

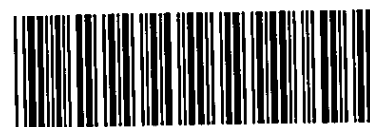
Company Registration No. 57186

**TOTTENHAM HOTSPUR FOOTBALL
AND ATHLETIC CO. LIMITED**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 01/07/07 TO 30/06/08

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D.P. Levy
M.J. Collecott
P.J. Barber
D. Comolli (resigned 31 October 2008)
D. Cullen

SECRETARY

M.J. Collecott

REGISTERED OFFICE

Bill Nicholson Way
748 High Road
London
N17 0AP

BANKERS

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

SOLICITORS

CKFT Solicitors
25-26 Hampstead High Street
London
NW3 1QA

AUDITORS

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

DIRECTORS' REPORT (CONTINUED)

The Directors present their report and the audited financial statements for the year ended 30 June 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of Tottenham Hotspur Football & Athletic Co. Ltd ("the Company") is the operation of a professional football club. The Company derives its income principally from managing the provision of football entertainment for White Hart Lane Stadium Limited.

Under the terms of a management agreement, the Company manages the provision of football entertainment at the White Hart Lane Stadium, for White Hart Lane Stadium Limited, for which it charges a management fee.

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

The Club progressed well in all competitions during the year.

The commercial activities of the club continued to produce substantial income. The directors expect the Company to continue to trade profitably before taking into account the amortisation and disposal of player registrations.

Turnover

This year the Club has again attained record revenue, rising from £94.1m to £102.9m. This 9% increase can largely be attributed to the new central FA Premier League (FAPL) TV deal, and our success in the Carling Cup.

The new central FAPL TV rights deal for this season resulted in a substantial increase in TV and broadcasting revenues of 20% to £40.3m (2007: £33.7m). These were supplemented by TV monies from our cup runs but our merit fee award was reduced as a result of our final league position of eleventh compared to fifth the previous season.

The Club's second successive campaign in the UEFA Cup saw us reach the last sixteen, there was a fourth round defeat in the F.A. Cup to Manchester United and eleventh place in the FAPL, but we won our first piece of silverware in nine years lifting the Carling Cup at Wembley Stadium. In total, the cup competitions raised £3.4m (2007: £2.2m) in gate receipts from away games and prize monies.

Sponsorship income, aided by a Carling Cup win bonus, rose by £0.8m as we enjoyed our second season with MANSION and PUMA. Additionally, during the period, the Club established new partnerships with BT, as broadband partner, and Thomas Cook, as travel services partner, and renewed its agreement with Carlsberg.

Operating expenses (excluding football trading)

Operating expenses before football trading rose by £12.8m to £83.2m in the year. Player salaries have risen due to an enlarged playing squad and one-off costs which were incurred related to the restructuring of coaching staff.

Player salaries remain the club's biggest cost. Whilst more money enters the game, primarily from the central FAPL TV deal, we endeavour to control our significant cost base. The club continues to adopt its policy of rewarding the performances of both staff and players based on the continuing success of the club and their respective departments.

Football trading

During the financial year the following players joined the Club: Jonathan Woodgate, Alan Hutton, Younes Kaboul, Kevin-Prince Boateng, Chris Gunter, Gilberto, Daniel Rose and Yuri Berchiche for a combined sum of £32.7m.

Jermain Defoe, Hossam Ahmed Mido, Reto Ziegler, Emil Hallfredsson, Mark Yeates, Phil Irl, Lee Barnard and Wayne Routledge left the Club during the financial year for a combined sale price of £18.8m.

Profit on the disposal of players was £17.8m for the financial year, including a further contingent amount of £3.4m in relation to the Michael Carrick transfer to Manchester United.

Since the year end we have added the following quality players to our squad as we embark on our third year in European competition: Luka Modric, Giovanni Dos Santos, Heurlho Gomes, Vedran Corluka, Roman Pavlyuchenko, David Bentley, Jermain Defoe, Wilson Palacios and Carlo Cudicini. Fraizer Campbell has joined on a season long loan.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

DIRECTORS' REPORT (CONTINUED)

The following players have left since the year end: Radek Cerny, Joe Martin, Dimitar Berbatov, Teemu Tainio, Steed Malbranque, Younes Kaboul, Anthony Gardner, Paul Robinson, Tommy Forecast, Young-Pyo Lee, Paul Stalteri, Cesar Sanchez, Hossam Ghaly, Charlie Daniels, Andy Barcham and Dag Olsen. We wish them well.

