

Company Registration No. 1706358

Tottenham Hotspur Limited
("Tottenham Hotspur" or "the Company")

Annual Report and Consolidated Financial Statements
30 June 2016

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The Directors present their Strategic Report on the affairs of Tottenham Hotspur Limited and its subsidiary companies ('Group') together with the Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2016.

Principal activities and business review

The principal activities of the Group continue to be the operation of a professional football club in England together with related commercial activities. In addition, the Group continues to acquire, hold and develop numerous properties associated with the new stadium development.

Financial highlights and Key Performance Indicators

Revenue for the year was at a record level of £209.8m (2015: £196.4m) while profit from operations, excluding football trading and before exceptional items and depreciation was £63.3m (2015: £46.7m).

Revenue

Premier League gate receipts were £22.2m (2015: £22.3m). The Stadium continued to sell out for all Premier League home games further underlining the need for an increased capacity stadium to meet demand and satisfy a waiting list that has risen to over 58,000. The Club had over 115,000 paying members during the period and now has over 100 official supporters clubs around the world.

The Club reached the round of 16 of the UEFA Europa League (2015: round of 32) resulting in gate receipts and prize money of £18.7m (2015: £7.1m).

Revenue from the domestic cup competitions earned the Club £2.4m (2015: £4.4m).

Television and media revenues rose to £94.8m (2015: £90.5m), as the Club had its best season in the Premier League finishing 3rd (2015: 5th).

Sponsorship and corporate hospitality revenue was £48.8m (2015: £48.9m) and merchandising revenue was £12.0m (2015: £12.3m).

Operating expenses (excluding football trading)

Operating expenses before football trading remained at the same level as last year at £162.4m (2015: £162.4m). Included within operating expenses before football trading are one-off costs associated with new commercial and employment contracts ("Exceptional Items") of £9.6m (2015: £nil).

Profit from operations

Profit from operations, excluding football trading and before Exceptional Items and depreciation, was £63.3m (2015: £46.7m) and after deducting Exceptional Items and depreciation was £47.3m (2015: £34.0m).

Amortisation and impairment of intangible assets

Amortisation and impairment of intangible assets and other football trading-related expenditure (net of income) has decreased to £31.8m (2015: £38.6m).

Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £27.1m for the financial year (2015: £21.2m) which included the sales of Paulinho to Guangzhou Evergrande, Lewis Holtby to Hamburg, Etienne Capoue to Watford, Younes Kaboul to Sunderland, Benjamin Stambouli to Paris Saint-Germain, Vlad Chiriches to Napoli, Roberto Soldado to Villarreal, Aaron Lennon to Everton and Andros Townsend to Newcastle United.

Net finance expenses

Finance costs have fallen to £7.2m (2015: £8.8m) whilst bank interest costs have risen to £3.7m (2015: £2.8m).

Profit for the period

The Group made a profit after taxation of £33.0m (2015: £9.4m).

Balance sheet

The Group has continued to invest significantly in professional fees, enabling works and initial construction relating to the Northumberland Development Project ("NDP") with the cumulative spend increasing from £59.0m to £115.3m during the period.

Group net assets are £206.1m (2015: £183.0m) whilst the Group has net cash of £47.6m (2015: net debt of £20.8m).

Cash flow

The Group had a net cash inflow from its operations of £129.8m for the year (2015: £41.1m).

