

TOTTENHAM HOTSPUR plc

ANNUAL REPORT AND ACCOUNTS 2000



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Directors and Advisers

Executive Directors Sir Alan Sugar (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 Capita IRG plc
Balfour House
390/398 High Road
Ilford, Essex IG1 1NQ

CHAIRMAN'S STATEMENT

Results for the Year Ended 31st July 2000

Following a disappointing year on the pitch it is with some relief that I report a small profit after tax of £0.1m (1999 - £0.8m). Turnover increased 13% to £48.0m (1999 - £42.6m) whilst our operating profit before amortisation of player contracts remains healthy at £7.5m (1999 - £8.9m).

Income

We were sold out for most of our League matches and averaged an attendance of 96% of capacity. League match receipts increased by £2.4m to £18.3m. Season ticket sales for 2000/01 have reached over 19,000, a new record for the Club.

We were unable to repeat our Cup successes of 1999 when we won the Worthington Cup and reached the semi-final of the FA Cup. Our performances in the UEFA Cup (two rounds), Worthington Cup (two rounds) and the FA Cup (one round) led to a reduction in Cup income of £2.7m to £3.7m. We held four Cup games here at White Hart Lane as against six last year.

Television income has risen £3.3m to £12.3m (1999 - £9.0m). Most of this increase came from our UEFA Cup deal with BskyB. The Club appeared live on television six times in the Premier League, the same as last year.

Sponsorship income grew 10% to £6.7m (1999 - £6.1m) largely as a result of our new deals with our partners adidas and Holsten.

Merchandise income of £4.8m (1999 - £3.8m) now represents the first full year of our three-year adidas deal. The previous year's income included the first month of trading of our new home kit therefore the figures reflect not only an absolute increase of 28% but also a strong underlying trend.

The White Hart Lane Conference Centre was launched in August 1999. Turnover from this division of £0.5m is included in other income this year. This was an encouraging first year.

Expenses

Cost of sales have increased by 20% to £45.4m (1999 - £37.7m). Within this category, amortisation on players' contracts has increased by £2.4m to £11.5m as a result of additions to the squad during the year and a full year charge relating to purchases of the previous year.

Payroll costs have increased 21% to £26.2m (1999 - £21.7m).

Administrative expenses increased by £1.6m due to a number of factors. These include costs for the new White Hart Lane Conference Centre, increased warehouse costs as we expand operations to keep apace with increased sales and the FA fine of £150,000.

The Football Association fine was levied against the Club for the alleged misconduct of the players at an away match against Leeds. We are still appealing strongly against this decision.

Player Trading

Strengthening of the squad continued with £23.4m spent on the acquisition of new players.

Player disposals generated £7.0m and a net profit of £4.0m.

Within the profit of £4.0m there is a cost of £1.8m relating to the net book value of players released on free transfers.

Balance Sheet

Net assets on the balance sheet remain largely unchanged at £41.2m.

Intangible assets have increased by £8.9m as a result of player trading.

Cashflow

The Group generated cash from operating activities of £7.4m. All of this cash plus an increase in borrowings was used to fund expenditure on player acquisitions of £17.6m. All amounts due from the sale of players at the end of July will fall into future years. The overall decrease in cash was £8.8m (1999 - decrease - £3.6m).

Taxation

During the year the Inland Revenue concluded their review of the tax computations for several prior periods, resulting in agreement of capital allowances claims for those periods. As a result of this, a tax benefit of £497,000 has been recognised, mostly in respect of the utilisation of tax losses which were not previously recognised within deferred tax provisions.

Dividend

Your Board continues to hold the view that any surplus funds are better used by further re-investment in the Club and therefore there will be no dividend in respect of this financial year.

Commercial

We are currently seeking planning permission to increase the stadium capacity to 44,000 by rebuilding the East Stand. We will not commit to pursuing this strategy until we feel sure that the additional capacity will be adequately utilised and we will closely study the effects of more live televised football from next season.

Our merchandise sales showed good increases last year both on a comparable basis and from new footage. This is in contrast to many other sports replica retailers and clubs reporting a slow down.

Our Internet sales show strong growth potential and this will be helped by our partnership with BskyB and Planet Football, our new Internet partners. Our Internet site is currently registering around seven million page impressions a month, probably ranking us as one of the most visited sports sites in the UK.

The White Hart Lane Conference Centre has been well received. We have included all the set up costs in this year's figures. The lack of any market presence prior to the launch makes the break-even position of the Centre in the first year very encouraging.

Our long-standing catering contract with Letheby and Christopher is due to end in May 2001. We have advertised for tenders and appointed professional advisers to manage the process.

We continue to develop our presence in the locality through our Football in the Community scheme. In addition we are now screening all away matches (where the away club allows) on our Jumbotron screens at the stadium and admission is free to children and senior citizens. In many cases this will be the only chance they get to see 'live' football in a stadium and the attraction is evident.

Football

Tenth position in the Premier League and early exits from all Cup competitions was very disappointing.

Our net spending on transfers this financial year was £16.4m (purchases £23.4m, sales £7.0m) and we have been the fourth highest net spender in the Premier League over the previous five years.

Player acquisitions included Oyvind Leonhardsen, David McEwen, Matthew Etherington, Simon Davies, Anthony Gardner, Gary Doherty, Sergei Rebrov and Ben Thatcher.

Player disposals included Moussa Saib, Paolo Tramezzani, Justin Edinburgh, Espen Baardsen, David Ginola, Peter Crouch and Allan Nielsen.

The Youth Academy is still in its early stages of development and we have become more aggressive with our identification and registration of younger players. We have over 150 boys between the ages of 9-16 who train on a regular basis at Spurs Lodge. Our coaches are enthusiastic and capable of encouraging skilful football.

