

**Company Registration No. 57186**

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

**Report and Financial Statements**

**30 June 2013**



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

## **Report and financial statements 2013**

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

## **Report and financial statements 2013**

### **Officers and professional advisers**

#### **Directors**

D P Levy  
M J Collecott  
D Cullen  
D Eales

#### **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  
2 New Street Square  
London  
EC4A 3BZ

# **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 2013

### **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 one management agreement, the parent company provides head office and other services to the Company for which it charges hire and management fees. While under another management agreement Tottenham Hotspur Academy (Enfield) Limited, provides use of a new Training Centre and ancillary services.

The commercial activities of the Club continued to produce substantial income.

### **Turnover**

Revenue increased on the previous year. Revenue for the year was £132.5m (2012: £131.8m) while excluding football trading there was an operating loss of £2.7m (2012: £7.2m profit).

The Club reached the quarter-finals of the UEFA Europa League, compared to the group stages in the previous year. UEFA prize money totalled £5.0m (2012: £3.6m).

In domestic cup competitions, the Club reached the fourth round of The FA Cup and the fourth round of the Capital One Cup, having played three away ties, earning the Club £0.5m (2012: £1.8m).

Media and broadcasting revenues decreased by 3% to £57.3m (2012: £59.2m) largely due to fewer live televised games and the Club finishing 5<sup>th</sup> in the Premier League (2012: 4<sup>th</sup>).

Sponsorship and corporate hospitality income increased by 11% from £26.3m to £23.7m, in the main this was due to increased revenue from the Under Armour technical sponsor deal. Other income streams also saw an 20% increase to £8.9m (2012: £7.4m), a significant driver of this increase was the Elite Player Performance Programme.

### **Operating expenses (excluding football trading)**

Operating expenses before football trading increased by 7% from £135.2m to £126.5m in the year. This increase was largely due to higher salary costs, and the cost of using the new Training Centre facilities.

### **Football trading**

During the summer of 2012 we signed Moussa Dembele, Gylfi Sigurdsson, Hugo Lloris, Jan Vertonghen, Emmanuel Adebayor, and Clint Dempsey. In the January 2013 transfer window we also signed Ezekiel Fryers, Lewis Holtby and Grant Hall.

Niko Kranjcar, Steven Pienaar, Sebastien Bassong, Luka Modric, Giovanni Dos Santos, Rafael van der Vaart, David Button, Carlo Cudicini, Jermaine Jenas, John Bostock, David Bentley, William Gallas and Dean Parrett left the Club during the financial year, we wish them well in the future.

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

## **Directors' report (continued)**

### **Football trading (continued)**

Since the year end we have strengthened the squad significantly with the following signings Paulinho, Roberto Soldado, Nacer Chadli, Etienne Capoue, Erik Lamela, Vlad Chiriches and Christian Eriksen

The following players have left since the year end Steven Caulker, Clint Dempsey, Scott Parker, Tom Huddlestone, Massimo Luongo and Gareth Bale Overall there has been an improvement in profit from player trading to £26.5m (2012 £9.2m), this figure includes significant gains that were made on the sales of the registrations of Niko Kranjcar, Steven Pienaar, Luka Modric and Rafael van der Vaart

### **Loss before taxation**

The overall result of the above is a loss before taxation of £5.5m (2012 £10.1m) The biggest factor in this improvement was the profit from player trading

### **Taxation**

The Company has incurred a tax charge of £3.5m in the current year compared to a £5.3m credit for the prior year Therefore loss after tax is £8.9m (2012 £4.8m)

### **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 the current period (2012 £Nil) The Company made a loss after tax for the year of £8,938,000 (2012 loss of £4,805,000) and the net assets as at 30 June 2013 were £19,642,000 (2012 £28,580,000)

# **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 G Eales

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 2013 the Company made charitable donations of £14,000 (2012: £51,000). There were no political donations during the year (2012: £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.

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

## **Directors' report (continued)**

### **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 2013 represented 44 days of annual purchases (2012: 24 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

### **Going concern**

The Company has net current liabilities at 30 June 2013. 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 auditor 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

30 December 2013

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

## **Directors' responsibilities statement**

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 2013 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 2013 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  
30 December 2013

# Tottenham Hotspur Football and Athletic Co. Limited

## Profit and loss account Year ended 30 June 2013

	Notes	Operations excluding football trading* £'000	Football trading * £'000	2013 Total £'000	2012 Total † £'000
Turnover	3	132,455		132,455	131,751
Operating expenses	4	(135,190)	(25,381)	(160,571)	(149,509)
<b>Operating loss</b>	5	(2,735)	(25,381)	(28,116)	(17,758)
Profit on disposal of intangible fixed assets	7	-	26,343	26,343	9,200
<b>(Loss)/profit from operations</b>		(2,735)	962	(1,773)	(8,558)
Net finance costs	8			(3,678)	(1,523)
<b>Loss on ordinary activities before taxation</b>				(5,451)	(10,081)
Tax (charge)/credit on loss on ordinary activities	9			(3,487)	5,276
<b>Retained loss for the financial year</b>	16			(8,938)	(4,805)

