

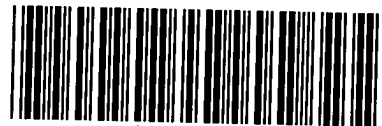
**Company Registration No. 57186**

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

**Report and Financial Statements**

**30 June 2014**

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

## **Report and financial statements 2014**

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

## **Report and financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

D P Levy  
M J Collecott  
D Cullen  
D Eales (resigned 13 November 2014)

#### **Secretary**

M J Collecott

#### **Registered Office**

Bill Nicholson Way  
748 High Road  
Tottenham  
London  
N17 0AP

#### **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 and Athletic Co. Limited**

## **Strategic report**

The Directors present their Strategic Report on the affairs of Tottenham Hotspur Football and Athletic Co. Limited together with the Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2014. 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 and Athletic Co. Limited ("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 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 £165.2m (2013: £132.5m) while excluding football trading there was an operating profit of £11.9m (2013: £2.7m loss).

The Club reached the round of 16 of the UEFA Europa League resulting in gate receipts of £5.3m (2013: £5.0m).

Revenue from the domestic cup competitions earned the Club £1.8m (2013: £0.5m) having reached the quarter-finals of the Capital One Cup.

Media and broadcasting revenues rose significantly to £89.5m (2013: £57.3m), despite finishing a place lower in the Premier League in 6<sup>th</sup> (2013: 5<sup>th</sup>), due to the new FAPL television rights deal.

Sponsorship and corporate hospitality income remained constant at £25.3m. Other income streams decreased to £7.2m (2013: £8.9m).

### **Operating expenses (excluding football trading)**

Operating expenses before football trading increased by 13% from £135.2m to £153.3m in the year, predominantly due to lower insurance receipts, restructuring costs for changes in key personnel, more extensive use of the new training ground facility and a £1.9m payment to youth and community initiatives.

### **Profit on disposal of intangible assets**

Profit on the disposal of intangible assets was £104.0m for the financial year (2013: £26.3m) which included the sales of Gareth Bale to Real Madrid, Steven Caulker to Cardiff City, Scott Parker to Fulham, Tom Huddlestone to Hull City and Clint Dempsey and Jermain Defoe to the MLS.

### **Profit for the period**

The overall result of the above is a profit before taxation of £68.2m (2013: £5.5m loss). The biggest factor in this improvement was the profit from player trading.

### **Future Developments**

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

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

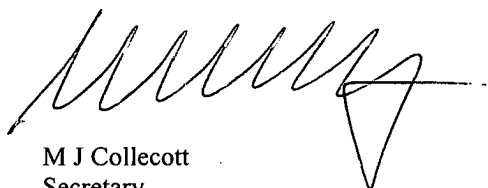
## **Strategic report (continued)**

### **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

A handwritten signature in black ink, consisting of several loops and a final downward stroke, positioned above the printed name and title.

M J Collecott  
Secretary

17 December 2014

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

## **Directors' report**

### **Directors**

The Directors who served throughout the year were as follows:

D P Levy  
M J Collecott  
D Cullen  
D G Eales (resigned 13 November 2014)

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 (2013: £nil). The Company made a profit after tax for the year of £69,666,000 (2013: loss of £8,938,000) and the net assets as at 30 June 2014 were £89,308,000 (2013: £19,642,000).

### **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 2014 the Company made charitable donations of £101k (2013: £14k). There were no political donations during the year (2013: £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.

