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# Tottenham Hotspur plc

ANNUAL REPORT AND ACCOUNTS 1990



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## Directors and advisers

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*Directors* Douglas Alexiou LL.B (Acting Chairman)  
Ian Gray F.C.A. (Chief Executive)  
Antony Berry F.C.C.A.  
Paul Bobroff  
Frank Sinclair

*Secretary* Ian Gray F.C.A.

*Registered office* 748 High Road, Tottenham, London N17 0AP

*Auditors* KPMG Peat Marwick McLintock,  
Chartered Accountants  
1 Puddle Dock, Blackfriars, London EC4V 3PD

*Solicitors* Ashurst Morris Crisp,  
Broadwalk House, 5 Appold Street, London EC2A 2HA  
  
Berwin Leighton,  
Adelaide House, London Bridge, London EC4R 9HA

*Bankers* Midland Bank plc,  
60 West Smithfield, London EC1A 9DX

*Financial advisers* Brown, Shipley & Co Limited,  
Founders Court, Lothbury, London EC2R 7HE

*Registrars* Barclays Registrars Limited,  
Bourne House, 34 Beckenham Road,  
Beckenham, Kent BR3 4TU

*Financial public relations* Trevor Bass Associates Limited,  
70/74 City Road, London EC1Y 2BJ

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## Chairman's statement

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In my letter to shareholders dated 12th November 1990, I referred to the likely results for the year ended 31st May 1990, saying that the indications were that whilst the Club would report results ahead of the previous year, benefiting in particular from profits on player trading, most of the non-footballing activities would report substantial losses. Taken together with a substantial interest cost and a significant extraordinary loss in connection with the termination of its merchandising agreement with Hummel International Sport and Leisure A/S, a significant overall loss for the period was likely to result. The audited profit and loss account bears this out, with a loss before taxation of £1 million, and a loss after extraordinary items of £2.6 million. In the light of these results, your Board does not recommend the payment of a final dividend.

As I said in my earlier letter, in the light of this trading performance, your Board decided to take positive action to improve the financial and trading performance of the Group. The measures taken included the appointment of a new Chief Executive in July 1990, improvements to the management information systems and controls over the subsidiary companies and a

campaign both to eliminate the loss-making areas of activity and to cut back overheads to a level adequately supported by the scale of the Group's operations.

As shareholders are aware, the Group's borrowings with its bankers have been on demand due to breaches of certain covenants contained in its facility agreements. Your Board has been in negotiations with the Group's bankers regarding their continued support for the Group, and banking facilities have now been agreed to enable the Board to implement their plan of asset disposals and capital raising. However, in view of the short term nature of these facilities, the attached report and accounts have necessarily been qualified on a going concern basis by the Group's auditors.

I had hoped by now to have been in a position to provide you with more information regarding these matters. Your Board and its advisers are working to resolve this situation as speedily as possible, and I will be writing to shareholders again as soon as there is further progress to report.

Douglas Alexiou  
*Acting Chairman*

*15th January 1991*

## Directors' report

The Directors present their annual report and the audited accounts for the year ended 31st May 1990.

### Business review

The principal activities of the Group are the operation of a professional football club, distribution of sports and leisurewear and the supply of computer based products and services to the leisure industry. These activities are reviewed in the Chairman's statement. The results of the Group for the year are set out in the consolidated profit and loss account on page 7.

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

### Dividend

The Directors do not recommend a final dividend (1989 - 4p). The only dividend paid was an interim dividend of 1p per share (1989 - 1p).

### Fixed assets

Details of changes in fixed assets are given in notes 11 and 12 to the accounts.

### Directors

The present Directors of the Company are shown on page 2.

