

**Company Registration No. 57186**

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

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2004**



**TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2004**

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# **TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

D.P. Levy  
M.J. Collecott  
P.Z. Kemsley  
D.J. Buchler

#### **SECRETARY**

M.J. Collecott

#### **REGISTERED OFFICE**

Bill Nicholson Way  
748 High Road  
London  
N17 0AP

#### **BANKERS**

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

#### **SOLICITORS**

TNW Solicitors  
London

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 2004.

### ACTIVITIES

The principal activity of Tottenham Hotspur Football & Athletic Co. ("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, sponsorship and television revenue.

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

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

For the 2003/2004 season the club finished in fourteenth 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 player registrations.

### DIVIDENDS AND RESULTS

The directors do not recommend the payment of a dividend (2003 - £nil). The loss after tax for the year of £6,331,000 (year to 30 June 2003 - £8,681,000) was transferred from reserves.

### DIRECTORS AND THEIR INTERESTS

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

D.P. Levy	
D.J. Buchler *	
D.J. Pleat	(resigned 31 July 2004)
P.Z. Kemsley	
P.L. Viner	(resigned 23 October 2003)
M.J. Collecott	(appointed 27 October 2003)

\* Non-Executive

The Directors had no interests in the shares of the company or any other group company, except as follows:

The Directors are all Directors of Tottenham Hotspur plc, the parent undertaking. Their interests in the shares of that company are shown in its Directors' Report.

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

On 27 June 2003 the playing registration of Stipan Vachousek, a player in whom the Company had previously acquired a third share for £200,000, was sold by his club, Slavia Prague, to Olympique Marseille. The Company's share of the transfer fee was £509,000, of which £201,000 was received during the year. The remaining £308,000 has been re-invested by the Company in options over players registered by Slavia Prague, so that £nil (2003 - £509,000) is outstanding at the Balance Sheet date. Slavia Prague is a 96.7% subsidiary of ENIC Sports Limited. D. Levy and M. Collecott are both Directors of ENIC Sports Limited.

Companies of which P.Z. Kemsley is a Director, were invoiced £62,600 (2003 - £65,300) plus VAT for corporate hospitality services during the year. P.Z. Kemsley is an Executive Director of the Company. No balances were outstanding at either balance sheet date.

All of these transactions were at arm's length.

# **TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED**

## **DIRECTORS' REPORT**

### **CONTINGENT LIABILITIES AND POST BALANCE SHEET EVENTS**

Details are included in notes 20 and 21 to the accounts.

### **DONATIONS**

*During the year ended 30 June 2004 the Company made charitable donations of £13,905 (2003 – £nil). There were no political donations during the year (2003 – £nil). The Group, headed by Tottenham Hotspur plc, makes many contributions of Tottenham memorabilia to registered charities, especially in the Tottenham catchment area.*

### **POLICY ON PAYMENT OF CREDITORS**

The Company's policy on payment of creditors is to settle payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within thirty days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly. Trade creditors at 30 June 2004 represented 26 days of annual purchases (2003 – 23 days). This figure excludes creditors in respect of player purchases which are paid on the date payment is contractually due.

### **AUDITORS**

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

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



**M.J. Collecott**

Secretary

4 October 2004

# **TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Tottenham Hotspur Football & Athletic Co. Limited for the year to 30 June 2004, which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

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

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

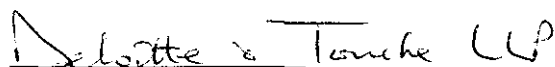
### **Basis of audit opinion**

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 the company's affairs at 30 June 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

4 October 2004

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2004

Year ended 30 June 2004					
	Note	Operations, excluding player trading *	Player trading *	Total	Year ended 30 June 2003 Total
		£'000	£'000	£'000	£'000
					(note 2)
<b>TURNOVER</b>	<b>3</b>	55,826	-	55,826	57,994
Operating expenses	<b>4</b>	(52,876)	(10,924)	(63,800)	(70,397)
<b>OPERATING PROFIT / (LOSS)</b>	<b>5</b>	2,950	(10,924)	(7,974)	(12,403)
(Loss) / profit on disposal of intangible fixed assets	<b>6</b>	-	(381)	(381)	1,329
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,950	(11,305)	(8,355)	(11,074)
Tax credit on loss on ordinary activities	<b>9</b>			2,024	2,393
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>17</b>			(6,331)	(8,681)
<b>RETAINED LOSS FOR THE FINANCIAL YEAR</b>				(6,331)	(8,681)

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

The above results all derive from continuing operations.

