

Company Registration No. 57186

**Tottenham Hotspur Football and
Athletic Co. Limited**

Report and Financial Statements

30 June 2010

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Tottenham Hotspur Football and Athletic Co. Limited

Report and financial statements 2010

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Tottenham Hotspur Football and Athletic Co. Limited

Report and financial statements 2010

Officers and professional advisers

Directors

D P Levy
M J Collecott
P J Barber (resigned 1 July 2010)
D Cullen
D Eales (appointed 1 July 2010)

Secretary

M J Collecott

Registered Office

Bill Nicholson Way
748 High Road
London
N17 0AP

Solicitors

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

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Auditors

Deloitte LLP
Chartered Accountants
London

Tottenham Hotspur Football and Athletic Co. Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2010

Principal activities and business review

The principal activity of Tottenham Hotspur Football and 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 yet again attained record revenue, rising by 8% to £113.8m (2009 £105.1m).

The Club missed out on the Carling Cup final, for what would have been a third successive year, being knocked out by the eventual winners Manchester United at the quarter-final stage. The Club went one round further in The FA Cup, reaching the semi-finals before we disappointingly lost in extra time to Portsmouth at Wembley. Overall, the cup competitions raised £3.1m (2009 £2.7m) in gate receipts and prize monies.

Media and broadcasting revenues increased by 15% to £51.5m (2009 £44.8m). This gain is largely attributable to a higher merit fee award based on our final league position of fourth compared to eighth the previous season and a rise in the number of times the Club featured in live televised games.

Operating expenses (excluding football trading)

Operating expenses before football trading rose by 1% from £92.0m to £93.3m in the year. Player salaries have risen as the Club has further invested in the depth of its playing squad in preparation of Champions League football.

This higher cost base has been partially offset by a favourable movement in unrealised foreign exchange differences, due to the strengthening of Sterling against the Euro during the year and also by the stability of the team management and the lack of restructuring costs.

Football trading

During the financial year the following players joined the Club: Sebastien Bassong, Anton Blackwood, Peter Crouch, Eidur Gudjohnsen (loan), Younes Kaboul, Niko Kranjcar, Kyle Naughton, James Walker and Kyle Walker. The total cost of all of these players was £37.8m.

Tottenham Hotspur Football and Athletic Co. Limited

Directors' report (continued)

The following players have left during the financial year Troy Archibald-Henville, Darren Bent, Yuri Berchiche, Kevin-Prince Boateng, Lee Butcher, Pascal Chimbonda, Sam Cox, Gilberto Da Silva Melo, Chris Gunter, Tomas Pekhart, James Walker, Didier Zokora, for total fees of £24.6m

Since the year end we have boosted the squad further with the following signings William Gallas, Stipe Pletikosa, Sandro, Rafael van der Vaart, for combined transfer fees of £19.9m

The following players have left since the year end Dorian Dervite and Adel Taarabt, for combined transfer fees of £0.9m

Loss before taxation

The overall result of the above is a loss before taxation of £5.4m (2009 profit of £29.9m). The majority of this movement is due to reduced profit from player trading of £15.3m (2009 £54.0m), the comparative figure for the prior period includes significant gains that were made on the sales of the registrations of Dimitar Berbatov and Robbie Keane

Taxation

The Company has incurred a tax credit of £271,000 in the current year compared to a £2,000 charge for the prior year. Therefore loss after tax is £5.2m

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 Group. Risks are monitored by the Board on a continual basis and the Group seeks to mitigate the risks wherever possible.

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

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 income generated from TV revenues under the 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 our supporters. Our 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.

Tottenham Hotspur Football and Athletic Co. Limited

Directors' report (continued)

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

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

Dividends and results

The Directors do not recommend the payment of a dividend (2009 - £nil). The Company made a loss after tax for the year of £5,163,000 (2009 – profit of £29,873,000)

Directors and their interests

The Directors who served throughout the year were as follows

D P Levy
M J Collecott
P J Barber
D Cullen

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 20 and 21 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 2010 the Company made charitable donations of £6,150 (2009 – £26,450). There were no political donations during the year (2009 – £nil). The group, headed by Tottenham Hotspur plc, makes many contributions of Tottenham memorabilia to registered charities, especially in the Tottenham catchment area

Tottenham Hotspur Football and Athletic Co. Limited

Directors' report (continued)

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.

