

**TOTTENHAM HOTSPUR FOOTBALL
AND ATHLETIC COMPANY LIMITED
ANNUAL REPORT AND ACCOUNTS 2000**

For the year ended 31 July 2000



Registered in England and Wales

Number 57186

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

CONTENTS

	Page
Directors' Report	1-3
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7-17

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 July 2000.

BUSINESS REVIEW

The principal activity of the Company is the operation of a professional football club. The Company derives its income principally from ticket sales, executive box rentals, sponsorship and television revenue.

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

For the 1999/2000 season the Club finished in tenth position in the Premier League.

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 registrations.

The results for the year are set out in the Profit and Loss Account on page 5.

DIVIDENDS AND RESULTS

The Directors do not recommend the payment of a dividend (1999 - £nil). The loss for the year of £2,693,000 (1999 – loss £1,589,000) was transferred from reserves.

DIRECTORS

The Directors who served throughout the year were as follows:

Sir Alan Sugar (Chairman)

C.M. Littner*

J. Sedgwick

C.T. Sandy*

I. Yawetz*

D.J. Pleat

M. Peters M.B.E.*

* Non-executive

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

DIRECTORS' REPORT (continued)

The Directors, other than I. Yawetz and M. Peters M.B.E., are all Directors of Tottenham Hotspur plc, the parent undertaking. Their interests in the shares of that company are shown in its financial statements. I. Yawetz had an interest in 625,000 shares of that company at 31 July 2000 (1999 - 625,000).

None of the Directors has any other interests in the shares of the Company or any other Group company.

DIRECTORS' INTERESTS IN CONTRACTS

The following paragraphs give details of all material interests of Directors in contracts and transactions involving the Company and any of its subsidiary undertakings.

During the year the Company invoiced £27,000 (1999 - £26,000) plus VAT for advertising supplied to Viglen Limited. In June 1999 a three-year advertising contract between the Company and Viglen Limited was agreed (total value £86,060 plus VAT).

During the year the Company was invoiced £2,995 (1999 - £nil) plus VAT by Viglen Limited for computer maintenance services. At the balance sheet date £27,000 (1999 - £nil) was due to the Company from Viglen Limited. Sir Alan Sugar wholly owns Amshold Group Limited the ultimate parent Company of Viglen Limited.

During the year the Company invoiced £28,600 (1999 - £26,000) plus VAT for advertising and £nil (1999 - £6,440) for tickets and hospitality supplied to Amstrad plc. In June 1999 a three-year advertising contract between the Company and Amstrad plc was agreed (total value £86,060 plus VAT). Sir Alan Sugar has a substantial minority shareholding in Amstrad plc.

During the year the Company was invoiced £13,000 (1999 - £8,664) for public relations work supplied by Martin Peters Promotions. M. Peters M.B.E. wholly owns Martin Peters Promotions.

Except for the balance disclosed above, there were no other balances outstanding at the balance sheet date in 2000 or 1999.

All of these transactions were at arm's length.

CONTINGENT LIABILITIES AND POST BALANCE SHEET EVENTS

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

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED
DIRECTORS' REPORT (continued)**

DONATIONS

During the year to 31 July 2000 the Company made charitable donations of £100 (1999 - £500). There were no political donations during the year (1999 - £nil).

**DIRECTORS' RESPONSIBILITIES FOR PREPARING THE FINANCIAL
STATEMENTS**

The Directors are obliged by law to prepare the financial statements for each financial year and to present them annually to the Company's members at the Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards.

The Directors are also responsible for the adoption of suitable accounting policies and their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements and estimates and for applying the going concern basis to the financial statements unless it is not appropriate to assume that the Company will continue in business.

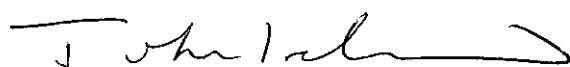
The Directors confirm that the above requirements have been complied with in the financial statements.

In addition, the Directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting to reappoint them as auditors of the Company.

