

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS

For the year ended 31st May 1995

Registered in England and Wales

Number 57186



THE TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited accounts for the year ended 31st May 1995.

BUSINESS REVIEW

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

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

For the 1994/95 season the club completed the league programme in seventh position in the Premier League. The club lost in the semi - final of the F A Cup and in the third round of the Coca Cola Cup.

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

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

DIVIDENDS AND TRANSFER FROM RESERVES

The Directors do not recommend the payment of a dividend (1994 - £ nil).

The retained loss for the year of £1,176,000 (1994 - loss £1,868,000) was transferred from reserves.

DIRECTORS

The Directors who served since 1st June 1994 were as follows:

A.M. Sugar (Chairman)

C.M. Littner

C.T. Sandy (became non-executive on 21st August 1995)

A.G. Berry *

D.A. Alexiou *

I. Yawetz *

* Non - executive

On 21st August 1995 J. Sedgwick was appointed as a Director of the Company.

The Directors, other than I. Yawetz, are all Directors of Tottenham Hotspur plc, the immediate parent undertaking. Their interests in the shares of that company are shown in its financial statements. I. Yawetz had an interest in 250,000 shares of that company at 31st May 1995 (1994 - 250,000).

The interests of the Directors in the shares of Amshold Limited, the ultimate parent company, are shown in that company's financial statements.

THE TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

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

DIRECTORS' INTERESTS IN CONTRACTS

Amstrad plc is in the third year of a three year advertising contract worth £57,000 plus VAT over the three years and has, since the year end, agreed to pay a further £50,000 plus VAT for additional advertising facilities for one year. A.M. Sugar has a substantial minority shareholding in Amstrad plc. All of these transactions were at arm's length.

The Company's immediate holding company, Tottenham Hotspur plc, has incurred architect fees from Igal Yawetz and Associates Limited, a company in which I. Yawetz is a majority shareholder, amounting to £198,614 plus VAT. Since the year end a further figure of £60,000 in respect of architect fees has been authorised for expenditure in the future. All of these fees are at arm's length.

POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

A number of player transactions have taken place after the year end. Details are included in note 18 to the accounts.

TAX STATUS

In the opinion of the Directors the Company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 throughout the year ended 31st May 1995.

FIXED ASSETS

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

DONATIONS

During the year the Company made no charitable donations (1994 - £ nil). There were no political donations during the year (1994 - £ nil).

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS

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

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

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

DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL STATEMENTS (continued)

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

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

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

AUDITORS

A resolution to re-appoint Touche Ross & Co. as auditors will be proposed at the forthcoming Annual General Meeting.

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



J Ireland
Secretary

21st September 1995

THE TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC COMPANY LIMITED

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

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

Respective responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.
Chartered Accountants and
Registered Auditors



21st September 1995

Hill House
1 Little New Street
LONDON EC4A 3TR

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31st May 1995

CONTINUING OPERATIONS	Note	1995 £'000	1994 £'000
TURNOVER	2	<u>17,937</u>	<u>15,061</u>
NET OPERATING EXPENSES			
Player and match expenses		9,625	8,348
Administrative expenses		5,675	7,512
Net transfer fees	12	4,337	748
		<u>19,637</u>	<u>16,608</u>
OPERATING LOSS		(1,700)	(1,547)
Interest received/(paid) - net	13	<u>3</u>	<u>12</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(1,697)	(1,535)
Taxation on loss on ordinary activities	14	<u>521</u>	<u>(333)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,176)</u>	<u>(1,868)</u>

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

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

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

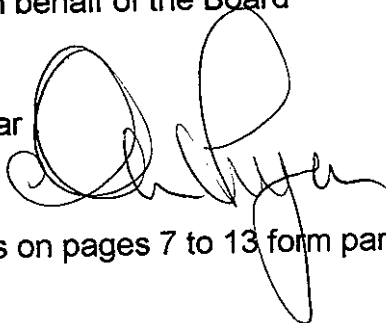
THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
BALANCE SHEET
As at 31st May 1995