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 2010 represented 22 days of annual purchases (2009 – 28 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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are not aware, and
- 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 s418 of the Companies Act 2006.

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

28th January 2011

Tottenham Hotspur Football and 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

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Tottenham Hotspur Football and Athletic Co. Limited

We have audited the financial statements of Tottenham Hotspur Football and Athletic Co Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of
Tottenham Hotspur Football and Athletic Co. Limited
(continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Nigel Mercer
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
28th January 2011

Tottenham Hotspur Football and Athletic Co. Limited

Profit and loss account Year ended 30 June 2010

		2010		2009
	Notes	Operations excluding football trading* £'000	Football trading * £'000	Total † £'000
Turnover	3	113,833		113,833
Operating expenses	4	(93,282)	(39,466)	(132,748)
Operating profit/(loss)	5	20,551	(39,466)	(18,915)
Profit on disposal of intangible fixed assets	8	-	15,250	15,250
(Loss)/profit from operations		20,551	(24,216)	(3,665)
Net finance costs	9			(1,769)
(Loss)/profit on ordinary activities before taxation				(5,434)
Tax credit/(charge) on (loss)/profit on ordinary activities	10			271
Retained (loss)/profit for the financial year	17			(5,163)

*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

† See note 2 for a breakdown

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

Tottenham Hotspur Football and Athletic Co. Limited

Balance sheet

As at 30 June 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	11	115,660	128,432
Non-current assets			
Debtors	12	2,968	1,180
Current assets			
Stock		-	362
Debtors	12	31,003	37,067
Cash at bank and in hand		29,961	19,588
		60,964	57,017
Creditors: amounts falling due within one year	13	(121,325)	(104,947)
Net current liabilities		(60,361)	(47,930)
Total assets less current liabilities		58,267	81,682
Creditors: amounts falling due after more than one year	14	(17,133)	(35,769)
Provisions for liabilities	15	(1,595)	(1,211)
Net assets		39,539	44,702
Capital and reserves			
Called up share capital	16	54	54
Share premium	17	1,083	1,083
Profit and loss account	17	38,402	43,565
Shareholders' funds		39,539	44,702

The financial statements of Tottenham Hotspur Football and Athletic Co Limited, registered number 57186, were approved by the Board of Directors and authorised for issue 28th January 2011

Signed on behalf of the Board of Directors



M J Collecott

Director

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

1 Accounting policies

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.

Going concern

The Company has net current liabilities at 30 June 2010. The Board of Directors continually monitor the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, and the current economic downturn. 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 are signed. The parent company directors prepare budgets and forecasts and have produced detailed and realistic cash flow projections which are reviewed on an ongoing basis. These demonstrate that the parent company has the financial capability to satisfy this obligation.

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.

Football trading

The costs associated with the acquisition of player and key football management staff registrations are capitalised as intangible fixed assets. Any intangible assets acquired on deferred terms are recorded at the fair value at the date of acquisition. The fair value represents the net present value of the costs of acquiring players and key football management staff registrations. These costs are fully amortised on a straight line basis 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. 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 transfers are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

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.

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

1. Accounting policies (continued)

Football trading (continued)

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

Profits or losses on the disposal of these registrations represent the fair value of 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 a legal or contractual obligation

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	105,146	-	105,146
Operating expenses	(91,964)	(35,367)	(127,331)
Operating profit/(loss)	13,182	(35,367)	(22,185)
Profit on disposal of registrations	-	54,038	54,038
Profit/(loss) before interest and taxation	13,182	18,671	31,853

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

3. Turnover

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

	2010 £'000	2009 £'000
Turnover comprises:		
Gate receipts – cup competitions	3,070	2,715
Sponsorship and corporate hospitality	16,520	16,498
Media and broadcasting	51,518	44,811
Management fee receivable	36,054	36,478
Other	6,671	4,644
	<u>113,833</u>	<u>105,146</u>

