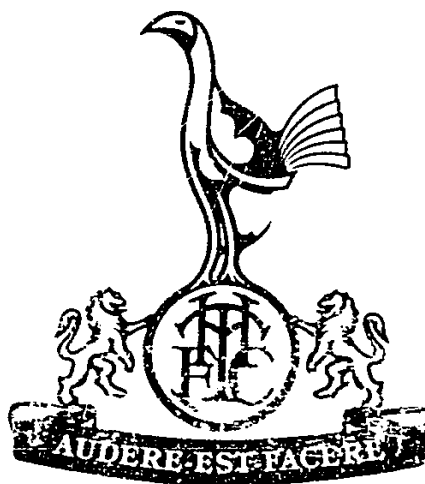


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Tottenham Hotspur plc

ANNUAL REPORT AND ACCOUNTS 1992

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Directors and advisers

<i>Directors</i>	A. M. Sugar D.Sc. (Chairman) T. F. Venables (Chief Executive) N. Solomon M.A. (Cantab.) A. G. Berry F.C.C.A. C. T. Sandy A.T.I.I. J. Crystal LL.B.
<i>Secretary</i>	C. T. Sandy A.T.I.I.
<i>Registered office</i>	748 High Road Tottenham London N17 6AP
<i>Registered number</i>	1706355
<i>Auditors</i>	Tenche Ross & Co Chartered Accountants Hill House 1 Little New Street London EC4A 3TR
<i>Solicitors</i>	Faggers 70 Charlotte Street London W1P 1LR Herbert Smith Exchange House Penthouse Street London EC2A 2HS
<i>Bankers</i>	Barclays Bank PLC North East London Business Centre 65/66a High Road Tottenham London N17 6HA
<i>Financial advisers</i>	Henry Ansbacher & Co. Limited One Mitre Square London EC3A 6AN
<i>Stockbrokers</i>	Sheppards 1 London Bridge London SE1 9QU
<i>Registrars</i>	Stentford Close Registrars Limited Broseley House Newlands Drive Witnam Essex CM8 2UL
<i>Public relations</i>	Michael Joyce Financial Limited 19 Garrick Street London WC2E 9BB

Chairman's statement

I am pleased to announce that the turnover for the full year to 31st May 1992 was £19,305,000 (1991 - £18,173,000) with profits of £2,957,000 (1991 - loss £3,115,000).

To avoid confusion shareholders should note that these results do not include in any way the sale and transfer of Paul Gascoigne. The benefits of that transaction will impact our current financial year. These results, however, do include an extraordinary gain of £393,000 brought about by the recovery of a debt previously written off in our last financial year.

There will be no dividend payable in respect of these results due to the fact that there were no distributable reserves at 31st May 1992. However, in the document dated 7th April 1992 the proposed reduction in the share premium account was announced with the aim of creating £7,000,000 to the profit and loss account so as to wipe out the deficit. The courts approved this on 8th June 1992 and consequently we will be able to declare a special interim dividend once distributable profits arising after the court date of 8th June 1992 have been determined.

These results were achieved during a period where the Company was still burdened with debt, and during a period where a lot of rebuilding of the Company's financial position had to take place. Despite these constraints, the management have achieved an excellent financial result. This is a clear indication that there are profits constantly available from the core business of the Company, and those profits will remain and grow steadily as long as financial control and good business planning is applied.

The formation of the Premier League will bring about greater opportunities for profit growth for the Company. Greater revenues are now available from television rights and the same follows in all other aspects related to sponsorship and advertising. A new era is upon us, and I feel that in years to come the growth in the sports entertainment industry will be one of the largest.

The Company still has milestones to achieve and pass, the first of which is the rebuilding of the playing division. There has been much publicity given in recent months to the reconstruction of the team and we are pleased to now have acquired so many good new members. Like all new teams, be they involved in playing football or a team of new business professionals, there will be a need for a settling in period before the fruition of their talents will be apparent. Now under the leadership of Terry Venables, we feel that the team has tremendous potential.

Other well publicised milestones to reach and pass are those concerning the Taylor report and its requirements for an all-seater stadium. Whilst we can see the virtues and reasons for such a directive, we share the view with many other Clubs that the timescale for implementation needs to be relaxed. We now, however, have to take the sensible approach on this matter and have started the redevelopment firstly by making our South Stand all seater, as well as seating the lower portion of the East Stand. Our next phase will relate to the North Stand, on which we plan to start work soon.

As mentioned in my half year statement, plans are in place to streamline our operations by way of computerisation to enable us to enhance our merchandising business beyond that so far associated with football. Once computerised, our current mail order division will be able to handle non-football associated products without any extra expense or risk being borne by the Group.

Current trading conditions are good and we are confident that our current financial year will be in line with our intention of controlled profit growth.

Particular thanks are due to Nat Solomon, who was Chairman of the Company during some difficult times and who retires by rotation on 20th October. He has decided not to offer himself for re-election as a Director of the Company.

I would also like to take this opportunity to thank all our staff members, both on the administrative and football side, for their efforts. I am sure that we can all look forward to their continued support and effort in our future endeavours.


Alan Sugar

16th September 1992

Directors' report

The Directors present their annual report and the audited accounts for the year ended 31st May 1992.

Principal activities

The principal activities of the Group are the operation of a professional football club in England and related merchandising activities.

