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TOTTENHAM HOTSPUR plc

ANNUAL REPORT AND ACCOUNTS 1999

CONTENTS

Directors and Advisers

Executive Directors	A. M. Sugar DSc (Chairman) J. Sedgwick ACA (Finance) D. J. Pleat (Football)
Non-Executive Directors	C. T. Sandy ATII C. M. Littner MBA S. Chisholm
Company Secretary	J. Ireland LLB
Registered Office	Bill Nicholson Way 748 High Road Tottenham London N17 0AP
Registered Number	1706358
Auditors	Deloitte & Touche Chartered Accountants Hill House 1 Little New Street London EC4A 3TR
Solicitors	Herbert Smith Exchange House Primrose Street London EC2A 2HS
Bankers	Lloyds TSB Bank plc City Office 72 Lombard Street London EC3P 3BT
Financial Advisers	Deutsche Bank Winchester House 1 Great Winchester St London EC2N 2DB
Stockbrokers	Collins Stewart & Co. 21 New Street Bishopsgate London EC2M 4HR
Registrars	IRG plc Balfour House 390/398 High Road Ilford Essex IG1 1NQ

CHAIRMAN'S STATEMENT

Results for the Year Ended 31st July 1999

Overview

I am pleased to report an improvement in performance both on and off the field.

The Club won its first major trophy for eight years qualifying for European competition in the process and putting us back on course towards our objective of consistently challenging for major honours.

On the financial side, turnover increased 37% to £42.6m (1998 - £31.2m) with operating profits of £8.9m before amortisation of registrations (1998 - £6.2m) and profit before tax increased to £1.3m (1998 - £1.0m loss).

Income

League match receipts increased by 31% reflecting the increase in stadium capacity to just over 36,000 compared to a restricted capacity last year due to the development of the North Stand. The average Premier League attendance was 34,149 (1998 – 29,145).

In addition, our achievements in reaching the final of the Worthington Cup and the Semi-Final of the FA Cup resulted in Cup match income being trebled.

The total attendance at White Hart Lane throughout the season was 836,000 (1998 – 650,000). Further to this, away matches screened on the Jumbotron attracted increased interest amongst our supporters.

Television income in total was 40% up on last year. Most of this increase resulted from the BskyB Premier League contract together with the coverage of the Cup runs, and our improved League position of eleventh compared to fourteenth last year. In total we were shown live on television thirteen times compared to six the previous season.

Sponsorship income grew 9%, largely the result of matchday sponsorships.

Merchandise income shows an increase of only 5% but this understates the trend. The 1998/99 season was the last year of our sponsorship agreements with Pony and Hewlett Packard. Understandably, there was a reluctance on the part of supporters to purchase merchandise incorporating brands which were about to change. As a result merchandise sales for the first 50 weeks of the year were 12% down on the previous year. The new adidas/Holsten range was launched on 15 July 1999, coinciding with the opening of our new Megastore at White Hart Lane. During the last two weeks of the year sales represented 22% of the year's total – leaving overall sales up 5% for the year.

The first two months of 1999/00 has seen sales more than double those of the same period of 1998/99. We have launched two new kits and have two new sponsors which have given sales a one-off boost compared to the same period last year. Clearly this level of increase is not sustainable but the figures undoubtedly show that we are bucking the negative trend reported by other clubs and sportswear retailers.

Expenses

The main increase in costs emanates from the Playing and Coaching Department. Payroll costs in this area have risen by 31% to £20.2m (1998 - £15.4m), although as a ratio of turnover the proportion has fallen to 47% from 49% last year. Other cost increases have arisen from depreciation on the new North Stand and training ground developments as well as the share of Cup revenues paid over to visiting clubs. Other variable costs have increased in line with turnover.

Operating Profit before Amortisation of Registrations

Operating profit before amortisation and profit on disposal of registrations stands at a healthy £8.9m – a 44% increase on last year (1998 - £6.2m). The most significant factor here is that for this year turnover has increased more than operating costs – a reversal of previous years' trends. This profit has been achieved without the benefit of European football and as such the underlying strength of the business compares well with other clubs.

Player Trading

We have spent £16.1m on strengthening our First Team squad and this has inevitably had a negative impact on amortisation, which for the year was £9.1m compared to £7.9m last year.

We have released players on reaching the end of their contracts. We have also sold other players considered not up to the standard required of the first team. This has generated a profit of £1.9m. However, some highly paid players who are no longer part of the manager's plans are a drain on our payroll and amortisation charge. Efforts are being directed to address this situation.

Profit Before Tax

A loss before tax of £1m last year has been converted into a profit before tax of £1.3m this year.

Cashflow

The Group generated operating cashflow of £13.5m (1998 - £10.0m), £12.5m of this was taken up in net expenditure on player transfers and a further £2.7m was spent on stadium and training ground developments. Repayment of loans and hire purchase obligations together with interest charges accounted for £1.9m resulting in a net outflow of cash of £3.6m.

Dividend

As indicated at the interim stage your Board of Directors is not proposing a dividend. It is their opinion that surplus cash can be better used by reinvesting in the business.

Commercial

The White Hart Lane stadium is now complete and meets my objective of several years ago. We now have a fantastic stadium which compares with the best in the country and is one which our supporters can be proud of. Sight lines are terrific from all but a very small number of seats and the atmosphere within the stadium on matchdays is superb. We have sold a record 19,000 season tickets for the current season and in addition we regularly cater for over 3,000 supporters enjoying hospitality packages.

There is a potential for further development of the stadium by building above either the East or West Stands. This option is being investigated as a matter of prudence but for the moment I think we have it about right.

I would like to take this opportunity to formally welcome adidas and Holsten as our new sponsorship partners both of whom have entered into three year contracts. These are two world class brands that complement our own image and brand.

We are pleased with the progress made in our Merchandise Division. Performance to date is at the very top end of our expectations. We are shortly to open a new store in prime space in Harlow and are still searching for a number of other sites. However, the main growth in this area in the long term may come through internet and overseas sales and we will be investigating these areas extensively.

A further recent development has been the launch of the White Hart Lane Conference Centre. This was a natural progression. We have invested heavily in corporate facilities over past years and yet only use the stadium about twenty-four times a year. Conference facilities are now available every non-match day and include thirteen lounges, over one hundred and twenty executive boxes and an indoor sports arena. Our long standing catering partner, Letheby & Christopher provides food and beverages. In short, we can offer anything you would expect from a first class conference facility with the added attraction of a view of the pitch and the history of a world famous football stadium. This development required some additional capital investment but we have already received future bookings which are very encouraging.

Football

George Graham became first team manager on 1st October 1998. We achieved mid table status in the Premier League and won the Worthington Cup giving us a gateway into Europe. George Graham, his staff and team are to be congratulated on their success.