*\*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 note2 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 2013

	Notes	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Intangible assets	10	73,204	57,955
<b>Current assets</b>			
Debtors	11	40,250	30,519
Cash at bank and in hand		23,334	21,715
		63,584	52,234
<b>Creditors: amounts falling due within one year</b>	12	(93,443)	(74,742)
<b>Net current liabilities</b>		(29,859)	(22,508)
<b>Total assets less current liabilities</b>		43,345	35,447
<b>Creditors: amounts falling due after more than one year</b>	13	(20,217)	(6,399)
<b>Provisions for liabilities</b>	14	(3,486)	(468)
<b>Net assets</b>		19,642	28,580
<b>Capital and reserves</b>			
Called up share capital	15	54	54
Share premium	16	1,083	1,083
Profit and loss account	16	18,505	27,443
<b>Shareholders' funds</b>	17	19,642	28,580

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 on 30 December 2013

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 2013**

### **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 2013**

### **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 2013

### 2 Analysis of comparative profit and loss account

	Operations excluding football trading 2012 £'000	Football Trading 2012 £'000	Total 2012 £'000
Turnover	131,751	-	131,751
Operating expenses	(124,509)	(25,000)	(149,509)
Operating profit/(loss)	7,242	(25,000)	(17,758)
Profit on disposal of intangible fixed assets	-	9,200	9,200
Profit/(loss) before interest and taxation	7,242	(15,800)	(8,558)

### 3. Turnover

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

	2013 £'000	2012 £'000
<b>Turnover comprises.</b>		
Cup competitions – Gate receipts and prize money	475	1,816
Sponsorship and corporate hospitality	26,313	23,717
Media and broadcasting	57,347	59,217
Management fee receivable	34,412	35,235
UEFA solidarity and prize money	5,054	4,344
Other	8,854	7,422
	<u>132,455</u>	<u>131,751</u>

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

### 4. Operating expenses

	2013 £'000	2012 £'000
Staff costs	92,567	87,111
Amortisation, impairments and other net football trading income and expenditure	25,381	25,000
Other operating costs	42,623	37,398
	<u>160,571</u>	<u>149,509</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2013

### 5. Operating loss

	2013 £'000	2012 £'000
<b>Operating loss is stated after charging:</b>		
Amortisation and impairment of intangible fixed assets	26,762	29,330
Charitable donations	14	51
Stadium hire and management fees	22,116	12,723

The audit fee of £20,000 (2012 £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

	2013 No	2012 No
The average number of employees (including Directors) during the year was as follows		
Players and football administration staff	187	171
Administration staff	119	110
	<u>306</u>	<u>281</u>
	2013 £'000	2012 £'000
The aggregate payroll costs of these employees (including Directors) was as follows		
Wages, salaries and bonuses	81,770	76,268
Social security costs	10,600	9,115
Other pension costs	197	1,728
	<u>92,567</u>	<u>87,111</u>

In addition the Company employs on average 565 temporary staff on matchdays (2012 590). In addition to the above payroll costs, redundancy costs of £61,351 (2012 £3,340,860) 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 £569,564 (2012 £614,704). The highest paid Director received total emoluments of £382,000 (2012 £458,000). 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

	2013 £'000	2012 £'000
Proceeds	46,023	33,699
Net book value of disposals	(19,680)	(24,499)
	<u>26,343</u>	<u>9,200</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2013

### 8. Net finance costs

	2013 £'000	2012 £'000
Net notional interest expense on deferred payments for players' registrations	1,962	1,523
Interest payable	1,730	-
Interest receivable	(14)	-
	<u>3,678</u>	<u>1,523</u>

### 9. Tax charge/(credit) on ordinary activities

	2013 £'000	2012 £'000
<b>Current tax</b>		
Group relief payable	(3,974)	(2,558)
Group relief in respect of prior years	1,746	3,039
Current tax (credit)/charge	<u>(2,228)</u>	<u>481</u>
<b>Deferred tax</b>		
Origin and reversal of timing differences in prior years	(849)	(4,981)
Origin and reversal of timing differences in current year	358	(124)
Movements in rollover relief	6,637	157
Accelerated capital allowances in current year	10	(29)
Difference in tax rates	(441)	(780)
Deferred tax charge/(credit)	<u>5,715</u>	<u>(5,757)</u>
Total tax charge/(credit) on ordinary activities	<u>3,487</u>	<u>(5,276)</u>
<b>Reconciliation of the current tax credit</b>		
Loss on ordinary activities before taxation	<u>(5,451)</u>	<u>(10,081)</u>
Tax on loss on ordinary activities before taxation at the UK statutory rate of 23.75% (2012: 25.5%)	(1,295)	(2,571)
(Non-taxable income)/expenses not deductible	64	16
Fixed asset timing differences	(10)	29
Other timing differences	(358)	124
Rollover relief	(2,375)	(156)
Other prior year adjustments	1,746	3,039
Total current tax charge/(credit)	<u>(2,228)</u>	<u>481</u>