Review of business and future developments

A review of the activities of the Group is set out in the Chairman's Statement. The results for the year are set out in the profit and loss account on page 8.

Dividends and transfer to reserves

The Directors are unable to propose a final dividend for the year ended 31st May 1992 (1991 – nil) as the accumulated profit and loss account of the Company at that date was in deficit and the profit for the year was therefore transferred to reserves.

Following the reduction of the share premium account, which was sanctioned by the court on 8th June 1992, the Company will be able to declare a special interim dividend once distributable profits after the court date have been determined.

The profit for the year of £2,957,000 was transferred to reserves (1991 – loss of £3,115,000 transferred from reserves).

Fixed assets

Details of changes in fixed assets are given in notes 11 to 13 to the accounts. The Directors have considered the values of the properties, some of which are included at valuation, and are of the opinion that any fall in property values would not be permanent.

The intangible fixed assets represent the unamortised portion of the cost of players' registrations. The Directors consider that the current re-sale value of the players is considerably in excess of this book value.

Directors

The Directors who served during the year and the interests of those serving as at 31st May 1992 in the share capital of the Company, which were all beneficial, were as follows:

	31st May 1992	31st May 1991 or appointment if later
	No. of shares	No. of shares
A. M. Sugar (appointed 21st June 1991)	7,650,535	1,822,000
T. F. Venables (appointed 21st June 1991)	3,542,938	1,822,000
A. G. Berry	800,000	800,000
J. Crystal (appointed 7th August 1991)	5,000	—
C. T. Sandy (appointed 7th August 1991)	1,571	1,000
N. Solomon	157	100
D. A. Alexiou (resigned 7th August 1991)	N/A	22,400
I. A. Gray (until 29th July 1991)	N/A	1,000
F. P. Sinclair (resigned 7th August 1991)	N/A	120,000
P. A. Bobroff (resigned 21st June 1991)	N/A	1,096,800

D. J. Buchler was appointed as a Director on 13th June 1991 and resigned on 7th August 1991.

T. F. Venables has an option to subscribe for 350,000 shares under the Executive Share Option Scheme at a price of 115p per share exercisable between 7th March 1991 and 7th March 1998.

There were no changes in the interests of the Directors between 31st May 1992 and the date of this report.

Directors' report

continued

Directors' interests in contracts

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

A licence to occupy The Chanticleer Restaurant, Paxton Road, Tottenham, London N17, was granted by the Company to Saxilby Limited, a company of which A. G. Berry is a director and shareholder. The licence was granted on an arm's length basis for an initial period of one year at a rent of £47,500. An extension of this licence is currently being negotiated.

An oral agreement existed between the Company and Viewthorpe Limited, a company in which F. P. Sinclair has an interest, pursuant to which Viewthorpe Limited advanced, before the 31st May 1991, sums totalling £350,000 to the Company on an unsecured basis with simple interest accruing at the rate of interest paid by the Company to Midland Bank plc from time to time. The capital sum was converted into equity during the year.

By deed of assignment, on 21st June 1991, A. M. Sugar took over a loan, plus accrued interest, made by The Hoborn Property Company Limited to the Company amounting to £1,270,000. Simple interest accrued at a rate equal to the base rate of Midland Bank plc as determined from time to time. This loan was converted into equity at the time of the rights issue.

By letters of agreement dated 13th September 1991 and 16th September 1991, Edennote plc (a company wholly owned by T. F. Venables) and A. M. Sugar respectively advanced the sums of £800,000 each to the Company on an unsecured basis at a simple interest rate equal to the base rate of Midland Bank plc as determined from time to time. Both loans were converted into equity at the time of the rights issue.

By a letter of agreement dated 28th November 1991, A. M. Sugar advanced the sum of £4,056,000 to the Company on an unsecured basis with simple interest accruing at the base rate of Midland Bank plc as determined from time to time. The sum of £191,504 was repaid following the rights issue and the remainder was converted into equity at that time.

The Company made a loan amounting to £50,000 to T. F. Venables prior to his appointment as a Director. The sum outstanding did not change throughout the year. The loan did not bear interest and was repaid on 8th September 1992.

Non-executive Directors

A. G. Berry is 52 and has been a Director since 1987. He is Chairman of Blue Arrow Technology Group plc and was formerly Chairman of Blue Arrow plc.

J. Crystal is 42 and is a practising barrister at law.

N. Solomon is 66 and was Executive Chairman of the Company from January 1991 to June 1991. He is on the Board of a number of other companies and was formerly Chairman of Plesurama plc.

Significant shareholdings

Apart from the interests of the Directors, the Company has received no notification of any interest of 3% or more in the share capital of the Company as at the date of this report.

Tax status

In the opinion of the Directors the Company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 as at 31st May 1991. However, the Company became a close company on 19th October 1991, was not a close company for the period from 31st December 1991 to 19th February 1992 but became close on 20th February 1992 and remains so as at 31st May 1992.

Donations

During the year the Group made no charitable donations (1991 - nil). There were no political donations during the year (1991 - nil).

Directors' report

continued

Post balance sheet events

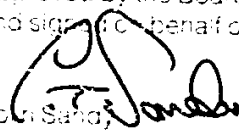
Following an Extraordinary General Meeting on 30th April 1992 and the sanction of the High Court on 8th June 1992, the amount standing to the credit of the share premium account of the Company has been reduced by £7,000,000 almost eliminating the deficit on the Company's profit and loss account.