The Club paid £3m to Leeds United for the transfer of George Graham's services. We have also invested in the squad bringing in Mauricio Taricco, Steffen Freund, Tim Sherwood, Chris Perry and Willem Korsten costing a total of £16.1m. Since the year end we have signed Oyvind Leonhardsen for a further £3.1m. These acquisitions will add £7.0m to our annual operational expenses which are additional to the £22.2m capital spent since George Graham's appointment. The Board and Manager are aware that further squad strengthening is required and our efforts are being targeted in that direction.

We continue to invest heavily in our Youth Academy and much emphasis is being placed in this area. Indeed, at the Derby County Premier League game this month it was refreshing to see six of the players in the squad developed from youth football at Tottenham. It will take two or three seasons to see the first successes from the current Academy set-up. Our under sixteen group at present contains some highly promising boys and we hope to see several advance to compete for first team places in three or four years time.

Outlook

The two factors likely to have the most influence on the direction of football in the foreseeable future are television rights and players' remuneration.

With the current BskyB/Premier League contract expiring at the end of next season there are some tough negotiations to be had. The introduction of digital television now gives clubs many more options collectively and individually. We will be able to boost our income significantly from this source.

On the other side of the pitch however stands Bosman. It is difficult to see an abatement to the increasing wage demands of players. Some players who perform well may want improved contracts or threaten to leave. Others may honour contracts but may be back-up players or have become inactive through injury. This can lead to spiralling wages and it is unlikely that any collective caps on wages can ever be imposed. The Board and Manager agree to have sensible wage limits which would not preclude us attracting top players.

Our key objective is to maximise shareholder value, however, we will only achieve that aim by becoming a recognised force in English and European football. To this end we must continue to maximise the potential of our commercial activities in order to invest in the football side of the business. With further strengthening of the squad I hope that we will build on our success of last year.

I was pleased to recently announce the re-appointment of Sam Chisholm as a non-executive director. I made the same announcement in my statement last year but then Mr. Chisholm had to step down when he became an adviser to the Premier League. Mr. Chisholm brings a wealth of experience from the media industry.

As usual our supporters turned out in numbers last season excelling themselves at White Hart Lane and on our travels and my personal thanks go to them and to our many sponsors and executive members.

A. M. Sugar

27 October 1999

Directors' Report

The Directors present their report and the audited Group financial statements for the year ended 31st July 1999.

Principal activities
The principal activities of the Group continue to be the operation of a professional football club in England together with related commercial activities.

Review of business and future developments
The activities of the Group have been reviewed in the Chairman's Statement. The results for the year are set out in the Consolidated Profit and Loss Account on page 18.

Dividends
The Directors do not recommend the payment of a dividend (1998 - 0.58p). The retained profit for the year of £846,000 will be transferred to reserves (1998 - loss - £3,746,000).

Directors
The Directors who served during the year and their beneficial interests in the share capital of the Company at 31st July 1999 were as follows:

	31st July 1999 Number of shares	*31st July 1998* *Number of shares*
A. M. Sugar	40,752,675	*40,752,675*
J. Sedgwick	28,000	*nil*
D. J. Pleat	nil	*nil*
C. M. Littner	680,460	*143,750*
C. T. Sandy	9,815	*9,815*
A. G. Berry (resigned 11th August 1998)	n/a	*75,000*
D. A. Alexiou (resigned 11th August 1998)	n/a	*184,385*
S. Chisholm (appointed 11th August 1998, resigned 3rd November 1998, re-appointed 3rd October 1999)	n/a	n/a

There were no changes in the interests of the Directors between 31st July 1999 and 27th October 1999.

S. Chisholm was re-appointed to the Board on 3rd October 1999. Having been appointed as a member of the Board after the last Annual General Meeting, Mr. Chisholm offers himself for re-election at the forthcoming Annual General Meeting.

C. M. Littner retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

The shares in which A. M. Sugar is interested are registered in the name of Amshold Limited. Mr. Sugar wholly owns Amshold Group Limited, the parent Company of Amshold Limited.

Details of the Directors' Remuneration are given in the Remuneration Report on pages 13 to 15.

J. Sedgwick, D. J. Pleat and C. M. Littner have been granted share options under the Company's Executive Share Option Scheme. These are detailed on page 14.

Directors' interests in contracts are disclosed in note 27.

Non-Executive Directors
C. M. Littner is 50 and was the Group's Chief Executive between 5th November 1993 and 25th November 1998. On 25th November 1998, C. M. Littner resigned as the Group's Chief Executive. Mr. Littner was then appointed as a Non-Executive Director on the same day. Mr. Littner holds office under a letter of appointment which will terminate on 24th November 1999. Mr. Littner is a member of the Audit Committee.

C. T. Sandy is 44 and was the Group's Finance Director between 7th August 1991 and 21st August 1995. He is a Director of Amsprop Limited, Amsprop Trading Limited, Amsprop Investments Limited and Amsail Limited. The ultimate parent company of these companies is Amshold Group Limited. Mr. Sandy holds office under a letter of appointment which will terminate on 25th November 1999. Mr. Sandy is a member of the Audit and Remuneration Committees.

S. Chisholm is 60 and for seven years from 1990 Mr. Chisholm was the Chief Executive and Managing Director of British Sky Broadcasting and Executive Director of The News Corporation. Before joining BskyB he was for 15 years the Managing Director of the Nine Network, Australia's most successful television network. In 1997 the Government appointed him Chairman of the Executive Committee and Deputy Chairman of The New Millennium Experience Company, which is responsible for the Millennium Dome project. Mr. Chisholm holds office under a letter of appointment which will terminate on 29th November 2000.

Significant shareholdings
Apart from the interests of the Directors referred to above, the Company has received the following notification of holdings of more than 3% of the share capital of the Company as at 21st October 1999:

Hodram Inc.	4.60%

Donations
The Group made charitable donations of £500 during the year (1998 - £200) and no political donations (1998 - £nil). The Group makes many contributions of merchandising memorabilia to registered charities, especially in the Tottenham catchment area.

Year 2000
The Company has conducted a thorough review of its state of preparedness for the Year 2000 and its possible impact on computer and other electronic systems. This review also covered the progress made by suppliers and intermediaries. Year 2000 compliance activities have been completed to the Board's satisfaction. The total costs of the work required to ensure compliance are not material.

Policy on Payment of Creditors
The Group'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 31st July 1999 represented 34 days (1998 – 19 days) of annual purchases. This figure excludes creditors in respect of player purchases and construction costs which are paid on the date payment is contractually due.