The interests of the Directors and their families in the issued share capital of the Company, which are all beneficial, were as follows:

	31st May 1990 or appointment	31st May 1989
D. A. Alexiou	22,400	22,400
A. G. Berry	800,000	800,000
P. A. Bobroff	1,096,800	1,096,800
I. A. Gray (appointed 3.08.90)	1,000	-
F. P. Sinclair	120,000	100,000
I. A. Scholar (resigned 28.10.90)	2,659,500	2,659,500
D. R. Peter (resigned 31.08.90)	5,500	5,500
R. Holt (resigned 30.06.90)	-	-

Throughout the year, Mr D. R. Peter had an option to purchase 50,000 shares under the executive share option scheme.

There were no changes in the present Directors' interests between 31st May 1990 and 17th December 1990.

None of the Directors had an interest in the share capital of any other Group company.

None of the Directors had a material interest in any contract, other than service contracts, with the Company or any subsidiary at any time during the year.

Since the year end a loan was arranged between The Holborn Property Company Limited, of which Mr I. A. Scholar is a Director and majority shareholder, and the Company. The details of this loan were set out in a letter to shareholders dated 12th November 1990 and are briefly summarised below under the heading Subsequent events.

## Directors' report *(continued)*

### Non executive directors

Mr. Alexiou is 48 and was Deputy Chairman between 1983 and September 1990 when he was appointed Acting Chairman. He became a Director of the Club in 1980 and is the senior partner in a firm of solicitors.

A. G. Berry is 50 and has been a Director since 1987. He was formerly Chairman of Blue Arrow PLC.

P. A. Echroff is 39 and was Chairman between 1983 and September 1990. He is Managing Director of Markheath Securities PLC.

F. P. Sinclair is 74 and has been a Director of the Club since 1985. He is joint Managing Director of Mountview Estates plc.

### Significant shareholdings

Apart from the interests of the Directors, the Company has received notification of interests of 3% or more in the share capital of the Company as at 17th December 1990 as follows:

	No. of shares	%
I. A. Scholar	2,659,500	26.11
Prolific Asset Management Ltd.	435,000	4.27
Sun Life Investment Management Services Ltd.	325,700	3.20
B. J. Kennedy	400,000	3.93

### Tax status

In the opinion of the Directors, the Company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

### Donations

During the year, the Group made charitable donations of £7,400 (1989 - £2,600). There were no political donations during the year (1989 - nil).

### Change in accounting policies

As explained in note 19 to the accounts, a change in accounting policy for the recognition of certain items of income has been adopted. The Directors believe that the new policy is simpler to apply and less judgemental which will ease the preparation of reliable management information.

### Subsequent events

On 1st August 1990 the Holborn Property Company Limited, of which Mr I. A. Scholar is a director and majority shareholder, made an unsecured loan to the Company of £1.1 million on normal commercial terms. The loan is repayable on demand.

By order of the Board

Ian Gray

Secretary

15th January 1991

## Report of the auditors

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### **To the Members of Tottenham Hotspur plc**

We have audited the accounts on pages 7 to 18 in accordance with Auditing Standards.

The accounts have been prepared on a going concern basis as explained in the Basis of accounting note on page 10, which also describes the adjustments to the accounts which would be necessary if this basis is inappropriate and explains that the validity of the going concern basis is dependent upon continued financial support from the Group's bankers or alternative sources of finance being available.

Subject to the effect of the foregoing, in our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31st May 1990 and of the loss and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock

*Chartered Accountants*

London

15th January 1991

# Consolidated profit and loss account

Year ended 31st May 1990

		1990 £'000	(As re-stated see note 19) 1989 £'000
	Note		
<b>Turnover</b>	1	28,018	21,835
Cost of sales and distribution costs		14,272	10,092
Playing department costs		5,467	5,764
Match and ground expenses		2,362	1,484
Administration expenses		4,582	3,300
		<u>26,683</u>	<u>20,640</u>
<b>Profit on ordinary activities before interest</b>		1,335	1,195
Interest payable (net)	3	<u>(2,341)</u>	<u>(665)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	4	(1,006)	530
Taxation	5	<u>(271)</u>	<u>(49)</u>
<b>(Loss)/profit on ordinary activities after taxation</b>		(1,277)	481
Extraordinary item	7	<u>(1,320)</u>	<u>(350)</u>
<b>(Loss)/profit for the financial year</b>	8	(2,597)	131
Dividends	9	<u>(102)</u>	<u>(509)</u>
<b>Transfer from reserves for the financial year</b>		<u>(2,699)</u>	<u>(378)</u>
<b>(Loss)/earnings per share</b>	10	(12.5)p	4.7p

