

Company Registration No. 57186

**Tottenham Hotspur Football and
Athletic Co. Limited**

Report and Financial Statements

30 June 2012

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Tottenham Hotspur Football and Athletic Co. Limited

Report and financial statements 2012

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Tottenham Hotspur Football and Athletic Co. Limited

Report and financial statements 2012

Officers and professional advisers

Directors

D P Levy
M J Collecott
D Cullen
D Eales
C Wijeratna (resigned 17 January 2012)

Secretary

M J Collecott

Registered Office

Bill Nicholson Way
748 High Road
London
N17 0AP

Solicitors

Olswang LLP
90 High Holborn
London
WC1V 6XX

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Tottenham Hotspur Football and Athletic Co. Limited

Directors' Report

The directors present their report and the audited financial statements for the year ended 30 June 2012

Principal activities and business review

The principal activity of Tottenham Hotspur Football and Athletic Co Limited ("the Company") is the operation of a professional football club. The Company derives its income principally from managing the provision of football entertainment for White Hart Lane Stadium Limited.

Under the terms of a management agreement, the Company manages the provision of football entertainment at the White Hart Lane Stadium, for White Hart Lane Stadium Limited, for which it charges a management fee.

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

The commercial activities of the Club continued to produce substantial income. The Directors expect the Company to continue to trade profitably before taking into account the amortisation and disposal of player registrations.

Turnover

Revenue did not reach the record high of the previous year due to the lack of UEFA Champions League football but key areas of the business showed continued growth.

Revenue for the year was £131.8m (2011: £149.2m) while operating profit excluding football trading was £7.2m (2011: £22.7m).

The Club qualified for the Group Stages of the UEFA Europa League. UEFA prize money totalled £3.6m. In the previous season the Club had prize money of £29.0m from the UEFA Champions League.

In domestic cup competitions, the Club reached the semi-finals of The FA Cup at Wembley Stadium and the third round of the Carling Cup, having played three home ties, earning the Club £1.8m (2011: £0.3m).

Media and broadcasting revenues increased by 10% to £59.2m (2011: £54.0m) largely due to a higher number of televised games and the Club finishing 4th in the Premier League (2011: 5th).

Sponsorship and corporate hospitality income increased by 20% from £19.7m to £23.7m, in the main this was due to increased revenue from the Autonomy shirt sponsor deal. Other income streams also saw an 11% increase to £8.1m (2011: £7.3m), the driver of this increase were revenues from overseas pre-season tours.

Operating expenses (excluding football trading)

Operating expenses before football trading decreased by 2% from £126.5m to £124.5m in the year. This decrease was largely due to a reduction in Player salary and bonus costs, in part due to the lack of UEFA Champions League football.

Football trading

Andre Villas-Boas has joined the Club as Head Coach following the departure of Harry Redknapp.

During the summer of 2011 we signed Brad Friedel, Scott Parker, Emmanuel Adebayor (loan), Cristian Ceballos and Souleymane Coulibaly. In the January 2012 transfer window we made Yago Falque's loan move permanent, we also signed Ryan Nelsen and Louis Saha, both on short term contracts.

Jamie O'Hara, Robbie Keane, Alan Hutton, Peter Crouch, Wilson Palacios, Paul-Jose M'Poku, Roman Pavlyuchenko, Ben Alnwick, Oscar Jansson, Ryan Nelsen, Louis Saha and Vedran Corluka left the Club during the financial year, we wish them well in the future. Also Ledley King had to retire from playing, but fortunately for the Club remains involved with the Club as an Ambassador.

Since the year end we have strengthened the squad significantly with the following signings: Gylfi Sigurdsson, Jan Vertonghen, Emmanuel Adebayor (on a permanent basis following his loan last season), Mousa Dembele, Clint Dempsey and Hugo Lloris.

The following players have left since the year end: Niko Kranjcar, Steven Pienaar, Sebastien Bassong, Luka Modric, David Button, Giovanni Dos Santos and Rafael van der Vaart.