Going Concern
After making enquiries, the Directors have formed a judgment at the time of approving the financial statements that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to prepare the financial statements on a going concern basis.

Auditors
Deloitte & Touche have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as Auditors of the Company.

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

J. Ireland

John Ireland LLB
Company Secretary

27th October 1999

Corporate Governance

Introduction
In June 1998 the Combined Code was issued by the London Stock Exchange. This Code is based on the report of the Hampel Committee and sets out Principles of Good Corporate Governance and Code provisions which consolidate the work of the earlier Cadbury and Greenbury Committees. It requires the Group to demonstrate how it has applied the Principles and state whether it has complied with its provisions. Section 1 of the Code is applicable to the Group for the first time in the year ended 31st July 1999.

Save the exceptions outlined in the report below, the Group has complied throughout the accounting period ended 31st July 1999 with the provisions set out in Section 1 of the Code.

As permitted by the London Stock Exchange, the Group has complied with Code provision D2.1 on internal control by reporting on internal financial control in accordance with the guidance on internal control and financial reporting that was issued in December 1994.

Board of Directors
The Board currently comprises the Chairman, the Finance Director and the Director of Football. There are also three Non-Executive Directors, one of which is independent with the other two being past Executive Directors of the Company. The Board is of the opinion that although not every Non-Executive Director is independent they have the necessary skills and experience required. There is also a full-time Company Secretary. No Senior Independent Director has been nominated as the Board believes this is not appropriate at the current time.

The *Chairman* is responsible for the running of the Board. His role is to ensure that all Directors receive sufficient relevant information on financial, business and corporate issues prior to meetings.

The roles of Chairman and Chief Executive have been combined in the year. The Board includes Non-Executive Directors who bring appropriate judgement, knowledge and experience to strengthen the Board.

The *Finance Director* is responsible for developing and implementing Board strategy and processes for the management of the organisation.

The *Director of Football* is responsible for assessing player transfer targets, the sale of players, overseeing the players wages structure, the development of the Youth Academy and setting up a suitable international and domestic scouting network.

The biographies of the three Non-Executive Directors can be found on page 8.

All Directors have access to the advice and services of the *Company Secretary* who is responsible to the Board for ensuring that Board procedures are followed and applicable rules and regulations complied with. The Board also has a procedure whereby Directors, wishing to do so in the furtherance of their duties, may take independent professional advice at the Company's expense.

All Directors are subject to election by shareholders at the first opportunity after their appointment and thereafter are required to seek re-election by rotation. Non-Executive Directors are appointed for a fixed term of approximately one year based around the dates of the Annual General Meeting.

The Board has a formal schedule of matters reserved to it and meets monthly. It is responsible for the overall Group strategy, major capital expenditure policies, the acquisition and disposal of players and the consideration of significant financing matters. It monitors the exposure to key business risks and reviews the strategic direction of the Football Club, the Merchandising Division and the Conference Division. The Board considers annual budgets and then reviews progress towards the achievement of those budgets on a monthly basis.

Audit Committee

During the year A.G. Berry and D.A. Alexiou resigned. C.T. Sandy was appointed Chairman of the Audit Committee. C.M. Littner was appointed a member of the Audit Committee during the year. At the balance sheet date both the non-independent Non-Executive Directors were the only members of the Audit Committee as this was deemed appropriate at the time. It is the Board's intention to give consideration to future members of the Committee.

The Audit Committee chaired by Mr. Sandy, monitors the adequacy of the Group's internal financial controls, accounting policies and financial reporting. It also reviews the Interim and Full Year Financial Statements. The Committee also maintains a liaison with the external auditors and reviews the cost effectiveness and scope of the audit. The Committee meets at least twice yearly.

Remuneration Committee

The Board currently does not have a Remuneration Committee. They thought it appropriate that in these circumstances that the Chairman of the Group, A. M. Sugar, should be responsible for determining the Board and senior employees' remuneration. The Board are seeking to comply with the Combined Code in the future and consideration is being given to the future members of a Remuneration Committee. The Board's Report of Remuneration is set out on pages 13 to 15.

Nomination Committee
The Board does not operate a Nomination Committee for the appointment of Directors. The Board believes there is no need to establish such a Committee due to the Board's small size.

Relations with Shareholders
The Group is active in communicating with both its institutional and private investors and responds quickly to all queries received verbally or in writing. All shareholders have at least twenty working days notice of the Annual General Meeting at which Directors are introduced and available for questions.

Accountability and Audit
The Directors are required by company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company, and of the Group, as at the end of the financial year and of the results for the year.

Internal Financial Control
The Directors are responsible for the Group's system of internal financial control which aims to safeguard Group assets, to ensure that proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any system of internal control can, however, provide only reasonable, and not absolute, assurance against misstatement and loss. The Board has clearly defined lines of responsibility and delegation of authority and a system of internal financial control. The Board has reviewed the effectiveness of the system of internal financial control which operated during the year. Key features of the Group's system of internal financial control during the year were as follows:

- Comprehensive budgets approved by the Board.
- Regular consideration by the Board of actual results compared with budgets, prior year comparatives and forecasts.
- Regular reporting of legal and accounting developments to the Board.
- Executive Director authority as a requirement for all commitments entered into by the Group and for all payments made by the Group.

Board's Report of Remuneration

for the year ended 31st July 1999

Policy on the remuneration and incentivisation of employees

During the period, the remuneration philosophy for Directors and senior employees was to ensure that they were rewarded competitively and that the Group attracts, retains and motivates executives who are to perform to the highest standards.

Directors' Remuneration

The emoluments of the Directors of the Company for the year were £880,410 (1998 - £545,310) and contributions to pension schemes were £32,667 (1998 - £32,171).

The emoluments of the Chairman for the year, which were paid to Amshold Limited were £100,000 (1998 - £54,167). A. M. Sugar wholly owns Amshold Group Limited the ultimate parent Company of Amshold Limited.

Fees of £10,000 (1998 - £10,000) were paid to Amshold Limited in respect of the services of C. T. Sandy.

The pension contributions are made to a money purchase scheme.

Details of the remuneration of the Directors individually and in total are shown below:

	Fees	Salary	Compensation for loss of Office	Bonus	Benefits -in-Kind	Sub-Total	Pension	Year to 31 July 1999 Total	Year to 31 July 1998 Total
	£	£	£	£	£	£	£	£	£
A M Sugar (Chairman)	100,000	-	-	-	-	100,000	-	100,000	54,167
J Sedgwick	-	120,000	-	30,000	10,232	160,232	11,333	171,565	104,005
D J Pleat	-	269,792	-	39,750	8,830	318,372	8,000	326,372	154,477
C M Littner	10,000	75,000	200,000	-	6,806	291,806	13,334	305,140	234,832
C T Sandy	10,000	-	-	-	-	10,000	-	10,000	10,000
A G Berry	-	-	-	-	-	-	-	-	10,000
D A Alexiou	-	-	-	-	-	-	-	-	10,000
S Chisholm	-	-	-	-	-	-	-	-	-
	120,000	464,792	200,000	69,750	25,868	880,410	32,667	913,077	577,481

Share Options

An Executive Share Option Scheme exists for both Directors and employees.