The sale of Paul Gascoigne to Lazio was effected in June 1992. The consequence of this post balance sheet transaction was to inject a net £5.4m of cash into the Group. A number of other player transactions have taken place after the year end, further details of which are included in note 26 to the accounts.

Auditors

A resolution to re-appoint Touche Ross & Co. will be proposed at the forthcoming Annual General Meeting.

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

Colin Sand,


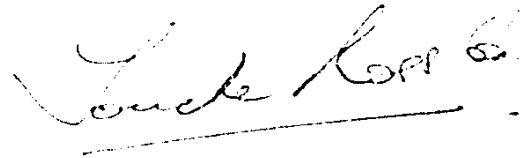
Secretary

16th September 1992

Report of the auditors
To the members of Tottenham Hotspur plc

We have audited the accounts on pages 8 to 21 in accordance with Auditing Standards

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st May 1992 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985



Touché Ross & Co
Chartered Accountants and Registered Auditor
Hill House
1 Little New Street
London EC4A 3TR

16th September 1992

Consolidated profit and loss account

year ended 31st May 1992

	Note	1992 £'000	1991 £'000
Turnover	2	19,308	18,173
Cost of sales and distribution costs		3,155	3,640
Player and match expenses		7,439	6,128
Administrative expenses		4,878	5,895
		15,472	15,663
Profit on ordinary activities before interest	2.5	3,836	2,510
Interest payable (net)	4	(1,177)	(1,133)
Profit/(loss) on ordinary activities before taxation		2,659	1,377
Taxation charge (credit on profits/loss) on ordinary activities	7	(160)	27
Profit/(loss) on ordinary activities after taxation and before extraordinary items		2,559	1,404
Extraordinary item	8	398	1,680
Profit/(loss) for the financial year	9	<u>2,957</u>	<u>3,084</u>
Earnings (loss) per share	10	20.2p	17.8p

* Where only one figure is stated, it relates to the accounts.

* The figures on pages 11 to 21 form part of the accounts.

Balance sheets as at 31st May 1992

		Group		Company	
	Note	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Fixed assets					
Intangible assets	11	9,803	8,697	—	—
Tangible assets	12	22,519	23,218	22,309	22,611
Investments	13	—	—	3,242	2,744
		<u>32,322</u>	<u>31,915</u>	<u>25,551</u>	<u>25,355</u>
Current assets					
Stocks		458	603	458	510
Debtors	14	1,436	2,233	377	171
		<u>1,894</u>	<u>2,836</u>	<u>835</u>	<u>681</u>
Creditors					
Amounts falling due within one year	15	11,796	21,531	16,434	22,478
Net current liabilities		<u>(9,902)</u>	<u>(18,695)</u>	<u>(15,599)</u>	<u>(21,797)</u>
Total assets less current liabilities		22,420	13,220	9,952	3,558
Creditors					
Amounts falling due after more than one year	16	(400)	(1,152)	(103)	(526)
Net assets		<u>22,020</u>	<u>12,068</u>	<u>9,849</u>	<u>3,032</u>
Capital and reserve					
Called up share capital	18	4,005	2,546	4,005	2,546
Share premium account	19	8,192	2,612	8,192	2,612
Revaluation reserve	19	5,032	5,172	4,692	4,788
Profit and loss account	19	4,791	1,738	(7,040)	(6,914)
		<u>22,020</u>	<u>12,068</u>	<u>9,849</u>	<u>3,032</u>

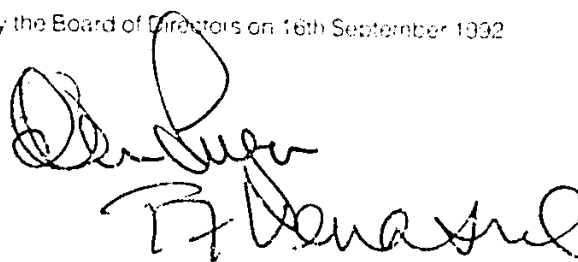
The accounts were approved by the Board of Directors on 16th September 1992

Signed on behalf of the Board

A.M. Sugar

T.F. Venables

} Directors



The notes on pages 11 to 21 form part of these accounts.

Consolidated cash flow statement

for the year ended 31st May 1992

		1992	1991
	Note	£'000	£'000
Cash inflow from operating activities	20	2,029	3,956
Returns from investments and servicing of finance			
Interest paid		(1,595)	(2,004)
Net cash outflow from returns on investments and servicing of finance		(1,595)	(2,004)
Investing activities			
Payments to acquire new players/registrations		(2,670)	(1,153)
Repayments from sale of players/registrations		1,891	364
		(779)	(169)
Payments to acquire new club and assets		(402)	(152)
Repayments from sale of tangible fixed assets		53	32
		(349)	(120)
Net cash outflow from investing activities		(1,128)	(1,309)
Net cash (outflow)/inflow before financing		(694)	1,643
Financing			
Proceeds of rights issue	22	7,275	—
Expenditure paid in respect of rights issue	22	(253)	—
Other finance income	22	17	—
Net cash inflow from financing		7,039	—
Increase in cash and cash equivalents	21	6,345	1,643

The notes on pages 11 to 21 form part of these accounts.