We are optimistic about the new under 17 intake. Included amongst these boys are four schoolboy international players and in the group that will join next year, we have three players who have already received international recognition. Over the last year six of our players represented their country at under 21 level.

The European Commission will ultimately rule on the system of transfer fees in this and other European countries. Let us hope that they take heed of representations made by the Football Association and the Premier League. Clubs must be able to protect their investments otherwise there will be little point in us making them.

Outlook

The Group is doing everything within its power to maximise revenues, all of which are ploughed back into strengthening the Club and playing squad.

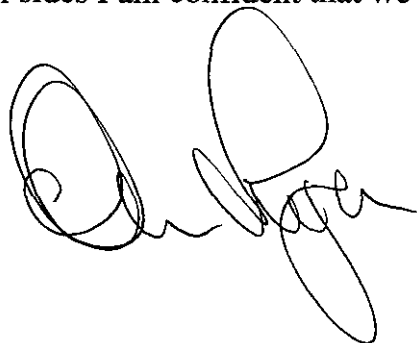
We are working hard to obtain planning permission to redevelop the East Stand. Subject to the European Commission ruling we should begin work on building a new site for the sole purpose of the Academy.

The Premier League has collectively negotiated a new television deal taking us up to 2004. This not only guarantees the clubs more money from next year but also opens up other sources of income for individual clubs to develop.

I would like to thank our loyal fans for their invaluable support. We are all working towards the same goals – success and long term prosperity for Tottenham Hotspur. With patience on all sides I am confident that we will get there.

Sir Alan Sugar
Chairman

25th October 2000

A handwritten signature in black ink, appearing to read 'Alan Sugar', written over a large, stylized circular flourish.

Directors' Report

The Directors present their report and the audited Group financial statements for the year ended 31st July 2000.

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 19.

Dividends and results

The Directors do not recommend the payment of a dividend (1999 - £nil). The retained profit for the year of £58,000 will be transferred to reserves (1999 - profit - £846,000).

Post balance sheet events

Details of post balance sheet events are given in note 30 to the accounts.

Directors

The Directors who served during the year and their beneficial interests in the share capital of the Company at 31st July 2000 were as follows:

	31st July 2000	31st July 1999
	Number of shares	Number of shares
Sir Alan Sugar	40,752,675	40,752,675
J. Sedgwick	28,000	28,000
D. J. Pleat	nil	nil
C. M. Littner	660,710	680,460
C. T. Sandy	9,815	9,815
S. Chisholm (appointed 3 rd October 1999)	nil	nil

There were no changes in the interests of the Directors between 31st July 2000 and 25th October 2000.

J. Sedgwick retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election. He is employed under a contract which can be terminated by either party giving three months notice.

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

Details of the Directors' Remuneration are given in the Board's Report of Remuneration 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.

Executive Directors

Sir Alan Sugar is 52 and has been chairman of the Group since 1991. He is also chairman of Amstrad plc and Viglen Technology plc.

J. Sedgwick is 40 and joined the Group as Finance Director in 1995. He is a Chartered Accountant and was previously Finance Director of a publicly quoted retailing group.

D.J. Pleat is 55 and was appointed Director of Football in 1998. He has long been one of the most respected men in football. He represented England at schoolboy and youth levels before starting his professional playing career at Nottingham Forest. As Manager of Tottenham Hotspur he led the Club to the 1987 FA Cup Final, the League Cup semi-finals and to third position in the league.

Non-Executive Directors

C. M. Littner is 51 and was the Group's Chief Executive between November 1993 and November 1998. Prior to this he gained international business experience as the Managing Director of a number of companies in France, Spain and Denmark.

Mr. Littner is currently a Non-Executive Director of Blacks Leisure Group plc. He now holds office under a letter of appointment which will terminate on 24th November 2000. Mr. Littner is a member of the Audit Committee.

C. T. Sandy is 45 and was the Group's Finance Director between August 1991 and August 1995. A qualified tax professional, 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 24th November 2000. Mr. Sandy is a member of the Audit Committee.

S. Chisholm is 61 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. Mr. Chisholm holds office under a letter of appointment which will terminate on 10th December 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 18 October 2000:

Hodram Inc.	5.06%
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Donations

The Group made charitable donations of £65,035 during the year (1999 - £500) and no political donations (1999 - £nil). In addition the Group makes many contributions of Tottenham memorabilia to registered charities, especially in the Tottenham catchment area.

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 2000 represented 27 days (1999 - 34 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.

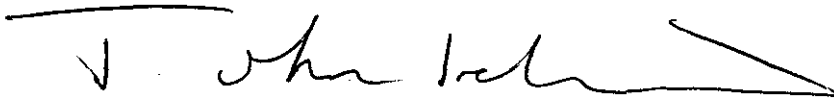
Going Concern

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,



John Ireland LLB
Company Secretary

25th October 2000

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. The Listing Rules require the Group to explain how it has applied the Principles and state whether it has complied with the provisions. Section 1 of the Code is applicable to the Group in the year ended 31st July 2000.

Except for the exceptions outlined in the report below, the Group has complied throughout the accounting period ended 31st July 2000 with the provisions set out in Section 1 of the Code.

The Group has adopted the transitional approach for the internal control aspects of the Combined Code as set out in the letter from the London Stock Exchange dated 27th September 1999. The Directors expect to have the procedures necessary to fully implement the Turnbull guidance on internal controls in place by November 2000.

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 whom is independent, S. Chisholm, 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 are combined. 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 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

At the balance sheet date the non independent Non-Executive Directors, C.T. Sandy and C.M. Littner, were the only members of the Audit Committee as the Board consider that two directors is appropriate given the Board's small size. 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 and in these circumstances it is appropriate that the Chairman of the Group, Sir Alan Sugar, should be responsible for determining the Board and senior employees' remuneration. It is the Board's intention to give consideration to establishment of a 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.

