

Company Registration No. 57186

**Tottenham Hotspur Football & Athletic
Co. Ltd**

Report and Financial Statements

30 June 2015



Tottenham Hotspur Football & Athletic Co. Ltd

Report and financial statements 2015

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Profit and loss account	8
Balance sheet	9
Notes to the accounts	10

Tottenham Hotspur Football & Athletic Co. Ltd

Report and financial statements 2015

Officers and professional advisers

Directors

D P Levy
M J Collecott
D Cullen
R Caplehorn (appointed 2 March 2015)

Secretary

M J Collecott

Registered Office

Lilywhite House
782 High Road
Tottenham
London
N17 0BX

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Solicitors

Olswang LLP
90 High Holborn
London
WC1V 6XX

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Tottenham Hotspur Football & Athletic Co. Ltd

Strategic report

The Directors present their Strategic Report on the affairs of Tottenham Hotspur Football & Athletic Co. Ltd together with the Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2015. In preparing this strategic report, they have complied with s414C of the Companies Act 2006.

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 the provision of media, sponsorship and related commercial income related to running a Premier League football club.

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 a separate management agreement Tottenham Hotspur Academy (Enfield) Limited provides use of a new Training Centre and ancillary services to the Company.

The commercial activities of the Club continued to produce substantial income.

Revenue

Revenue increased on the previous year. Revenue for the year was £178.9m (2014: £165.2m) while excluding football trading there was an operating profit of £20.2m (2014: £11.9m profit).

The Club reached the round of 32 (2014: round of 16) of the UEFA Europa League resulting in gate receipts of £4.7m (2014: £5.3m).

Revenue from the domestic cup competitions earned the Club £1.1m (2014: £1.8m) having reached the final of the Capital One Cup (2014: quarter-finals) and the fourth round of the FA Cup (2014: third round).

Media and broadcasting revenues rose to £90.5m (2014: £89.5m), as a result of finishing a place higher in the Premier League in 5th (2014: 6th).

Sponsorship and corporate hospitality income increased to £37.5m (2014: £25.3m) as this was the first year of the Club's new five-year shirt sponsorship deal with AIA. Other income streams increased to £10.0m (2014: £7.2m) as a result of additional post-season tours.

Operating expenses (excluding football trading)

Operating expenses before football trading increased by 3.4% from £153.3m to £158.7m in the year, predominantly due to post-season tour costs, the recognition of onerous contracts and the underlying growth of the club as we move towards the new stadium.

Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £21.2m for the financial year (2014: £104.0m) which included the sales of Jake Livermore and Michael Dawson to Hull City, Sandro to Queens Park Rangers, Gylfi Sigurdsson and Kyle Naughton to Swansea City, and Zeki Fryers to Crystal Palace.

Profit for the period

The overall result of the above is a profit before taxation of £3.9m (2014: £68.2m). The biggest factor in this variance was the movement in profit from player trading.

Financial Fair Play

The Club continues to comply and support both UEFA and the Premier League Financial Fair Play criteria.

Tottenham Hotspur Football & Athletic Co. Ltd

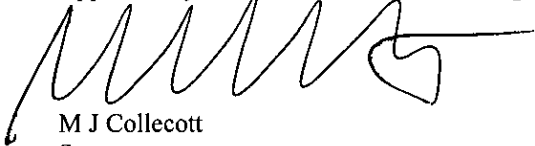
Strategic report (continued)

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.

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



M J Collecott
Secretary

16 October 2015

Tottenham Hotspur Football & Athletic Co. Ltd

Directors' report

Directors

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

D P Levy
M J Collecott
D Cullen
D G Eales (resigned 13 November 2014)
R Caplehorn (appointed 2 March 2015)

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

Dividends and results

The Directors do not recommend the payment of a dividend the current period (2014 £nil) The Company made a profit after tax for the year of £4,557,000 (2014 profit of £69,666,000) and the net assets as at 30 June 2015 were £93,865,000 (2014 £89,308,000)

Disclosure of information to the auditor

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 auditor is 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 auditor is aware of that information

This information is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

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

Details of financial risk management objectives and policies are given in the Strategic report

Donations

During the year ended 30 June 2015 the Company made charitable donations of £34,000 (2014 £101,000) There were no political donations during the year (2014 £nil) The group, headed by Tottenham Hotspur Limited, makes many other contributions of Tottenham Hotspur Football Club memorabilia to local registered charities, especially in the Haringey and Enfield districts and adjacent catchment areas

Employees

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the Group This is achieved by departmental meetings and intranet notices

Applications for employment by disabled persons are always considered fully, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and appropriate training is arranged It is the policy of the Group that the training, career development and promotion of disabled people should, as far as possible, be identical to that of other employees

Tottenham Hotspur Football & Athletic Co. Ltd

Directors' report (continued)

Policy on payment of creditors

The Company's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 30 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 2015 represented 29 days of annual purchases (2014: 23 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

Going concern

The Company has net current liabilities at 30 June 2015. 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, the current economic downturn and the need for additional funding requirements for a new stadium development. The financial statements have been prepared on the going concern basis because the parent company, Tottenham Hotspur Limited, 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.