Notes to the accounts

Year ended 31st May 1992

1. Accounting policies

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

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention with the exception that certain freehold and leasehold properties have been revalued.

Basis of consolidation

The consolidated accounts incorporate the accounts of Tottenham Hotspur plc and its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included from, or up to, the date of acquisition or disposal respectively. Goodwill arising on the acquisition is written off directly to the reserves in the year of acquisition.

A separate profit and loss account dealing with the results of the Company only has not been presented as permitted by Section 230 of the Companies Act 1985.

Turnover

Turnover comprises match and box receipts and proceeds of sale of players' registrations relating to the current year and sales invoiced during the year, exclusive of Value Added Tax.

Depreciation

Freehold land is not depreciated.

Leasehold property is amortised over the term of the lease.

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

Freehold properties	2%
Motor vehicles	20%
General plant and equipment	10% - 25%

Stocks

Stocks, which comprise goods held for resale, are valued at the lower of cost and net realisable value.

Transfer fees

The costs of players' registrations are capitalised and, after allowing for estimated residual values, are amortised over the period of the respective players' contracts.

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.

Signing on fees

Signing on fees are charged to the profit and loss account in the accounting period in which they are payable.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Pension costs

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

Notes to the accounts

Year ended 31st May 1992

Finance leases

Assets held under finance leases are included in fixed assets at total rental cost less finance charges. Finance charges are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation. Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts to the extent that it is probable that liabilities 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 dates 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 date. Translation differences are dealt with in the profit and loss account.

2. Turnover, profit on ordinary activities before interest and net assets

	1992	1991
	£'000	£'000
Turnover comprises:		
Primary football activities	15,002	11,129
Sale of players' registrations	1,935	947
Football merchandise retail and distribution	2,371	2,796
	<u>19,308</u>	<u>14,872</u>
Discontinued activities	—	3,301
	<u>19,308</u>	<u>18,173</u>
Profit on ordinary activities before interest can be analysed as follows:		
Primary football activities	3,810	2,068
Player trading less amortisation	(105)	(98)
Football merchandise and distribution	131	268
	<u>3,836</u>	<u>2,238</u>
Exceptional costs	—	(1,569)
Discontinued activities	—	(177)
	<u>3,836</u>	<u>512</u>
Net assets comprise:		
Primary football activities	12,092	3,327
Players' registrations	9,803	8,697
Football merchandise retail and distribution	125	44
	<u>22,020</u>	<u>12,068</u>

Turnover and profit on ordinary activities all derive from activities in the United Kingdom and net assets are all situated in the United Kingdom.

Notes to the accounts

Year ended 31st May 1992

3. Staff numbers and costs

The average number of employees of the Group during the year was as follows

	1992	1991
	No	No
Players and football administration staff	81	78
Administration staff	51	70
Retail and distribution staff	11	53
	<u>143</u>	<u>201</u>

The aggregate payroll costs of these employees were as follows

	1992	1991
	£'000	£'000
Salaries and bonuses	4,842	4,699
Social security costs	483	484
Other pension costs	47	76
	<u>5,372</u>	<u>5,259</u>

4. Interest payable (net)

	1992	1991
	£'000	£'000
Interest receivable	(2)	(6)
Interest payable on bank overdrafts and other loans repayable within five years	1,135	2,228
Finance lease charges	44	71
	<u>1,177</u>	<u>2,293</u>

5. Profit/(loss) on ordinary activities before interest

This is stated after charging/(crediting) the following

	1992	1991
	£'000	£'000
Depreciation of tangible fixed assets	737	911
Amortisation of players' registrations	961	782
Profit on transfer of players' registrations	(856)	(684)
Auditors' remuneration and expenses	15	25
Finance lease charges	44	71
Operating lease rentals	114	204
Exceptional costs	—	1,569

Exceptional costs in 1991 comprised the professional and other costs incurred as a result of the Group's financial position and the need to raise additional finance at that time.

6. Taxation (charge)/credit on profit/(loss) on ordinary activities

	1992	1991
	£'000	£'000
UK corporation tax at 23% (1991 - 33.83%)	(100)	—
On profit for the year	—	21
Adjustment in respect of prior years	(100)	21

The tax charge has been reduced by certain timing differences not being equalised by the creation of a deferred tax liability.

Notes to the accounts

Year ended 31st May 1992

7. Directors' emoluments

The emoluments of the Directors of the Company for the year were £404,193 (1991 - £108,000) of which £23,500 (1991 - £8,600) related to pension contributions.

The emoluments of the Chairman who served from 1st June 1991 to 28th June 1991 for the period during which he was Chairman, were £3,065 (1991 - £15,000).

The current Chairman, who was appointed on 28th June 1991 received no emoluments.

Excluding pension contributions, the emoluments of the highest paid Director were £267,500 (1991 - £51,000).