# Tottenham Hotspur Football and Athletic Co. Limited

## Directors' report (continued)

### 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.

### 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 2014 represented 23 days of annual purchases (2013: 44 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

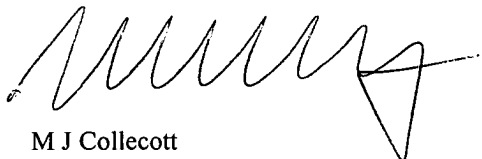
### Going concern

The Company has net current liabilities at 30 June 2014. 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

17 December 2014

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

## **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 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 and Athletic Co. Limited**

We have audited the financial statements of Tottenham Hotspur Football and Athletic Co. Limited for the year ended 30 June 2014 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 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 2014 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  
17 December 2014

# Tottenham Hotspur Football and Athletic Co. Limited

## Profit and loss account Year ended 30 June 2014

	Notes	Operations excluding football trading* £'000	Football trading * £'000	2014 Total £'000	2013 Total † £'000
<b>Turnover</b>	3	165,225	-	165,225	132,455
Operating expenses	4	(153,285)	(47,064)	(200,349)	(160,571)
<b>Operating profit/(loss)</b>	5	11,940	(47,064)	(35,124)	(28,116)
Profit on disposal of intangible fixed assets	7	-	103,965	103,965	26,343
<b>Profit/(loss) from operations</b>		11,940	56,901	68,841	(1,773)
Net finance costs	8			(659)	(3,678)
<b>Profit/(loss) on ordinary activities before taxation</b>				68,182	(5,451)
Tax credit/(charge) on profit/(loss) on ordinary activities	9			1,484	(3,487)
<b>Retained profit/(loss) for the financial year</b>	17			69,666	(8,938)

*\*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 and Athletic Co. Limited

## Balance sheet As at 30 June 2014

	Notes	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	10	3,563	-
Intangible assets	11	122,311	73,204
Trade receivables due after one year	12	39,507	4,768
		<u>165,381</u>	<u>77,972</u>
<b>Current assets</b>			
Debtors	12	85,302	35,482
Cash at bank and in hand		31,421	23,334
		<u>116,723</u>	<u>58,816</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(164,960)</u>	<u>(93,443)</u>
<b>Net current liabilities</b>		<u>(48,237)</u>	<u>(34,627)</u>
<b>Total assets less current liabilities</b>		117,144	43,345
<b>Creditors: amounts falling due after more than one year</b>	14	(23,182)	(20,217)
<b>Provisions for liabilities</b>	15	<u>(4,654)</u>	<u>(3,486)</u>
<b>Net assets</b>		<u>89,308</u>	<u>19,642</u>
<b>Capital and reserves</b>			
Called up share capital	16	54	54
Share premium	17	1,083	1,083
Profit and loss account	17	88,171	18,505
<b>Shareholders' funds</b>	18	<u>89,308</u>	<u>19,642</u>

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 on 17 December 2014.

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 2014**

### **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 2014. 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 and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 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 and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 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

The Company capitalises costs in relation to an asset when economic benefit from the asset is considered probable. Assets under the course of construction are carried at cost and include professional fees. Depreciation commences when the assets are ready for their intended use.

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 2. Analysis of comparative profit and loss account

	2013		
	Operations excluding football trading £'000	Football Trading £'000	Total £'000
Turnover	132,455	-	132,455
Operating expenses	(135,190)	(25,381)	(160,571)
Operating loss	(2,735)	(25,381)	(28,116)
Profit on disposal of intangible fixed assets	-	26,343	26,343
(Loss)/profit before interest and taxation	(2,735)	962	(1,773)

### 3. Turnover

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

	2014 £'000	2013 £'000
<b>Turnover comprises:</b>		
Cup competitions – Gate receipts and prize money	1,829	475
Sponsorship and corporate hospitality	25,306	26,313
Media and broadcasting	89,513	57,347
Management fee receivable	36,131	34,412
UEFA solidarity and prize money	5,269	5,054
Other	7,177	8,854
	<u>165,225</u>	<u>132,455</u>

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

### 4. Operating expenses

	2014 £'000	2013 £'000
Staff costs	101,608	92,567
Amortisation, impairments and other net football trading income and expenditure	47,064	25,381
Redundancy costs and onerous employment contracts	4,663	61
Other operating costs	47,014	42,562
	<u>200,349</u>	<u>160,571</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 5. Operating loss

	2014 £'000	2013 £'000
<b>Operating loss is stated after charging:</b>		
Amortisation of intangible fixed assets	39,846	26,762
Impairment of intangible fixed assets	10,185	-
Charitable donations	101	14
Stadium hire and management fees	18,054	22,116