We have also had Robbie Keane and Pascal Chimbona leave and then return to the Club.

In addition, exciting young talent has joined us for the future including John Bostock, Paul-Jose M'Poku Ebunge and Mirko Ranieri.

Profit before taxation

The overall result of the above is a loss before taxation is £0.5m.

Taxation

The Company has incurred a tax credit of £7.0m in the current year compared to a £6.9m charge for the prior year. Therefore profit after tax is £6.6m.

RISKS AND OPPORTUNITIES

The Company is exposed to a range of risks and uncertainties which have the potential to affect the long-term performance of the Company. Risks are monitored by the Board on a continual basis and the Company seeks to mitigate the risks wherever possible.

The continued success of the First Team in the league, European and domestic cup competitions is an important factor in securing the long-term stability of the Company. This is especially true given the significant increase in income generated from TV revenues under the new central FAPL TV deal.

Our ambitions in these competitions can be achieved with the continued commitment of the playing staff, the football management team and supporters. Our successful approach to nurturing both home grown talent and acquisitions through the transfer market will help the team to secure future success on the pitch.

There is always continued upward pressure on player costs and salaries, which continue to require significant cash outflows. Accordingly, the challenge for the Club continues to be to locate players of both quality and value through the transfer market and Academy.

We continue to explore new opportunities in order to broaden our range of income streams both nationally and internationally. This continued diversification of our income streams will help to ensure the Company is financially robust and increases our stability.

The Club is reliant on the Premier League brand and exposed to external governing bodies of The FA, UEFA and FIFA. Clearly any changes in these bodies can affect our business model.

OUTLOOK

We believe that the Club has continued to build a strong platform for the future through continued investment in the team, in the infrastructure of the Club and through the progress of the Training Centre.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS AND RESULTS

The directors do not recommend the payment of a dividend (2007 - £nil). The company made a profit after tax for the year of £6,560,000 (2007 - £16,449,000 profit).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year, except as noted, were as follows:

D.P. Levy
M.J. Collecott
P.J. Barber
D. Comolli (resigned 31 October 2008)
D. Cullen

* Non-Executive

D. Cullen was appointed as a director on 1 July 2007.

There are no directors' interests in the share capital of the company that are required to be disclosed.

CONTINGENT ASSETS AND LIABILITIES AND POST BALANCE SHEET EVENTS

Details are included in notes 19 and 20 to the accounts.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business the only financial risks that the directors consider relevant to the Company are interest rate risk, currency risk and cash flow risk.

The Company addresses cash flow risk carefully, managing its working capital inflows and outflows. The Company hedges its interest exposure by using fixed interest rate facilities where it is deemed appropriate. The Company is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Company does not enter into complex financial instruments for speculative purposes.

DONATIONS

During the year ended 30 June 2008 the Company made charitable donations of £50,000 (2007 - £84,263). There were no political donations during the year (2007 - £nil). The group, headed by Tottenham Hotspur plc, makes many contributions of Tottenham memorabilia to registered charities, especially in the Tottenham catchment area.

EMPLOYEES

It remains the policy of the Company to provide employees with information on matters of concern to them and to keep them informed about the progress and performance of the Company and, where applicable, of the group. This is achieved through formal and informal staff meetings and regular bi-monthly meetings of an Employee Advisory Committee.

Applications for employment by disabled persons are always fully considered in the light of the respective skills and abilities of those concerned. Training and career development for such a person would, wherever possible, be similar to that of a person fortunate enough not to suffer from a disability. Furthermore, there is a permanent health insurance policy which covers the majority of UK staff whereby, if they suffer an illness or injury which renders them unable to continue employment, they continue to receive a substantial proportion of their remuneration.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

DIRECTORS' REPORT (CONTINUED)

POLICY ON PAYMENT OF CREDITORS

The Company'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 30 June 2008 represented 21 days of annual purchases (2007 – 20 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

AUDITORS

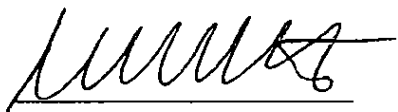
Each of the persons who is a director at the date of approval of this report confirms that:

1. So far as the director is aware, there is no relevant audit information of which the Company's auditors are not aware; and
2. The director has taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

A resolution to re-appoint Deloitte LLP as the Company's auditors was proposed and passed at the Annual General Meeting.