Movement on reserves are shown in note 19 to the accounts.

The notes on pages 10 to 18 form part of these accounts.



## Balance sheets

D. A. Alexiou

## Directors

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# Consolidated statement of source and application of funds

Year ended 31st May 1990

	1990 £'000	(As restated see note 19) 1989 £'000
<b>Source of funds</b>		
(Loss)/profit before taxation	(1,006)	530
Extraordinary item	(1,320)	(350)
	<u>(2,326)</u>	<u>180</u>
 Items not involving the movement of funds:		
Depreciation of tangible fixed assets	730	575
Amortisation of players' registrations	640	250
Loss on sale of fixed assets	187	11
Profit on transfer of players' registrations	(3,173)	(444)
	<u>(1,616)</u>	<u>392</u>
	<u>(3,942)</u>	<u>572</u>
<b>Funds (absorbed by)/generated from operations</b>		
<b>Other sources</b>		
Proceeds from disposal of tangible fixed assets	46	35
Proceeds on transfer of players' registrations	4,130	3,036
Loan advances	-	2,000
	<u>4,176</u>	<u>5,071</u>
	<u>234</u>	<u>5,643</u>
 <b>Application of funds</b>		
Purchase of tangible fixed assets	(8,984)	(3,531)
Purchase of players' registrations	(3,144)	(4,773)
Tax paid	(280)	(307)
Dividends paid	(284)	(613)
Purchase of subsidiary companies	-	(634)
Loans transferred to current liabilities/repaid	(2,000)	(82)
	<u>(14,692)</u>	<u>(9,940)</u>
	<u>(14,458)</u>	<u>(4,297)</u>
 <b>Components of decrease in working capital</b>		
Stocks	(1,988)	1,049
Property held for resale	-	(617)
Debtors	(512)	(583)
Creditors	(5,254)	(1,873)
	<u>(7,754)</u>	<u>(2,024)</u>
 Movement in net liquid funds:		
Overdraft and current portion of loans	(6,717)	(2,002)
Cash balances	13	(271)
	<u>(6,704)</u>	<u>(2,273)</u>
	<u>(14,458)</u>	<u>(4,297)</u>

## 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 on the going concern basis and under the historical cost convention with the exception that certain freehold and leasehold properties have been revalued.

The validity of the going concern basis of preparation is dependent on continued financial support from the Group's bankers or alternative sources of finance being available. The Group's bank finance is currently by way of temporary borrowing facilities. The Group's bankers have indicated that, prior to making longer term facilities available, they require certain conditions to be fulfilled including a substantial reduction in the level of borrowings. The Directors are implementing proposals to satisfy these conditions including the reduction in borrowings by means of asset sales and the raising of further fixed capital.

Should adequate finance not be available and the Group be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

### Basis of consolidation

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

Goodwill arising on the acquisition of a subsidiary is written off directly against reserves in the year of acquisition.

A separate profit and loss account dealing with the results of the Company only has not been presented.

### Turnover

Turnover comprises match and box receipts and proceeds of disposal of players' registrations relating to the current year and sales invoiced during the year, exclusive of Value Added Tax. The software element of contracts signed during the year for standard software products which are fully developed is included in turnover. Revenue from maintenance contracts is recognised over the duration of the contract.

### 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 life 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.

### Transfer fees

The costs of players' registrations are capitalised and, after allowing for estimated residual values, are amortised over the period of the respective players' contracts.

