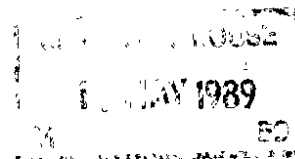


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THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY
LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR YEAR ENDED 31ST MAY 1988



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 1988.

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>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Turnover	<u>4,308</u>	<u>4,534</u>
Profit before transfer fees	828	499
Transfer fees payable (net)	<u>(171)</u>	<u>(1,301)</u>
Profit/(loss) for the year	<u>657</u>	<u>(802)</u>

An analysis of turnover by activity is given in note 1 to the accounts.

The football club had a disappointing season, and was eliminated from both domestic cup competitions at an early stage. In the Football League the Club finished in the lower half of the First division. Despite these disappointments, attendances at home league matches were at a similar level to the previous season, reflecting the continuing strong support which the club enjoys. This support has enabled the club to report a profitable year.

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:

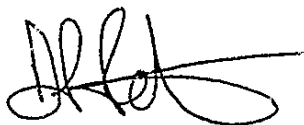
I.A. Scholar	(Chairman)
D.A. Alexiou	(Vice-Chairman)
F.P. Sinclair	
P.A. Bobroff	
A.G. Berry	

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

A resolution to re-appoint Peat Marwick McLintock as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board



D.R. Peter
Secretary

19th October 1988

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 Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31st May 1988, and of its profit and source and application of funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Pear Marwick McLintock

PEAR MARWICK McLINTOCK
Chartered Accountants
London.

19th October 1988

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31st May 1988

	<u>Note</u>	<u>1988</u> £'000	<u>1987</u> £'000
TURNOVER	1	4,308	4,534
Players and match costs	2	2,413	2,792
Administration expenses		1,024	1,243
Retail and distribution costs		<u>43</u>	<u>-</u>
		<u>3,480</u>	<u>4,035</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TRANSFER FEES		828	499
Transfer fees payable (net)		<u>(171)</u>	<u>(1,301)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	657	(802)
Taxation	10	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	<u>657</u>	<u>(802)</u>


Movements on reserves are shown in note 9 to the accounts.


The notes on pages 7 to 10 form part of these accounts.

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

BALANCE SHEET as at 31st May 1988

	<u>Note</u>	1988 £'000	1987 £'000
CURRENT ASSETS			
Stocks	5	25	-
Debtors	6	2,997	1,693
		<u>3,022</u>	<u>1,693</u>
CREDITORS - Amounts falling due within one year	7	(1,392)	(733)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,630	960
CREDITORS - Amounts falling due after more than one year			
Payments received in advance		(82)	(69)
NET ASSETS		<u>1,548</u>	<u>891</u>
CAPITAL AND RESERVES			
Called up share capital	8	54	54
Share premium account		1,083	1,083
Profit and loss account	9	411	(246)
		<u>1,548</u>	<u>891</u>


P.A. Bobroff
Director


I.A. Scholar
Director

The accounts were approved by the Board of Directors on 19th October 1988.

The notes on pages 7 to 10 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 1988

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
<u>SOURCE OF FUNDS</u>		
Profit/(Loss) before taxation	657	(802)
<u>APPLICATION OF FUNDS</u>		
Increase/(Decrease) in creditors - amounts falling due after one year	<u>13</u>	<u>(9)</u>
	<u>670</u>	<u>(811)</u>
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Stock	25	-
Debtors	1,304	(1,046)
Creditors - amounts falling due within one year	(<u>659</u>)	<u>235</u>
	<u>670</u>	<u>(811)</u>

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

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.

(d) Stock

Stock is valued at the lower of cost and net realisable value.

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS
For the year ended 31st May 1988

1. TURNOVER

Turnover comprises the following:	1988	1987
	£'000	£'000
Match receipts	3,089	3,712
Executive boxes	815	764
Other	404	58
	<u>4,308</u>	<u>4,534</u>

2. STAFF NUMBERS AND COSTS

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

	1988	1987
Players	<u>46</u>	<u>49</u>

The aggregate payroll costs of these persons were as follows:

	£'000	£'000
Wages, salaries and bonuses	1,307	1,414
Social security costs	128	127
	<u>1,435</u>	<u>1,541</u>

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

This is stated after charging:

Auditors' remuneration and expenses	5	5
Stadium rent payable to holding company	345	390
Management fees payable to holding company	<u>382</u>	<u>848</u>

THE TOTTENHAM HOTSPUR
FOOTBALL & ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS Cont'd
For the year ended 31st May 1988

4. DIRECTORS AND HIGHER PAID EMPLOYEES

None of the directors received any remuneration from the company during the year (1987: nil).

The number of employees where remuneration, excluding pension contributions, exceeded £30,000 were 19 (1987: 18). They fell within the following ranges:

	<u>1988</u>	<u>1987</u>
£ 30,001 - £ 35,000	-	1
£ 35,001 - £ 40,000	1	1
£ 40,001 - £ 45,000	3	2
£ 45,001 - £ 50,000	-	1
£ 50,001 - £ 55,000	2	-
£ 55,001 - £ 60,000	3	1
£ 60,001 - £ 65,000	2	3
£ 65,001 - £ 70,000	-	3
£ 70,001 - £ 75,000	2	2
£ 75,001 - £ 80,000	3	1
£ 80,001 - £ 85,000	1	-
£ 85,001 - £ 90,000	1	1
£ 95,001 - £100,000	1	-
£110,001 - £115,000	-	1
£135,001 - £140,000	-	1

5. STOCK

Stock comprises goods for resale.

6. DEBTORS

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Trade debtors	49	394
Amounts owed by holding company*	2,719	1,225
Other debtors	229	74
	<u>2,997</u>	<u>1,693</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 1988**

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1988 £'000	1987 £'000
Amounts due to fellow subsidiaries	66	-
Payments received in advance	467	49
Trade creditors	793	570
Accruals	66	114
	<u>1,392</u>	<u>733</u>

8. SHARE CAPITAL

	£'000
At 31st May 1987 and 1988	
Authorised, issued, called up and fully paid	
53,812 Ordinary shares of £1 each	<u>54</u>

9. RESERVES

	Profit and Loss Account £'000
Balance at 1st June 1987	(246)
Profit for the financial year	<u>657</u>
Balance at 31st May 1988	<u>411</u>

10. TAXATION

Losses brought forward amounting to £532,000 and group relief amounting to £74,000 have been utilised during the year. There are no losses carried forward at the year end.

11. HOLDING COMPANY

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