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 material misstatement and loss. The Board has clearly defined lines of responsibility and delegation of authority and oversees the Group's 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; and
- 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 2000

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 £609,039 (1999 - £880,410) and contributions to pension schemes were £22,000 (1999 - £32,667).

The emoluments of the Chairman for the year, which were paid to Amshold Limited were £100,000 (1999 - £100,000). Sir Alan Sugar wholly owns Amshold Group Limited the ultimate parent Company of Amshold Limited.

Fees of £13,333 (1999 - £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 £	Bonus £	Benefits -in-kind £	Sub-total £	Pension £	Year to 31 July 2000 Total £	Year to 31 July 1999 Total £
Sir Alan Sugar (Chairman)	100,000	-	-	-	100,000	-	100,000	100,000
J Sedgwick	-	140,000	-	13,872	153,872	14,000	167,872	171,565
D J Pleat	-	275,625	28,050	10,659	314,334	8,000	322,334	326,372
C M Littner	10,000	5,000	-	-	15,000	-	15,000	305,140
C T Sandy	13,333	-	-	-	13,333	-	13,333	10,000
S Chisholm	12,500	-	-	-	12,500	-	12,500	-
	<u>135,833</u>	<u>420,625</u>	<u>28,050</u>	<u>24,531</u>	<u>609,039</u>	<u>22,000</u>	<u>631,039</u>	<u>913,077</u>

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 1999	(Exercised)/ Granted	At 31st July 2000	Exercise Price (Pence)*	Exercise Period	
					Earliest	Latest
C.M. Littner	<u>200,000</u>	-	<u>200,000</u>	123.20	20.11.99	19.11.06
	<u>200,000</u>	-	<u>200,000</u>			
J. Sedgwick	114,140	-	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	<u>200,000</u>	-	<u>200,000</u>	76.50	04.03.02	03.03.09
	<u>514,140</u>	-	<u>514,140</u>			
D. J. Pleat	<u>300,000</u>	-	<u>300,000</u>	68.00	04.04.01	03.04.08
	<u>300,000</u>	-	<u>300,000</u>			

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

No options lapsed during the year. No aggregate gains were made by directors on the exercise of share options during the year (1999 - £243,431). With respect to the highest paid director, no aggregate gains were made by D.J. Pleat during the year (in 1999 C.M. Littner made aggregate gains of £223,767).

There were no changes in the interests of the Directors between 31st July 2000 and 25th October 2000.

The mid market price of the shares at 1st August 1999 and 31st July 2000 was 72.0p and 68.5p respectively.

The highest and lowest price of the shares during the year ended 31st July 2000 was 77.5p and 62.0p 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.

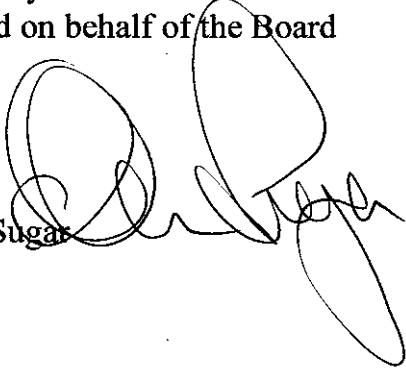
The Company does not operate a pension scheme but made payments to an external scheme on behalf of Messrs Sedgwick and Pleat.

- (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 or a salary for their services.

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

Sir Alan Sugar
Chairman

A handwritten signature in black ink, appearing to read 'Alan Sugar', written over the printed name.

25th October 2000

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:

- ^a select suitable accounting policies and then apply them consistently;
- ⁱⁱ make judgements and estimates that are reasonable and prudent;
- ⁱⁱⁱ state whether applicable accounting standards have been followed;
- ^{iv} 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 19 to 38 which have been prepared under the accounting policies set out on pages 22 to 24.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report, including, as described on page 16, preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the UK Listing Authority 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 Corporate Governance statement on pages 10 to 12 reflects the Group's compliance with the seven provisions of the Combined Code specified for our review by the UK Listing Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's Corporate Governance procedures or its risk and control procedures.

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.

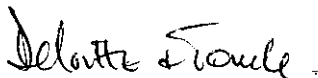
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2000 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

Chartered Accountants and Registered Auditors

Hill House

1 Little New Street

London

EC4A 3TR

25th October 2000

Consolidated Profit and Loss Account

for the year ended 31st July 2000

2000

		Operations, excluding player trading*	Player trading*	Total	1999
	Note	£'000	£'000	£'000	£'000 (Note 2)
Turnover	3	47,974	-	47,974	42,585
Cost of sales		(33,877)	(11,520)	(45,397)	(37,703)
Gross profit		14,097	(11,520)	2,577	4,882
Administrative expenses		(6,619)	-	(6,619)	(5,052)
Operating profit/(loss)	4	7,478	(11,520)	(4,042)	(170)
Profit on disposal of registrations	6	-	3,987	3,987	1,889
Profit/(loss) before interest and taxation		7,478	(7,533)	(55)	1,719
Net interest payable	7			(702)	(426)
(Loss)/profit on ordinary activities before taxation				(757)	1,293
Tax credit/(charge) on (loss)/profit on ordinary activities	8			815	(447)
Profit on ordinary activities after taxation				58	846
Equity dividends				-	-
Retained profit for the year				58	846
Earnings per share – basic	10			0.1p	0.8p
Earnings per share – diluted	10			0.1p	0.8p

**Player trading represents the amortisation of registrations and the profit or loss on disposal of registrations.*

Turnover and operating profit/(loss) all derive from continuing operations.

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.