### Finance leases

Assets held under finance leases are included in fixed assets at total rental cost less finance charges. Finance charges are taken to the profit and loss account using the sum-of-the-digits method.

### Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date.

# Notes to the accounts

Year ended 31st May 1990

## 1. Turnover

Turnover comprises:

	1990	1989
	£'000	£'000
Football	12,546	9,047
Retail and distribution	14,474	10,718
Property income	46	946
Other	952	1,124
	<u>28,018</u>	<u>21,835</u>

Proceeds from the sale of player registrations have been included in turnover.

## 2. Staff numbers and costs

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

	1990	1989
Players and football administration staff	76	70
Administration staff	94	92
Retail and distribution staff	74	64
	<u>244</u>	<u>226</u>

The aggregate payroll costs of these employees were as follows:

	1990	1989
	£'000	£'000
Salaries	4,822	3,846
Social security costs	474	366
Other pension costs	103	47
	<u>5,399</u>	<u>4,259</u>

## 3. Interest payable (net)

	1990	1989
	£'000	£'000
Interest receivable	-	(12)
Interest payable on bank overdrafts and loans repayable within five years	2,341	677
	<u>2,341</u>	<u>665</u>

Interest payable amounting to £131,000 has been capitalised during the year (1989 - £212,000) and included in the cost of freehold land and buildings. Tax relief is to be claimed for the full amount in the year.

## Notes to the accounts *continued*

### Year ended 31st May 1990

**4. Profit on ordinary activities**

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

	1990	1989
	£'000	£'000
Depreciation of tangible fixed assets	730	575
Amortisation of players' registrations	640	350
Profit on transfer of players' registrations	(3,173)	(441)
Auditors' remuneration and expenses	64	51
Finance lease charges	41	31
Operating lease rentals	81	86

**5. Taxation**

	1990	1989
	£'000	£'000
UK Corporation tax at 35%:		
Adjustment in respect of prior years	-	(51)
Irrecoverable ACT	278	100
Tax credit	(7)	-
	271	49

**6. Directors and higher paid employees**

The emoluments of the Directors of the Company for the year were £147,200 (1989 - £64,000) of which £9,900 (1989 - £4,000) related to pension contributions.

The Chairman did not receive any emoluments during the year (1989 - nil).

Excluding pension contributions, the emoluments of the highest paid Director were £80,000 (1989 - £41,000).

The number of other Directors whose emoluments fell within the following ranges were:

	1990	1989
£0 - £5,000	4	4
£15,001 - £20,000	-	1
£55,000 - £60,000	1	-

The number of employees of the Company whose emoluments, excluding pension contributions, fell within the following ranges were:

	1990	1989
£40,001 - £45,000	-	1
£70,001 - £75,000	1	-

**7. Extraordinary item**

This represents the costs of cessation of trading of Hummel (UK) Limited.

**8. Loss for the financial year**

The loss for the financial year includes a loss of £7,167,000 (1989 loss £910,000) dealt with in the accounts of the Company.

Notes to the accounts continued  
at 31st May 1990

9. Dividends

	1990 £'000	1989 £'000
Interim dividend of 1p paid (1989 - 1p)	102	102
Final dividend of Nil proposed (1989 - 4p)	-	407
	<u>102</u>	<u>509</u>

10. Loss per share

The calculation of loss per share is based on the loss on ordinary activities after taxation of £1,277,000 (1989 - £481,000 profit) and on 10,185,548 ordinary shares (1989 - 10,185,548) in issue during the year.