	Note	1995 £'000	1994 £'000
TANGIBLE FIXED ASSETS	6	<u>189</u>	<u>272</u>
CURRENT ASSETS			
Debtors	7	4,753	7,780
Cash at bank and in hand		<u>-</u>	<u>742</u>
		4,753	8,522
CREDITORS - amounts falling due within one year	8	<u>(2,915)</u>	<u>(5,538)</u>
NET CURRENT ASSETS		<u>1,838</u>	<u>2,984</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,027	3,256
CREDITORS - amounts falling due after more than one year	9	(159)	(212)
NET ASSETS		<u>1,868</u>	<u>3,044</u>
CAPITAL AND RESERVES			
Called up share capital	10	54	54
Share premium account		1,083	1,083
Profit and loss account	11	731	1,907
EQUITY SHAREHOLDERS' FUNDS		<u>1,868</u>	<u>3,044</u>

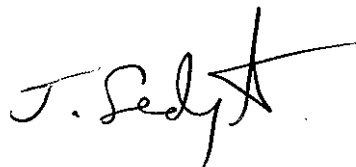
The accounts were approved by the Board of Directors on 21st September 1995.

Signed on behalf of the Board

A.M. Sugar
Director



J. Sedgwick
Director



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

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

1. ACCOUNTING POLICIES

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

Basis of Accounting

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

Turnover

Turnover comprises match and box receipts and other sales invoiced during the year exclusive of Value Added Tax.

Transfer fees

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

Pension costs

Defined contribution arrangements are made for eligible employees of the Company. The pension cost charged in the year represents contributions payable by the Company to the pension scheme.

Depreciation

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

Motor vehicles	20%
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Finance leases

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

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that assets or liabilities will crystallise in the foreseeable future.

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

2. TURNOVER

	1995	1994
	£'000	£'000
Turnover comprises:		
Match receipts	8,670	7,268
Executive boxes	1,913	1,928
Sponsorship	2,899	2,386
Programmes	489	527
T. V. fees	2,269	1,696
Other	1,697	1,256
	<u>17,937</u>	<u>15,061</u>

3. STAFF NUMBERS AND COSTS

The average numbers of employees during the year was as follows:	1995	1994
	No.	No.
Players	59	61
Football Administration	23	26
Administration	43	49
	<u>125</u>	<u>136</u>

The aggregate payroll cost of these employees was as follows:	1995	1994
	£'000	£'000
Wages, salaries and bonuses	7,078	5,622
Social security costs	650	535
Other pension costs	15	50
	<u>7,743</u>	<u>6,207</u>

4. LOSS ON ORDINARY ACTIVITIES
BEFORE TAXATION

	1995	1994
	£'000	£'000
This is stated after charging:		
Depreciation on tangible fixed assets	64	75
Auditors' remuneration and expenses:		
audit fee	24	24
other services	1	-
Stadium hire and management fees	3,914	2,436
Operating lease rentals	63	88
Exceptional charges included within administrative expenses:		
F A fine and associated costs	-	1,650
Provision against amount owed by group undertaking	-	1,340

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

5. DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company for the year were £ nil (1994 - £7,497).

The emoluments of the highest paid Director (who was not the Chairman) were £ nil (1994 - £7,497).

None of the other Directors received any remuneration from the Company during the year (1994 - £ nil).

6. TANGIBLE FIXED ASSETS

	Motor Vehicles £'000
<u>COST</u>	
As at 1st June 1994	429
Purchases	143
Transfers in from fellow subsidiaries	-
Disposals	(221)
As at 31st May 1995	<u>351</u>
 <u>DEPRECIATION</u>	
As at 1st June 1994	157
Transfers in from fellow subsidiaries	-
Disposals	(59)
Charged in the year	64
As at 31st May 1995	<u>162</u>
 <u>NET BOOK VALUE</u>	
As at 31st May 1995	<u>189</u>
As at 31st May 1994	<u>272</u>

Included in fixed assets are assets which are held under finance leases as follows:

	1995 £'000	1994 £'000
Net book value	8	37
Depreciation charged in year	<u>6</u>	<u>15</u>

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

7. DEBTORS	1995 £'000	1994 £'000
Trade debtors	715	969
Amounts owed by parent company	2,879	6,023
Other debtors	625	217
Prepayments and accrued income	534	571
	<u>4,753</u>	<u>7,780</u>

Trade debtors above include £437,905 (1994 - £806,250) in respect of transfers of players' registrations.