The Directors' interests in the Executive Share Option Scheme are as follows:

	At 1st August 1998	(Exercised)/ Granted	At 31st July 1999	Exercise Price	Exercise Period	
				(Pence)*	Earliest	Latest
C.M. Littner	300,060	(300,060)	-	15.96	30.03.97	29.03.04
C.M. Littner	256,900	(256,900)	-	30.84	18.10.98	17.10.05
C.M. Littner	200,000	-	200,000	123.20	20.11.99	19.11.06
	756,960	(556,960)	200,000			
J. Sedgwick	154,140	(40,000)	114,140	30.84	18.10.98	17.10.05
J. Sedgwick	200,000	-	200,000	123.20	20.11.99	19.11.06
J. Sedgwick	-	200,000	200,000	76.50	04.03.02	03.03.09
	354,140	160,000	514,140			
D. J. Pleat	300,000	-	300,000	68.00	04.04.01	03.04.08
	300,000	-	300,000			

* Adjusted following the Rights Issue, share subdivision and for previous members who have left.

J. Sedgwick exercised options to acquire 40,000 ordinary shares at an exercise price of 30.84p per share. The closing mid market price on the date of exercise was 80.00p per share.

C. M. Littner exercised options to acquire 300,060 and 256,900 ordinary shares at the exercise price of 15.96p and 30.84p per share respectively. The closing mid market price on the date of exercise of the options was 63.00p per share.

There were no changes in the interests of the Directors between 31st July 1999 and 27th October 1999.

The mid market price of the shares at 1st August 1998 and 31st July 1999 was 64.5p and 72.0p respectively.

The highest and lowest prices of the shares during the year ended 31st July 1999 was 86.0p and 60.0p respectively.

Notes

(i) Executive Directors, save for the Chairman, are paid a salary for their work, which is determined annually. Taxable benefits are also provided and these comprise a company car and minor ancillary benefits.

The Company does not operate a pension scheme but made payments to an external scheme on behalf of Messrs Littner, Sedgwick and Pleat.

(ii) The Directors' long-term incentive is provided in the form of share options, the details of which are provided above.

(iii) The Chairman and Non-Executive Directors are paid a fee for their services.

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

A.M. Sugar
Chairman

27th October 1999

Directors' responsibilities for preparing the Financial Statements

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' Report to the Members of Tottenham Hotspur plc

We have audited the financial statements on pages 18 to 37 which have been prepared under the accounting policies set out on pages 21 to 23.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report, including, as described above, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the London Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the statement on pages 10 to 12 reflects the compliance with those provisions of the Combined Code specified for our review by the Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the Corporate Governance procedures or the Group's internal controls.

We read the other information contained in the Annual Report, including the Corporate Governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 circumstances of the Company and the Group, 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 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 and the Group as at 31st July 1999 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
Hill House
1 Little New Street
London
EC4A 3TR

27th October 1999

Consolidated Profit and Loss Account

for the year ended 31st July 1999

	Note	1999 £'000	1998 £'000
Turnover	2	42,585	31,189
Cost of sales		(28,616)	(21,132)
Gross profit		13,969	10,057
Administrative expenses		(5,052)	(3,875)
Operating Profit before Amortisation of Registrations		8,917	6,182
Amortisation of registrations		(9,087)	(7,893)
Operating Loss	3	(170)	(1,711)
Profit on disposal of registrations	5	1,889	780
Profit/(Loss) before Interest and Taxation		1,719	(931)
Net interest payable	6	(426)	(39)
Profit/(Loss) on Ordinary Activities before Taxation		1,293	(970)
Tax charge on profit/(loss) on ordinary activities	7	(447)	(2,192)
Profit/(Loss) on Ordinary Activities after Taxation		846	(3,162)
Equity dividends	8	-	(584)
Retained Profit/(Loss) for the Year	20	846	(3,746)
Earnings/(Loss) per Share – basic	10	0.8p	(3.1)p
Earnings/(Loss) per Share – diluted	10	0.8p	(3.1)p

A Statement of Total Recognised Gains and Losses has not been presented because there were no recognised gains or losses other than as stated in the Consolidated Profit and Loss Account above.

Movements on reserves are shown in note 20 to the Accounts.

Balance Sheets
as at 31st July 1999

	Note	Group 1999 £'000	Group 1998 £'000	Company 1999 £'000	Company 1998 £'000
Fixed assets:					
Intangible assets	11	27,627	20,633	-	-
Tangible assets	12	46,842	45,833	46,771	45,759
Investments	13	-	-	1,345	1,345
		74,469	66,466	48,116	47,104
Current assets:					
Stocks	14	450	344	450	344
Debtors	15	5,799	3,541	4,376	723
Cash at bank and in hand		-	414	-	-
		6,249	4,299	4,826	1,067
Creditors:					
Amounts falling due within one year	16	(32,003)	(22,101)	(13,544)	(10,585)
Net current liabilities		(25,754)	(17,802)	(8,718)	(9,518)
Total assets less current liabilities		48,715	48,664	39,398	37,586
Creditors:					
Amounts falling due after more than one year	17	(3,617)	(4,384)	(3,570)	(4,365)
		45,098	44,280	35,828	33,221
Provisions for liabilities and charges	18	(3,950)	(4,152)	-	-
Net assets		41,148	40,128	35,828	33,221
Capital and reserves:					
Called up share capital	19	5,075	5,037	5,075	5,037
Share premium account	20	11,259	11,123	11,259	11,123
Revaluation reserve	20	2,716	2,764	2,376	2,424
Profit and loss account	20	22,098	21,204	17,118	14,637
Equity shareholders' funds		41,148	40,128	35,828	33,221

The financial statements were approved by the Board of Directors on 27th October 1999.

