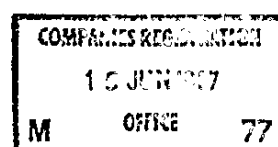


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THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY
LIMITED

DIRECTORS' REPORT AND ACCOUNTS
31ST MAY, 1986



THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting their annual report and the audited accounts for the year ended 31st May, 1986.

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, including season ticket sales, and the level of income in any year, therefore, depends upon the number of matches played as well as the number of spectators. Under the terms of a management agreement, the holding company provides playing facilities and other services to the company for which it charges rent and management fees.

The results for the year are as follows:

	<u>1986</u> £'000	<u>1985</u> £'000
Turnover	<u>3,304</u>	<u>4,115</u>
(Loss)/Profit before taxation	(749)	282
Taxation	-	(18)
	<hr/>	<hr/>
(Loss)/Profit for the year	<u>(749)</u>	<u>264</u>

An analysis of turnover by activity is given in note 2 to the accounts.

The past year saw the football club operate in the most difficult conditions encountered for many years. The effects of the horrific events at Brussels were felt by all league clubs. Attendances at home league matches were significantly lower throughout the season with an average gate of some 21,000 compared to 29,000 the previous season. The level of attendances was not helped by a disappointing performance on the field in league and cup competitions. Your Directors decided that changes were required to the management of the football club and as a result a new management team has been recruited and further investment has been made in football players. Further measures have been taken to increase the efficiency of the football club to enable it to operate profitably in current market conditions.

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT cont'd

CHARITABLE DONATIONS

No charitable donations were made during the year.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year are as follows: . ,

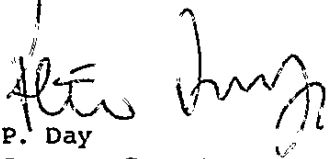
I. A. Scholar	(Chairman)
D. A. Alexiou	(Vice Chairman)
F. P. Sinclair	
P. A. Bobroff	

None of the directors held any shares in the company at any time during the year. The shareholdings of the directors in the holding company are given in the accounts of that company.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Peat, Marwick, Mitchell & C , as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


P. Day
Company Secretary

3rd October, 1986
748 High Road,
Tottenham,
London.

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

We have audited the accounts set out on pages 4 to 10 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 7, give a true and fair view of the state of affairs of the Company at 31st May, 1986, and of its loss and source and application of funds for the year to that date and comply with the Companies Act 1985.

Per Marnick Mitchell

PEAT, MARWICK, MITCHELL & CO.
Chartered Accountants
London

3rd October, 1986

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY, 1986

	Note	<u>1986</u>		<u>1985</u>	
		£'000	£'000	£'000	£'000
TURNOVER	2		3,304		4,115
Players and match costs	3	2,634		2,480	
Administration expenses		1,351		1,418	
Other operating income	4	<u>-</u>		<u>(99)</u>	
			<u>3,985</u>		<u>3,799</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TRANSFER FEES			(681)		316
Transfer fees payable (net)			<u>(68)</u>		<u>(34)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		(749)		282
Tax on profit on ordinary activities			<u>-</u>		<u>(18)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			<u>(749)</u>		<u>264</u>

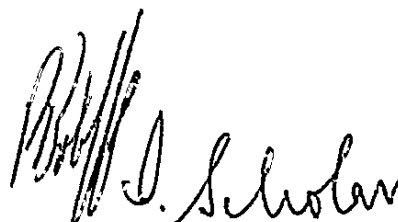
The notes referred to above form part of these accounts.

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

BALANCE SHEET AT 31ST MAY, 1986

	<u>Note</u>	<u>1986</u> £'000	<u>1985</u> £'000
CURRENT ASSETS			
Debtors	6	2,739	3,358
CREDITORS - Amounts falling due within one year	7	<u>(968)</u>	<u>(817)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,771	2,541
CREDITORS - Amounts falling due after more than one year			
Payments received in advance		<u>(78)</u>	<u>(99)</u>
NET ASSETS		<u><u>1,693</u></u>	<u><u>2,442</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	54	54
Share premium account		1,083	1,083
Profit and loss account	9	<u>556</u>	<u>1,305</u>
		<u><u>1,693</u></u>	<u><u>2,442</u></u>

P. A. Bobroff)
)
)
I. A. Scholar)
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)



The accounts were approved by the Board of Directors on 3rd October, 1986.

The notes referred to above form part of these accounts.