Other debtors include £ nil (1994 - £90,110) repayable in more than one year.

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	1995 £'000	1994 £'000
Bank overdraft	254	-
Obligations under finance leases	67	114
Payments received in advance	602	1,846
Trade creditors	647	875
Other creditors	514	413
Corporation tax	-	363
Accruals and deferred income	831	1,927
	<u>2,915</u>	<u>5,538</u>

Trade creditors above include £ nil (1994 - £405,000) in respect of transfers of players' registrations.

Other creditors above include £249,536 (1994 - £196,538) in respect of other taxation and social security.

Obligations under finance leases are secured by related leased assets.

9. CREDITORS - AMOUNTS FALLING DUE AFTER ONE YEAR	1995 £'000	1994 £'000
Obligations under finance leases	37	89
Payments received in advance	122	123
	<u>159</u>	<u>212</u>

The finance lease obligations are all repayable within five years.

Obligations under finance leases are secured by related leased assets.

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

10. SHARE CAPITAL	<u>Number</u>	<u>£'000</u>
Ordinary shares of £1 each		
Authorised:		
At 31st May 1994 and 31st May 1995	<u>53,812</u>	<u>54</u>
Allotted, called up and fully paid:		
At 31st May 1994 and 31st May 1995	<u>53,812</u>	<u>54</u>
11. RESERVES	Profit and <u>Loss account</u>	
	<u>£'000</u>	
Balance at 1st June 1994	1,907	
Loss for the financial year	<u>(1,176)</u>	
Balance at 31st May 1995	<u>731</u>	
12. TRANSFER FEES - NET	1995 <u>£'000</u>	1994 <u>£'000</u>
Net sales	3,667	3,925
Purchases	<u>(8,004)</u>	<u>(4,673)</u>
	<u>(4,337)</u>	<u>(748)</u>
13. INTEREST RECEIVED / (PAID) - NET	1995 <u>£'000</u>	1994 <u>£'000</u>
Interest receivable	13	29
Finance lease charges	<u>(10)</u>	<u>(15)</u>
Other interest charges	-	<u>(2)</u>
	<u>3</u>	<u>12</u>
14. TAXATION ON LOSS ON ORDINARY ACTIVITIES	1995 <u>£'000</u>	1994 <u>£'000</u>
UK Corporation tax at 33% (1994 - 33%) on loss for the year	<u>(521)</u>	289
Group relief	-	44
	<u>(521)</u>	<u>333</u>

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

15. COMMITMENTS

The annual commitments under non-cancellable operating leases are:

Leases expiring within 1 year
Leases expiring within 2 to 5 years

1995	1994
£'000	£'000
5	9
5	17
<u>10</u>	<u>26</u>

There were no capital commitments either contracted or authorised at 31st May 1995 or 31st May 1994

16. PENSIONS

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

The assets of the schemes are held separately from those of the Company, being invested with insurance companies. The pension cost charged during the year amounted to £15,019 (1994 - £50,000).

17. CONTINGENT LIABILITIES

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

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

The Company is currently engaged in various legal actions as both defendant and plaintiff. It is not practical to make an estimate of the financial effects of these cases, however it is not anticipated that they will have a material effect on the Company.

THE TOTTENHAM HOTSPUR FOOTBALL &
ATHLETIC COMPANY LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31st May 1995

18. POST BALANCE SHEET EVENTS

The purchase of C. Armstrong's registration has taken place since the year end at a cost of £4,500,000.

Sales of players' registrations with gross proceeds totalling £9,348,000 have taken place since the year end. The players concerned were J. Klinsmann, G. Popescu N. Barmby and J. Hendry.

19. PARENT COMPANY

The Company's ultimate parent company is Amshold Limited, a company incorporated in Jersey. Copies of the annual report and accounts of Amshold Limited can be obtained from Brentwood House, 169 Kings Road, Brentwood, Essex, CM14 4EF. The parent company of the smallest group for which group accounts are prepared is Tottenham Hotspur plc. Copies of the annual report and accounts of Tottenham Hotspur plc can be obtained from 748 High Road, Tottenham, London, N17 0AP.