Tottenham Hotspur Football and Athletic Co. Limited

Directors' Report (continued)

Overall there has been an improvement in profit from player trading of £9.2m (2011 £8.6m), this figure includes significant gains that were made on the sales of the registrations of Jamie O'Hara, Peter Crouch, Roman Pavlyuchenko and Vedran Corluka

Loss before taxation

The overall result of the above is a loss before taxation of £10.1m (2011 £9.9m). The biggest factor in this increased loss being the significant reduction in turnover as a result of not being in the UEFA Champions League.

Taxation

The Company has received a tax credit of £5.3m in the current year compared to a £3.8m credit for the prior year. Therefore loss after tax is £4.8m (2011 £6.2m).

Risks and opportunities

The Company is exposed to a range of risks and uncertainties which have the potential to affect the long-term performance of the Group. Risks are monitored by the Board on a continual basis and the Group seeks to mitigate the risks wherever possible.

The Club is reliant on the Premier League brand and exposed to the external governing bodies of The FA, UEFA and FIFA. Clearly any changes in these bodies can affect our business model.

Looking forward, the next major challenge our industry will face, from a financial perspective, will be the change that Financial Fair Play will bring to the game. The essence of the change is to balance revenues and expenses. It was inevitable that UEFA would bring further control to the game and the Premier League has embraced these changes taking the view that it is better to be involved in a process than pushing against the inevitable.

As we invest for the future, the continued success of the First Team in the Premier League, European and cup competitions remains an important part of our progression.

Our ambitions in these competitions can be achieved with the continued commitment of the playing staff, the football management team and supporters. Our successful approach to nurturing both home-grown talent and acquisitions through the transfer market will help the team to secure future success on the pitch.

There is always continued upward pressure on player costs and salaries, which continue to require significant cash outflows. Accordingly, the challenge for the Group continues to be locating players of both quality and value through the transfer market and Academy. The importance of this will be further highlighted by the introduction of Financial Fair Play.

Outlook

Challenging global economic times are upon us and we shall all be required to manage the difficulties this will present. We shall continue to be ambitious for the Club whilst preserving the solid foundations on which it now flourishes.

We continue to explore new opportunities in order to broaden our range of income streams both nationally and internationally. This continued diversification of our income streams will help to ensure the Company is financially robust and increases our stability.

Dividends and results

The Directors do not recommend the payment of a dividend in either period. The Company made a loss after tax for the year of £4,805,000 (2011 loss of £6,154,000) and the net assets as at 30 June 2012 were £28,580,000 (2011 £33,385,000).

Tottenham Hotspur Football and Athletic Co. Limited

Directors' Report (continued)

Directors and their interests

The Directors who served throughout the year were as follows

D P Levy
M J Collecott
D Cullen
D Eales
C Wijeratna (resigned 17 January 2012)

There are no directors' interests in the share capital of the Company that are required to be disclosed

Contingent assets and liabilities and post balance sheet events

Details are included in notes 19 and 20 to the accounts

Financial risk management objectives and policies

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business the only financial risks that the directors consider relevant to the Company are interest rate risk, currency risk and cash flow risk.

The Company addresses cash flow risk carefully, managing its working capital inflows and outflows. The Company hedges its interest exposure by using fixed interest rate facilities where it is deemed appropriate. The Company is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Company does not enter into complex financial instruments for speculative purposes.

Donations

During the year ended 30 June 2012 the Company made charitable donations of £51,000 (2011 £92,277). There were no political donations during the year (2011 £nil). The group, headed by Tottenham Hotspur Limited, makes many contributions of Tottenham memorabilia to registered charities, especially in the Tottenham catchment area.

Employees

It remains the policy of the Company to provide employees with information on matters of concern to them and to keep them informed about the progress and performance of the Company and, where applicable, of the group. This is achieved through formal and informal staff meetings and regular bi-monthly meetings of an Employee Advisory Committee.

Applications for employment by disabled persons are always fully considered in the light of the respective skills and abilities of those concerned. Training and career development for such a person would, wherever possible, be similar to that of a person fortunate enough not to suffer from a disability. Furthermore, there is a permanent health insurance policy which covers the majority of UK staff whereby, if they suffer an illness or injury which renders them unable to continue employment, they continue to receive a substantial proportion of their remuneration.