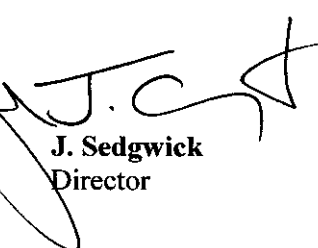
**Balance Sheets
as at 31st July 2000**

		Group		Company	
	Note	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Fixed assets					
Intangible assets	11	36,533	27,627	-	-
Tangible assets	12	47,483	46,842	47,424	46,771
Investments	13	-	-	1,345	1,345
		<u>84,016</u>	<u>74,469</u>	<u>48,769</u>	<u>48,116</u>
Current assets					
Stocks	14	1,051	450	1,051	450
Debtors	15	10,541	5,799	11,282	4,376
		<u>11,592</u>	<u>6,249</u>	<u>12,333</u>	<u>4,826</u>
Creditors: Amounts falling due within one year	16	<u>(45,038)</u>	<u>(32,003)</u>	<u>(15,471)</u>	<u>(13,544)</u>
Net current liabilities		<u>(33,446)</u>	<u>(25,754)</u>	<u>(3,138)</u>	<u>(8,718)</u>
Total assets less current liabilities		50,570	48,715	45,631	39,398
Creditors: Amounts falling due after more than one year	17	<u>(8,024)</u>	<u>(3,617)</u>	<u>(7,014)</u>	<u>(3,570)</u>
		42,546	45,098	38,617	35,828
Provisions for liabilities and charges	18	<u>(1,302)</u>	<u>(3,950)</u>	-	-
Net assets		41,244	41,148	38,617	35,828
Capital and reserves					
Called up share capital	19	5,085	5,075	5,085	5,075
Share premium account	20	11,287	11,259	11,287	11,259
Revaluation reserve	20	2,668	2,716	2,328	2,376
Profit and loss account	20	<u>22,204</u>	<u>22,098</u>	<u>19,917</u>	<u>17,118</u>
Equity shareholders' funds		<u>41,244</u>	<u>41,148</u>	<u>38,617</u>	<u>35,828</u>

The financial statements were approved by the Board of Directors on 25th October 2000.

Signed on behalf of the Board


Sir Alan Sugar
Director


J. Sedgwick
Director

**Consolidated Cash Flow Statement
for the year ended 31st July 2000**

		2000		1999	
	Note	£'000	£'000	£'000	£'000
Net cash inflow from operating activities	22		7,433		13,531
Returns on investments and servicing of finance					
Interest received		9		48	
Interest paid		(455)		(278)	
Interest element of finance lease payments		(101)		(196)	
Net cash outflow for returns on investments and servicing of finance			(547)		(426)
UK corporation tax paid (including advance corporation tax)			(1,081)		(287)
Capital expenditure and financial investment					
Payments to acquire intangible fixed assets		(17,590)		(13,902)	
Receipts from sales of intangible fixed assets		1,013		1,436	
Payments to acquire tangible fixed assets		(2,190)		(2,661)	
Receipts from sales of tangible fixed assets		—		5	
Net cash outflow for capital expenditure and financial investment			(18,767)		(15,122)
Equity dividend paid			—		(252)
Cash outflow before use of liquid resources and financing			(12,962)		(2,556)
Management of liquid resources					
Decrease in short-term deposits			-		399
Financing					
Issue of ordinary share capital	21,25	38		174	
Long term bank loan	24,25	5,000		-	
Bank loan repayments	24,25	(250)		(1,000)	
Capital element of finance lease payments	24,25	(638)		(618)	
Net cash inflow/(outflow) from financing			4,150		(1,444)
Decrease in cash			(8,812)		(3,601)

Notes to the Accounts

for the year ended 31st July 2000

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. Presentational changes to Profit and Loss Account

In 1999, the amortisation of registrations was shown separately on the face of the profit and loss account. Following discussions with the Financial Reporting Review Panel the presentation has been amended within these accounts to include the amortisation charge within cost of sales. Comparatives for the year ending 31st July 1999 have been amended accordingly and are set out in detail below.

	Operations excluding player trading £'000	Player trading £'000	Total £'000
Turnover	42,585	-	42,585
Cost of sales	<u>(28,616)</u>	<u>(9,087)</u>	<u>(37,703)</u>
Gross profit	13,969	(9,087)	4,882
Administrative expenses	<u>(5,052)</u>	-	<u>(5,052)</u>
Operating profit/(loss)	8,917	(9,087)	(170)
Profit on disposal of registrations	-	<u>1,889</u>	<u>1,889</u>
Profit/(loss) before interest and taxation	<u>8,917</u>	<u>(7,198)</u>	<u>1,719</u>

3. Turnover

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

	Year ended July 2000 £'000	Year ended July 1999 £'000
Gate receipts – Premier League	18,341	15,907
Gate receipts – Cup Competitions	3,737	6,411
Television	12,321	9,002
Sponsorship	6,693	6,067
Merchandising	4,825	3,758
Other	<u>2,057</u>	<u>1,440</u>
	<u>47,974</u>	<u>42,585</u>

All turnover derives from activities in the United Kingdom.

4. Operating Loss

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

	Year ended July 2000 £'000	Year ended July 1999 £'000
Depreciation of tangible fixed assets:		
- owned	1,273	1,134
- leased	276	276
Amortisation of registrations	11,520	9,087
Release of grants - deferred credit	(116)	(50)
Auditors' remuneration and expenses:		
- audit fee	42	38
- other services	126	43
Operating lease rentals:		
- land and buildings	208	150
- other	<u>105</u>	<u>108</u>

5. Staff numbers and costs

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

	Year ended July 2000 Number	Year ended July 1999 Number
Players and football administration staff	109	107
Administration staff	49	47
Retail and distribution staff	<u>34</u>	<u>31</u>
	192	185

The aggregate payroll costs of these employees were as follows:

	Year ended July 2000 £'000	Year ended July 1999 £'000
Salaries and bonuses	23,373	19,568
Social security costs	2,660	2,011
Other pension costs	<u>141</u>	<u>120</u>
	26,174	21,699

In addition the Group employs on average 557 temporary staff on matchdays.