Financial Fair Play

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

Five-year review

	June 2016 £'000	June 2015 £'000	June 2014 £'000	June 2013 £'000	June 2012 £'000
Revenue	209,770	196,377	180,541	147,392	144,156
Profit from operations excluding football trading and before Exceptional Items and depreciation	63,303	46,746	36,040	23,393	23,023
Exceptional Items and depreciation (note 3)	(15,976)	(12,730)	(9,600)	(12,894)	(8,828)
Operating profit before football trading	47,327	34,016	26,440	10,499	14,195
Amortisation and impairment of registrations and other football-related income and expenditure	(31,785)	(38,562)	(47,064)	(25,381)	(25,000)
Profit on disposal of intangible fixed assets	27,109	21,182	103,965	26,343	9,200
Profit/(loss) before interest and taxation	42,651	16,636	83,341	11,461	(1,605)
Net interest payable	(4,201)	(4,583)	(3,311)	(7,779)	(5,699)
Profit/(loss) on ordinary activities before taxation	38,450	12,053	80,030	3,682	(7,304)
Taxation	(5,413)	(2,657)	(14,769)	(2,154)	3,021
Retained profit/(loss)	33,037	9,396	65,261	1,528	(4,283)
Net assets					
Intangible assets	98,476	108,564	122,311	73,204	57,955
Property plant and equipment	287,969	217,859	181,331	168,951	186,693
Net current assets (liabilities), including trade receivables due after one year	39,912	(89,485)	(34,402)	(92,319)	(87,724)
Total assets less current liabilities	426,357	236,938	269,240	149,836	156,924
Non-current liabilities – amounts falling due after more than one year	(220,307)	(53,925)	(85,554)	(71,411)	(80,027)
Net assets	206,050	183,013	183,686	78,425	76,897

Results and dividends

The audited consolidated income statement for the year ended 30 June 2016 is set out on page 9.

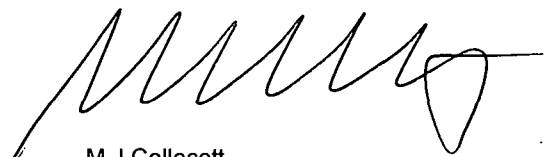
The Directors have not recommended the payment of a dividend (2015: £nil).

Financial risk management objectives and policies

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Group's business the financial risks that the Directors consider particularly relevant to the Company are interest rate risk, currency risk and cash flow risk.

The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group hedges its interest exposure by using fixed interest rate facilities where it is deemed appropriate. The Group is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 17 to the financial statements.

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

A handwritten signature in black ink, consisting of a series of loops and a final downward stroke, representing M J Collecott.

M J Collecott
Secretary

10 October 2016

Directors

None of the Directors who served during the year held a beneficial interest in the ordinary share capital of the Company at 30 June 2016. For a full list of Directors please refer to page 46.

Daniel Levy and certain members of his family are potential beneficiaries of discretionary trusts which ultimately own 29.41% of the share capital of ENIC International Limited (ENIC), a company incorporated in The Bahamas.

At the year end ENIC Sports Inc., a wholly owned subsidiary of ENIC, held 182,153,431 ordinary shares of Tottenham Hotspur Limited representing 85.55% of those in issue and therefore ENIC is the ultimate parent of Tottenham Hotspur Limited.

At the year end Macon Inc., a company with which the Group is under common control, held 2,000,000 preference shares of £0.001 in the Company (2015: 3,000,000).

Matthew Collecott and Donna-Marie Cullen are trustees of the Tottenham Hotspur Foundation, unpaid positions to assist the direction and performance of the Charity.

Details of the Directors' emoluments are given in note 5 of the consolidated accounts. Directors' interests in contracts are disclosed in note 22.

Disclosure of information to the auditor

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware;
- and each of the Directors has taken all of the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Post balance sheet events

Details of post balance sheet events are given in note 25 to the consolidated accounts.

Financial risk management objectives and policies

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

Charitable and political donations

The Group made cash donations of £102,886 to international, UK-based and local charities during the year (2015: £48,872). The Group made no political donations during the year (2015: £nil). The Group continues to make contributions with a value in excess of £0.5m per annum to the Tottenham Hotspur Foundation and continues to underwrite the ongoing good works of the charity. In addition, the Group makes many other contributions of Tottenham Hotspur Football Club memorabilia to local registered charities, especially in the Haringey and Enfield districts and adjacent catchment areas.

Disabled employees

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

Employees consultation

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

Equality and diversity

The Group's vision is to create an environment in which everyone – staff, supporters and the wider community – has equal, dignified ease of access to our Club, services and facilities. The Group's aim is to be inclusive, supportive, fair and free from discrimination. The Group aim to actively promote equality and diversity and ensure that the legislation and policy requirements within the nine protected characteristics of equality and diversity are implemented into all working practices.