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



# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

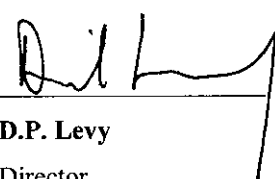
## BALANCE SHEET

AS AT 30 JUNE 2004

	Note	30 June 2004 £'000	30 June 2003 £'000
<b>FIXED ASSETS</b>			
Intangible Assets	10	25,053	17,019
Tangible assets	11	-	6
		<u>25,053</u>	<u>17,025</u>
<b>CURRENT ASSETS</b>			
Debtors	12	4,635	8,811
Cash at bank and in hand		3,867	-
		<u>8,502</u>	<u>8,811</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(46,005)</u>	<u>(32,691)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(37,503)</u>	<u>(23,880)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(12,450)</u>	<u>(6,855)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(3,391)	(2,655)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	15	-	-
<b>NET LIABILITIES</b>		<u><u>(15,841)</u></u>	<u><u>(9,510)</u></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	<u>(16,978)</u>	<u>(10,647)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	18	<u><u>(15,841)</u></u>	<u><u>(9,510)</u></u>

These financial statements were approved by the Board of Directors on 4 October 2004

Signed on behalf of the Board of Directors

  
**D.P. Levy**  
 Director

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention, and on the going concern basis.

##### **Cash flow statement**

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

##### **Turnover**

Turnover represents television income, sponsorship income, and management fees receivable exclusive of Value Added Tax.

##### **Signing on fees**

Signing on fees are charged evenly, as part of operating expenses, to the Profit and Loss Account over the period of the player's contract.

##### **Pension Costs**

Defined contribution arrangements are made, to external pension schemes, for eligible employees of the Group. The pension cost charged in the year represents contributions payable by the Group to these schemes.

In addition the Group 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.

##### **Intangible Fixed Assets**

The costs associated with the acquisition of players' registrations and coaching staff are capitalised as intangible fixed assets. These costs are fully amortised over their useful economic lives, generally in equal annual instalments over the period of their respective contracts. Players' registrations are written down for impairment when the carrying value exceeds the amount recoverable through use or sale, and the reduction in value is considered permanent.

##### **Tangible fixed assets**

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

Motor Vehicles	20% straight line
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# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred taxation assets and liabilities are discounted using the post tax yields to maturity that could be obtained at the balance sheet date on Government bonds with maturity dates similar to those of the deferred taxation assets and liabilities. Consistent rates of discount have been applied on the basis that there is no material effect on the tax charge.

Deferred taxation is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief.

#### 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 dates. Translation differences are dealt with in the Profit and Loss Account.

## 2. ANALYSIS OF COMPARATIVE PROFIT AND LOSS ACCOUNT

	Operations excluding player trading £'000	Player trading £'000	Total £'000
Turnover	57,994	-	57,994
Operating Expenses	(51,705)	(18,692)	(70,397)
Operating profit/(loss)	6,289	(18,692)	(12,403)
Profit on disposal of registrations	-	1,329	1,329
Profit/(loss) before interest and taxation	6,289	(17,363)	(11,074)

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 3. TURNOVER

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

	2004 £'000	2003 £'000
<b>Turnover comprises:</b>		
Gate receipts – premier league	-	5,926
Gate receipts – cup competitions	284	963
Sponsorship & corporate hospitality	7,040	8,645
Media and broadcasting	23,891	24,755
Management fee receivable	20,791	12,965
Other	3,820	4,740
	<u>55,826</u>	<u>57,994</u>

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

Certain types of income have been analysed in a different category of turnover this year. Gate receipts have been more tightly defined, resulting in a reallocation of turnover, from these categories to the corporate hospitality and other categories. The comparative figures have been restated accordingly. Gate receipts – premier league and gate receipts – cup competitions reduced by £3,363,000 and £344,000 respectively, whilst sponsorship & corporate hospitality, and other, increased by £2,877,000 and £830,000 respectively. There was also a reclassification of £41,000 from media and broadcasting turnover to other.

Since 27 November 2002, premier league and home cup match gate receipts and certain corporate hospitality income streams previously recognised by the Company, have been accounted for in White Hart Lane Stadium Limited, a fellow group company. Since 27 November 2002 the Company has received a management fee in respect of its services to White Hart Lane Stadium Limited.

