDERTAKING

The Company's parent undertaking is Tottenham Hotspur plc, a company incorporated in Great Britain. Copies of the annual report and accounts of Tottenham Hotspur plc can be obtained from 748 High Road, Tottenham, London, N17 0AP.