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



M J Collecott
Secretary

16 October 2015

Tottenham Hotspur Football & Athletic Co. Ltd

Directors' responsibilities statement

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 to 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 auditor's report to the members of Tottenham Hotspur Football & Athletic Co. Ltd

We have audited the financial statements of Tottenham Hotspur Football & Athletic Co. Ltd for the year ended 30 June 2015 which comprise the profit and loss account, the balance sheet and the related notes 1 to 24. 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 auditor's 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 auditor

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit 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.

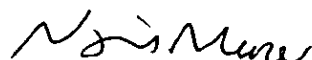
Opinion on other matter prescribed by the Companies Act 2006

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

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 Auditor
London, United Kingdom
16 October 2015

Tottenham Hotspur Football & Athletic Co. Ltd

Profit and loss account Year ended 30 June 2015

	Notes	Operations excluding football trading* £'000	Football trading * £'000	2015 Total £'000	2014 Total † £'000
Turnover	3	178,893	-	178,893	165,225
Operating expenses	4	(158,696)	(38,562)	(197,258)	(200,349)
Operating profit/(loss)	5	20,197	(38,562)	(18,365)	(35,124)
Profit on disposal of intangible fixed assets	7	-	21,182	21,182	103,965
Profit/(loss) from operations		20,197	(17,380)	2,817	68,841
Net finance income/(costs)	8			1,096	(659)
Profit on ordinary activities before taxation				3,913	68,182
Tax credit on profit on ordinary activities	9			644	1,484
Retained profit for the financial year	17			<u>4,557</u>	<u>69,666</u>

**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

There were no other recognised gains or losses in either the current or prior year other than those stated above, accordingly no statement of total recognised gains and losses is presented


Tottenham Hotspur Football & Athletic Co. Ltd

Balance sheet As at 30 June 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	10	13,410	3,563
Intangible assets	11	108,564	122,311
Trade receivables due after one year	12	24,984	39,507
		<u>146,958</u>	<u>165,381</u>
Current assets			
Debtors	12	61,785	85,302
Cash at bank and in hand		9,358	31,421
		<u>71,143</u>	<u>116,723</u>
Creditors: amounts falling due within one year	13	<u>(105,911)</u>	<u>(164,960)</u>
Net current liabilities		<u>(34,768)</u>	<u>(48,237)</u>
Total assets less current liabilities		112,190	117,144
Creditors: amounts falling due after more than one year	14	(9,316)	(23,182)
Provisions for liabilities	15	<u>(9,009)</u>	<u>(4,654)</u>
Net assets		<u>93,865</u>	<u>89,308</u>
Capital and reserves			
Called up share capital	16	54	54
Share premium	17	1,083	1,083
Profit and loss account	17	<u>92,728</u>	<u>88,171</u>
Shareholders' funds	18	<u>93,865</u>	<u>89,308</u>

The financial statements of Tottenham Hotspur Football & Athletic Co Ltd, registered number 57186, were approved by the Board of Directors and authorised for issue on 16 October 2015

Signed on behalf of the Board of Directors


M J Collecott
Director

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

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.

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 Tottenham Hotspur Limited, a company registered in England and Wales, the parent undertaking of the largest and smallest group which includes the company, prepares consolidated financial statements which include the results of the company and contains a cash flow statement.

Going concern

The Company has net current liabilities at 30 June 2015. 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 the going concern basis because the parent company, Tottenham Hotspur Limited, 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.

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.

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.

Corporation tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profits differ from net profit as reported in the profit and loss account because they exclude items of income or expense that are taxable or deductible in other years and they further exclude items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

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 discounted cost at the date of acquisition. This 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.

In certain rare instances there may be an individual player whom the Group does not consider to be part of the First Team squad going forwards and who will therefore not contribute to the future cash flows earned by the cash-generating unit. This is normally due to a permanent career-threatening injury, a serious and permanent fall out with the Group's senior football management and Directors, or where Group's senior football management and Directors have decided the player is not part of the Club's plans (only in cases where the player's market value fundamentally impacts the intangible assets held in relation to the carrying value of the first team squad).