Tangible fixed assets

In the opinion of the Directors, the current open market value of the Group's interests in land and buildings is in line with the book value.

Directors' indemnities

The Group has not made any qualifying third-party indemnity provisions for the benefit of its Directors during the year.

Going concern

The Board of Directors continually monitors the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, the current economic landscape and the additional funding requirements of a new stadium development. These risks and uncertainties, the Group's financial performance and position for the year and its cash flows and funding position, are detailed elsewhere in the Directors' Report. In addition, note 17 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risk. The Directors believe that these risks and uncertainties are mitigated by, inter alia, the robust nature of our business with long-term fixed revenues from the key business areas, notably the FA Premier League ("FAPL") TV deal beginning from the 2016-17 season.

The Board of Directors has recently undertaken a thorough review of the Company's budgets and forecasts and has produced detailed and realistic cash flow projections. These cash flow projections which, when considered in conjunction with the Group's existing loans, overdrafts and cash, which include consideration of reasonably possible changes in trading performance and available banking facilities, demonstrate that the Group will have sufficient working capital to continue to operate for the foreseeable future. The Board of Directors acknowledges that the capital structure of the business will change as the NDP progresses, and is satisfied the necessary level of funding can be obtained. Consequently, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, the consolidated and separate financial statements have been prepared on the going concern basis.

Auditor

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

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



M J Collecott
Secretary

10 October 2016

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with FRS 101 *Reduced Disclosure Framework*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the financial statements of Tottenham Hotspur Limited for the year ended 30 June 2016 which comprise the Group Income Statement, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group and Company Statements of Changes in Equity and the related notes 1 to 26 for the Group and the related notes 1 to 11 for the Company. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's and the parent company's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

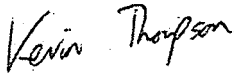
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kevin Thompson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
10 October 2016

Consolidated income statement
for the year ended 30 June 2016

	Notes	2016			2015		
		Operations, excluding football trading*	Football trading*	Total	Operations, excluding football trading*	Football trading*	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2	209,770	-	209,770	196,377	-	196,377
Operating expenses	3	(162,443)	(31,785)	(194,228)	(162,361)	(38,562)	(200,923)
Operating profit/(loss)		47,327	(31,785)	15,542	34,016	(38,562)	(4,546)
Profit on disposal of intangible fixed assets	6	-	27,109	27,109	-	21,182	21,182
Profit from operations	4	47,327	(4,676)	42,651	34,016	(17,380)	16,636
Finance income	7			2,978			4,207
Finance costs	7			(7,179)			(8,790)
Profit on ordinary activities before taxation				38,450			12,053
Tax	8			(5,413)			(2,657)
Profit for the year	19			33,037			9,396

* Football trading represents amortisation, impairment and profit on disposal of intangible fixed assets, and other football trading-related income and expenditure.

There were no other gains or losses in either the current or prior year; accordingly no consolidated statement of comprehensive income is presented.

All activities in the year derive from continuing operations.

Consolidated balance sheet
as at 30 June 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Property, plant and equipment	9	287,969	217,859
Intangible assets	10	98,476	108,564
Trade receivables due after one year	12	990	24,984
		387,435	351,407
Current assets			
Inventories	11	4,179	4,037
Trade and other receivables	12	61,174	43,076
Cash and cash equivalents	13	172,560	10,723
		237,913	57,836
Total assets		625,348	409,243
Current liabilities			
Trade and other payables	14	(188,909)	(142,835)
Current tax liabilities	14	(4,085)	(1,101)
Interest-bearing loans and borrowings	14	(1,354)	(19,360)
Provisions	14/16	(4,643)	(9,009)
		(198,991)	(172,305)
Non-current liabilities			
Interest-bearing overdrafts and loans	15	(122,526)	(11,978)
Trade and other payables	15	(68,585)	(9,315)
Deferred grant income	15	(1,852)	(1,923)
Deferred tax liabilities	15/16	(27,344)	(30,709)
		(220,307)	(53,925)
Total liabilities		(419,298)	(226,230)
Net assets		206,050	183,013
Equity			
Share capital	18	10,646	10,646
Share premium		34,788	34,788
Preference shares	19	20,000	30,000
Capital redemption reserve		642	642
Retained earnings		139,974	106,937
Total equity	19	206,050	183,013

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 10 October 2016.