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



M.J. Collecott

Secretary

30 March 2009

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

We have audited the financial statements of Tottenham Hotspur Football & Athletic Co. Limited for the year ended 30 June 2008, which comprise the profit and loss account, the balance sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOTTENHAM
HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED (CONTINUED)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte LLP

Chartered Accountants and Registered Auditors

London, United Kingdom.

30 March 2009

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2008

2008					
	Note	Operations, excluding football trading *	Football trading *	Total	2007 Total
		£'000	£'000	£'000	£'000 (note 2)
TURNOVER	3	102,880	-	102,880	94,102
Operating expenses	4	(83,183)	(37,963)	(121,146)	(89,519)
OPERATING PROFIT / (LOSS)	5	19,697	(37,963)	(18,266)	4,583
Profit on disposal of intangible fixed assets	8	-	17,788	17,788	18,721
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		19,697	(20,175)	(478)	23,304
Tax credit/(charge) on (loss)/profit on ordinary activities	9			7,038	(6,855)
RETAINED PROFIT FOR THE FINANCIAL YEAR	16			6,560	16,449

**Football trading represents the amortisation, impairment, and the profit or loss on disposal of intangible fixed assets and other football trading related income and expenditure.*

The above results for the current and prior year all derive from continuing operations.

There were no gains or losses in either year other than the (loss)/profit for the year, and accordingly no statement of total recognised gains and losses is presented.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED


BALANCE SHEET

AS AT 30 JUNE 2008

	Note	2008 £'000	2007 £'000
FIXED ASSETS			
Intangible assets	10	65,233	73,815
CURRENT ASSETS			
Stock		387	-
Debtors			
- due within one year		33,628	26,194
- due after one year		7,384	786
Total debtors	11	41,012	26,980
Cash at bank and in hand		36,219	6,497
		77,618	33,477
CREDITORS: amounts falling due within one year	12	(107,466)	(79,664)
NET CURRENT LIABILITIES		(29,848)	(46,187)
TOTAL ASSETS LESS CURRENT LIABILITIES		35,385	27,628
CREDITORS: amounts falling due after more than one year	13	(14,954)	(18,676)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(5,602)	(683)
NET ASSETS		14,829	8,269
CAPITAL AND RESERVES			
Called up share capital	15	54	54
Share premium	16	1,083	1,083
Profit and loss account	16	13,692	7,132
SHAREHOLDERS' FUNDS	17	14,829	8,269

These financial statements were approved by the Board of Directors on 30 March 2009.

Signed on behalf of the Board of Directors



M.J. Collecott

Director

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES

Basis of preparation

The company has net current liabilities at 30 June 2008. The financial statements have been prepared on a going concern basis because the parent company, Tottenham Hotspur plc, stated that it will provide the necessary financial support to the company for the period of at least 12 months from the date these accounts were signed and the directors are satisfied that the parent company has the financial capability to satisfy this obligation.

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and preceding financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

Under the provisions of Financial Reporting Standard 1 (Revised) the Company has not presented a cash flow statement, as its ultimate parent company, Tottenham Hotspur Plc, a company registered in England and Wales, prepares consolidated financial statements which include the results of the Company and contain a cash flow statement.

Turnover

Turnover represents television income, sponsorship income and management fees receivable exclusive of VAT.

Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

Player costs

The costs associated with the acquisition of players' and key football management staff registrations are capitalised as intangible fixed assets. These costs are fully amortised over their useful economic lives, in equal annual instalments over the period of the respective contracts. Where a contract life is renegotiated the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Provision is made for any impairment of the carrying value of the playing squad should the carrying value of the squad as a whole exceed the amount recoverable from the squad as a whole through use or sale, and where the reduction in value is considered permanent.