Policy on payment of creditors

The Company's policy on payment of creditors is to settle payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within thirty days of the invoice date, however, where discounts are available it is generally the policy to pay earlier and benefit accordingly. Trade creditors at 30 June 2012 represented 24 days of annual purchases (2011 19 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

Tottenham Hotspur Football and Athletic Co. Limited

Directors' Report (continued)

Going concern

The Company has net current liabilities at 30 June 2012. The Board of Directors continually monitor the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, and the current economic downturn. The financial statements have been prepared on the going concern basis because the parent company, Tottenham Hotspur Limited, stated that it will provide the necessary financial support to the Company for the period of at least 12 months from the date these accounts are signed. The parent company directors prepare budgets and forecasts and have produced detailed and realistic cash flow projections which are reviewed on an ongoing basis. These demonstrate that the parent company has the financial capability to satisfy this obligation.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is not aware, and
- the director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

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



M J Collecott
Secretary

28 December 2012

Tottenham Hotspur Football and Athletic Co. Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Tottenham Hotspur Football and Athletic Co. Limited

We have audited the financial statements of Tottenham Hotspur Football and Athletic Co. Limited for the year ended 30 June 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Nigel Mercer (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
28 December 2012

Tottenham Hotspur Football and Athletic Co. Limited

Profit and loss account Year ended 30 June 2012

	Notes	Operations excluding football trading* £'000	Football trading* £'000	2012 Total £'000	2011 Total † £'000
Turnover	3	131,751	-	131,751	149,207
Operating expenses	4	(124,509)	(25,000)	(149,509)	(165,977)
Operating profit/(loss)	5	7,242	(25,000)	(17,758)	(16,770)
Profit on disposal of intangible fixed assets	7	-	9,200	9,200	8,573
Profit/(loss) from operations		7,242	(15,800)	(8,558)	(8,197)
Net finance costs	8			(1,523)	(1,747)
Loss on ordinary activities before taxation				(10,081)	(9,944)
Tax credit on loss on ordinary activities	9			5,276	3,790
Retained loss for the financial year	16			(4,805)	(6,154)

**Football trading represents the amortisation, impairment, and the profit or loss on disposal of intangible fixed assets and other football trading related income and expenditure*

† See note 2 for a breakdown

The above results for the current and prior year all derive from continuing operations

There were no other recognised gains or losses in either the current or prior year other than those stated above, accordingly no statement of total recognised gains and losses is presented

Tottenham Hotspur Football and Athletic Co. Limited

Balance sheet As at 30 June 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	10	57,955	101,214
Current assets			
Debtors	11	30,519	15,812
Cash at bank and in hand		21,715	16,678
		52,234	32,490
Creditors: amounts falling due within one year	12	(74,742)	(82,671)
Net current liabilities		(22,508)	(50,181)
Total assets less current liabilities		35,447	51,033
Creditors: amounts falling due after more than one year	13	(6,399)	(15,085)
Provisions for liabilities	14	(468)	(2,563)
Net assets		28,580	33,385
Capital and reserves			
Called up share capital	15	54	54
Share premium	16	1,083	1,083
Profit and loss account	16	27,443	32,248
Shareholders' funds	17	28,580	33,385

The financial statements of Tottenham Hotspur Football and Athletic Co Limited, registered number 57186, were approved by the Board of Directors and authorised for issue 28 December 2012

Signed on behalf of the Board of Directors



M J Collecott
Director

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding financial year, are described below.

Going concern

This is contained in the Directors' Report on page 5.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

Under the provisions of Financial Reporting Standard 1 (Revised) the Company has not presented a cash flow statement, as its ultimate parent company, Tottenham Hotspur Limited, a company registered in England and Wales, prepares consolidated financial statements which include the results of the Company and contain a cash flow statement.

Turnover

Turnover represents television income, sponsorship income and management fees receivable exclusive of VAT.

Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

Football trading

The costs associated with the acquisition of player and key football management staff registrations are capitalised as intangible fixed assets. Any intangible assets acquired on deferred terms are recorded at discounted cost at the date of acquisition. This represents the net present value of the costs of acquiring players and key football management staff registrations. These costs are fully amortised on a straight line basis over their useful economic lives, in equal annual instalments over the period of the respective contracts. Where a contract life is renegotiated the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Under the conditions of certain transfer agreements, further fees will be payable to the vendors in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfers are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Provision is made for any impairment of the carrying value of the playing squad should the carrying value of the squad as a whole exceed the amount recoverable from the squad as a whole through use or sale, and where the reduction in value is considered permanent.

Where a player is not considered to be part of the playing squad a provision for impairment would be made if the individual player's carrying value exceeds the amount recoverable through use or sale and where the reduction in value is considered permanent.

Profits or losses on the disposal of these registrations represent the fair value of the consideration receivable, net of any transaction costs, less the unamortised cost of the original registration.

Remuneration of players is charged in accordance with the terms of the applicable contractual agreements and any discretionary bonus when there is a legal or contractual obligation.

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

1. Accounting policies (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Translation differences are dealt with in the profit and loss account.

Corporation tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profits differ from net profit as reported in the profit and loss account because they exclude items of income or expense that are taxable or deductible in other years and they further exclude items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Pension costs

Payments are made to the external defined contribution pension schemes of eligible employees of the Company. The pension cost charged in the year represents contributions payable by the Company to these schemes.

In addition the Company is making contributions in respect of its share of the deficit of the defined benefit section of the Football League Pension and Life Assurance Scheme (the "Scheme"). A provision has been established for the group's share of the deficit which exists in this section of the Scheme.

Under the provisions of FRS 17 "Retirement Benefits" the Scheme would be treated as a defined benefit multi-employee scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities, cannot be identified on a reasonable and consistent basis, and accordingly no disclosures are made under the provisions of FRS 17.

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

2. Analysis of comparative profit and loss account

	Operations excluding football trading £'000	Football trading £'000	Total £'000
Turnover	149,207	-	149,207
Operating expenses	(126,527)	(39,450)	(165,977)
Operating profit/(loss)	22,680	(39,450)	(16,770)
Profit on disposal of registrations	-	8,573	8,573
Profit/(loss) before interest and taxation	22,680	(30,877)	(8,197)

3. Turnover

Turnover, which all derives from the Company's principal activity, is analysed as follows

	2012 £'000	2011 £'000
Turnover comprises:		
Cup competitions – Gate receipts and prize money	5,460	29,318
Sponsorship and corporate hospitality	23,717	19,663
Media and broadcasting	59,217	54,015
Management fee receivable	35,235	38,871
Other	8,122	7,340
	131,751	149,207

All turnover derives from activities in the United Kingdom and is exclusive of VAT

4. Operating expenses

	2012 £'000	2011 £'000
Staff costs	87,111	88,609
Amortisation, impairments and other net football trading income and expenditure	25,000	39,450
Other operating costs	37,398	37,918
	149,509	165,977

5. Operating profit/(loss)

	2012 £'000	2011 £'000
Operating profit/(loss) is stated after charging:		
Amortisation and impairment of intangible fixed assets	29,330	41,953
Charitable donations	51	92
Stadium hire and management fees	12,723	12,095

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

The audit fee of £20,000 (2011 £20,000) is borne by another group company in the current year and prior year. No fees were paid to the Company's auditor or affiliated entities, relating to other services, during the year. Refer to the Tottenham Hotspur Limited financial statements for full disclosure of fees payable to the auditor.

6. Staff number and costs

	2012 No.	2011 No.
The average number of employees (including Directors) during the year was as follows		
Players and football administration staff	171	158
Administration staff	110	103
	<u>281</u>	<u>261</u>
	2012 £'000	2011 £'000
The aggregate payroll costs of these employees (including Directors) was as follows		
Wages, salaries and bonuses	76,268	76,699
Social security costs	9,115	9,780
Other pension costs	1,728	2,130
	<u>87,111</u>	<u>88,609</u>

In addition the Company employs on average 590 temporary staff on matchdays (2011 611). In addition to the above payroll costs, redundancy costs of £3,340,860 (2011 £191,762) were also charged to the profit and loss account during the year. The emoluments of the Directors of the Company who are not remunerated by the parent company, for the year were £614,704 (2011 £1,018,886). The highest paid Director received total emoluments of £458,000 (2011 £460,000). There are no Directors for whom retirement benefits are accruing under a money purchase pension scheme in either the current or prior year.