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



J. Ireland
Secretary

24th January 2001

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

We have audited the accounts on pages 5 to 17 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of Directors and Auditors

As described on page 3 the Company's Directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

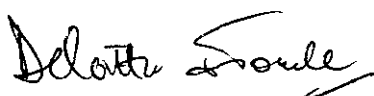
Basis of Opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 July 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and
Registered Auditors
Hill House
1 Little New Street
LONDON EC4A 3TR

24th January 2001

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 July 2000

2000					
		Operations, excluding player trading*	Player trading*	Total	1999
	Note	£'000	£'000	£'000	£'000 (Note 2)
Turnover	3	42,442	-	42,442	38,597
Cost of sales		(29,937)	(11,520)	(41,457)	(34,835)
Gross profit		12,505	(11,520)	985	3,762
Administrative expenses		(9,291)	-	(9,291)	(7,921)
Operating profit/(loss)	4	3,214	(11,520)	(8,306)	(4,159)
Profit on disposal of registrations	7	-	3,987	3,987	1,889
Profit/(loss) on ordinary activities before taxation		3,214	(7,533)	(4,319)	(2,270)
Tax credit on loss on ordinary activities	8			1,626	681
Retained loss for the year				(2,693)	(1,589)

**Player trading represents the amortisation of registrations and the profit or loss on disposal of registrations.*

Turnover and operating profit/(loss) all derive from continuing operations.

There are no other recognised gains or losses or movements in shareholders' funds for the current or preceding financial year other than as stated in the profit and loss account.

Movements on reserves are shown in note 16 to the accounts.

The notes on pages 7 to 17 form part of these accounts.

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

BALANCE SHEET

As at 31 July 2000

	<u>Note</u>	2000 £'000	1999 £'000
FIXED ASSETS			
Intangible Assets	9	36,533	27,627
Tangible Assets	10	<u>60</u>	<u>71</u>
		36,593	27,698
CURRENT ASSETS			
Debtors	11	10,081	5,215
Cash at bank and in hand		<u>-</u>	<u>5,976</u>
		10,081	11,191
CREDITORS - amounts falling due within one year	12	<u>(40,381)</u>	<u>(28,218)</u>
NET CURRENT LIABILITIES		<u>(30,300)</u>	<u>(17,027)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,293	10,671
CREDITORS - amounts falling due after more than one year	13	<u>(1,010)</u>	<u>(47)</u>
		5,283	10,624
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(1,302)</u>	<u>(3,950)</u>
NET ASSETS		3,981	6,674
CAPITAL AND RESERVES			
Called-up share capital	15	54	54
Share premium account	16	1,083	1,083
Profit and loss account	16	<u>2,844</u>	<u>5,537</u>
EQUITY SHAREHOLDERS' FUNDS		3,981	6,674

The accounts were approved by the Board of Directors on 24th January 2001.
Signed on behalf of the Board

J. Sedgwick
Director



The notes on pages 7 to 17 form part of these accounts.

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

Basis of Accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The Company has applied the going concern concept as its parent company has undertaken to continue to provide financial support to the Company.

Turnover

Turnover represents gate receipts and commercial income exclusive of Value Added Tax.

Signing on fees

Signing on fees are charged to player and match expenses in the Profit and Loss Account in the accounting period in which they are payable.

Intangible Fixed Assets

The costs of players' registrations and coaching staff recruitment are capitalised and amortised over the period of the respective contract.

Transfers are recognised in the year in which the transfer is registered with the relevant football governing body (currently the Premier League) except where the contract is not conditional upon registration in which case the transfer is recognised when the contract becomes unconditional (usually when payment is made or received). Payments or receipts which are contingent on the performance of team or player are not recognised until the events crystallising such payments or receipts have taken place.

Pension Costs

Defined contribution arrangements are made for eligible employees of the Company. The pension cost charged in the year represents contributions payable by the Company to the pension scheme.

Depreciation

Fixed assets are depreciated on a straight line basis at annual rates appropriate to their estimated useful lives as follows:

Motor vehicles	20%
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TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

1. ACCOUNTING POLICIES (continued)

Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the exchange rates ruling on the Balance Sheet dates. Translation differences are dealt with in the Profit and Loss Account.

2. PRESENTATIONAL CHANGES TO PROFIT AND LOSS ACCOUNT

In 1999, the amortisation of registrations was shown separately on the face of the profit and loss account. Following discussions with the Financial Reporting Review Panel the presentation has been amended within these accounts to include the amortisation charge within cost of sales. Comparatives for the year ending 31st July 1999 have been amended accordingly and are set out in detail below.