The number of Directors whose emoluments fell within the following ranges were

	1992	1991
	No	No
£ 0 - £ 5,000	7	5
£ 5,001 - £ 10,000	—	1
£ 10,001 - £ 15,000	2	1
£ 15,001 - £ 20,000	—	1
£ 20,001 - £ 25,000	1	—
£ 25,001 - £ 30,000	—	1
£30,001 - £35,000	1	—
	<u>1</u>	<u>—</u>

8. Extraordinary items

These comprise the following

	1992	1991
	£'000	£'000
Closure costs of Martek Limited	—	—
Loss on disposal of Synchro Systems Limited	—	(404)
Closure costs of Fieldquest Limited (formerly Hummel UK) Limited	—	(164)
Write off of goodwill on acquisition of interest in Synchro Systems Limited previously written off directly to reserves	—	(160)
Reversal of amounts previously provided in respect of closure of Fieldquest Limited	398	—
	<u>398</u>	<u>(1,355)</u>

Full provision for the loss on sale of the investment in Synchro Systems Limited which was sold on 13th September 1991, was made in the accounts to 31st May 1991. The comparative figures have been restated to reflect also the write off of goodwill on acquisition of this investment in accordance with IFRS. This amount had previously been written off directly to reserves.

9. Profit/(loss) for the financial year

The profit/(loss) for the financial year includes a loss of £222,000 (1991 - £4,152,000) dealt with in the accounts of the Company.

10. Earnings/(loss) per share

The calculation of earnings/(loss) per share is based on the earnings/(loss) attributable to shareholders before extraordinary items of £2,559,000 (1991 - loss of £1,760,000) and on the weighted average of 12,644,530 ordinary shares (1991 - 10,185,548) in issue during the year.

Notes to the accounts

Year ended 31st May 1992

11. Intangible fixed assets

Group	Cost of players registrations £'000
At 1st June 1991	10,227
Additions	3,146
Disposals	(1,671)
At 31st May 1992	<u>11,700</u>
Amortisation	
At 1st June 1991	1,528
Charged in year	961
Disposals	(592)
At 31st May 1992	<u>1,897</u>
Net book value	
At 31st May 1992	<u>9,803</u>
At 31st May 1991	<u>8,697</u>

The above represents the amortised cost as at 31st May 1992 of 17 players (1991 - 16 players).

12. Tangible fixed assets

Group	Land and buildings		Motor	General	Total
	Freehold	Short leasehold	vehicles	plant and equipment	
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1st June 1991	21,983	67	343	3,320	25,713
Additions	133	-	189	80	402
Disposals	-	(46)	(188)	(730)	(964)
At 31st May 1992	<u>22,116</u>	<u>21</u>	<u>344</u>	<u>2,670</u>	<u>25,151</u>
Depreciation					
At 1st June 1991	414	38	173	1,870	2,495
Charged in the year	408	1	52	276	737
Disposals	-	(27)	(105)	(468)	(600)
At 31st May 1992	<u>822</u>	<u>12</u>	<u>120</u>	<u>1,678</u>	<u>2,632</u>
Net book value					
At 31st May 1992	<u>21,294</u>	<u>9</u>	<u>224</u>	<u>992</u>	<u>22,519</u>
At 31st May 1991	<u>21,569</u>	<u>29</u>	<u>170</u>	<u>1,450</u>	<u>23,218</u>
Being:					
At cost	281	16	344	2,670	3,311
At 1988 valuation	2,085	5	-	-	2,090
At 1990 valuation	19,750	-	-	-	19,750
At 31st May 1992	<u>22,116</u>	<u>21</u>	<u>344</u>	<u>2,670</u>	<u>25,151</u>

Notes to the accounts

Year ended 31st May 1992

12. Tangible fixed assets continued

Company	Land and buildings		Motor vehicles	General plant and equipment	Total
	Freehold £'000	Short leasehold £'000			
Cost or valuation					
At 1st June 1991	21,831	21	25	2,701	24,578
Additions	240	—	24	80	344
Disposals	—	—	—	(242)	(242)
At 31st May 1992	22,071	21	49	2,539	24,680
Depreciation					
At 1st June 1991	414	12	15	1,526	1,967
Charged in the year	363	1	6	276	646
Disposals	—	—	—	(242)	(242)
At 31st May 1992	777	13	21	1,560	2,371
Net book value					
At 31st May 1992	21,294	8	28	979	22,309
At 31st May 1991	21,417	9	10	1,175	22,611
Being					
At cost	372	16	49	2,539	2,976
At 1988 valuation	1,949	5	—	—	1,954
At 1990 valuation	19,750	—	—	—	19,750
At 31st May 1992	22,071	21	49	2,539	24,680

The stadium was valued in 1990 by Healey and Baker, International Surveyors and Valuers, on the basis of depreciated replacement cost. The other properties were valued in 1988 on the basis of open market value for their existing use in the case of properties occupied primarily by the Group and the remainder on the basis of open market value.

Freehold land totalling £3,650,000 has not been depreciated.