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

1. Accounting policies (continued)

Football trading (continued)

As a consequence of such situations the Group consider it highly unlikely that the player will play for the First Team for a significant part of the remaining duration of the player's contract. In such situations, the carrying value of the player is removed from the carrying value of players assessed as part of the cash-generating unit referred to above and instead this player will be assessed for impairment in isolation by considering his carrying value with the Group's best estimate of his fair value (less costs to sell). The Group estimate this using one of the following sources:

- in the case of a player who has suffered a career-threatening injury, the value attributed to the player by the Group's insurers
- in the case of a player who has permanently fallen out with the Group's senior football management and Directors, or where they decided the player is not part of the Club's plans, then either,
 - i) the agreed selling price in the event the player has been transferred subsequent to the year end, or
 - ii) if there have not been any bids for the player, management's best estimation of the disposal proceeds (less costs) of the player on an arm's length basis. This is determined by the Group's senior football management in conjunction with the Directors who will use the outcome of recent player disposals (by both the Group and other football clubs) as a basis for their estimation.

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.

Liabilities in respect of player loyalty fees are provided for, as part of operating expenses, when payment becomes probable as the player is contracted to the Club and the loyalty fee is payable prior to the next transfer window at the date the accounts are signed.

Present obligations arising under onerous employment contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	Over the length of the lease
Plant and equipment	20 - 33% straight line

Assets under the course of construction are carried at cost less depreciation until the date of transfer. Depreciation commences when the assets are ready for their intended use.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

2. Analysis of comparative profit and loss account

	2014		
	Operations excluding football trading £'000	Football Trading £'000	Total £'000
Turnover	165,225	-	165,225
Operating expenses	(153,285)	(47,064)	(200,349)
Operating profit/(loss)	11,940	(47,064)	(35,124)
Profit on disposal of intangible fixed assets	-	103,965	103,965
Profit from operations	11,940	56,901	68,841

3. Turnover

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

	2015 £'000	2014 £'000
Turnover comprises:		
Cup competitions – Gate receipts and prize money	1,064	1,829
Sponsorship and corporate hospitality	37,475	25,306
Media and broadcasting	90,536	89,513
Management fee receivable	35,053	36,131
UEFA solidarity and prize money	4,726	5,269
Other	10,039	7,177
	178,893	165,225

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

4. Operating expenses

	2015 £'000	2014 £'000
Staff costs	99,245	101,608
Amortisation, impairments and other net football trading income and expenditure	38,562	47,064
Redundancy costs and onerous employment contracts	6,494	4,663
Other operating costs	52,957	47,014
	197,258	200,349

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

5. Operating loss

	2015 £'000	2014 £'000
Operating loss is stated after charging:		
Amortisation of intangible fixed assets	37,202	39,846
Impairment of intangible fixed assets	3,014	10,185
Depreciation	442	-
Charitable donations	34	101
Amounts paid under operating leases – land and buildings	267,578	-
Stadium hire and management fees	19,228	18,054

The audit fee of £20,000 (2014 £20,000) is borne by another group company in the current year and prior year. No fees were paid to the Company's auditor or affiliated entities, relating to other services, during the year. Refer to the Tottenham Hotspur Limited financial statements for full disclosure of fees payable to the auditor.

6. Staff number and costs

	2015 £'000	2014 £'000
The average number of employees (including Directors) during the year was as follows		
Players and football administration staff	192	188
Administration staff	133	125
	<u>325</u>	<u>313</u>

	2015 £'000	2014 £'000
The aggregate payroll costs of these employees (including Directors) was as follows		
Wages, salaries and bonuses	88,295	89,768
Social security costs	10,819	11,520
Other pension costs	131	320
	<u>99,245</u>	<u>101,608</u>

In addition the Company employs on average 529 temporary staff on matchdays (2014 570). In addition to the above payroll costs, redundancy costs and costs of onerous employment contracts of £6,494,000 (2014 £4,663,000) were also charged to the income statement during the year. The emoluments of the Directors of the Company were £4,250,679 (2014 £3,544,621). The highest paid Director received total emoluments of £2,610,021 (2014 £2,165,749). The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is four (2014 four).