	Operations excluding player trading £'000	Player trading £'000	Total £'000
Turnover	38,597	-	38,597
Cost of sales	(25,748)	(9,087)	(34,835)
Gross profit	12,849	(9,087)	3,762
Administrative expenses	(7,921)	-	(7,921)
Operating profit/(loss)	4,928	(9,087)	(4,159)
Profit on disposal of registrations	-	1,889	1,889
Profit/(loss) on ordinary activities before taxation	4,928	(7,198)	(2,270)
	<hr/>	<hr/>	<hr/>

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

3. TURNOVER

	Year to 31 July 2000 £'000	Year to 31 July 1999 £'000
Turnover comprises:		
Gate receipts – Premier League	18,341	15,907
Gate receipts – Cup Competitions	3,737	6,411
Sponsorship	6,693	6,067
Television fees	12,321	9,002
Other	<u>1,350</u>	<u>1,210</u>
	<u>42,442</u>	<u>38,597</u>

Turnover all derives from activities in the United Kingdom.

4. OPERATING LOSS

	Year to 31 July 2000 £'000	Year to 31 July 1999 £'000
This is stated after charging:		
Depreciation on tangible fixed assets - owned	22	21
Amortisation of players	11,520	9,087
Auditors' remuneration and expenses: audit fee	27	24
Stadium hire and management fees	6,558	5,771
Operating lease rentals: other	<u>-</u>	<u>62</u>

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

5. STAFF NUMBERS AND COSTS

	Year to 31 July 2000 No	Year to 31 July 1999 No
The average number of employees during the year was as follows:		
Players	62	64
Football Administration	48	43
Administration	<u>46</u>	<u>46</u>
	156	153
	—	—

The aggregate payroll cost of these employees was as follows:

	£'000	£'000
Wages, salaries and bonuses	22,645	19,009
Social security costs	2,590	1,954
Other pension costs	<u>134</u>	<u>112</u>
	25,369	21,075
	—	—

In addition the Company employs on average 557 temporary staff on matchdays.

6. DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company for the year were £12,000 (1999 - £10,184).

Details of the remuneration of the Directors in total are shown below:

	Year to 31 July 2000 Salary £	Year to 31 July 1999 Total £
Total	<u>12,000</u>	<u>10,184</u>

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

7. PROFIT ON DISPOSAL OF REGISTRATIONS

	Year to 31 July 2000 £'000	Year to 31 July 1999 £'000
Proceeds	6,966	1,922
Net book value of players sold	<u>(2,979)</u>	<u>(33)</u>
	<u>3,987</u>	<u>1,889</u>

8. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Year ended July 2000 £'000	Year ended July 1999 £'000
UK corporation tax at 30% (1999 - 31%)	1,053	62
Deferred tax	<u>(2,318)</u>	<u>(743)</u>
	(1,265)	(681)
Adjustment in respect of prior years		
Corporation tax	(20)	-
Deferred tax	(341)	-
	<u>(1,626)</u>	<u>(681)</u>

The total taxation credit is high due to an adjustment in respect of previous years, mostly relating to the benefit of tax losses which were not previously recognised within deferred tax provisions.

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

9. INTANGIBLE FIXED ASSETS

	£'000
Cost of registrations	
As at 1 August 1999	51,713
Additions	23,407
Disposals	(10,978)
As at 31 July 2000	<u>64,142</u>
Amortisation of registrations	
As at 1 August 1999	24,086
Charged in year	11,520
Disposals	(7,997)
As at 31 July 2000	<u>27,609</u>
Net book value of registrations	
As at 31 July 2000	<u>36,533</u>
As at 31 July 1999	<u>27,627</u>

10. TANGIBLE FIXED ASSETS

	Motor vehicles £'000
<u>Cost</u>	
As at 1 August 1999	137
Purchases	11
Disposals	(31)
As at 31 July 2000	<u>117</u>
<u>Depreciation</u>	£'000
As at 1 August 1999	66
Charged in the year	22
Disposals	(31)
As at 31 July 2000	<u>57</u>
<u>Net Book Value</u>	
As at 31 July 2000	<u>60</u>
As at 31 July 1999	<u>71</u>

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

11. DEBTORS

	2000	1999
	£'000	£'000
Trade debtors	9,428	3,238
Corporation tax recoverable	-	219
Other debtors	221	417
Prepayments and accrued income	<u>432</u>	<u>1,341</u>
	<u>10,081</u>	<u>5,215</u>

Trade debtors above include £7,813,000 (1999 - £718,000) in respect of transfers of players' registrations. £613,000 of this figure is receivable after one year (1999 - £nil).