The amount of land and buildings (included above at cost or valuation) determined according to the historical cost accounting rules is as follows:

	Group		Company	
	1992 £'000	1991 £'000	1992 £'000	1991 £'000
Cost	18,555	18,468	18,461	18,328
Depreciation	(2,192)	(1,855)	(1,885)	(1,521)
	16,363	16,613	16,576	16,807

Included in fixed assets are assets which are held under finance leases as follows:

	Group		Company	
	Motor vehicles £'000	General plant and equipment £'000	Motor vehicles £'000	General plant and equipment £'000
Net book value	82	212	24	212
Depreciation charged in year	31	27	2	27

Notes to the accounts

Year ended 31st May 1992

13. Investments held as fixed assets

Investments held as fixed assets by the Company represent the investments in subsidiary undertakings which may be analysed as follows:

	Shares £'000	Loans £'000	Total £'000
Cost:			
At 1st June 1991	4,504	3,291	7,795
Sale of investment in Synchro Systems Limited	(200)	—	(200)
At 31st May 1992	<u>4,304</u>	<u>3,291</u>	<u>7,595</u>
Provision:			
At 1st June 1991	3,160	1,891	5,051
Sale of investment in Synchro Systems Limited	(200)	—	(200)
Reduction due to profit in subsidiary undertaking	—	(498)	(498)
At 31st May 1992	<u>2,960</u>	<u>1,393</u>	<u>4,353</u>
Net book value			
At 31st May 1992	<u>1,344</u>	<u>1,898</u>	<u>3,242</u>
At 31st May 1991	<u>1,344</u>	<u>1,400</u>	<u>2,744</u>

At 31st May 1992 the Company had the following principal subsidiary undertaking which is registered and operates in England and Wales:

	Share Class	Holding
The Tottenham Hotspur Football and Athletic Company Limited — professional football club	Ordinary	100%

The Company disposed of its 75% shareholding in Synchro Systems Limited ("Synchro") to P. A. Warsop, a director and existing shareholder of that company, on 13th September 1991.

The principal terms of the sale were as follows:

- The Company's holding was sold for £1.
- The Company assumed the liability for Synchro's overdraft amounting to approximately £1.67 million which previously formed part of the Group's bank borrowings.
- The Company waived all or £195,000 of the existing inter-company debt due from Synchro amounting to approximately £1.61 million following the assumption of Synchro's bank overdraft. £50,000 was paid in cash by Synchro on completion and £25,000 was settled by the delivery of a limited liability security to the Group. The remaining £120,000 is payable in four equal quarterly instalments which commenced in December 1991.
- The purchaser will use his best endeavours to procure the release of the Company from any guarantees to third parties in relation to Synchro and, pending such release, will indemnify the Company accordingly.
- The Company gave certain warranties and indemnities to the purchaser under which the Company's maximum liability is £195,000.

Full provision was made in the Company's accounts for losses arising on the sale in the accounts to 31st May 1991. As referred to in note 8, however, no transfer to profit and loss account was made in respect of goodwill previously written off directly to reserves on acquisition of the shareholding. The 1991 results have been restated accordingly. The cumulative amount of goodwill previously written off amounts to £2,735,300.

Notes to the accounts

Year ended 31st May 1992

14. Debtors

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Trade debtors	488	1,077	101	37
Amounts owed by Group undertakings	—	—	177	—
Other debtors	242	109	73	29
Prepayments and accrued income	706	531	24	105
Advance corporation tax recoverable	—	130	—	—
	<u>1,436</u>	<u>2,835</u>	<u>377</u>	<u>171</u>

Trade debtors include £169,000 (1991 – £125,000) in respect of transfers of players' registrations.

Other debtors include £103,000 (1991 – nil) repayable in more than one year.

15. Creditors – amounts falling due within one year

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Bank overdraft	4,288	10,633	11,902	8,448
Payments received in advance	2,373	1,472	—	—
Trade creditors	2,339	3,427	989	1,810
Amounts owed to Group undertakings	—	—	1,011	6,324
Other creditors	1,072	3,738	800	4,464
Tax and social security	435	313	45	261
Accruals and deferred income	1,141	1,526	1,219	1,315
Obligations under finance leases	148	192	67	66
Advance corporation tax payable	—	170	—	170
	<u>11,796</u>	<u>21,531</u>	<u>16,434</u>	<u>30,478</u>

Trade creditors include £870,000 (1991 – £152,000) in respect of transfers of players' registrations.

The bank overdraft is secured by a fixed and floating charge over the assets of the Group.

16. Creditors – amounts falling due after more than one year

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Payments received in advance	197	532	—	—
Other creditors	—	375	—	375
Obligations under finance leases	203	245	103	151
	<u>400</u>	<u>1,152</u>	<u>103</u>	<u>526</u>

The finance lease obligations are all repayable within five years.

Notes to the accounts

Year ended 31st May 1992

17. Deferred tax

No provision for deferred taxation is considered necessary. The full potential amount of deferred taxation is set out below.

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Accelerated capital allowances	47	972	40	972
Losses	(938)	(1,931)	(938)	(938)
Advance corporation tax recoverable	(675)	(722)	(623)	(722)
Short term timing differences	—	(161)	—	(161)
Capitalisation of players' registrations	3,235	2,870	—	—
	<u>1,669</u>	<u>1,058</u>	<u>(1,521)</u>	<u>349</u>

The above figures exclude taxation payable:

- (a) on disposal of revalued properties, since no material disposals are anticipated;
- (b) on the chargeable gain which arose on the disposal of the Chesham trading ground in June 1986, since rollover relief applies.