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

7 Profit on disposal of intangible fixed assets

	2015 £'000	2014 £'000
Proceeds	32,028	114,545
Net book value of disposals	(10,846)	(10,580)
	<u>21,182</u>	<u>103,965</u>

8 Net finance (income)/costs

	2015 £'000	2014 £'000
Net notional interest expense on deferred payments for players' registrations	(931)	229
Interest payable	74	894
Interest receivable	(239)	(464)
	<u>(1,096)</u>	<u>659</u>

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

9 Tax credit on ordinary activities

	2015 £'000	2014 £'000
Current tax		
Group relief payable	(1,009)	(2,736)
Group relief in respect of prior years	(91)	625
Adjustment in respect of prior year	504	518
Current tax credit	(596)	(1,593)
Deferred tax		
Origin and reversal of timing differences in prior years	12	(60)
Origin and reversal of timing differences in current year	(105)	111
Accelerated capital allowances in current year	116	18
Difference in tax rates	(71)	40
Deferred tax (credit)/charge	(48)	109
Total tax credit on ordinary activities	(644)	(1,484)
Reconciliation of the current tax credit		
Profit on ordinary activities before taxation	3,913	68,182
Tax on profit on ordinary activities before taxation at the UK statutory rate of 20.75% (2014 22.5%)	812	15,341
Expenses not deductible	75	9
Fixed asset timing differences	(49)	(11)
Other timing differences	105	(118)
Rollover relief	(1,951)	(17,956)
Other prior year adjustments	412	1,142
Total current tax credit	(596)	(1,593)

The UK corporation tax rate of was reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. Therefore the average corporate tax rate for the year is 20.75% (2014 22.5%). Both of these changes were substantively enacted in Finance Act 2013 on 17 July 2013 and were therefore within tax law on the balance sheet date of 30 June 2015. Deferred tax has been provided at the rate of 20%.

In his budget of 8 July 2015, the Chancellor of the Exchequer announced tax rate changes, which, if enacted in the proposed manner, will have an effect on the company's future tax position. These additional changes will reduce the standard rate of UK corporation tax from 20% to 19% from 1 April 2017, and 18% from 1 April 2020. These proposed changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements.

Other than the provision for deferred tax (see note 12) and the items referred to above, there are no items which would materially affect future tax charges.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

10. Tangible fixed assets

	Leasehold Property £'000	Plant and Equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 1 July 2014	-	-	3,563	3,563
Additions	1,186	394	8,709	10,289
Transfer from assets under construction	9,567	2,705	(12,272)	-
At 30 June 2015	10,753	3,099	-	13,852
Accumulated depreciation				
At 1 July 2014	-	-	-	-
Charge for the year	93	349	-	442
At 30 June 2015	93	349	-	442
Net book value				
At 30 June 2015	10,660	2,750	-	13,410
At 30 June 2014	-	-	3,563	3,563

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

11. Intangible fixed assets

	£'000
Cost of registrations	
At 1 July 2014	208,171
Additions	37,315
Disposals	(37,558)
	<hr/>
At 30 June 2015	207,928
	<hr/>
Amortisation and impairment of registrations	
At 1 July 2014	85,860
Charged in year – amortisation	37,202
Charged in year – impairment	3,014
Disposals	(26,712)
	<hr/>
At 30 June 2015	99,364
	<hr/>
Net book value of registrations	
At 30 June 2015	108,564
	<hr/>
At 30 June 2014	122,311
	<hr/>

Intangible assets relate entirely to the carrying value of the playing squad and are being amortised over the remaining length of the Players' contracts which are between one and six years

In the period, capitalised player registrations were impaired by £3,014,000. Impairment losses were incurred where there was evidence of a permanent diminution in the value of the registrations in accordance with the Group's accounting policy. Recoverable amounts have been estimated as fair values less costs of disposal, in accordance with the Group's accounting policy.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

12. Debtors

	2015 £'000	2014 £'000
Trade receivables due in more than one year	24,984	39,507
Non-current assets	24,984	39,507
Trade debtors	30,526	35,928
Amounts due from group undertakings	25,705	42,531
Stock	890	752
Prepayments and accrued income	3,470	4,491
Other debtors	716	666
Deferred taxation	297	249
Corporation tax	181	685
Debtors	61,785	85,302
	86,769	124,809
		£
Deferred taxation		
At 1 July 2014		249
Credited to the profit and loss account		48
At 30 June 2015		297

Trade receivables above include £53,464,000 (2014 £73,401,000) in respect of the disposal of players' registrations, of which £24,984,000 is due in more than one year. In the period since the balance sheet date, £22,700,000 has been received in relation to the outstanding £53,464,000 of trade receivables relating to the disposal of player registrations.