11. Tangible fixed assets

Group	Land and buildings Freehold £'000	Short leasehold £'000	Assets in the course of construction £'000	Motor vehicles £'000	General plant and equipment £'000	Total £'000
Cost or valuation						
At 1st June 1989	10,962	57	2,888	497	2,490	16,894
Additions	846	10	6,977	220	931	8,984
Disposals	(50)	-	-	(277)	(50)	(377)
Transfers	10,006	-	(9,865)	-	(141)	-
Revaluations	187	-	-	-	-	187
	<u>21,951</u>	<u>67</u>	<u>-</u>	<u>440</u>	<u>3,230</u>	<u>25,688</u>
Depreciation						
At 1st June 1989	215	20	-	190	1,135	1,560
Charged in the year	323	8	-	80	319	730
Disposals	-	-	-	(129)	(15)	(144)
Revaluations	(486)	-	-	-	-	(486)
At 31st May 1990	<u>52</u>	<u>28</u>	<u>-</u>	<u>141</u>	<u>1,439</u>	<u>1,660</u>
Net book value						
At 31st May 1990	<u>21,899</u>	<u>39</u>	<u>-</u>	<u>299</u>	<u>1,791</u>	<u>24,028</u>
At 31st May 1989	<u>10,747</u>	<u>37</u>	<u>2,888</u>	<u>307</u>	<u>1,355</u>	<u>15,334</u>
Being at cost	116	62	-	440	3,230	3,848
At 1988 valuation	2,085	5	-	-	-	2,090
At 1990 valuation	19,750	-	-	-	-	19,750
At 31st May 1990	<u>21,951</u>	<u>67</u>	<u>-</u>	<u>440</u>	<u>3,230</u>	<u>25,688</u>

Notes to the accounts continued  
Year ended 31st May 1990

11. Tangible fixed assets continued

Company	Land and buildings		Assets in the course of construction £'000	Motor vehicles £'000	General plant and equipment £'000	Total £'000
	Freehold £'000	Short leasehold £'000				
Cost or valuation						
At 1st June 1989	10,810	21	2,888	302	1,994	16,015
Additions	846	-	6,977	(2)	804	8,625
Disposals	(50)	-	-	(141)	-	(191)
Transfers	10,006	-	(9,865)	-	(141)	-
Revaluations	187	-	-	-	-	187
	<u>21,799</u>	<u>21</u>	<u>-</u>	<u>159</u>	<u>2,657</u>	<u>24,636</u>
Depreciation						
At 1st June 1989	215	9	-	119	952	1,295
Charged in the year	323	2	-	31	245	601
Disposals	-	-	-	(81)	-	(81)
Revaluations	(486)	-	-	-	-	(486)
At 31st May 1990	<u>52</u>	<u>11</u>	<u>-</u>	<u>69</u>	<u>1,197</u>	<u>1,329</u>
Net book value						
At 31st May 1990	<u>21,747</u>	<u>10</u>	<u>-</u>	<u>90</u>	<u>1,460</u>	<u>23,307</u>
At 31st May 1989	<u>10,595</u>	<u>12</u>	<u>2,888</u>	<u>183</u>	<u>1,042</u>	<u>14,720</u>
Being at cost	100	16	-	159	2,657	2,932
At 1988 valuation	1,949	5	-	-	-	1,954
At 1990 valuation	19,750	-	-	-	-	19,750
At 31st May 1990	<u>21,799</u>	<u>21</u>	<u>-</u>	<u>159</u>	<u>2,657</u>	<u>24,636</u>

The stadium was valued in 1990 on the basis of depreciated replacement cost by Healey & Baker, International Surveyors and Valuers. The other properties were valued in 1988 on the basis of open market value for their existing use in the case of properties occupied primarily by the Company and the remainder on the basis of open market value.