Where a player is not considered to be part of the playing squad a provision for impairment would be made if the individual player's carrying value exceeds the amount recoverable through use or sale and where the reduction in value is considered permanent.

Under the conditions of certain transfer agreements, further fees will be payable to the vendors in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfer fees are accounted for as provisions when it becomes probable that the number of appearances will be made or the specified future events will occur.

Profits or losses on the disposal of these registrations represent the consideration receivable, net of any transaction costs, less the unamortised cost of the original registration.

Remuneration of players is charged in accordance with the terms of the applicable contractual agreements and any discretionary bonus when there is legal or contractual obligation.

Signing on fees are charged evenly, as part of operating expenses, to the profit and loss account over the period of the player's contract.

Loyalty fees are accrued, as part of operating expenses, to the profit and loss account over the period to which they relate.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Translation differences are dealt with in the profit and loss account.

Pension costs

Payments are made to the external defined contribution pension schemes of eligible employees of the Company. The pension cost charged in the year represents contributions payable by the Company to these schemes.

In addition the Company is making contributions in respect of its share of the deficit of the defined benefit section of the Football League Pension and Life Assurance Scheme (the "Scheme"). A provision has been established for the group's share of the deficit which exists in this section of the Scheme.

Under the provisions of FRS 17 "Retirement Benefits" the Scheme would be treated as a defined benefit multi-employee scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities, cannot be identified on a reasonable and consistent basis, and accordingly no disclosures are made under the provisions of FRS 17.

2. ANALYSIS OF COMPARATIVE PROFIT AND LOSS ACCOUNT

	Operations excluding football trading £'000	Football trading £'000	Total £'000
Turnover	94,102	-	94,102
Operating expenses	(70,430)	(19,089)	(89,519)
Operating profit/(loss)	23,672	(19,089)	4,583
Profit on disposal of registrations	-	18,721	18,721
Profit/(loss) before interest and taxation	23,672	(368)	23,304

3. TURNOVER

Turnover, which all derives from the Company's principal activity, is analysed as follows:

	2008 £'000	2007 £'000
Turnover comprises:		
Gate receipts – cup competitions	3,412	2,236
Sponsorship and corporate hospitality	16,898	15,532
Media and broadcasting	40,329	33,734
Management fee receivable	34,556	37,824
Other	7,685	4,776
	102,880	94,102

All turnover derives from activities in the United Kingdom and is exclusive of VAT.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

4. OPERATING EXPENSES

	2008 £'000	2007 £'000
Staff costs	50,893	42,645
Amortisation, impairments and other net football trading income and expenditure	37,963	19,089
Other operating costs	32,290	27,785
	<u>121,146</u>	<u>89,519</u>

5. OPERATING PROFIT / (LOSS)

	2008 £'000	2007 £'000
Operating profit / (loss) is stated after charging:		
Amortisation and impairment of intangible fixed assets	38,260	19,199
Charitable donations	50	84
Stadium hire and management fees	<u>8,076</u>	<u>7,846</u>

The audit fee of £20,000 (2007: £20,000) is borne by another group company in the current year and prior year. No fees were paid to the Company's auditors or affiliated entities, relating to other services, during the year. Refer to the Tottenham Hotspur plc financial statements for full disclosure of fees payable to auditors.

6. STAFF NUMBERS AND COSTS

	2008 No.	2007 No.
The average number of employees (including directors) during the year was as follows:		
Players and football administration staff	135	116
Administration staff	<u>89</u>	<u>78</u>
	<u>234</u>	<u>194</u>
The aggregate payroll costs of these employees (including directors) was as follows:	£'000	£'000
Wages, salaries and bonuses	45,632	38,118
Social security costs	5,200	4,472
Other pension costs	<u>61</u>	<u>55</u>
	<u>50,893</u>	<u>42,645</u>

In addition the Company employs on average 570 temporary staff on matchdays (2007 – 586). In addition to the above payroll costs, redundancy costs of £53,750 (2007 - £116,000) were also charged to the profit and loss account during the year.

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

7. DIRECTORS' EMOLUMENTS

The emoluments of the directors of the Company who are not remunerated by the parent company, for the year were £1,668,343 (2007 re-stated - £935,391). Details of the emoluments of the directors of the Company who are remunerated by the parent company are included in the Tottenham Hotspur plc annual report. It is not practicable to allocate this between their services as directors of Tottenham Hotspur plc and Tottenham Hotspur Football & Athletic Co. Limited.