13. Creditors amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	20,274	34,488
Amounts owed to group undertakings	14,855	40,387
Accruals and deferred income	51,542	69,632
Other creditors	13,440	14,776
Other tax and social security	5,800	5,677
	105,911	164,960

Creditors above include £21,043,000 in respect of the acquisition of players' registrations (2014 £33,704,000)

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

14 Creditors amounts falling due after more than one year

	2015 £'000	2014 £'000
Trade creditors	5,076	17,738
Other creditors	4,240	5,444
	<u>9,316</u>	<u>23,182</u>

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

15 Provisions for liabilities and charges

	2015 £'000
Contingent transfer fees payable	
At 1 July 2014	208
Provided during the year	364
Utilised during the year	(177)
Released during the year	(31)
	<u>364</u>
At 30 June 2015	<u>364</u>

Provisions on employment contracts

At 1 July 2014	4,446
Provided during the year	8,645
Utilised during the year	(4,256)
Released during the year	(190)
	<u>8,645</u>
At 30 June 2015	<u>8,645</u>
Total	
At 30 June 2015	<u>9,009</u>
 At 30 June 2014	 <u>4,654</u>

The timing of the outflow of the contingent transfer fees and provisions on player contracts are dictated by the contractual provisions of the relevant agreements. These provisions are classified as current liabilities.

16. Called up share capital

	2015 £'000	2014 £'000
Authorised:		
53,812 ordinary shares of £1 each	<u>54</u>	<u>54</u>
 Called up, allotted and fully paid:		
53,812 ordinary shares of £1 each	<u>54</u>	<u>54</u>

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

17. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2014	1,083	88,171
Profit for the year	-	4,557
At 30 June 2015	<u>1,083</u>	<u>92,728</u>

18. Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Opening shareholders' funds	89,308	19,642
Profit for the year	<u>4,557</u>	<u>69,666</u>
Closing shareholders' funds	<u>93,865</u>	<u>89,308</u>

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 £131,432 (2014 £84,000).

The Company made no payments in either the current year or prior year 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 2011 and indicated that the contribution required from the Company towards making good this deficit was £642,000 at 1 September 2012. The pension cost charged during the year relating to this deficit was £nil (2014 £235,000). At the balance sheet date the Company's share of this deficit was £376,000 (2014 £470,000).

20. Contingent liabilities and assets

The Company, together with its subsidiaries, has given a multi-lateral undertaking to its bankers to guarantee the overdrafts of the Group companies.

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due 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 £13,380,000 (2014 £15,279,000).

The Company is satisfied that no unprovided liability will arise.

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 £17,390,000 (2014 £18,119,000), none of which has been recognised.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

21 Post balance sheet events

Since the balance sheet date the following events have occurred

- K Wimmer was brought from FC Koln,
- K Trippier was bought from Burnley,
- T Alderweireld was bought from Atletico Madrid,
- C Njie was bought from Olympique Lyonnais,
- H-M Son was bought from Bayer Leverkusen,
- Paulinho was sold to Guangzhou Evergrande,
- L Holtby was sold to Hamburg,
- E Capoue was sold to Watford,
- Y Kaboul was sold to Sunderland,
- B Stambouli was sold to Paris Saint Germain,
- V Chiriches was sold to Napoli,
- G Hall was sold to Queens Park Rangers,
- R Fredericks was sold to Bristol City,
- I Azzaoui was sold to Wolfsburg,
- R Soldado was sold to Villareal,
- A Lennon was sold to Everton,
- E Adebayor was released,
- D Ball was loaned to Glasgow Rangers,
- S Coulthirst was loaned to Wigan Athletic,
- N Oduwa was loaned to Rangers,
- C Ogilvie was loaned to Stevenage,
- G Ward was loaned to Rotherham United

Including Football League levies, the uncontingent net expenditure from these transactions amounted to approximately £10,451,000

The contingent liability from player purchases amounts to approximately £3,697,000 and the contingent asset amounts to approximately £4,969,000

22. Commitments

The annual commitments under non-cancellable operating leases are

	2015 £'000	2014 £'000
Land and buildings		
Leases expiring in more than five years	276	-
	<u>276</u>	<u>-</u>

23. Ultimate parent company

The ultimate controlling party is ENIC International Limited, a company incorporated and registered in the Bahamas. The parent undertaking of the largest and smallest group, which includes the company, and for which group financial statements are prepared is Tottenham Hotspur Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the annual report and accounts of Tottenham Hotspur Limited can be obtained from Lilywhite House, 782 High Road, Tottenham, London N17 0BX.

Tottenham Hotspur Football & Athletic Co. Ltd

Notes to the accounts Year ended 30 June 2015

24. 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