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MAY, 1986

	<u>1986</u> £'000	<u>1985</u> £'000
SOURCE OF FUNDS		
(Loss)/Profit before taxation	<u>(749)</u>	<u>282</u>
APPLICATION OF FUNDS		
Decrease in creditors - amounts falling due after one year	(21)	(26)
Tax Paid	-	(18)
	<u>(21)</u>	<u>(44)</u>
	<u>(770)</u>	<u>238</u>
(DECREASE)/INCREASE IN WORKING CAPITAL		
Debtors		
Creditors amounts falling due within one year	(619)	834
	<u>(151)</u>	<u>(596)</u>
	<u>(770)</u>	<u>238</u>

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY, 1986

1. ACCOUNTING POLICIES

The principal accounting policies which have been applied consistently in dealing with items which are considered material in relation to the company's accounts are:

(a) Basis of accounting

The accounts have been prepared under the historical cost convention. The holding company provides playing facilities and other services for which it charges rent and management fees.

(b) Transfer fees

Fees payable to and receivable from other football clubs on the transfer of players' registrations, together with associated costs, are dealt with through the profit and loss account in the period in which the transfer takes place. Signing on fees are charged in the year of payment.

(c) Pensions

Eligible staff of the company are members of the Football League Limited Pension and Life Assurance Scheme.

2. TURNOVER

Turnover comprises the following:

	<u>1986</u> £'000	<u>1985</u> £'000
Match receipts	2,576	3,416
Executive boxes	720	699
Other	8	-
	<u>3,304</u>	<u>4,115</u>

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS cont'd
FOR THE YEAR ENDED 31ST MAY, 1986

3. STAFF NUMBERS AND COSTS

The average number of employees during the year was as follows:

	<u>1986</u>	<u>1985</u>
Players	<u>43</u>	<u>44</u>

The aggregate payroll costs of these persons were as follows:

	<u>1986</u> £'000	<u>1985</u> £'000
Wages, salaries and bonuses	1,327	1,414
Social security costs	<u>96</u>	<u>37</u>
	<u>1,423</u>	<u>1,451</u>

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

This is stated after charging or crediting the following:

	<u>1986</u> £'000	<u>1985</u> £'000
Auditors' remuneration and expenses	5	5
Stadium rent payable to holding company	441	437
Management fees payable to holding company	<u>910</u>	<u>950</u>
Other operating income		
Exchange gain on transfer fee	<u>-</u>	<u>(99)</u>

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS Cont'd
FOR THE YEAR ENDED 31st MAY, 1986

5. DIRECTORS AND HIGHER PAID EMPLOYEES

None of the directors of the Club received any remuneration from the Club during the year (1985: nil).

The number of employees where remuneration, excluding pension contributions, exceeded £30,000 were 16 (1985: 17). They fell within the following ranges:

	<u>1986</u> £'000	<u>1985</u> £'000
£ 30,001 - £ 35,000	-	1
£ 40,001 - £ 45,000	1	2
£ 45,001 - £ 50,000	2	-
£ 50,001 - £ 55,000	2	4
£ 55,001 - £ 60,000	2	2
£ 60,001 - £ 65,000	2	2
£ 65,001 - £ 70,000	3	2
£ 70,001 - £ 75,000	1	-
£ 75,001 - £ 80,000	1	2
£ 80,001 - £ 85,000	-	1
£ 85,001 - £ 90,000	-	1
£105,001 - £110,000	1	-
£115,001 - £120,000	1	-

6. DEBTORS

	<u>1986</u> £'000	<u>1985</u> £'000
Trade debtors	80	2
Amounts owed by holding company*	2,579	3,220
Other debtors	80	99
Prepayments	-	37
	<u>2,739</u>	<u>3,358</u>

*Falls due after more than one year

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS cont'd
FOR THE YEAR ENDED 31ST MAY, 1986

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1986</u> £'000	<u>1985</u> £'000
Payments received in advance	724	73
Trade creditors	55	722
Accruals	<u>189</u>	<u>22</u>
	<u>968</u>	<u>817</u>

8. SHARE CAPITAL

	£'000
At 31st May, 1985 and 1986	
Authorised and Issued:	
53,812 Ordinary shares of £1 each	
Issued and fully paid	<u>54</u>

9. RESERVES

	Profit and loss account £'000
Balance at 1st June	1,305
Loss for the financial year	(749)
Balance at 31st May	<u>556</u>

10. TAXATION

There are losses carried forward of approximately £422,000 (1985:£192,000) available for offset against future profits of the same trade.

11. POST BALANCE SHEET EVENT

In August 1986, the company incurred fees payable on the transfer of players' registrations of £1,076,000.

12. HOLDING COMPANY

The company's ultimate holding company is Tottenham Hotspur plc, a company incorporated in England.