Details of the remuneration of the directors who are not remunerated by the parent company are shown below:

	2008 £'000	2007 (re-stated) £'000
Salary	900	530
Bonus	738	362
Benefits in kind	30	43
Total emoluments	1,668	935
Pension	28	26
Total remuneration	1,696	961

8. PROFIT ON DISPOSAL OF INTANGIBLE FIXED ASSETS

	2008 £'000	2007 £'000
Proceeds	24,044	23,075
Net book value of disposals	(6,256)	(4,354)
	17,788	18,721

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

9. TAX (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
UK corporation tax	(2,277)	6,891
Adjustment in respect of prior years	(4,978)	-
Group relief in respect of prior years	219	-
Overseas tax	-	-
	<u>(7,036)</u>	<u>6,891</u>
Current tax (credit)/charge	(7,036)	6,891
Origination and reversal of timing differences	(8)	(27)
Adjustment in respect of prior years	6	(9)
	<u>(2)</u>	<u>(36)</u>
Deferred tax credit	(2)	(36)
Total tax (credit)/charge on ordinary activities	<u>(7,038)</u>	<u>6,855</u>

Reconciliation of the current tax charge

	2008 £'000	2007 £'000
(Loss)/Profit on ordinary activities before taxation	<u>(478)</u>	<u>23,304</u>
Tax on (loss)/profit on ordinary activities before taxation at the UK statutory rate of 29.5% (2007 – 30%)	(141)	6,991
Effect of:		
Adjustment in respect of prior years – rollover relief	(4,759)	(226)
Rollover relief	(2,178)	-
Capital allowances in excess of depreciation	(11)	27
Other permanent differences	-	99
Non-deductible expenditure	53	-
	<u>(7,036)</u>	<u>6,891</u>
Total current year corporation tax	<u>(7,036)</u>	<u>6,891</u>

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

10. INTANGIBLE FIXED ASSETS

	£'000
Cost of registrations	
At 1 July 2007	109,443
Additions	33,724
Disposals	(17,541)
At 30 June 2008	<u>125,626</u>
Amortisation and impairment of registrations	
At 1 July 2007	35,628
Charged in year – amortisation	36,050
Disposals	(11,285)
At 30 June 2008	<u>60,393</u>
Net book value of registrations	
At 30 June 2008	<u>65,233</u>
At 30 June 2007	<u>73,815</u>

11. DEBTORS

	2008 £'000	2007 £'000
Trade debtors	25,372	17,953
Other tax and social security	-	619
Corporation tax	5,031	-
Other debtors	3,137	1,514
Prepayments and accrued income	4,815	4,951
Amounts due from group undertakings	2,619	1,907
Deferred taxation (see note 14)	38	36
	<u>41,012</u>	<u>26,980</u>

Trade debtors above include £16,485,000 (2007 - £8,525,000) in respect of the disposal of players' registrations of which £6,446,000 is receivable after one year (2007 - £750,000).

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	20,094	10,216
Amounts owed to group undertakings	60,550	41,273
Corporation tax	-	3,558
Other tax and social security	3,255	-
Other creditors	3,479	2,885
Accruals and deferred income	20,088	21,732
	<u>107,466</u>	<u>79,664</u>

Trade creditors above include £17,728,000 in respect of the acquisition of players' registrations (2007 - £7,959,000).

The parent company, Tottenham Hotspur plc, has stated that it will not seek settlement of the intergroup balance until the rights of all other creditors have been settled.

13. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £'000	2007 £'000
Trade creditors	13,083	15,445
Other creditors	1,871	3,231
	<u>14,954</u>	<u>18,676</u>

Trade creditors above are in respect of the acquisition of players' registrations.