#### 4. OPERATING EXPENSES

	2004 £'000	2003 £'000
Staff costs	34,292	37,018
Amortisation and impairment of intangible fixed assets	10,924	18,692
Depreciation of tangible fixed assets	3	11
Other operating costs	18,581	14,676
	<u>63,800</u>	<u>70,397</u>

The Company has adopted format 2 of the Companies Act when preparing its Profit and Loss account. Expenses previously classified as cost of sales or administrative expenses are now classified in one single category – operating expenses. This more accurately reflects the operations of the Company and enables easier comparison of the costs of the business for the user of the financial statements. The major components of operating expenses, with comparatives, are analysed above.

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004 £'000	2003 £'000
<b>Loss on ordinary activities before taxation is stated after charging:</b>		
Depreciation on tangible fixed assets - owned	3	11
Amortisation and impairment of player registrations	10,924	18,692
(Profit)/loss on disposal of tangible fixed assets	(7)	-
Auditors' remuneration and expenses: audit fee	-	20
Stadium Hire and management fees	5,518	5,979
	<u>5,518</u>	<u>5,979</u>

The audit fee is borne by the parent company.

#### 6. STAFF NUMBERS AND COSTS

	2004 No.	2003 No.
The average number of employees during the year was as follows:		
Players	62	68
Football Administration	71	70
Administration	60	58
	<u>193</u>	<u>196</u>

	£'000	£'000
The aggregate payroll costs of these employees was as follows:		
Wages, salaries and bonuses	30,401	32,914
Social Security Costs	3,853	3,791
Other pension costs	38	313
	<u>34,292</u>	<u>37,018</u>

In addition the Company employs on average 593 temporary staff on matchdays (2003 - 574).

#### 7. DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Company who are not remunerated by the Parent Company, for the year were £1,667 (2003 - £16,000).

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

	2004 Salary £	2003 Total £
Total Remuneration	<u>1,667</u>	<u>16,000</u>

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 8. (LOSS)/PROFIT ON DISPOSAL OF INTANGIBLE FIXED ASSETS

	2004 £'000	2003 £'000
Proceeds	3117	1,936
Net book value of disposals	(3,498)	(607)
	<u>(381)</u>	<u>1,329</u>

#### 9. TAX CREDIT ON ORDINARY ACTIVITIES

	2004 £'000	2003 £'000
Group relief	(2,426)	(2,001)
Current tax	<u>(2,426)</u>	<u>(2,001)</u>
Origination and reversal of timing differences	404	(384)
Adjustment in respect of prior years	(2)	-
Increase in discount	-	(8)
Deferred tax	<u>402</u>	<u>(392)</u>
Total tax credit on loss on ordinary activities	<u>(2,024)</u>	<u>(2,393)</u>

#### Reconciliation of the current tax credit

Loss on ordinary activities before taxation at the UK statutory rate of 30% (2003 – 30%)	(2,507)	(3,322)
Effect of:		
Amortisation of registrations for which tax relief has previously been taken	54	54
Other timing differences	(22)	(28)
Depreciation in excess of capital allowances	(4)	(2)
Other permanent differences	53	40
Losses available to carry forward – provided	-	360
Unprovided deferred tax asset on losses	-	897
Total current tax credit	<u>(2,426)</u>	<u>(2,001)</u>

The total charge or credit in the current year or future years will include discounted deferred taxation. Consequently, changes in the medium and long term interest rates used to discount deferred taxation assets and liabilities will affect the amount of deferred taxation charged or credited to the profit and loss account.

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 10. INTANGIBLE FIXED ASSETS

	£'000
<b>Cost of registrations</b>	
At 1 July 2003	45,323
Additions	22,456
Disposals	(24,316)
At 30 June 2004	43,463
<b>Amortisation and impairment of registrations</b>	
At 1 July 2003	28,304
Charged in period – amortisation	10,924
Disposals	(20,818)
At 30 June 2004	18,410
<b>Net book value of registrations</b>	
At 30 June 2004	25,053
At 30 June 2003	17,019

#### 11. TANGIBLE FIXED ASSETS

	Motor vehicles £'000
<b>Cost</b>	
At 1 July 2003	55
Additions	-
Disposals	(55)
At 30 June 2004	-
<b>Accumulated depreciation</b>	
At 1 July 2003	49
Charge for the period	3
Disposals	(52)
At 30 June 2004	-
<b>Net book value</b>	
At 30 June 2004	-
At 30 June 2003	6

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 12. DEBTORS

	2004 £'000	2003 £'000
Trade debtors	2,611	5,270
Other debtors	400	722
Prepayments and accrued income	1,571	1,992
Amounts due from Group undertakings	53	827
	<u>4,635</u>	<u>8,811</u>

Trade debtors above include £1,130,000 (2003 - £1,043,000) in respect of the disposal of players' registrations. £nil of this figure is receivable after one year (2003 - £308,000).

#### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £'000	2003 £'000
Bank overdraft	-	9,606
Trade creditors	5,933	3,025
Amounts owed to Group undertakings	33,509	13,331
Other tax and social security	1,958	3,309
Other creditors	762	813
Accruals and deferred income	3,843	2,607
	<u>46,005</u>	<u>32,691</u>

Trade creditors above include £5,131,760 in respect of the acquisition of players' registrations (2003 - £2,734,000).

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

#### 14. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £'000	2003 £'000
Trade creditors	3,000	2,232
Other creditors	391	423
	<u>3,391</u>	<u>2,655</u>

Trade creditors above are in respect of the acquisition of players' registrations (2003 - £2,232,000).



# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	£'000	
Deferred taxation asset:		
At 1 July 2003		(402)
Charged to the profit and loss account		402
		<hr/>
At 30 June 2004		-
		<hr/>
	2004	2003
	£'000	£'000
Deferred taxation has been provided as follows:		
Pension contributions not paid	-	(85)
Trading losses carried forward	-	(360)
Accelerated capital allowances	-	(11)
Player registrations	-	54
	<hr/>	<hr/>
Total provision/(asset)	-	(402)
	<hr/>	<hr/>

No deferred tax asset has been recognised in respect of £1.0m of tax losses and £0.1m of other timing differences, as there is insufficient certainty that these losses will be utilised in the immediate future. These losses are available to carry forward against future profits of the same trade.

#### 16. CALLED UP SHARE CAPITAL

	Number	£'000
<b>Ordinary shares of £1 each</b>		
<b>Authorised:</b>		
At 30 June 2003 and 2004	53,812	54
	<hr/>	<hr/>
<b>Called up, allotted and fully paid:</b>		
At 30 June 2003 and 2004	53,812	54
	<hr/>	<hr/>

#### 17. RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 July 2003	1,083	(10,647)
Loss for the year	-	(6,331)
	<hr/>	<hr/>
At 30 June 2004	1,083	(16,978)
	<hr/>	<hr/>

# TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 30 JUNE 2004

#### 18. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

	2004 £'000	2003 £'000
Loss the year	(6,331)	(8,681)
Opening shareholders' deficit	(9,510)	(829)
Closing shareholders' deficit	<u>(15,841)</u>	<u>(9,510)</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 £38,000 (2003 - £109,000).

##### Defined benefit scheme

The Company is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). The most recent actuarial valuation of the Scheme was as at 31 August 2002 and indicated that the contribution required from the Company towards making good this deficit was £300,000 at 1 April 2003. The pension cost charged during the year relating to this deficit was £nil (2003 - £204,000). At the Balance Sheet date the Company's share of this deficit was £208,000 (2003 - £282,000).

#### 20. 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.

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

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability was £3,605,000 (2003 - £4,824,000).

# **TOTTENHAM HOTSPUR FOOTBALL & ATHLETIC CO. LIMITED**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 30 JUNE 2004**

#### **21. POST BALANCE SHEET EVENTS**

Since the balance sheet date the following events have occurred:

Frank Arnsen was appointed Sporting Director

Jacques Santini was appointed Head Coach

Sean Davis was bought from Fulham

Leigh Mills was bought from Swindon Town

Erik Edman was bought from Heerenveen

Pedro Mendes was bought from FC Porto

Thimothee Atouba was bought from Basel

Noureddine Naybet was bought from Deportivo La Coruna

Rodrigo Defendi was bought from Cruzeiro

Michael Carrick was bought from West Ham United

Noe Pamarot was bought from Nice

Reto Ziegler was bought from Grasshopper Zurich

Calum Davenport was bought from Coventry City

Helder Postiga was sold to FC Porto

Stephen Carr was sold to Newcastle United

Gary Doherty was sold to Norwich City

Including Football League levies, the uncontingent net cost of these transactions amounted to approximately £9,700,000

#### **22. ULTIMATE PARENT COMPANY**

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

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