Signed on behalf of the Board of Directors


Matthew Collecott
Director

Consolidated statement of changes in equity
for the year ended 30 June 2016

	Share capital account £'000	Share premium account £'000	Preference shares £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2015	10,646	34,788	30,000	642	106,937	183,013
Preference shares repaid	-	-	(10,000)	-	-	(10,000)
Ordinary shares cancelled	-	-	-	-	-	-
Profit for the year	-	-	-	-	33,037	33,037
At 30 June 2016	10,646	34,788	20,000	642	139,974	206,050

For the year ended 30 June 2015

	Share capital account £'000	Share premium account £'000	Preference shares £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2014	10,655	34,788	40,000	633	97,610	183,686
Preference shares repaid	-	-	(10,000)	-	-	(10,000)
Ordinary shares cancelled	(9)	-	-	9	(69)	(69)
Profit for the year	-	-	-	-	9,396	9,396
At 30 June 2015	10,646	34,788	30,000	642	106,937	183,013

Consolidated statement of cash flows
for the year ended 30 June 2016

	Note	2016 £'000	2015 £'000
Cash flow from operating activities			
Profit from operations		42,651	16,636
Adjustments for:			
Amortisation of intangible assets		31,462	37,202
Impairment of intangible assets		1,510	3,014
Profit on disposal of intangible assets		(27,109)	(21,182)
Profit on disposal of property, plant and equipment		(7,614)	(32)
Depreciation and impairment of property, plant and equipment		6,424	6,256
Capital grants release		71	71
Foreign exchange gain		(14)	(917)
(Increase)/decrease in trade and other receivables		(2,756)	4,680
(Increase)/decrease in inventories		(141)	1,007
Increase/(decrease) in trade and other payables		85,274	(5,653)
Cash flow from operations		129,758	41,082
Interest paid		(8,039)	(2,894)
Interest received		166	713
Income tax paid		(5,794)	(550)
Net cash flow from operating activities		116,091	38,351
Cash flows from investing activities			
Acquisitions of property, plant and equipment		(74,348)	(41,880)
Proceeds from sale of property, plant and equipment		10,327	238
Acquisitions of intangible assets		(46,118)	(64,415)
Proceeds from sale of intangible assets		73,670	53,804
Net cash flow used in investing activities		(36,469)	(52,253)
Cash flows from financing activities			
Preference shares bought back		(10,000)	(10,000)
Repurchase of share capital		-	(69)
Proceeds of borrowings		110,750	-
Repayments of borrowings		(18,535)	(3,841)
Net cash flow from/(used in) financing activities		82,215	(13,910)
Net increase/(decrease) in cash and cash equivalents		161,837	(27,812)
Cash and cash equivalents at start of the period		10,723	38,535
Cash and cash equivalents at end of year	13	172,560	10,723

1. Accounting policies and critical accounting judgements

The following accounting policies have been applied consistently by the Directors in both the current and preceding periods in dealing with items which are considered material in relation to the Group's accounts.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 4.

Tottenham Hotspur Ltd is a company incorporated in the United Kingdom. The nature of the Group's operations and its principal activities is set out in the Strategic report on page 1.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union. The financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties.

Basis of consolidation

The Group financial statements incorporate the financial statements of Tottenham Hotspur Limited (the 'Company') and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition.

Segmental reporting

The Directors consider that the Group consists of one segment for the purpose of IFRS 9 *Operating Segments*.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts, VAT and other sales-related tax.

Merchandising revenue is recognised when goods are delivered and title has passed.

Gate receipts and other matchday revenue are recognised as the games are played. Prize money in respect of cup competitions is recognised when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

Capital grants

Capital grants relate to amounts receivable from public bodies and football authorities and are treated as deferred income and released to the income statement over the estimated useful life of the asset concerned.

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 income statement.