Details of directors' emoluments and share options are contained in the Board's Report of Remuneration on pages 13 to 15.

6. Profit on disposal of registrations

	Year ended July 2000 £'000	Year ended July 1999 £'000
Proceeds	6,966	1,922
Net book value of players sold	<u>(2,979)</u>	<u>(33)</u>
	<u>3,987</u>	<u>1,889</u>

7. Net interest payable

	Year ended July 2000 £'000	Year ended July 1999 £'000
Interest receivable	9	48
Interest payable on bank overdrafts and other loans repayable within five years	(610)	(278)
Finance lease charges	<u>(101)</u>	<u>(196)</u>
	<u>(702)</u>	<u>(426)</u>

8. Tax (credit)/charge on (loss)/profit on ordinary activities

	Year ended July 2000 £'000	Year ended July 1999 £'000
UK corporation tax at 30% (1999 - 31%)	2,000	1,190
Deferred tax	<u>(2,318)</u>	<u>(743)</u>
	(318)	447
Adjustment in respect of prior years		
Corporation tax	(156)	-
Deferred tax	<u>(341)</u>	<u>-</u>
	<u>(815)</u>	<u>447</u>

The total taxation credit is high due to an adjustment in respect of previous years, mostly relating to the benefit of tax losses which were not previously recognised within deferred tax provisions.

9. Parent Company profit

The profit after taxation for the year includes a profit of £2,751,000 (1999 - £2,433,000) 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 2000 £'000	Year ended July 1999 £'000
Profit after taxation	<u>58</u>	<u>846</u>
Weighted average number of shares in issue	101,613,129	100,951,384
Effect of dilutive potential ordinary shares		
Options	<u>297,834</u>	<u>445,717</u>
	101,910,963	101,397,101
Basic EPS		
Earnings per share	0.1p	0.8p
Diluted EPS		
Earnings per share	0.1p	0.8p

11. Intangible fixed assets

Group

	£'000
Cost of registrations	
At 1st August 1999	51,713
Additions	23,407
Disposals	(10,978)
	<u> </u>
At 31st July 2000	64,142
	<u> </u>

Amortisation of registrations	
At 1st August 1999	24,086
Charged in year	11,520
Disposals	(7,997)
	<hr/>
At 31st July 2000	27,609
	<hr/>
Net book value of registrations	
At 31st July 2000	36,533
	<hr/>
At 31st July 1999	27,627
	<hr/>

The European Commission is currently reviewing the transfer system for European nationals in Europe. At present the outcome of the review is unknown. The Directors have therefore decided that any adjustment to player carrying values would be speculative and have prepared the accounts on a basis consistent with prior years.

12. Tangible fixed assets

Group	Land and Buildings		Motor vehicles	General plant and equipment	Total
	Freehold £'000	Short leasehold £'000			
Cost or valuation					
At 1st August 1999	44,179	1	189	8,402	52,771
Additions	1,412	-	12	766	2,190
Disposals	-	-	(31)	-	(31)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st July 2000	45,591	1	170	9,168	54,930
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1st August 1999	746	-	89	5,094	5,929
Charged in year	830	-	32	687	1,549
Disposals	-	-	(31)	-	(31)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st July 2000	1,576	-	90	5,781	7,447
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31st July 2000	44,015	1	80	3,387	47,483
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st July 1999	43,433	1	100	3,308	46,842
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Cost or valuation comprises:

At cost	3,563	-	170	9,168	12,901
At 1998 valuation	42,028	1	-	-	42,029
At 31st July 2000	<u>45,591</u>	<u>1</u>	<u>170</u>	<u>9,168</u>	<u>54,930</u>

Company

Cost or valuation

At 1st August 1999	44,179	1	53	8,402	52,635
Additions	1,412	-	-	766	2,178

At 31st July 2000	<u>45,591</u>	<u>1</u>	<u>53</u>	<u>9,168</u>	<u>54,813</u>
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Depreciation

At 1st August 1999	746	-	24	5,094	5,864
Charged in year	830	-	8	687	1,525

At 31st July 2000	<u>1,576</u>	<u>-</u>	<u>32</u>	<u>5,781</u>	<u>7,389</u>
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Net book value

At 31st July 2000	<u>44,015</u>	<u>1</u>	<u>21</u>	<u>3,387</u>	<u>47,424</u>
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At 31st July 1999	<u>43,433</u>	<u>1</u>	<u>29</u>	<u>3,308</u>	<u>46,771</u>
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Cost or valuation comprises:

At cost	3,563	-	53	9,168	12,784
At 1998 valuation	42,028	1	-	-	42,029

At 31st July 2000	<u>45,591</u>	<u>1</u>	<u>53</u>	<u>9,168</u>	<u>54,813</u>
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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 other properties were valued on the basis of Open Market Value.

The directors are not aware of any material change in value and therefore the valuations have not been updated.

Freehold land totalling £5,636,000 (1999 - £5,636,000) 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	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Cost	48,140	46,728	48,140	46,728
Depreciation	<u>(6,674)</u>	<u>(5,791)</u>	<u>(6,674)</u>	<u>(5,791)</u>
	41,466	40,937	41,466	40,937

Fixed assets held under finance leases are as follows:

	Group and Company 2000	Group and Company 1999
	General plant and equipment £'000	General plant and equipment £'000
Net book value	1,808	2,084
Depreciation charged in year	<u>276</u>	<u>276</u>

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:

	Cost and Net Book Value £'000
<u>Shares</u>	
At 1st August 1999 and at 31st July 2000	<u>1,345</u>

At 31st July 2000, the Company had the following principal subsidiary undertaking which is registered and operates in England and Wales:

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

14. Stocks

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Stocks	1,051	450	1,051	450

Stocks comprise merchandising goods held for resale.