Signed on behalf of the Board

A.M.Sugar
Director

J. Sedgwick
Director

Consolidated Cash Flow Statement
for the year ended 31st July 1999

	Note	1999 £'000	1999 £'000	1998 £'000	1998 £'000
Net cash inflow from operating activities	22		13,531		9,971
Returns on investments and servicing of finance:					
Interest received		48		446	
Interest paid		(278)		(262)	
Interest element of hire purchase and finance lease payments		(196)		(136)	
Net cash (outflow)/inflow for returns on investments and servicing of finance			(426)		48
UK corporation tax (including advance corporation tax)			(287)		(251)
Capital expenditure and financial investment:					
Payments to acquire intangible fixed assets		(13,902)		(9,614)	
Receipts from sales of intangible fixed assets		1,436		2,436	
Payments to acquire tangible fixed assets		(2,661)		(8,836)	
Receipts from sales of tangible fixed assets		5		10	
Net cash outflow for capital expenditure and financial investment:			(15,122)		(16,004)
Equity dividend paid:			(252)		(1,007)
Cash flow before use of liquid resources and financing:			(2,556)		(7,243)
Management of liquid resources:					
Cash taken off short-term deposit			399		8,276
Financing:					
Net decrease in obligations under hire purchase and lease contracts	24,25	(618)		(402)	
Issue of ordinary share capital	21,25	174		6	
Bank loan repayments	24,25	(1,000)		(1,000)	
Other loans repaid		-		(25)	
Net cash outflow from financing			(1,444)		(1,421)
Decrease in cash			(3,601)		(388)

Notes to the Accounts
for the year ended 31st July 1999

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

Basis of accounting
The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention with the exception that certain freehold and leasehold properties have been revalued.

Basis of consolidation
The consolidated accounts incorporate the accounts of Tottenham Hotspur plc and its subsidiaries.

A separate profit and loss account dealing with the results of the Company only has not been presented as permitted by Section 230 of the Companies Act 1985.

Comparatives
Minor reclassifications have been made to prior year figures to achieve comparability with the current year.

Turnover
Turnover represents gate receipts and commercial income exclusive of Value Added Tax.

Depreciation
Freehold land is not depreciated.

Leasehold property is amortised over the term of the lease.

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

Freehold properties	2%
Motor vehicles	20%
General plant and equipment	10% - 33%

Stocks
Stocks, which comprise goods held for resale, are valued at the lower of cost and net realisable value.

Signing on fees
Signing on fees are charged to player and match expenses in the Profit and Loss Account in the accounting period in which they are payable.

Intangible fixed assets
The costs of players' registrations and coaching staff recruitment are capitalised and amortised over the period of the respective contracts.

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 events crystallising such payments or receipts have taken place.

Fixed asset investments
Investments held as fixed assets are stated at cost less provision for impairment.

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

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 annual amounts over the periods 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 taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

Grants receivable
Grants receivable are credited to a deferred credit account and released to the Profit and Loss Account over the life of the asset in respect of which they are receivable.

Foreign exchange
Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and

liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling on the Balance Sheet dates. Translation differences are dealt with in the Profit and Loss Account.

2. Turnover

Turnover, which is all derived from the Group's principal activity, is analysed as follows:

	Year ended July 1999 £'000	Year ended July 1998 £'000
Gate receipts – Premier League	15,907	12,112*
Gate receipts – Cup Competitions	6,411	2,177*
Television	9,002	6,442
Sponsorship	6,067	5,555
Merchandising	3,758	3,584
Other	1,440	1,319
	42,585	31,189

Turnover all derives from activities in the United Kingdom.

* 1998 – restricted capacity due to rebuilding of North Stand.

3. Operating Loss

This is stated after charging/(crediting) the following:

	Year ended July 1999 £'000	Year ended July 1998 £'000
Depreciation of tangible fixed assets:		
- owned	1,134	868
- leased	276	126
Amortisation of registrations	9,087	7,893
Release of grants - deferred credit	(50)	(48)
Auditors' remuneration and expenses:		
- audit fee	38	34
- other services	43	33
Operating lease rentals:		
- land and buildings	150	134
- other	108	1

4. Staff numbers and costs

The average number of employees of the Group during the year, excluding Directors, was as follows:

	Year ended July 1999 Number	Year ended July 1998 Number
Players and football administration staff	107	99
Administration staff	47	41
Retail and distribution staff	31	31
	185	171

The aggregate payroll costs of these employees were as follows:

	Year ended July 1999 £'000	Year ended July 1998 £'000
Salaries and bonuses	19,568	15,489
Social security costs	2,011	1,464
Other pension costs	120	27
	21,699	16,980

In addition the Group employs on average 548 temporary staff on matchdays.

5. Profit on disposal of registrations

	Year ended July 1999 £'000	Year ended July 1998 £'000
Proceeds	1,922	814
Net book value of players sold	(33)	(34)
	1,889	780

6. Net interest payable

	Year ended July 1999 £'000	Year ended July 1998 £'000
Interest receivable	48	354
Interest payable on bank overdrafts and other loans repayable within five years	(278)	(257)
Finance lease charges	(196)	(136)
	(426)	(39)

7. Taxation charge on profit/(loss) on ordinary activities

	Year ended July 1999 £'000	Year ended July 1998 £'000
UK corporation tax at 31% (1998 - 31%)	1,190	126
Deferred tax	(743)	2,589
	447	2,715
Adjustment in respect of prior years	-	(523)
	447	2,192

The tax charge is high due to items in the Profit and Loss Account for the period for which tax relief is not available.

8. Dividends

	Year ended July 1999 £'000	Year ended July 1998 £'000
Interim dividend (1998 - 0.33p per share)	-	(332)
Final dividend (1998 - 0.25p per share)	-	(252)
	-	(584)

9. Parent Company profit

The profit after taxation for the year includes a profit of £2,433,000 (1998 - £5,767,000) dealt with in the Accounts of the Company.

10. Earnings per share

Earnings per share have been calculated using the weighted average number of shares in issue in each year.

	Year ended July 1999 £'000	Year ended July 1998 £'000
Profit/(Loss) after taxation	846	(3,162)
Weighted average number of shares in issue	100,951,384	100,725,780
Effect of dilutive potential ordinary shares Options	445,717	1,076,365
	101,397,101	101,802,145
Basic EPS Earnings/(Loss) per share	0.8p	(3.1)p
Diluted EPS Earnings/(Loss) per share	0.8p	(3.1)p

11. Intangible Fixed Assets

Group

	£'000
Cost of registrations	
At 1st August 1998	38,399
Additions	16,114
Disposals	(2,800)
At 31st July 1999	51,713
Amortisation of registrations	
At 1st August 1998	17,766
Charged in year	9,087
Disposals	(2,767)
At 31st July 1999	24,086
Net book value of registrations	
At 31st July 1999	27,627
At 31st July 1998	*20,633*

12. Tangible Fixed Assets

	Land and Buildings			General	
		Short	Motor	plant and	
Group	Freehold	leasehold	vehicles	equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1st August 1998	42,268	1	176	7,915	50,360
Additions	2,151	-	23	487	2,661
Disposals	(240)	-	(10)	-	(250)
At 31st July 1999	44,179	1	189	8,402	52,771
Depreciation					
At 1st August 1998	-	-	65	4,462	4,527
Charged in year	749	-	29	632	1,410
Disposals	(3)	-	(5)	-	(8)
At 31st July 1999	746	-	89	5,094	5,929