Freehold land totalling £1,914,000 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	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Cost	18,436	7,631	18,296	7,494
Depreciation	(1,581)	(1,287)	(1,256)	(962)
	<u>16,855</u>	<u>6,344</u>	<u>17,040</u>	<u>6,532</u>

Included above are which are held under finance leases as follows:

	Group		Company	
	1990 £'000	1990 £'000	1990 £'000	1990 £'000
Motor vehicles				
Cost			219	114
Depreciation			54	31
General plant and equipment				
Cost			371	371
Depreciation			74	74

# Notes to the accounts *continued*

Year ended 31st May 1990

## 12. Intangible fixed assets

### Group

Cost of players' registrations  
£'000

Cost	8,211
At 1st June 1989	3,144
Additions	(1,040)
Disposals	<u>10,315</u>
At 31st May 1990	
Amortisation	351
At 1st June 1989	640
Charged in year	(83)
Disposals	<u>903</u>
At 31st May 1990	
Net book value	9,407
At 31st May 1990	<u>7,867</u>
At 31st May 1989	

## 13. Investments held as fixed assets

Investments held as fixed assets by the Company represent the investments in subsidiary companies which may be analysed as follows:

	Shares £'000	Loans £'000	Total £'000
Cost			
At 1st June 1989 and 31st May 1990	<u>4,504</u>	<u>3,291</u>	<u>7,795</u>
Provision			
At 1st June 1989	-	500	500
Provision during the year	<u>3,160</u>	<u>1,451</u>	<u>4,611</u>
At 31st May 1990	<u>3,160</u>	<u>1,951</u>	<u>5,111</u>
Net book value			
At 31st May 1990	<u>1,344</u>	<u>1,340</u>	<u>2,684</u>
At 31st May 1989	<u>4,504</u>	<u>2,791</u>	<u>7,295</u>

The Company has the following principal subsidiaries which are all incorporated in and operate in Great Britain:

	Share class	Holding
The Tottenham Hotspur Football and Athletic Company Limited - professional football club	Ordinary	100%
Martex Limited - clothing importation and wholesale	Ordinary	100%
Lynchro Systems Limited - supplier of computer based products and services to the leisure industry	Ordinary	75%
Cockerel Books Limited - publisher of books and videos	Ordinary	100%



# Notes to the accounts continued

## Year ended 31st May 1990

### 14. Debtors

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Amounts due from subsidiaries	-	-	1,326	665
Trade debtors	1,992	2,287	86	87
Other debtors	913	892	48	22
Prepayments	204	442	67	115
Advance corporation tax recoverable	136	381	-	245
	<u>3,245</u>	<u>4,002</u>	<u>1,965</u>	<u>1,834</u>

### 15. Creditors – amounts falling due within one year

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Amounts due to subsidiaries	-	-	4,779	-
Bank loans	5,500	700	5,500	700
Bank overdraft	6,793	4,876	5,180	3,336
Payments received in advance	1,300	1,144	-	-
Trade creditors	5,559	2,157	3,364	278
Other creditors	1,678	23	1,043	-
Corporation tax	-	120	-	-
Other tax and social security	680	153	615	104
Accruals	989	722	573	530
Current obligations under finance leases	206	247	76	89
Dividend	225	407	23	407
Advance corporation tax payable	34	170	34	170
	<u>22,964</u>	<u>10,719</u>	<u>21,484</u>	<u>5,614</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the Group.

### 16. Creditors – amounts falling due after more than one year

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Bank loan	-	2,000	-	2,000
Amounts owed to subsidiaries	-	-	-	2,563
Other creditors	-	1,027	-	1,027
Payments received in advance	25	49	-	-
Accruals	-	9	-	-
Non-current obligations under finance leases	412	64	257	56
	<u>437</u>	<u>3,149</u>	<u>257</u>	<u>5,646</u>

The finance lease obligations are all repayable within five years.

# Notes to the accounts continued

## Year ended 31st May 1990

### 17. Provision for liabilities and charges

No provision for deferred taxation is considered necessary. The full potential amount of deferred taxation is set out below:

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Accelerated capital allowances	848	407	848	398
Available losses	(1,720)	(553)	(786)	(49)
Advance corporation tax recoverable	(588)	(292)	-	(292)
Short term timing differences	(62)	(57)	(62)	(57)
Capitalisation of players' registrations	3,292	2,751	-	-
	<u>1,770</u>	<u>2,256</u>	<u>-</u>	<u>-</u>

The above figures exclude taxation payable on disposal of revalued properties, since there is no intention to dispose of these.