15. Debtors

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	9,568	3,310	140	72
Other debtors	400	933	381	305
Amounts owed by Group undertakings	-	-	10,620	3,785
Prepayments and accrued income	<u>573</u>	<u>1,556</u>	<u>141</u>	<u>214</u>
	<u>10,541</u>	<u>5,799</u>	<u>11,282</u>	<u>4,376</u>

Trade debtors above include £7,813,000 (1999 - £718,000) in respect of the disposal of players' registrations. £613,000 of this figure is receivable after one year (1999 - £nil).

16. Creditors - amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank loan	1,176	250	1,176	250
Bank overdraft	12,398	3,586	11,679	9,557
Obligations under finance leases and hire purchase contracts	327	638	327	638
Trade creditors	4,750	5,150	315	282
Bills of exchange payable	5,000	-	-	-
Corporation tax	1,681	1,182	653	1,175
Other tax and social security	2,649	3,353	-	-
Other creditors	1,319	610	260	198
Accruals and deferred income	<u>15,738</u>	<u>17,234</u>	<u>1,061</u>	<u>1,444</u>
	<u>45,038</u>	<u>32,003</u>	<u>15,471</u>	<u>13,544</u>

Bills of exchange payable above include £5,000,000 in respect of the acquisition of players' registrations (1999 - £nil).

Trade creditors above include £4,224,000 in respect of the acquisition of players' registrations (1999 - £4,408,000).

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

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Bank loan	3,824	-	3,824	-
Obligations under finance leases and hire purchase contracts	601	928	601	928
Bills of exchange payable	1,000	-	-	-
Deferred income	10	47	-	-
Grants - deferred credits	2,589	2,642	2,589	2,642
	<u>8,024</u>	<u>3,617</u>	<u>7,014</u>	<u>3,570</u>

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

Bills of exchange payable above include £1,000,000 in respect of the acquisition of players' registrations (1999 - £nil).

The maturity profile of the Group's financial liabilities at the balance sheet date was as follows:

	2000		1999	
	£'000	£'000	£'000	£'000
	Borrowings	Other liabilities	Borrowings	Other liabilities
	Bank loans and overdraft	Finance leases	Bank loans and overdraft	Finance leases
In one year or less or on demand	13,574	327	3,836	638
In more than one year but not more than two years	1,176	356	-	327
In more than two years but not more than five years	2,648	245	-	601
	<u>17,398</u>	<u>928</u>	<u>3,836</u>	<u>1,566</u>

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	Weighted average time for which rate is fixed
	£'000	£'000	£'000	%	Years
2000	<u>18,326</u>	<u>17,398</u>	<u>928</u>	<u>8</u>	<u>3</u>
1999	<u>5,402</u>	<u>3,836</u>	<u>1,566</u>	<u>7</u>	<u>3</u>

The floating rate borrowings are all denominated in sterling and are all referenced to London Inter Bank Offer Rate (LIBOR).

The Group has £1,000,000 (1999 - £nil) of long term non-interest bearing financial liabilities for which the average period to maturity is one year (1999 - nil).

As at the balance sheet date the Group had the following undrawn committed bank borrowing facilities:

	2000	1999
	£000	£000
In one year or less or on demand	<u>10,102</u>	<u>8,914</u>

The Group has £613,000 (1999 - £nil) of long term non-interest bearing financial assets for which the average period to maturity is two years (1999 - nil).

There is no material difference between the fair value and the carrying amount of the Group's financial assets or liabilities. Short term debtors and creditors have been excluded from all 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.

18. Provisions for liabilities and charges	Group	Company
	£000	£000
Deferred taxation		
At 1st August 1999	3,950	-
Credited to the Profit and Loss Account	(2,659)	-
Decrease in ACT set off	<u>11</u>	<u>-</u>
At 31st July 2000	<u>1,302</u>	<u>-</u>

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

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(2)	(1)	-	-
Registrations	<u>1,304</u>	<u>3,962</u>	<u>-</u>	<u>-</u>
	1,302	3,961	-	-
Advance corporation tax recoverable	<u>-</u>	<u>(11)</u>	<u>-</u>	<u>-</u>
	1,302	3,950	-	-
	<u>1,302</u>	<u>3,950</u>	<u>-</u>	<u>-</u>

The potential amount of unprovided deferred taxation is as follows:

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Accelerated capital allowances	3,517	2,581	3,517	2,581
Other short term timing differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,517</u>	<u>2,581</u>	<u>3,517</u>	<u>2,581</u>

The above figures exclude taxation payable:

- (a) on disposal of revalued properties, since no material liability is anticipated; and
- (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 1999 and 2000 - ordinary shares of 5 pence each	<u>108,000,000</u>	<u>5,400</u>
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	<u>188,210</u>	<u>10</u>
At 31st July 2000 - ordinary shares of 5 pence each	<u>101,694,480</u>	<u>5,085</u>

As at 31st July 2000 options over 2,573,800 (1999 – 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:

<u>Options exercisable between</u>	<u>Option Price Per Share *</u>	<u>At 1 August 1999</u>	<u>Exercised</u>	<u>At 31 July 2000</u>
30 March 1997 –				
29 March 2004	15.96p	295,970	136,830	159,140
18 October 1998 –				
17 October 2005	30.84p	371,040	51,380	319,660
20 November 1999 –				
19 November 2006	123.20p	845,000	-	845,000
4 April 2001 –				
3 April 2008	68.00p	300,000	-	300,000
28 November 2001 –				
27 November 2008	73.50p	750,000	-	750,000
4 March 2002 –				
3 March 2009	76.50p	<u>200,000</u>	<u>-</u>	<u>200,000</u>
		<u>2,762,010</u>	<u>188,210</u>	<u>2,573,800</u>

No share options were granted or lapsed during the year.