Net book value					
At 31st July 1999	43,433	1	100	3,308	46,842
At 31st July 1998	*42,268*	*1*	*111*	*3,453*	*45,833*
Cost or valuation comprises:					
At cost	2,151	-	189	8,402	10,742
At 1998 valuation	42,028	1	-	-	42,029
At 31st July 1999	44,179	1	189	8,402	52,771
Company					
Cost or valuation					
At 1st August 1998	42,268	1	53	7,915	50,237
Additions	2,151	-	-	487	2,638
Disposals	(240)	-	-	-	(240)
At 31st July 1999	44,179	1	53	8,402	52,635
Depreciation					
At 1st August 1998	-	-	16	4,462	4,478
Charged in year	749	-	8	632	1,389
Disposals	(3)	-	-	-	(3)
At 31st July 1999	746	-	24	5,094	5,864
Net book value					
At 31st July 1999	43,433	1	29	3,308	46,771
At 31st July 1998	*42,268*	*1*	*37*	*3,453*	*45,759*
Cost or valuation comprises:					
At cost	2,151	-	53	8,402	10,606
At 1998 valuation	42,028	1	-	-	42,029
At 31st July 1999	44,179	1	53	8,402	52,635

The Group's property interests were valued as at 31st July 1998 by Drivers Jonas who acted as independent valuers. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors' Appraisal & Valuation Manual. The stadium was valued on the basis of Depreciated Replacement Cost; Existing Use Value was adopted for properties occupied for the purpose of the business, and investment properties were valued on the basis of Open Market Value.

Freehold land totalling £5,636,000 (1998 - £5,590,000) has not been depreciated.

The amount of land and buildings (included above at cost or valuation) determined according to the historical cost accounting rules is as follows:

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Cost	46,728	44,657	46,728	44,657
Depreciation	(5,791)	(5,016)	(5,791)	(5,016)
	40,937	39,641	40,937	39,641

Fixed assets held under finance leases are as follows:

	Group & Company 1999	Group & Company 1998
	General plant and equipment £'000	General plant and equipment £'000
Net book value	2,084	2,360
Depreciation charged in year	276	126

13. Investments held as fixed assets

Investments held as fixed assets by the Company represent the investments in subsidiary undertakings which are analysed as follows:

Shares	Cost and Net Book Value £'000
At 1st August 1998 and at 31st July 1999	1,345

At 31st July 1999, the Company had the following principal subsidiary undertaking which is registered and operates in England and Wales:

	Share Class	Holding
The Tottenham Hotspur Football & Athletic Company Limited - professional football club	Ordinary	100%

14. Stocks

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Stocks	450	344	450	344

Stocks comprise merchandising goods held for resale.

15. Debtors

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Trade debtors	3,310	2,232	72	140
Other debtors	933	362	305	498
Amounts due from Group undertakings	-	-	3,785	-
Prepayments and accrued income	1,556	947	214	85
	5,799	3,541	4,376	723

Trade debtors above include £718,000 (1998 - £231,000) in respect of players' registrations.

16. Creditors - amounts falling due within one year

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Bank loan	250	1,000	250	1,000
Bank overdraft	3,586	-	9,557	4,081
Hire purchase and finance lease obligations	638	614	638	614
Trade creditors	5,150	2,292	282	48
Amounts owed to Group undertakings	-	-	-	775
Other creditors	610	616	198	262
Corporation tax	1,182	772	1,175	772
Advance corporation tax	-	63	-	63
Other tax and social security	3,353	3,504	-	260
Accruals and deferred income	17,234	12,988	1,444	2,458
Dividend payable	-	252	-	252
	32,003	22,101	13,544	10,585

Trade creditors above include £4,408,000 in respect of transfers of players' registrations (1998 - £2,196,000).

17. Creditors - amounts falling due after more than one year

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Bank loan	-	250	-	250
Obligations under finance leases and hire purchase contracts	928	1,570	928	1,570
Deferred income	47	19	-	-
Grants - deferred credits	2,642	2,545	2,642	2,545
	3,617	4,384	3,570	4,365

Obligations under finance leases and hire purchase contracts which are all repayable within five years are secured by related leased assets.

The maturity profile of the Group's financial liabilities at 31st July 1999 was as follows:

	Group	
	£'000	£'000
	Borrowings	Other liabilities
	Bank loans and overdraft	Finance leases
In one year or less or on demand	3,836	638
In more than one year but not more than two years	-	327
In more than two years but not more than five years	-	601
In more than five years	-	-
	3,836	1,566

Interest rate profile of financial liabilities - all Sterling	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Fixed rate borrowings Weighted average interest rate at year end	Fixed rate borrowings Weighted average time for which rate is fixed
	£'000	£'000	£'000	%	Years
	5,402	3,836	1,566	7	3

There is no material difference between the fair value and the carrying amount of the Group's financial liabilities. Short term debtors and creditors have been excluded from all disclosures. No comparatives have been provided for FRS13 disclosures.

Treasury Policy

The Group's operations are funded through loans, an overdraft and finance leases. The Group hedges its interest rate exposure by using fixed interest rate facilities whenever possible. The Group is not exposed to foreign exchange risk. The Group does not enter into instruments for speculative purposes. All treasury transactions are reported to and approved by the Board.

The Group's undrawn but committed borrowing facilities at 31st July 1999 are not disclosed due to their commercial sensitivity. The Board believes that there are sufficient facilities available to the Group.

18. Provisions for liabilities and charges	Group	Company
	£000	£000
Deferred taxation		
At 1st August 1998	4,152	-
Credited to the Profit and Loss Account	(743)	-
Decrease in ACT set off	541	-
At 31st July 1999	3,950	-

The amount of deferred taxation provided in the financial statements is as follows:

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(1)	-	-	-
Losses	-	(1,486)	-	-
Registrations	3,962	6,190	-	-
	3,961	4,704	-	-
Advance corporation tax recoverable	(11)	(552)	-	-
	3,950	4,152	-	-

The potential amount of unprovided deferred taxation is as follows:

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Accelerated capital allowances	2,581	2,378	2,581	2,378
Other short term timing differences	-	(24)	-	(24)
	2,581	2,354	2,581	2,354

The above figures exclude taxation payable:

(a) on disposal of revalued properties, since no material liability is anticipated;

(b) on the chargeable gain which arose on the disposal of the Cheshunt training ground in June 1986, since rollover relief applies.