The audit fee of £20,000 (2013: £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

	2014 No.	2013 No.
The average number of employees (including Directors) during the year was as follows:		
Players and football administration staff	188	187
Administration staff	125	119
	<u>313</u>	<u>306</u>
	2014 £'000	2013 £'000
The aggregate payroll costs of these employees (including Directors) was as follows:		
Wages, salaries and bonuses	89,768	81,770
Social security costs	11,520	10,600
Other pension costs	320	197
	<u>101,608</u>	<u>92,567</u>

In addition the Company employs on average 570 temporary staff on matchdays (2013: 565). In addition to the above payroll costs, redundancy costs and costs of onerous employment contracts of £4,663,000 (2013: £61,000) were also charged to the income statement during the year. The emoluments of the Directors of the Company were £3,544,621 (2013: £569,564). The highest paid Director received total emoluments of £2,165,749 (2013: £382,000). The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is four (2013: none).



# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 7. Profit on disposal of intangible fixed assets

	2014 £'000	2013 £'000
Proceeds	114,545	46,023
Net book value of disposals	(10,580)	(19,680)
	<u>103,965</u>	<u>26,343</u>

### 8. Net finance costs

	2014 £'000	2013 £'000
Net notional interest expense on deferred payments for players' registrations	229	1,962
Interest payable	894	1,730
Interest receivable	(464)	(14)
	<u>659</u>	<u>3,678</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 9. Tax (credit)/charge on ordinary activities

	2014 £'000	2013 £'000
<b>Current tax</b>		
Group relief payable	(2,736)	(3,974)
Group relief in respect of prior years	625	1,746
Adjustment in respect of prior year	518	-
Current tax credit	(1,593)	(2,228)
<b>Deferred tax</b>		
Origin and reversal of timing differences in prior years	(60)	(849)
Origin and reversal of timing differences in current year	111	358
Movements in rollover relief	-	6,637
Accelerated capital allowances in current year	18	10
Difference in tax rates	40	(441)
Deferred tax charge	109	5,715
Total tax (credit)/charge on ordinary activities	(1,484)	3,487
<b>Reconciliation of the current tax credit</b>		
Profit/(loss) on ordinary activities before taxation	68,182	(5,451)
Tax on profit/(loss) on ordinary activities before taxation at the UK statutory rate of 22.5% (2013: 23.75%)	15,341	(1,295)
Expenses not deductible	9	64
Fixed asset timing differences	(11)	(10)
Other timing differences	(118)	(358)
Rollover relief	(17,956)	(2,375)
Other prior year adjustments	1,142	1,746
Total current tax credit	(1,593)	(2,228)

The Finance Act 2012 substantively enacted a rate reduction such that the corporation tax rate was reduced to 23% with effect from 1 April 2013. The UK corporation tax rate of was reduced to 21% from 1 April 2014 and will reduce to 20% from 1 April 2015. Therefore the average corporate tax rate for the year is 22.5% (2013: 23.75%). Both of these changes were substantively enacted in Finance Act 2013 on 17 July 2013 and was therefore within tax law on the balance sheet date of 30 June 2014. Deferred tax has been provided at the rate of 20%. 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 and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 10. Tangible fixed assets

	Assets under construction £	Total £
<b>Cost</b>		
At 1 July 2013	-	-
Additions	3,563	3,563
At 30 June 2014	3,563	3,563
<b>Net book value</b>		
At 30 June 2014	3,563	3,563
At 30 June 2013	-	-

### 11. Intangible fixed assets

	£'000
<b>Cost of registrations</b>	
At 1 July 2013	143,690
Additions	109,718
Disposals	(45,237)
At 30 June 2014	208,171
<b>Amortisation and impairment of registrations</b>	
At 1 July 2013	70,486
Charged in year – amortisation	39,846
Charged in year – impairment	10,185
Disposals	(34,657)
At 30 June 2014	85,860
<b>Net book value of registrations</b>	
At 30 June 2014	122,311
At 30 June 2013	73,204