7. Profit on disposal of intangible fixed assets

	2012 £'000	2011 £'000
Proceeds	33,699	8,573
Net book value of disposals	(24,499)	-
	<u>9,200</u>	<u>8,573</u>

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

8. Net finance costs

	2012 £'000	2011 £'000
Net notional interest expense on deferred payments for players' registrations	1,523	1,747

9. Tax charge/(credit) on ordinary activities

	2012 £'000	2011 £'000
Current tax		
Group relief payable	(2,558)	(3,223)
Group relief in respect of prior years	3,039	(197)
Current tax charge/(credit)	481	(3,420)
Deferred tax		
Origination and reversal of timing differences in prior years	(4,981)	239
Origination and reversal of timing differences in current year	(124)	1
Rollover relief deferred in respect of players disposed of and purchased in prior year	-	(77)
Rollover relief deferred in respect of players disposed of and purchased in current year	157	664
Accelerated capital allowances in current year	(29)	
Difference in tax rates	(780)	(1,197)
Deferred tax (credit)	(5,757)	(370)
Total tax (credit) on ordinary activities	(5,276)	(3,790)
	2012 £'000	20122011 £'000
Reconciliation of the current tax credit		
Loss on ordinary activities before taxation	(10,081)	(9,944)
Tax on loss on ordinary activities before taxation at the UK statutory rate of 25.5% (2011 27.5%)	(2,571)	(2,735)
(Non-taxable income)/expenses not deductible	16	508
Depreciation for which no tax relief is available	-	(330)
Effect of restating deferred tax liability at 25%	(780)	(1,197)
Other prior year adjustments	(1,941)	(36)
Total current year corporation tax credit	(5,276)	(3,790)

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and 23% effective 1 April 2013. These rate reductions become substantively enacted in March 2012 and July 2012 respectively. The UK Government has also proposed to further reduce the standard rate of UK corporation tax to 21% effective 1 April 2014, but this change has not been substantively enacted. The effective tax rate for the year is 25.5% (2011 27.5%). The losses have been surrendered to another group company for nil consideration.

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

10. Intangible fixed assets

	£'000
Cost of registrations	
At 1 July 2011	227,292
Additions	10,566
Disposals	(84,568)
	<u>153,290</u>
At 30 June 2012	
Amortisation and impairment of registrations	
At 1 July 2011	126,077
Charged in year – amortisation	29,330
Disposals	(60,072)
	<u>95,335</u>
At 30 June 2012	
Net book value of registrations	
At 30 June 2012	<u>57,955</u>
At 30 June 2011	<u>101,214</u>

11. Debtors

	2012 £'000	2011 £'000
Trade debtors	10,275	5,914
Corporation tax	826	2,869
Other debtors	383	1,768
Prepayments and accrued income	2,746	3,313
Amounts due from group undertakings	10,216	1,633
Deferred taxation	6,073	315
	<u>30,519</u>	<u>15,812</u>

Trade debtors above include £7,483,000 (2011 £3,426,000) in respect of the disposal of players' registrations of which £735,000 is receivable after one year (2011 £nil)

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

12. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	12,760	20,333
Amounts owed to group undertakings	24,364	30,538
Other tax and social security	5,858	6,316
Other creditors	9,940	7,960
Accruals and deferred income	21,820	17,524
	<u>74,742</u>	<u>82,671</u>

Creditors above include £12,711,000 in respect of the acquisition of players' registrations (2011 £19,571,000)

13. Creditors: amounts falling due after more than one year

	2012 £'000	2011 £'000
Trade creditors	2,290	9,984
Other creditors	4,109	5,101
	<u>6,399</u>	<u>15,085</u>

Trade creditors above are in respect of the acquisition of players' registrations