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

4. Operating expenses

	2010 £'000	2009 £'000
Staff costs	65,035	59,062
Amortisation, impairments and other net football trading income and expenditure	39,466	36,367
Other operating costs	28,247	31,902
	<u>132,748</u>	<u>127,331</u>

5 Operating profit/(loss)

	2010 £'000	2009 £'000
Operating profit/(loss) is stated after charging:		
Amortisation and impairment of intangible fixed assets	39,991	37,288
Charitable donations	6	26
Stadium hire and management fees	8,787	6,594

The audit fee of £20,000 (2009 £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.

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

6. Staff number and costs

	2010 No.	2009 No.
The average number of employees (including Directors) during the year was as follows		
Players and football administration staff	142	148
Administration staff	99	91
	<u>241</u>	<u>239</u>

Administration staff for 2010 includes a headcount of 9 (2009 nil) Football Development staff, who were employed by Tottenham Hotspur Foundation in 2009

	2010 £'000	2009 £'000
The aggregate payroll costs of these employees (including Directors) was as follows		
Wages, salaries and bonuses	57,588	52,268
Social security costs	6,898	6,423
Other pension costs	549	371
	<u>65,035</u>	<u>59,062</u>

In addition the Company employs on average 584 temporary staff on matchdays (2009 – 577) In addition to the above payroll costs, redundancy costs of £129,682 (2009 - £2,098,935) were also charged to the profit and loss account during the year

7. Directors' emoluments

The emoluments of the Directors of the Company who are not remunerated by the parent company, for the year were £402,370 (2009 - £823,393) 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 and Athletic Co Limited

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

	Highest paid Director		Total remuneration	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Salary	180	310	387	649
Bonus	100	250	-	146
Benefits in kind	10	4	15	28
	<u>290</u>	<u>564</u>	<u>402</u>	<u>823</u>
Total emoluments	290	564	402	823
Pension	-	31	23	31
	<u>290</u>	<u>595</u>	<u>425</u>	<u>854</u>
Total remuneration	290	595	425	854

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

8. Profit on disposal of intangible fixed assets

	2010 £'000	2009 £'000
Proceeds	26,122	72,887
Net book value of disposals	(10,872)	(18,849)
	<u>15,250</u>	<u>54,038</u>

9. Net finance costs

	2010 £'000	2009 £'000
Net notional interest expense on deferred payments for players' registrations	<u>1,769</u>	<u>1,978</u>

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

	2010 £'000	2009 £'000
Group relief payable	(357)	-
Adjustment in respect of prior years	89	230
Group relief in respect of prior years	(324)	-
Current tax charge/(credit)	<u>(592)</u>	<u>230</u>
Origination and reversal of timing differences	<u>321</u>	<u>(228)</u>
Deferred tax charge/(credit)	<u>321</u>	<u>(228)</u>
Total tax charge/(credit) on ordinary activities	<u>(271)</u>	<u>2</u>
	2010 £'000	2009 £'000

Reconciliation of the current tax charge/(credit)

(Loss)/profit on ordinary activities before taxation	<u>(5,434)</u>	<u>29,875</u>
Tax on (loss)/profit on ordinary activities before taxation at the UK statutory rate of 28% (2009 – 28%)	(1,522)	(8,365)
Effect of		
Adjustment in respect of prior years	89	230
Rollover relief	856	8,363
Other permanent differences	(257)	-
Non-deductible expenditure	<u>563</u>	<u>2</u>
Total current year corporation tax (credit)/charge	<u>(271)</u>	<u>230</u>

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

11. Intangible fixed assets

	£'000
Cost of registrations	
At 1 July 2009	197,122
Additions	38,091
Disposals	(33,177)
	<hr/>
At 30 June 2010	202,036
Amortisation and impairment of registrations	
At 1 July 2009	68,690
Charged in year – amortisation	39,991
Disposals	(22,305)
	<hr/>
At 30 June 2010	86,376
Net book value of registrations	
At 30 June 2010	<hr/> 115,660 <hr/>
At 30 June 2009	<hr/> 128,432 <hr/>