18. Called up share capital

	1992		1991	
	Number	£'000	Number	£'000
Ordinary shares of 25 pence each				
Authorised at 1st May 1991 and 1992	21,600,000	5,400	12,000,000	3,000
Allocated and fully paid	<u>16,019,053</u>	<u>4,005</u>	<u>10,180,548</u>	<u>2,546</u>

The authorised share capital of the Company was increased by Special Resolution on 30th December 1991 to £5,400,000 by the creation of an additional 9,600,000 ordinary shares of 25p each. Immediately following this a 4 for 7 rights issue was held whereby 5,820,315 new ordinary shares of 25p each were issued at a price of 107p resulting in receipt of a total gross consideration of £7,275,391. The rights issue was underwritten by A. M. Sugar and Viewthorpe Limited (a company associated with F. P. Sinclair, a former Director of the Company). The reason for the rights issue was to reduce borrowings.

Following the rights issue on 2nd March 1992 a further 13,192 ordinary shares of 25p each were issued by the Directors to Viewthorpe Limited, using the powers granted by Section 80 of the Companies Act 1985. The issue price was again 125p. The reason for this issue was to capitalise the outstanding capital balance of the loan from Viewthorpe Limited following the rights issue.

Options to subscribe for 350,000 shares at a price of 115p are in existence in accordance with the rules of the Executive Share Option Scheme (1991 - 350,000).

Notes to the accounts

Year ended 31st May 1992

19. Reserves

	Group			Company		
	Profit and loss	Revaluation reserve	Share premium	Profit and loss	Revaluation reserve	Share premium
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1st June 1991	1,738	5,172	2,612	(6,914)	4,788	2,612
Retained profit (loss) for the year	2,957	—	—	(222)	—	—
Rights issue	—	—	5,820	—	—	5,820
Costs of rights issue	—	—	(253)	—	—	(253)
Other share issue	—	—	13	—	—	13
Revaluation adjustment	—	(44)	—	—	—	—
Other movement	96	(93)	—	96	(96)	—
	<u>4,791</u>	<u>5,032</u>	<u>8,192</u>	<u>(7,040)</u>	<u>4,692</u>	<u>8,192</u>

The other share issue represents the issue on 2nd March 1992 of 13,192 shares to Viewthorpe Limited (see note 18).

The other movement represents the transfer from revaluation reserve to depreciation on the revaluation surplus.

Following an Extraordinary General Meeting on 30th April 1992 and the sanction of the High Court on 2nd June 1992 the amount standing to the credit of the share premium account of the Company has been reduced since the year end by £7,000,000 against eliminating the deficit on the Company's profit and loss account.

20. Reconciliation of operating profit to net cash inflow from operating activities

	1992	1991
	£'000	£'000
Operating profit	3,836	512
Cash flow effect of extraordinary item	498	(961)
Depreciation charge	737	311
Depreciation charged to revaluation reserve	(44)	—
Amortisation of players' registrations	961	782
Profit on sale of intangible fixed assets	(856)	(684)
(Profit) loss on sale of tangible fixed assets	(2)	19
Decrease in stocks	145	1,104
Decrease in debtors	741	1,095
(Decrease) increase in creditors	(3,987)	1,175
Net cash inflow from operating activities	<u>2,029</u>	<u>3,956</u>

21. Analysis of cash and cash equivalents during the year

	1992	1991
	£'000	£'000
Overdraft balance at 1st June 1991	(10,633)	(12,293)
Cash and bank balances	—	17
Net cash inflow	<u>6,345</u>	<u>1,643</u>
	<u>(4,288)</u>	<u>(10,633)</u>

22. Analysis of changes in financing during the year

	Share Capital	Share Premium
	£'000	£'000
Balance at 1st June 1991	2,546	2,612
Cash inflows from rights issue	1,455	5,820
Cash inflows from issue of new shares	4	13
Cash outflow relating to cost of rights issue	—	(253)
	<u>4,005</u>	<u>8,192</u>

Notes to the accounts

Year ended 31st May 1992

23. Commitments

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Leases expiring within 1 year	78	77	4	27
Leases expiring within 2-5 years	43	33	3	—
Leases expiring in more than 5 years	—	22	—	—
	<u>121</u>	<u>132</u>	<u>7</u>	<u>27</u>
Capital commitments were as follows:				
Player registrations				
contracted	1,081	—	—	—
authorised but not contracted	—	—	—	—
Other				
contracted	650	—	650	—
authorised but not contracted	—	—	—	—

24. Pensions

Employees of the Group are members of the Football League Limited Pension and Life Assurance Scheme.

The assets of this scheme are held separately from those of the Group, being invested with an insurance company. The pension cost paid during the year ended 31st May 1992 is £70,000 (1991: £70,000).

25. Contingent liabilities

The Company, together with its subsidiaries, has given a most liberal undertaking to its members to guarantee the overdrafts of the Group companies. Provision is included in the accounts of the Company, for the liability for the overdraft in respect of Marine Limited.

A writ was served on the Company during the year by a former Director who is claiming compensation for loss of office amounting to a maximum of £345,573. The claim is being strongly contested and the Directors have been advised that the Company has a reasonable chance of defeating the action successfully.

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 on the individual players. Similar terms exist in contracts for the sale of players' registrations. In practice not all of these contingent liabilities will crystallise and the Directors consider that it is unlikely that there will be a net material charge to the Group in any year in respect of the above.

26. Post balance sheet events

Sales of players' registrations with gross proceeds totalling £5,150,000 have taken place since the year end. The players concerned were P. Gascoigne, P. Stewart and P. Walsh.