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£'000	£'000
Bank overdraft	713	-
Trade creditors	4,434	4,868
Bills of exchange payable	5,000	-
Amounts owed to Group undertakings	10,614	3,777
Corporation tax	1,034	-
Other tax and social security	2,852	3,365
Other creditors	1,057	418
Accruals and deferred income	<u>14,677</u>	<u>15,790</u>
	<u>40,381</u>	<u>28,218</u>

Bills of exchange payable above include £5,000,000 in respect of the acquisition of players' registrations (1999 - £nil).

Trade creditors above include £4,224,000 in respect of the acquisition of players' registrations (1999 - £4,408,000).

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

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

	2000 £'000	1999 £'000
Bills of exchange payable	1,000	-
Deferred income	<u>10</u>	<u>47</u>
	<u>1,010</u>	<u>47</u>

Bills of exchange payable above include £1,000,000 in respect of the acquisition of players' registrations (1999 - £nil).

14. PROVISIONS FOR LIABILITIES AND CHARGES

	£000
Deferred taxation	
At 1 August 1999	3,950
Credited to the Profit and Loss Account	(2,659)
Decrease in ACT set off	<u>11</u>
At 31 July 2000	<u>1,302</u>

The amount of deferred taxation provided in the financial statements is as follows:

	2000 £'000	1999 £'000
Accelerated capital allowances	(2)	(1)
Registrations	<u>1,304</u>	<u>3,962</u>
	1,302	3,961
Advance corporation tax recoverable	<u>-</u>	<u>(11)</u>
	<u>1,302</u>	<u>3,950</u>

There is no potential amount of unprovided deferred taxation for the current or preceding financial year.

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

15. CALLED-UP SHARE CAPITAL

	Number	£'000
Ordinary shares of £1 each		
Authorised:		
At 31 July 1999 and 31 July 2000	<u>53,812</u>	<u>54</u>
Allotted, called up and fully paid:		
At 31 July 1999 and 31 July 2000	<u>53,812</u>	<u>54</u>

16. MOVEMENTS ON RESERVES

	Share premium account £'000	Profit and loss account £'000
Balance at 31 July 1999	1,083	5,537
Movement during the year	-	-
Loss for the year	<u>-</u>	<u>(2,693)</u>
Balance at 31 July 2000	<u>1,083</u>	<u>2,844</u>

17. COMMITMENTS

	2000 £'000	1999 £'000
The annual commitments under non-cancellable operating leases are:		
Other: Leases expiring within one year	<u>-</u>	<u>70</u>

There were no capital commitments either contracted or authorised at 31 July 1999 or 31 July 2000.

TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC COMPANY LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

18. PENSIONS

Certain staff of the Company are members of the Football League Limited Pension and Life Assurance scheme. Others are members of a self-administered Group money purchase scheme.

The assets of the schemes are held separately from those of the Company, being invested with insurance companies. The pension cost charged during the year amounted to £134,000 (1999 - £112,000).

An actuarial review recently carried out identified a deficit on the Football League Limited Pension and Life Assurance Scheme. The Company is one of a number of participating employers in the scheme. The details of the Company's share of this deficit have not yet been specifically reported to the Company. The Directors estimate that if there were any deficit for which the Company might be responsible, the amount would be immaterial.

19. CONTINGENT LIABILITIES

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.

The total potential liability of the cross guarantee as at 31 July 2000 is £11,685,000 (1999 - £9,563,000).

Under the terms of certain contracts for the purchase of players' registrations future payments may be due, dependent on the success of the team and/or individual players. Similar terms exist in contracts for sales of players' registrations. In practice not all these contingent liabilities will crystallise and the Directors consider that it is unlikely that there will be a net material charge to the Company in any year in respect of the above.

**TOTTENHAM HOTSPUR FOOTBALL AND ATHLETIC
COMPANY LIMITED**

NOTES TO THE ACCOUNTS

For the year ended 31 July 2000

20. POST BALANCE SHEET EVENTS

Since the balance sheet date, Ruel Fox, Jose Dominguez and Ramon Vega have been sold, and Steven Ferguson purchased. The effect on net profit of the above transactions is immaterial.

21. ULTIMATE PARENT UNDERTAKING

The ultimate controlling party and parent company is Tottenham Hotspur plc, a company incorporated in Great Britain. Copies of the annual report and accounts of Tottenham Hotspur plc can be obtained from Bill Nicholson Way, 748 High Road, Tottenham, London, N17 0AP.

22. RELATED PARTY TRANSACTIONS

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

Other related party transactions have been disclosed in the Directors' Report on Page 2.