Player costs and transactions

(a) Initial capitalisation

The costs associated with the acquisition of players and key football management staff registrations are capitalised as intangible fixed assets. Any intangible assets acquired on deferred terms are recorded at the fair value at the date of acquisition. The fair value represents the net present value of the costs of acquiring players and key football management staff registrations.

(b) Amortisation

These costs are fully amortised on a straight-line basis over their useful economic lives, in equal annual instalments over the period of the respective contracts. Where a contract life is renegotiated, the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract.

(c) Contingent consideration

Under the conditions of certain transfer agreements, further fees will be payable to the vendors in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfers are accounted for, as provisions and as additions to intangible assets, when it becomes probable that the number of appearances will be achieved or the specified future events occur.

1. Accounting policies and critical accounting judgements (continued)

(d) *Impairment*

The Group will perform an impairment review on the intangible assets if events or changes in circumstances indicate that the carrying amount of the player may not be recoverable. The Group compares the carrying amount of the asset with its recoverable amount.

The Group does not consider that it is possible to determine the value in use of an individual football player in isolation as that player (unless via a sale or insurance recovery) cannot generate cash flows on his own. Furthermore, the Group also considers that all of the players are unable to generate cash flows even when considered together. Accordingly the Group considers the smallest cash-generating unit to contain all the other First Team players, the Stadium and the training facilities.

The Group calculates the value in use of this cash-generating unit by discounting estimated expected future cash flows (being the pre-player trading cash flows generated by the Group's existing operations and any future capital expenditure on the ground and First Team squad). The Group compares this with its assessment of the fair value less costs to sell of all of the First Team players and the higher of these two numbers is deemed to be the recoverable amount.

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

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

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

(e) *Disposals*

Profits or losses on the disposal of these registrations represent the fair value of the consideration receivable, net of any transaction costs, less the unamortised cost of the original registration.

(f) *Remuneration*

Remuneration of players is charged in accordance with the terms of the applicable contractual agreements and any discretionary bonus when there is a legal or contractual obligation.

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

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

Finance costs

Finance costs of borrowings are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the borrowing.

In accordance with IAS 39 'Financial Instruments: recognition and measurement', any non-current assets acquired on deferred terms are recorded at the discounted present value at the date of acquisition. The associated payable is then increased to the settlement value over the period of deferral, with this value being charged as a notional finance cost through the income statement.

Similarly any intangible asset disposed of on deferred terms will be initially recorded at the discounted present value of future receipts and the receivable is then increased to the settlement value over the period of deferral with this value being charged as notional finance income through the income statement.

1. Accounting policies and critical accounting judgements (continued)

In respect of intangible asset acquisitions, the differing rate at which the finance cost and amortisation are recognised in the income statement produces a deferred tax credit. In respect of intangible asset disposals, the finance income recognised produces a deferred tax asset. The adjustments are stated net of deferred tax.

Tax

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

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

Deferred tax is the tax expected to be payable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is charged or credited in the income statement.

Property, plant and equipment

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 – 33%
Leasehold improvements	Over the length of the lease

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

Inventories

Inventories, which comprise goods held for resale, are valued at the lower of cost and net realisable value using the average cost method.

Debt

Debt is stated initially at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the accounting period.

Leases

Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

Pension costs

Payments are made to the external defined contribution pension schemes of 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 IAS 19 'Employee Benefits' the Scheme would be treated as a defined benefit multi-employer 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 IAS 19.

Capital redemption reserve

This relates to ordinary shares bought back through the share buy back scheme.

New standards and interpretations

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2015.

Other standards introduced during the period had no impact on these financial statements.

Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's balance sheet where the Group becomes a party to the contractual provisions of the asset/liability.

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each balance sheet date.

1. Accounting policies and critical accounting judgements (continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled, or they expire.