### 18. Share capital

	Number	£'000
Ordinary shares of 25 pence each		
Authorised:		
At 31st May 1989 and 1990	<u>12,000,000</u>	<u>3,000</u>
Issued, called up and fully paid:		
At 31st May 1989 and 1990	<u>10,185,548</u>	<u>2,546</u>

Options to subscribe for 400,000 shares at a price of 115p are in existence in accordance with the rules of the Executive Share Option Scheme. The options are normally exercisable between 7th March 1991 and 7th March 1998.

### 19. Reserves

	Group		Company	
	Profit and loss account	Revaluation reserve	Profit and loss account	Revaluation reserve
	1990	1990	1990	1990
	£'000	£'000	£'000	£'000
Balance previously stated at 1st June 1989	7,450	4,898	4,106	4,514
Prior year adjustment (of which £83,000 is an adjustment at 1st June 1988)	(479)	-	-	-
	<u>6,971</u>	<u>4,898</u>	<u>4,106</u>	<u>4,514</u>
As re-stated	-	675	-	675
Revaluation in year				
Retained (loss) for the year before provision against investment in subsidiaries	(2,699)	-	(2,658)	-
Provision investment in subsidiaries	-	-	(4,611)	-
Other movement	303	(303)	303	(303)
	<u>4,575</u>	<u>5,270</u>	<u>(2,860)</u>	<u>4,886</u>
Balance at 31st May 1990				

The prior year adjustment reflects the effect of a change in accounting policy principally relating to income recognition on the software element of contracts. Comparative figures throughout these accounts have been restated to give effect to this change.

The other movement represents the transfer from revaluation reserve of depreciation on the revaluation surplus.

Notes to the accounts continued  
Year ended 31st May 1990

**20. Commitments**

Capital commitments at 31st May 1990 for which no provision has been made in these accounts were as follows:

Group and Company	1990 £'000	1989 £'000
Contracted	-	3,000
Authorised but not contracted	-	1,000

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Leases expiring within 1 year	10	14	-	-
Leases expiring within 2 to 5 years	36	115	11	7
Leases expiring in more than 5 years	-	21	-	-
	<u>46</u>	<u>150</u>	<u>11</u>	<u>7</u>

**21. Pensions**

Eligible staff of the Group are members of the Football League Limited Pension and Life Assurance Scheme. Certain employees are members of other schemes in the Group.

Company contributions are charged against profit in the year in which they are made.

**22. Contingent liabilities**

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

The Company has entered into certain trade bonds for the purpose of its travel business. At 31st May 1990 these amounted to £110,000 (1989 - £55,000).