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

20. Reserves

	Share premium account £'000	Group Revaluation reserve £'000	Profit and loss account £'000	Share premium account £'000	Company Revaluation reserve £'000	Profit and loss account £'000
At 1st August 1999	11,259	2,716	22,098	11,259	2,376	17,118
Share options exercised	28	-	-	28	-	-
Profit for the financial year	-	-	58	-	-	2,751
Amortisation of revaluation reserve	-	(48)	48	-	(48)	48
At 31st July 2000	<u>11,287</u>	<u>2,668</u>	<u>22,204</u>	<u>11,287</u>	<u>2,328</u>	<u>19,917</u>

21. Reconciliation of movements in Group shareholders' funds

	Year ended July 2000 £'000	Year ended July 1999 £'000
Profit for the year	58	846
Share options exercised	<u>38</u>	<u>174</u>
Net addition to shareholders' funds	96	1,020
Opening shareholders' funds	<u>41,148</u>	<u>40,128</u>
Closing shareholders' funds	<u>41,244</u>	<u>41,148</u>

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

	Year ended July 2000 £'000	Year ended July 1999 £'000
Operating loss	(4,042)	(170)
Depreciation charge	1,549	1,410
Amortisation of registrations	11,520	9,087
Loss on disposal of tangible fixed assets	-	237
Increase in stocks	(601)	(106)
Decrease/(increase) in debtors	958	(1,482)
(Decrease)/increase in creditors	<u>(1,951)</u>	<u>4,555</u>
Net cash inflow from operating activities	<u>7,433</u>	<u>13,531</u>

23. Reconciliation of net cash flow to movement in net debt

	Year ended July 2000 £'000	Year ended July 1999 £'000
Decrease in cash in the year	(8,812)	(3,601)
Cash (inflow)/outflow from increase in debt and lease financing	(4,112)	1,618
Cash inflow from decrease in liquid resources	—	(399)
Movement in net debt in the year	(12,924)	(2,382)
Net debt at 1st August 1999	<u>(5,402)</u>	<u>(3,020)</u>
Net debt at 31st July 2000	<u>(18,326)</u>	<u>(5,402)</u>

24. Analysis of movement in net debt

	At 1st August 1999 £'000	Cashflow £'000	At 31st July 2000 £'000
Cash at bank and in hand	-	-	-
Overdraft	<u>(3,586)</u>	<u>(8,812)</u>	<u>(12,398)</u>
Cash as shown on balance sheet	(3,586)	(8,812)	(12,398)
Debt due within one year	(250)	(926)	(1,176)
Debt due after more than one year	-	(3,824)	(3,824)
Finance leases	<u>(1,566)</u>	<u>638</u>	<u>(928)</u>
	<u>(1,816)</u>	<u>(4,112)</u>	<u>(5,928)</u>
Net debt	<u>(5,402)</u>	<u>(12,924)</u>	<u>(18,326)</u>

25. Analysis of changes in financing during the year

	Share capital £'000	Share premium account £'000	Hire purchase and finance lease obligations £'000	Term bank loan £'000
At 1st August 1999	5,075	11,259	1,566	250
Cash inflow/(outflow) from financing	10	28	(638)	4,750
At 31st July 2000	<u>5,085</u>	<u>11,287</u>	<u>928</u>	<u>5,000</u>

26. Commitments

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Land and buildings:				
Leases expiring within one year	-	14	-	14
Leases expiring within two to five years	96	-	96	-
Leases expiring in more than five years	<u>129</u>	<u>65</u>	<u>129</u>	<u>65</u>
	225	79	225	79
	—	—	—	—
Other:				
Leases expiring within one year	—	<u>102</u>	—	<u>32</u>
	-	102	-	32
	—	—	—	—
Capital commitments were as follows:				
contracted	-	-	-	-
authorised but not contracted	-	216	-	216
	—	<u>216</u>	—	<u>216</u>
	—	—	—	—

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 £27,000 (1999 - £26,000) 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).

During the year the Company was invoiced £2,995 (1999 - £nil) plus VAT by Viglen Limited for computer maintenance services. At the balance sheet date £27,000 (1999 - £nil) was due to the Company from Viglen Limited. Sir Alan Sugar wholly owns Amshold Group Limited the ultimate parent Company of Viglen Limited.

During the year the Company invoiced £28,600 (1999 - £26,000) plus VAT for advertising and £nil (1999 - £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). Sir Alan Sugar has a substantial minority shareholding in Amstrad plc.

During the year the Company was invoiced £8,033 (1999 - £10,933) plus VAT for aircraft hire supplied by Amsail Limited. Sir Alan Sugar wholly owns Amshold Group Limited, the ultimate parent Company of Amsail Limited.

Except for the balance disclosed above, there were no other balances outstanding at the balance sheet date in 2000 or 1999.

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 pages 13 to 15.

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 £163,000 (1999 - £152,000).

An actuarial review recently carried out identified a deficit on the Football League Limited Pension and Life Assurance Scheme. The Group is one of a number of participating employers in the scheme. The details of the Group's share of this deficit have not yet been specifically reported to the Group. The Directors estimate that if there were any deficit for which the Group might be responsible, the amount would be immaterial.

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 30th August 2000 Ruel Fox was sold to West Bromwich Albion for £187,500.