14. PROVISIONS FOR LIABILITIES AND CHARGES

Contingent transfer fees payable	£'000
At 1 July 2007	683
Provided during the year	5,445
Reversed during the year	(263)
Crystallised during the year	(263)
	<u>5,602</u>
At 30 June 2008	
Deferred taxation	£'000
At 1 July 2007	(36)
Credited to the profit and loss account	(2)
	<u>(38)</u>
At 30 June 2008	

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

15. CALLED UP SHARE CAPITAL

	Number	£'000
Ordinary shares of £1 each		
Authorised:		
At 30 June 2007 and 2008	53,812	54
Called up, allotted and fully paid:		
At 30 June 2007 and 2008	53,812	54

16. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 July 2007	1,083	7,132
Profit for the year	-	6,560
At 30 June 2008	1,083	13,692

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £'000	2007 £'000
Profit for the year	6,560	16,449
Opening shareholders' funds/(deficit)	8,269	(8,180)
Closing shareholders' funds	14,829	8,269

18. PENSIONS

Defined contribution schemes

Certain staff of the Company are members of the Football League Limited Pension and Life Assurance Scheme. Others are members of a self-administered Company money purchase scheme. The assets of these schemes are held separately from those of the Company, being invested with insurance companies. The pension cost charged during the year amounted to £61,000 (2007 - £55,000).

Defined benefit scheme

The Company is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). The most recent actuarial valuation of the Scheme was as at 31 August 2005 and indicated that the contribution required from the Company towards making good this deficit was £190,000 at 1 April 2006. The pension cost charged during the year relating to this deficit was £nil (2007 - £nil). At the balance sheet date the Company's share of this deficit was £127,000 (2007 - £155,000).

TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2008

19. CONTINGENT LIABILITIES AND ASSETS

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

At the balance sheet date the group had overdrafts of £nil.

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £7,288,000 (2007 - £13,609,000).

Under the terms of certain contracts for the sale of players' registrations future receipts may be receivable from third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent asset was £5,290,000 (2007 - £8,151,000).

20. POST BALANCE SHEET EVENTS

Since the balance sheet date the following events have occurred:

L Modric was bought from Dinamo Zagreb
G Dos Santos was bought from Barcelona
J Bostock joined from Crystal Palace
M Ranieri joined from Perugia
M'Poku Ebunge joined from Standard Liege
H Gomes was bought from PSV Eindhoven
D Bentley was bought from Blackburn Rovers
C Sanchez joined from Real Zaragoza
V Corluka was bought from Manchester City
R Pavlyuchenko was bought from Spartak Moscow
T Forecast was transferred to Southampton
R Cerny was transferred to Queens Park Rangers
J Martin was sold to Blackburn
T Tainio was sold to Sunderland
P Robinson was sold to Blackburn Rovers
P Chimbonda was sold to Sunderland
A Gardner was sold to Hull City
R Keane was sold to Liverpool
S Malbranque was sold to Sunderland
Y Kaboul was sold to Portsmouth
Y P Lee was sold to Borussia Dortmund
D Berbatov was sold to Manchester United
J Defoe was bought from Portsmouth
W Palacios was bought from Wigan
C Cudicini joined from Chelsea
P Chimbonda was bought from Sunderland
R Keane was bought from Liverpool
H Ghaly was sold to Nassr Saudi Club
C Daniels was transferred to Leyton Orient
A Barcham was transferred to Gillingham

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FOR THE YEAR ENDED 30 JUNE 2008

D Olsen was transferred to Valencia

First Team management changes include the departures of Junde Ramos, Marcos Alvarez, Gus Poyet and Damien Comolli and the appointment of Harry Redknapp as Manager.

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £55,920,000.

The contingent liability from these transactions amounts to approximately £21,175,000 and the contingent asset amounts to approximately £11,625,000.

21. ULTIMATE PARENT COMPANY

The ultimate controlling party and immediate parent company is Tottenham Hotspur plc, a company incorporated in Great Britain. The parent undertaking of the largest and smallest groups, which includes the Company, and for which group financial statements are prepared is Tottenham Hotspur plc. Copies of the annual report and accounts of Tottenham Hotspur plc can be obtained from Bill Nicholson Way, 748 High Road, Tottenham, London, N17 0AP.

22. RELATED PARTY TRANSACTIONS

The Company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with Tottenham Hotspur group companies.

During the year loans totalling £520,000 were made to directors of the Club to assist with property purchases. Subsequent to year end £170,000 of these loans have been repaid upon the departure of one of the directors.