Purchases of players' registrations totalling £6,265,000 have also taken place since the year end in respect of D. Anderson, D. Austin, R. Bouldie, J. Condy, G. McMahon, R. H. Atkinson and E. Shoreham.

Following an Extraordinary General Meeting on 30th April 1992 and the sanction of the High Court on 6th June 1992, the amount standing to the credit of the share premium account of the Company has been reduced by £7,000,000 in order of reducing the deficit on the Company's profit and loss account.

Five year review

	1992	1991 (restated)	1990	1989	1988
	£'000	£'000	£'000	£'000	£'000
Turnover	19,308	18,173	28,016	21,635	15,925
Profit on ordinary activities before interest	3,836	512	1,335	1,195	2,047
Interest payable	(1,177)	(2,293)	(2,341)	(665)	(120)
Profit/(loss) on ordinary activities before taxation	2,659	(1,781)	(1,006)	530	1,927
Taxation	(100)	21	(271)	(49)	(136)
Profit/(loss) on ordinary activities after taxation	2,559	(1,760)	(1,277)	481	1,791
Minority interests	—	—	—	—	(18)
Extraordinary items	398	(1,353)	(1,320)	(350)	—
Profit/(loss) for the financial year	2,957	(3,115)	(2,597)	131	1,773
Dividends	—	—	(102)	(509)	(505)
Retained profit/(loss)	2,957	(3,115)	(2,699)	(378)	1,268
Net assets					
Intangible fixed assets	9,803	6,667	9,407	7,660	5,929
Tangible fixed assets	22,519	23,218	24,026	15,334	12,424
Net current (liabilities)/assets	(9,902)	(18,895)	(17,995)	(3,018)	526
Total assets less current liabilities	22,420	13,220	15,440	20,176	18,679
Creditors — amounts falling due after more than one year	(400)	(1,152)	(437)	(3,149)	(737)
	22,020	12,068	15,003	17,027	18,142
Minority interests	—	—	—	—	(21)
Net assets	22,020	12,068	15,003	17,027	18,121
Earnings/(loss) per share	20.2p	(17.3)p	(12.5)p	4.7p	16.1p
Dividends per share	—	—	1.0p	5.6p	5.0p

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninth Annual General Meeting of Tottenham Hotspur p.c. (the Company) will be held at The Chanticleer Restaurant, Paxton Road, Tottenham, London N11 7 on Thursday 29th October 1992 at 3.00 pm for the purposes of considering the following business

AS ORDINARY BUSINESS

1. To receive the Directors' Report and Accounts of the Company for the year ended 31st May 1992
2. To re-appoint Touche Ross & Co. as auditors to the Company and to authorise the Directors to fix their remuneration

AS SPECIAL BUSINESS to consider and, if thought fit, pass resolutions 3 and 4 below as an ordinary and a special resolution respectively

ORDINARY RESOLUTION

3. THAT, the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 to exercise the powers of the Company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £1,335,236 provided that this authority shall expire on the earlier of the end of the next Annual General Meeting of the Company after the passing of this resolution and 15 months from the date this resolution is passed; and provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot such relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace the similar authority granted to the Directors at the Company's Extraordinary General Meeting on 30th December 1991

SPECIAL RESOLUTION

4. THAT, subject to the passing of resolution 3, set out in the Notice convening an Annual General Meeting of the Company for 29th October 1992, the Directors of the Company be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 95 of the Companies Act 1985) for cash pursuant to the general authority conferred on the Directors by such resolution as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment provided that:
 - (i) this power shall expire at the earlier of 15 months after the passing of this resolution and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired; and

Notice of Annual General Meeting

continued

(ii) this power shall be limited to:

- (A) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders, (notwithstanding that by reason of such exclusions as the Directors may deem necessary to deal with problems arising in any overseas territory, in connection with fractional entitlements or otherwise howsoever, the equity securities to be issued are not offered to all such shareholders in proportion to the number of ordinary shares held by each of them) and
- (B) the allotment (otherwise than pursuant to paragraph (A) above) for cash to any person or persons of equity securities up to an aggregate maximum nominal amount of £200,238.

Dated 1st October 1992

By Order of the Board,

Colin Sandy A.T.I.L.
Secretary

Registered office:
748 High Road,
Tottenham,
London N17 0AP

NOTES

1. Any shareholder entitled to attend and vote at the above meeting may appoint one or more proxies with authority to vote on his or her behalf in person. Any proxy must be an entitled holder of the Company.
2. To be valid, any instrument of proxy, and any letter or power of attorney, or other authority for a duly settled proxy, must be deposited with the Company's Registrars, Stentford Close Registrars Limited, Freemantle House, Freemantle, Chichester, West Sussex PO19 1EL, at least 48 hours before the time appointed for the above meeting.
3. The Registrar of Companies, situated at the offices of the Company and supervised by the Directors, and if otherwise will be available for inspection at the registered office of the Company, during usual business hours from 2nd October 1992 until the date of the Annual General Meeting and also at the place of the meeting on the date of that meeting from 10pm until the conclusion of the meeting.

NOTICE OF ILLEGIBLE DOCUMENT ON THE MICROFICHE RECORD

Companies House regrets that the microfiche record for this company contains some data which is illegible.

The poor quality has been noted but unfortunately the steps taken to improve the quality have been unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.