## Five year review

	(As re-stated see notes 1 and 2 below)				
	1986	1987	1988	1989	1990
	£'000	£'000	£'000	£'000	£'000
<b>Turnover</b>	<b>6,431</b>	<b>9,863</b>	<b>15,925</b>	<b>21,835</b>	<b>28,018</b>
<b>Operating profit/(loss)</b>	<b>(472)</b>	<b>1,631</b>	<b>2,047</b>	<b>1,195</b>	<b>1,335</b>
<b>Interest (payable)/receivable</b>	<b>(104)</b>	<b>74</b>	<b>(120)</b>	<b>(665)</b>	<b>(2,341)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>(576)</b>	<b>1,705</b>	<b>1,927</b>	<b>530</b>	<b>(1,006)</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>	<b>(136)</b>	<b>(49)</b>	<b>(271)</b>
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>(576)</b>	<b>1,705</b>	<b>1,791</b>	<b>481</b>	<b>(1,277)</b>
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>(13)</b>	<b>-</b>	<b>-</b>
<b>Extraordinary items</b>	<b>-</b>	<b>4,678</b>	<b>-</b>	<b>(350)</b>	<b>(1,320)</b>
<b>Profit/(loss) for the financial year</b>	<b>(576)</b>	<b>6,383</b>	<b>1,778</b>	<b>131</b>	<b>(2,597)</b>
<b>Dividends</b>	<b>-</b>	<b>(383)</b>	<b>(508)</b>	<b>(509)</b>	<b>(102)</b>
<b>Retained profit/(loss)</b>	<b>(576)</b>	<b>6,000</b>	<b>1,270</b>	<b>(378)</b>	<b>(2,699)</b>
<b>Shareholders' funds</b>					
Tangible fixed assets	8,690	8,872	12,424	15,334	24,028
Intangible fixed assets	2,897	4,932	5,929	7,860	9,407
Net current assets/(liabilities)	(2,152)	2,039	526	(3,018)	(17,995)
<b>Total assets less current liabilities</b>	<b>9,435</b>	<b>15,843</b>	<b>18,879</b>	<b>20,176</b>	<b>15,440</b>
<b>Creditors -- amounts falling due after more than one year</b>	<b>(169)</b>	<b>(142)</b>	<b>(737)</b>	<b>(3,149)</b>	<b>(437)</b>
	<b>9,266</b>	<b>15,701</b>	<b>18,142</b>	<b>17,027</b>	<b>15,003</b>
<b>Minority interests</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>
<b>Shareholders' funds</b>	<b>9,266</b>	<b>15,701</b>	<b>18,122</b>	<b>17,027</b>	<b>15,003</b>
<b>Earnings/(loss) per share</b>	<b>(6.2p)</b>	<b>18.4p</b>	<b>18.1p</b>	<b>4.7p</b>	<b>(12.5p)</b>
<b>Dividends per share</b>	<b>-</b>	<b>4.0p</b>	<b>5.0p</b>	<b>5.0p</b>	<b>1.0p</b>

Note 1. The turnover figures for 1989 and earlier have been re-stated.

Note 2. Figures for 1988 and earlier have been re-stated to show the effect of the change in accounting policy relating to players' registrations.

Note 3. Figures for 1989 have been restated to show the effect of the change in accounting policy explained in note 19 to the accounts. The effect on earlier years is considered to be immaterial.

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## Notice of meeting

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NOTICE IS HEREBY GIVEN that the adjourned Seventh Annual General Meeting of Tottenham Hotspur plc will be re-convened at Tottenham Hotspur Football Club, 748 High Road, London N17 0AP on Tuesday 26th February, 1991 at 10.30 a.m. for the purposes of considering the following ordinary business:

1. To receive the Directors' Report and Accounts of the Company for the year ended 31st May, 1990
2. To re-elect Mr. Ian Gray as a Director, who was appointed by the Board during the year.
3. To re-elect Mr. Antony G. Berry as a Director, who retires by rotation and, being eligible, offers himself for re-election.
4. To re-elect Mr. Nat Solomon as a Director, who was appointed by the Board after the year end.
5. To re-appoint KPMG Peat Marwick McLintock as auditors to the Company and to authorise the Directors to fix their remuneration.

Dated 15th January, 1991

By Order of the Board

I.A. Gray F.C.A.,  
Secretary

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

NOTES:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and on a poll, to vote in his place. A proxy need not be a member of the Company.
2. To be valid an instrument of proxy and any letter or power of attorney (or a duly certified copy thereof) must (falling previous registration with the Company) be lodged with the Company's Registrars, Barclays Registrars Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU at least 48 hours before the time appointed for holding the meeting.
3. The register of Directors' interests in the shares of the Company and copies of the Directors' contracts of service will be available for inspection at the registered office of the Company during usual business hours from 15th January, 1991 until the date of the Annual General Meeting and also at the place of meeting on the date of that meeting from 10.15 a.m. until its conclusion.