19. Called up share capital

	Number	£'000
Authorised:		
At 31st July 1998 and 1999 - ordinary shares of 5 pence each	108,000,000	5,400
Allotted and fully paid:		
At 31st July 1999 - ordinary shares of 5 pence each	101,506,270	5,075
Options exercised under Executive Share Option Schemes	767,960	38
At 31st July 1998 - ordinary shares of 5 pence each	100,738,310	5,037

As at 31st July 1999 options over 2,762,010 ordinary shares in the company had been granted to Directors and employees under the Executive Share Option Scheme, details of which are as follows:

Options exercisable between:	Option Price Per Share *	Number of Options
30 March 1997 - 29 March 2004	15.96p	295,970
18 October 1998 - 17 October 2005	30.84p	371,040
20 November 1999 – 19 November 2006	123.20p	845,000
4 April 2001 – 3 April 2008	68.00p	300,000
28 November 2001 – 27 November 2008	73.50p	750,000
4 March 2002 – 3 March 2009	76.50p	200,000

* Adjusted following the Rights Issue in May 1996 and the five-for-one share sub-division in February 1997.

20. Reserves

	Group			Company		
	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
At 1st August 1998	11,123	2,764	21,204	11,123	2,424	14,637
Share options exercised	136	-	-	136	-	-
Profit for the financial year	-	-	846	-	-	2,433
Dividends (note 8)	-	-	-	-	-	-
Amortisation of revaluation reserve	-	(48)	48	-	(48)	48
At 31st July 1999	11,259	2,716	22,098	11,259	2,376	17,118

21. Reconciliation of movements in Group shareholders' funds

	Year ended July 1999 £'000	Year ended July 1998 £'000
Profit/(Loss) for the year	846	(3,162)
Dividends (note 8)	-	(584)
	846	(3,746)
Share options exercised	174	6
Net addition to shareholders' funds	1,020	(3,740)
Opening shareholders' funds	40,128	43,868
Closing shareholders' funds	41,148	40,128

22. Reconciliation of operating loss to net cash inflow from operating activities

	Year ended July 1999 £'000	Year ended July 1998 £'000
Operating loss	(170)	(1,711)
Depreciation charge	1,410	1,153
Amortisation of registrations	9,087	7,893
Loss on disposal of tangible fixed assets	237	2
(Increase)/decrease in stocks	(106)	95
Increase in debtors	(1,482)	(522)
Increase in creditors	4,555	3,061
Net cash inflow from operating activities	13,531	9,971

23. Reconciliation of net cash flow movement in net (debt)/funds

	Year ended July 1999 £'000	Year ended July 1998 £'000
Decrease in cash in the year	(3,601)	(388)
Cash outflow from decrease in debt and lease financing	1,618	1,427
Cash inflow from decrease in liquid resources	(399)	(8,276)
Change in net funds resulting from cash flows	(2,382)	(7,237)
New finance leases	-	(1,469)
Movement in net funds in the year	(2,382)	(8,706)
Net (debt)/funds at 1st August	(3,020)	5,686
Net (debt) at 31st July	(5,402)	(3,020)

24. Analysis of movement in net debt

	At 1st August 1998 £'000	Cashflow £'000	At 31st July 1999 £'000
Cash at bank and in hand	15	(15)	-
Overdraft	-	(3,586)	(3,586)
Cash on deposit	399	(399)	-
Cash as shown on balance sheet	414	(4,000)	(3,586)
Debt due within one year	(1,000)	750	(250)
Debt due after more than one year	(250)	250	-
Finance leases	(2,184)	618	(1,566)
	(3,434)	1,618	(1,816)
Total	(3,020)	(2,382)	(5,402)

25. Analysis of changes in financing during the year

	Share capital	Share premium account	Hire purchase and finance lease obligations	Term bank loan
	£'000	£'000	£'000	£'000
At 1st August 1998	5,037	11,123	2,184	1,250
Cash inflow/(outflow) from financing	38	136	(618)	(1,000)
At 31st July 1999	5,075	11,259	1,566	250

26. Commitments

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Land and buildings:				
Leases expiring within one year	14	29	14	29
Leases expiring within two to five years	-	31	-	31
Leases expiring in more than five years	65	65	65	65
	79	125	79	125
Other:				
Leases expiring within one year	102	11	32	11
Leases expiring within two to five years	-	94	-	94
	102	105	32	105
Capital commitments were as follows:				
contracted	-	-	-	-
authorised but not contracted	216	-	216	-
	216	-	216	-

27. Related party transactions

The following paragraphs give details of all material interests of Directors in contracts and transactions involving the Company and any of its subsidiary undertakings.

During the year the Company invoiced £26,000 (1998 - £22,000) plus VAT for advertising supplied to Viglen Limited. In June 1999 a three-year advertising contract between the Company and Viglen Limited was agreed (total value £86,060 plus VAT). A. M. Sugar wholly owns Amshold Group Limited the ultimate parent Company of Viglen Limited.

During the year the Company invoiced £26,000 (1998 - £22,000) plus VAT for advertising and an additional £6,440 for tickets and hospitality supplied to Amstrad plc. In June 1999 a three-year advertising contract between the Company and Amstrad plc was agreed (total value £86,060 plus VAT). A.M. Sugar has a substantial minority shareholding in Amstrad plc.

During the year the Company was invoiced £10,933 (1998 – nil) plus VAT for aircraft hire supplied by Amsail Limited. A. M. Sugar wholly owns Amshold Group Limited, the ultimate parent Company of Amsail Limited.

All of these transactions were at arm's length.

The fees paid to related parties with regard to Directors' emoluments have been disclosed in the Board's Report of Remuneration on page 13.

28. Pensions

Certain staff of the Group 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 these schemes are held separately from those of the Group, being invested with insurance companies. The pension cost charged during the year amounted to £152,000 (1998 - £59,000).

29. Contingent liabilities

The Company, together with its subsidiaries, has given a multilateral undertaking 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 of these contingent liabilities will crystallise and the Directors consider that it is unlikely that there will be a net material charge to the Group in any year in respect of the above.

30. Post balance sheet events

On 5th August 1999, O. Leonhardsen was acquired at a cost of £3,000,000 plus a levy of £150,000.