12. Debtors

	2010	2009
	£'000	£'000
Trade debtors	22,237	27,924
Corporation tax	3,526	5,556
Other debtors	715	976
Prepayments and accrued income	6,499	3,099
Amounts due from group undertakings	994	426
Deferred taxation	-	266
	<hr/>	<hr/>
	33,971	38,247
	<hr/>	<hr/>

Trade debtors above include £18,423,000 (2009 - £25,049,000) in respect of the disposal of players' registrations of which £2,968,000 is receivable after one year (2009 - £1,180,000)

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

13. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	34,282	35,710
Amounts owed to group undertakings	67,975	45,137
Other tax and social security	4,018	3,294
Deferred taxation (see note 15)	55	-
Other creditors	7,160	7,066
Accruals and deferred income	7,835	13,740
	<u>121,325</u>	<u>104,947</u>

Trade creditors above include £29,120,000 in respect of the acquisition of players' registrations (2009 - £32,507,000)

14. Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Trade creditors	12,988	31,868
Other creditors	4,145	3,901
	<u>17,133</u>	<u>35,769</u>

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

15. Provisions for liabilities and charges

	2010 £'000
Contingent transfer fees payable and provisions on player contracts	
At 1 July 2009	1,211
Provided during the year	1,776
Reversed during the year	(4)
Crystallised during the year	(1,388)
	<u>1,595</u>
At 30 June 2010	
Deferred taxation	
At 1 July 2009	(266)
Credited to the profit and loss account	321
	<u>55</u>
At 30 June 2010	

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

16. Called up share capital

	2010 £'000	2009 £'000
Authorised:		
53,812 ordinary shares of £1 each	54	54
Called up, allotted and fully paid:		
53,812 ordinary shares of £1 each	54	54

17. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2009	1,083	43,565
Loss for the year	-	(5,163)
At 30 June 2010	1,083	38,402

18. Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
(Loss)/profit for the year	(5,163)	29,873
Opening shareholders' funds	44,702	14,829
Closing shareholders' funds	39,539	44,702

19. 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 £68,000 (2009 - £66,000).

During the year the Company made payments of £231,000 (2009 - £nil) into an Employee Funded Retirement Benefit Scheme administered by Sanne Trust Company Limited. Accordingly, no liability in respect of the scheme is recognised by the Company.

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 2008 and indicated that the contribution required from the Company towards making good this deficit was £290,000 at 1 September 2009. The pension cost charged during the year relating to this deficit was £42,000 (2009 - £196,000). At the balance sheet date the Company's share of this deficit was £253,000 (2009 - £295,000).

Tottenham Hotspur Football and Athletic Co. Limited

Notes to the accounts Year ended 30 June 2010

20. 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 company had overdrafts of £nil (2009 - £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 £26,188,000 (2009 - £24,188,000)

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 £11,311,000 (2009 - £12,061,000)

The Company is currently in discussions with HM Revenue and Customs ("HMRC") relating to a number of tax matters. These primarily relate to (a) HMRC's investigation into image right payments made by football clubs generally, (b) HMRC's enquiries across the football industry as to whether VAT is recoverable on agents' fees on the basis that some agents may not have acted exclusively for the Club, and (c) HMRC's enquiries into the current football creditor rules

The Company is satisfied that it has acted and accounted properly for these matters, and that once settled, no unprovided liabilities significant to the financial statements will result

21. Post balance sheet events

Since the balance sheet date the following events have occurred

R van der Vaart was bought from Real Madrid

Sandro was bought from Internazionale

W Gallas joined on a free transfer

S Pletikosa joined on loan from Spartak Moscow

A Taarabt was sold to Queens Park Rangers

D Dervite was released

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £18,126,000

The contingent liability from these transactions amounts to approximately £809,848 and the contingent asset amounts to approximately £3,200,000

22. Ultimate parent company

The ultimate controlling party and immediate parent company is Tottenham Hotspur plc, a company incorporated in Great Britain and registered in England and Wales. 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

23. 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