The Finance Act 2012 substantively enacted a rate reduction such that the corporation tax rate was reduced to 24% with effect from 1 April 2012 and 23% with effect from 1 April 2013. The effective tax rate for the year is 23.75% (2012: 25.5%). Other than the provision for deferred tax and the items referred to above, there are no items which would materially affect future tax charges.



# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2013

### 10. Intangible fixed assets

	£'000
<b>Cost of registrations</b>	
At 1 July 2012	153,290
Additions	61,691
Disposals	(71,291)
At 30 June 2013	143,690
<b>Amortisation and impairment of registrations</b>	
At 1 July 2012	95,335
Charged in year – amortisation	26,762
Disposals	(51,611)
At 30 June 2013	70,486
<b>Net book value of registrations</b>	
At 30 June 2013	73,204
At 30 June 2012	57,955

### 11. Debtors

	2013 £'000	2012 £'000
Trade debtors	11,044	10,275
Corporation tax	685	826
Other debtors	477	383
Prepayments and accrued income	6,707	2,746
Amounts due from group undertakings	20,979	10,216
Deferred taxation	358	6,073
	40,250	30,519

Trade debtors above include £9,885,000 (2012 £7,483,000) in respect of the disposal of players' registrations of which £4,768,000 is receivable after one year (2012 £735,000)

	£
Deferred taxation	
At 1 July 2012	6,073
Charged to the profit and loss account	(5,715)
At 30 June 2013	358

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2013

### 12. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	23,125	12,760
Amounts owed to group undertakings	37,657	24,364
Other tax and social security	6,213	5,858
Other creditors	11,023	9,940
Accruals and deferred income	15,425	21,820
	<u>93,443</u>	<u>74,742</u>

Creditors above include £20,584,000 in respect of the acquisition of players' registrations (2012 £12,711,000)

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

	2013 £'000	2012 £'000
Trade creditors	13,672	2,290
Other creditors	6,545	4,109
	<u>20,217</u>	<u>6,399</u>

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

### 14. Provisions for liabilities and charges

	2013 £'000
<b>Contingent transfer fees payable and provisions on player contracts</b>	
At 1 July 2012	468
Provided during the year	4,214
Utilised during the year	(1,196)
At 30 June 2013	<u>3,486</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2013

### 15. Called up share capital

	2013 £'000	2012 £'000
<b>Authorised:</b>		
53,812 ordinary shares of £1 each	54	54
<b>Called up, allotted and fully paid:</b>		
53,812 ordinary shares of £1 each	54	54

### 16 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2012	1,083	27,443
Loss for the year	-	(8,938)
At 30 June 2013	1,083	18,505

### 17. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	28,580	33,385
Loss for the year	(8,938)	(4,805)
Closing shareholders' funds	19,642	28,580

### 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 £12,000 (2012 £71,000).

The Company made no payments in either the current year or prior year 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 £nil (2012 £486,000). At the balance sheet date the Company's share of this deficit was £564,000 (2012 £649,000).

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

## **Notes to the accounts Year ended 30 June 2013**

### **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 (2012 £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 £11,863,000 (2012 £14,830,000)

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 £16,607,000 (2012 £12,466,000)

### **20. Post balance sheet events**

Since the balance sheet date the following events have occurred

Paulinho was bought from Corinthians,  
N Chadli was bought from Twente,  
R Soldado was bought from Valencia,  
E Capoue was bought from Toulouse,  
E Lamela was bought from Roma,  
V Chiriches was bought from Steaua Bucharest,  
C Eriksen was bought from Ajax,  
S Caulker was sold to Cardiff City,  
C Dempsey was sold to Seattle Sounders,  
S Parker was sold to Fulham,  
T Huddlestone was sold to Hull City,  
G Bale was sold to Real Madrid,  
M Luongo was sold to Swindon,  
A Smith was loaned to Derby County,  
J Livermore was loaned to Hull City,  
T Carroll was loaned to Queens Park Rangers, and  
B Assou-Ekotto was loaned to Queens Park Rangers

First Team management changes include the departures of Andre Villas-Boas, Jose Mario Rocha, Luis Martens and Daniel Sousa

Including Football League levies, the uncontingent net income from these transactions amounted to approximately £933,000

The contingent liability from player purchases and First Team management changes amounts to approximately £12,581,000 and the contingent asset amounts to approximately £2,400,000

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

## **Notes to the accounts Year ended 30 June 2013**

### **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.