Five Year Review

	July 1999 £'000	July 1998 £'000	July 1997 £'000	Pro forma 12 months to July 1996 £'000	May 1995 £'000
Turnover	42,585	31,189	27,874	25,589	21,296
Operating profit before amortisation of registrations	8,917	6,182	8,649	8,729	5,404
Amortisation of registrations	(9,087)	(7,893)	(5,884)	(1,788)	(2,016)
Operating (loss)/profit	(170)	(1,711)	2,765	6,941	3,388
Profit on disposal of registrations	1,889	780	4,356	4,823	2,594
Exceptional items	-	-	-	(7,290)	-
Profit/(Loss) before interest and taxation	1,719	(931)	7,121	4,474	5,982
Net interest (payable)/receivable	(426)	(39)	452	(257)	(629)
Profit/(Loss) on ordinary activities before taxation	1,293	(970)	7,573	4,217	5,353
Taxation	(447)	(2,192)	(228)	(2,713)	(443)
Profit/(Loss) for the financial year	846	(3,162)	7,345	1,504	4,910
Dividends	-	(584)	(1,007)	(941)	(481)
Retained profit/(loss)	846	(3,746)	6,338	563	4,429
Net assets					
Intangible fixed assets	27,627	20,633	22,624	10,215	15,816
Tangible fixed assets	46,842	45,833	36,562	35,093	34,025
Net current liabilities	(25,754)	(17,802)	(8,632)	(37)	(12,577)
Total assets less net current liabilities	48,715	48,664	50,554	45,271	37,264
Creditors - amounts falling due after more than one year	(7,567)	(8,536)	(6,686)	(7,835)	(9,949)
Net assets	41,148	40,128	43,868	37,436	27,315
Earnings/(Loss) per share	0.8p	(3.1p)	7.3p	1.7p	6.0p
Dividends per share	0.00p	0.58p	1.00p	0.86p	0.60p

Following the share subdivision in February 1997, each period's earnings per share and dividends per share figures have been restated to reflect the increased number of shares.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the sixteenth Annual General Meeting of Tottenham Hotspur plc ("the Company") will be held at Bill Nicholson Way, 748 High Road, Tottenham, London, N17 0AP on 10th December 1999 at 2.30pm for the purposes of considering the following business:

AS ORDINARY BUSINESS:

1. To receive the Directors' Report and Consolidated Financial Statements of the Company for the year ended 31st July 1999.

2. To re-elect as a Director Mr. S. Chisholm, who was appointed by the Board after the last Annual General Meeting.

3. To re-elect as a Director Mr. C. M. Littner, who retires by rotation and being eligible offers himself for re-election.

4. To re-appoint Deloitte & Touche as auditors to the Company and to authorise the Directors of the Company to fix their remuneration.

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass resolution 5 below as an ordinary resolution and resolution 6 as a special resolution.

ORDINARY RESOLUTION:

5. THAT, the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act, 1985, to exercise the powers of the Company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £324,687 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 15 months from the date on which this resolution is passed, whichever is the earlier, and provided further that the Company may before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot such relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace the similar authority granted to the Directors at the Company's Annual General Meeting on 25th November 1998, which is hereby revoked with immediate effect.

SPECIAL RESOLUTIONS:

6. THAT, subject to the passing of Resolution 5 set out in the Notice convening an Annual General Meeting of the Company for 10th December 1999, the Directors of the Company be and are hereby empowered pursuant to Section 95 of the Companies Act, 1985 ("the Act"), to allot equity securities (within the meaning of Section 94 of the Act) for cash pursuant to the general authority conferred on the Directors by such resolution as if Section 89(1) of the Act did not apply to any such allotment provided that:

   (i) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling fifteen months from the date on which this resolution is passed, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired; and

   (ii) this power shall be limited to:

      (A) the allotment of equity securities in connection with an offer by way of rights issue in favour of ordinary shareholders (notwithstanding that, by reason of such exclusions as the Directors may deem necessary to deal with problems arising in any overseas territory, in connection with fractional entitlements or otherwise howsoever, the equity securities to be issued are not offered to all such shareholders in proportion to the number of ordinary shares held by each of them); and

      (B) the allotment (otherwise than pursuant to paragraph (A) above) for cash to any person or persons of equity securities up to an aggregate maximum nominal amount of £253,766.

This authority shall replace the similar authority granted to the Directors at the Company's Annual General Meeting on 25th November 1998, which is hereby revoked with immediate effect.

By Order of the Board,

J. Ireland LLB
Company Secretary

Registered Office:
Bill Nicholson Way
748 High Road,
Tottenham,
London N17 0AP

Registered in England and Wales with Company number 1706358

27th October 1999

EXPLANATORY NOTES:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies of his/her choice to attend and, on a poll, to vote instead of him/her. A proxy need not be a member of the Company.

2. To have the right to attend and vote at the meeting (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the register of members by no later than forty-eight hours prior to the meeting or any adjournment thereof. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

3. To be valid a duly executed instrument of proxy and any letter of authority or power or attorney (or a duly certified copy thereof) pursuant to which it has been executed must be lodged at the office of the Company's Registrars, IRG plc, Balfour House, 390/398 High Road, Ilford, Essex, IG1 1NQ at least 48 hours before the meeting or adjourned meeting at which the person(s) named in this instrument is/are to vote. Note that the depositing of Powers of Attorney with the Company's Registrars is not required if this has been previously registered with the Company.

4. Copies of the Directors' service contracts with the Company will be available for inspection pursuant to Section 318 of the Companies Act 1985 at the Registered Office of the Company during usual business hours from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting from fifteen minutes before the meeting until its conclusion.

RESOLUTIONS 5 AND 6, AUTHORITY TO ALLOT SHARES

Section 80 of the Companies Act 1985 provides that the authority of the Directors to allot relevant securities shall be subject to the approval of shareholders in general meeting. Accordingly, an ordinary resolution, resolution 5, as set out in the Notice of Annual General Meeting, will be proposed to authorise the directors to allot up to a maximum aggregate nominal amount of £324,687 of shares of the Company (representing approximately 6% of the issued share capital of the Company) subject to the terms of the resolution. Except for an exercise of options under the Company's share option schemes, the Directors have no present intention of issuing any part of the authorised but unissued share capital of the Company. This authority will expire at the conclusion of the next Annual General Meeting, or if earlier, fifteen months from the date of passing the resolution.

The Companies Act 1985 also provides that any equity shares issued wholly for cash must be offered to existing shareholders in proportion to their existing holdings. This requirement may be modified by special resolution of the shareholders and such a resolution was passed at the last Annual General Meeting. A special resolution, resolution 6, as set out in the Notice of Annual General Meeting, will be proposed to renew the directors' authority to allot equity shares for cash other than on a pro rata basis up to a limit of £253,766 in nominal amount of shares (representing 5% of the issued share capital of the Company). This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, fifteen months from the date of the passing of the resolution.

These authorities, the limitations on which have been calculated in accordance with Investor Protection Committee guidelines, will replace similar authorities which were given to the Directors at the Annual General Meeting held on 25th November 1998, and which are due to expire at the forthcoming Annual General Meeting.