Five Year Review

	July 2000 £'000	July 1999 £'000	July 1998 £'000	July 1997 £'000	Pro forma 12 months to July 1996 £'000
Turnover	<u>47,974</u>	<u>42,585</u>	<u>31,189</u>	<u>27,874</u>	<u>25,589</u>
Operating (loss)/profit	(4,042)	(170)	(1,711)	2,765	6,941
Profit on disposal of registrations	3,987	1,889	780	4,356	4,823
Exceptional items	-	-	-	-	(7,290)
(Loss)/profit before interest and taxation	<u>(55)</u>	<u>1,719</u>	<u>(931)</u>	<u>7,121</u>	<u>4,474</u>
Net interest (payable)/receivable	(702)	(426)	(39)	452	(257)
(Loss)/profit on ordinary activities before taxation	<u>(757)</u>	<u>1,293</u>	<u>(970)</u>	<u>7,573</u>	<u>4,217</u>
Taxation	<u>815</u>	<u>(447)</u>	<u>(2,192)</u>	<u>(228)</u>	<u>(2,713)</u>
Profit/(Loss) for the financial year	<u>58</u>	<u>846</u>	<u>(3,162)</u>	<u>7,345</u>	<u>1,504</u>
Dividends	-	-	(584)	(1,007)	(941)
Retained profit/(loss)	<u>58</u>	<u>846</u>	<u>(3,746)</u>	<u>6,338</u>	<u>563</u>
Net assets					
Intangible fixed assets	36,533	27,627	20,633	22,624	10,215
Tangible fixed assets	47,483	46,842	45,833	36,562	35,093
Net current liabilities	<u>(33,446)</u>	<u>(25,754)</u>	<u>(17,802)</u>	<u>(8,632)</u>	<u>(37)</u>
Total assets less net current liabilities	<u>50,570</u>	<u>48,715</u>	<u>48,664</u>	<u>50,554</u>	<u>45,271</u>
Provisions and Creditors – amounts falling due after more than one year	<u>(9,326)</u>	<u>(7,567)</u>	<u>(8,536)</u>	<u>(6,686)</u>	<u>(7,835)</u>
Net assets	<u>41,224</u>	<u>41,148</u>	<u>40,128</u>	<u>43,868</u>	<u>37,436</u>
Earnings/(Loss) per share	0.1p	0.8p	(3.1p)	7.3p	1.7p
Dividends per share	0.00p	0.00p	0.58p	1.00p	0.86p

Following the share subdivision in February 1997, the 1996 figures for 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 seventeenth Annual General Meeting of Tottenham Hotspur plc will be held at Bill Nicholson Way, 748 High Road, Tottenham, London, N17 0AP at 2.30pm on 7th December 2000 for the following purposes.

AS ORDINARY BUSINESS:

1. To receive the report of the directors and the audited Accounts for the year ended 31st July 2000.
2. To re-elect Mr J. Sedgwick as a director who retires by rotation and being eligible offers himself for re-election.
3. To re-appoint Deloitte & Touche as Auditors to the Company and to authorise the directors to determine their remuneration.

AS SPECIAL BUSINESS:

To consider and, if thought fit, pass resolution 4 below as an ordinary resolution and resolution 5 below as a special resolution.

ORDINARY RESOLUTION

4. 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 £315,276 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 fifteen 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 10th December 1999, which is hereby revoked with immediate effect.

SPECIAL RESOLUTIONS

5. THAT, subject to the passing of Resolution 5 set out in the Notice convening an Annual General Meeting of the Company for 7th December 2000, 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 £254,236.

By Order of the Board,

Ireland LLB
Company Secretary

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

Registered in England and Wales with Company number 1706358

5th October 2000

EXPLANATORY NOTES ON RESOLUTIONS 4 & 5

Resolution 4

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 4, 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 £315,276 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.

2. Resolution 5

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 5, 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 £254,236 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.

Please note that 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 10th December 1999, and which are due to expire at the forthcoming Annual General Meeting.

INFORMATION FOR SHAREHOLDERS

How to vote

Only those shareholders on the register of members as at 2.30pm on 5th December 2000 are entitled to attend and vote at the Annual General Meeting (the "Meeting").

Any such shareholder is entitled to appoint a proxy to attend instead of him or her. A proxy need not be a shareholder of the Company. A proxy cannot ask questions and can vote in a poll only and not on a show of hands.

A proxy voting form for the Meeting is enclosed with the Annual Report and Accounts. To be valid, a duly completed proxy voting form must reach Capita IRG Plc, Balfour House, 390-398 High Road, Ilford, Essex IG1 1BR by 2.30pm on 5th December 2000.

Shareholders who returned completed proxy voting forms may still attend the Meeting instead of their proxy and vote in person if they wish. In the event of a poll in which the shareholder votes in person, his/her proxy votes will be excluded.

Documents

Any documents stated to be available for inspection in the Annual Report and Accounts may be inspected during business hours at the registered office of the Company (weekends and public holidays excluded) and will also be available for inspection at the place of the Meeting from 2.00pm on the day of the Meeting until the conclusion of the Meeting.

Who may attend?

Only shareholders or their proxies or corporate representatives are entitled to attend the meeting. No-one else will be admitted.

Please bring to the Meeting the attendance card attached to your Form of Proxy. You will be asked to show it at the entrance and not bringing it with you could delay your admission. Shareholders may also be required to provide proof of identity.

On admission you will receive a voting card in exchange for your attendance card.

If you have been appointed as a proxy, please make this fact known to the admission staff who will direct you to the appropriate desk.

Security

There will be security checks at the entrance to the venue. To speed admission, it would be helpful if you did not bring briefcases or large bags. Cameras, mobile phones, lap top computers or tape recorders will not be allowed into the Meeting.

Asking questions at the Meeting

During the Meeting, the Chairman will give shareholders or corporate representatives (not proxies) the opportunity to ask questions on the Resolutions proposed at the Meeting which are set out in the Notice of Meeting. Proxies cannot vote on a show of hands but can vote on a poll. Corporate representatives can vote on a show of hands and on a poll.

About the Meeting

At the Meeting, you will be asked to vote on the Resolutions which are set out in the Notice of Meeting and therefore it would be helpful if you bring the Annual Report and Accounts to the Meeting.

Smoking

Smoking will not be permitted in the auditorium.

Enquiries

If you have any enquiries about the Meeting, our Company Secretary will be pleased to help. Please call him on 020 8365 5211 or by fax on 020 8365 5022.