14. Provisions for liabilities and charges

	2012 £'000
Contingent transfer fees payable and provisions on player contracts	
At 1 July 2011	2,563
Provided during the year	666
Released to income during the year	(30)
Utilised during the year	(2,731)
At 30 June 2012	<u>468</u>
Deferred taxation	
At 1 July 2011	(315)
Credited to the profit and loss account	315
At 30 June 2012	<u>-</u>

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

15. Called up share capital

	2012 £'000	2011 £'000
Authorised:		
53,812 ordinary shares of £1 each	54	54
Called up, allotted and fully paid:		
53,812 ordinary shares of £1 each	54	54

16. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2011	1,083	32,248
Loss for the year	-	(4,805)
At 30 June 2012	1,083	27,443

17 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Loss for the year	(4,805)	(6,154)
Opening shareholders' funds	33,385	39,539
Closing shareholders' funds	28,580	33,385

18. Pensions

Defined contribution schemes

Certain staff of the Company are members of the Football League Limited Pension and Life Assurance Scheme. Others are members of a self-administered Company money purchase scheme. The assets of these schemes are held separately from those of the Company, being invested with insurance companies. The pension cost charged during the year amounted to £71,000 (2011 £266,000).

During the year the Company made payments of £nil (2011 £3,014,000) into an Employee Funded Retirement Benefit Scheme administered by Sanne Trust Company Limited. Accordingly, no liability in respect of the scheme is recognised by the Company.

Defined benefit scheme

The Company is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). The most recent actuarial valuation of the Scheme was as at 31 August 2011 and indicated that the contribution required from the Company towards making good this deficit was £642,000 at 1 September 2012. The pension cost charged during the year relating to this deficit was £486,000 (2011 £45,000). At the balance sheet date the Company's share of this deficit was £649,000 (2011 £208,000).

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

19. Contingent liabilities and assets

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

At the balance sheet date the company had overdrafts of £nil (2011 £nil)

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £14,830,000 (2011 £24,158,000)

Under the terms of certain contracts for the sale of players' registrations future receipts may be receivable from third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent asset was £12,466,000 (2011 £11,433,000)

The Company is currently in discussions with HM Revenue and Customs ("HMRC") relating to a number of tax matters. These primarily relate to (a) HMRC's investigation into image right payments made by football clubs generally, and (b) HMRC's enquiries across the football industry as to whether VAT is recoverable on agents' fees on the basis that some agents may not have acted exclusively for the Club and as to whether employment related taxes arise

The Company is satisfied that it has acted and accounted properly for these matters, and that once settled, no unprovided liabilities significant to the financial statements will result

20. Post balance sheet events

Since the balance sheet date the following events have occurred

G Sigurdsson was bought from Hoffenheim
J Vertonghen was bought from Ajax
E Adebayor was bought from Manchester City
M Dembele was bought from Fulham
H Lloris was bought from Olympique Lyonnais
C Dempsey was bought from Fulham
N Kranjcar was sold to Dynamo Kiev
S Pienaar was sold to Everton
S Bassong was sold to Norwich City
L Modric was sold to Real Madrid
D Button was sold to Charlton Athletic
R van der Vaart was sold to Hamburg
G Dos Santos was sold to Real Mallorca
H Kane was loaned to Norwich City
D Rose was loaned to Sunderland

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £9,917,000

The contingent liability from these transactions amounts to approximately £10,555,000 and the contingent asset amounts to approximately £7,430,000

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2012

21. Ultimate parent company

The ultimate controlling party is Enic International Limited, a company incorporated and registered in the Bahamas. The parent undertaking of the largest and smallest group, which includes the company, and for which group financial statements are prepared is Tottenham Hotspur Limited (formerly Tottenham Hotspur plc), a company incorporated in the United Kingdom and registered in England and Wales. Copies of the annual report and accounts of Tottenham Hotspur Limited (formerly Tottenham Hotspur plc) can be obtained from Bill Nicholson Way, 748 High Road, Tottenham, London N17 0AP.

22. Related party transactions

The Company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Tottenham Hotspur group companies.