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 £10,185,000. 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 and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 12. Debtors

	2014 £'000	2013 £'000
Trade receivables due in more than one year	39,507	4,768
Non-current assets	39,507	4,768
Trade debtors	35,928	6,276
Amounts due from group undertakings	42,531	20,979
Stock	752	-
Prepayments and accrued income	4,491	6,707
Other debtors	666	477
Deferred taxation	249	358
Corporation tax	685	685
Current assets	85,302	35,482
	124,809	40,250
		£
Deferred taxation:		
At 1 July 2013		358
Charged to the profit and loss account		(109)
At Error! Reference source not found.		249

Trade receivables above include £73,401,000 (2013: £9,885,000) in respect of the disposal of players' registrations, of which £39,507,000 is due in more than one year. In the period since the balance sheet date, £33,316,000 has been received in relation to the outstanding £73,401,000 of trade receivables relating to the disposal of player registrations.

### 13. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	34,488	23,125
Amounts owed to group undertakings	40,387	37,657
Accruals and deferred income	69,632	15,425
Other creditors	14,776	11,023
Other tax and social security	5,677	6,213
	164,960	93,443

Creditors above include £33,704,000 in respect of the acquisition of players' registrations (2013: £20,584,000).

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

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

	2014 £'000	2013 £'000
Trade creditors	17,738	13,672
Other creditors	5,444	6,545
	<u>23,182</u>	<u>20,217</u>

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

### 15. Provisions for liabilities and charges

	2014 £'000
<b>Contingent transfer fees payable</b>	
At 1 July 2013	2,392
Provided during the year	208
Utilised during the year	(2,392)
At 30 June 2014	<u>208</u>
 <b>Provisions on employment contracts</b>	
At 1 July 2013	1,094
Provided during the year	4,446
Utilised during the year	(1,094)
At 30 June 2014	<u>4,446</u>
 <b>Total</b>	
<b>At 30 June 2014</b>	<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

	2014 £'000	2013 £'000
<b>Authorised:</b>		
53,812 ordinary shares of £1 each	<u>54</u>	<u>54</u>
 <b>Called up, allotted and fully paid:</b>		
53,812 ordinary shares of £1 each	<u>54</u>	<u>54</u>

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 17. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2013	1,083	18,505
Profit for the year	-	69,666
At 30 June 2014	<u>1,083</u>	<u>88,171</u>

### 18. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	19,642	28,580
Profit/(loss) for the year	<u>69,666</u>	<u>(8,938)</u>
Closing shareholders' funds	<u>89,308</u>	<u>19,642</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 £84,000 (2013: £12,000).

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 £235,000 (2013: £nil). At the balance sheet date the Company's share of this deficit was £470,000 (2013: £564,000).

# Tottenham Hotspur Football and Athletic Co. Limited

## Notes to the accounts Year ended 30 June 2014

### 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 £15,279,000 (2013: £11,863,000).

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 £18,119,000 (2013: £16,607,000), none of which has been recognised.

### 21. Post balance sheet events

Since the balance sheet date the following events have occurred:

- B Davies was bought from Swansea City;
- M Vorm was bought from Swansea City;
- E Dier was bought from Sporting Lisbon;
- F Fazio was bought from Sevilla;
- B Stambouli was bought from Montpellier;
- J Livermore was sold to Hull City;
- G Sigurdsson was sold to Swansea City;
- Y Falque was sold to Genoa;
- M Dawson was sold to Hull City;
- Sandro was sold to Queens Park Rangers;
- E Fryers was sold to Crystal Palace;
- L Holtby was loaned to Hamburg;
- T Carroll was loaned to Swansea City;
- G Hall was loaned to Birmingham City;
- A Pritchard was loaned to Brentford;
- R Fredericks was loaned to Middlesbrough.

Including Football League levies, the uncontingent net income from these transactions amounted to approximately £772,000.

The contingent liability from player purchases amounts to approximately £2,400,000 and the contingent asset amounts to approximately £7,160,000.

### 22. 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 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.