Future accounting developments

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- IFRS 9: Financial instruments
- IFRS 15: Revenue from contracts with customers
- IFRS 16: Leases – IFRS 11 (amended): Accounting for Acquisitions of interests in Joint Operations
- IAS1 (amended): Disclosure initiative

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group, except for the following:

- IFRS 15 is a new standard, based on a five step model framework, which replaces all existing revenue standards. This standard is effective for accounting periods commencing on or after 1 January 2018. The group is currently assessing the potential impact on adopting this standard.
- IFRS 16 is a new leasing standard replacing the current leasing standard (IAS 17) The new standard requires all leases to be treated in a consistent way to the current rules on finance leases, requiring all leases, with limited exceptions, to be disclosed in the Balance Sheet. IFRS 16 does not require a lessee to recognise assets or liabilities for short-term leases (12 months or less) or low value leases. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities. IFRS 16 changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs). The new standard is effective for accounting periods commencing on or after 1 January 2019. The group is currently assessing the potential impact of adopting this standard.

Critical accounting judgements and estimates

In the application of the Group's accounting policies, which are described herein, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are:

Contingent liabilities

Current liabilities and provisions contain contingent bonuses payable to employees, players and clubs and are based on the best information available to management at the balance sheet date. However, the future costs assumed are inevitably only estimates, which may differ from those ultimately incurred.

Recoverable amount of non-current assets

Property, plant and equipment and intangible assets

All non-current assets, including property, plant and equipment and intangible assets, are reviewed for potential impairment using estimates of the future economic benefits attributable to them. Such estimates involve assumptions in relation to future ticket income, media and sponsorship revenue and on pitch performance. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect, the recoverable value of the asset.

Assets under construction

The assets classified under 'in the course of construction' relate to the Group's main ongoing capital project: the proposed Northumberland Development Project (NDP). IAS 16, Property, Plant and Equipment requires that for an asset to be capitalised it must result in a probable economic benefit. Therefore, once this project begins its useful economic life, depreciation will begin.

The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the NDP will proceed. The NDP will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the NDP does not proceed such as a significant proportion of professional fees and construction costs capitalised that are specific to the proposed stadium site and properties whose market value is below cost, would need to be written-off at that time.

1. Accounting policies and critical accounting judgements (continued)

Critical accounting judgements and estimates (continued)

Taxation

The complex nature of tax legislation under which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed. As such there are accounting judgements and estimates applied to the provision for Current Tax and Deferred Tax.

2. Revenue

Revenue, which is almost all derived from the Group's principal activity, is analysed as follows:

	2016 £'000	2015 £'000
Revenue comprises:		
Match receipts	40,782	41,248
UEFA prize money	15,516	4,725
TV and media	94,838	90,536
Commercial	58,634	59,868
	209,770	196,377

All revenue except for £591,000 (2015: £433,000) derives from the Group's principal activity in the United Kingdom.

3. Operating expenses

	2016 £'000	2015 £'000
Staff costs	100,042	100,832
Exceptional items		
- Commercial and employment contract costs	9,552	-
- Redundancy costs and onerous employment contracts	-	6,494
Depreciation and impairment of property, plant and equipment	6,424	6,256
Profit on disposal of property, plant and equipment	(7,614)	(32)
Other operating costs	54,039	48,811
Operating expenses excluding football trading	162,443	162,361
Amortisation, impairments and other net football trading income and expenditure	31,785	38,562
Total operating expenses	194,228	200,923

4. Profit from operations

This is stated after charging/(crediting) the following:

	2016 £'000	2015 £'000
Depreciation of property, plant and equipment	6,424	6,256
Profit on disposal of property, plant and equipment	(7,614)	(32)
Amortisation of intangible fixed assets	31,462	37,202
Impairment of intangible fixed assets	1,510	3,014
Amortisation of grants	71	71
Impairment losses on trade receivables	89	-
Cost of inventories recognised as an expense	5,126	5,940
Charitable donations	103	49
Operating lease rentals:		
– land and buildings	700	589
– other	185	190
Foreign exchange gain	(14)	(917)

The analysis of auditor's remuneration is as follows:

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts:		
– audit of the Company's accounts	15	15
– audit of the accounts of the Company's subsidiaries	84	80
Total audit fees	99	95
Fees payable to the Company's auditor for other services to the Group:		
– taxation compliance services	99	107
– taxation advisory services	194	179
– other audit related services pursuant to legislation	3	6
– other assurance services	5	5
– other advisory services	204	359
Total non-audit fees	505	656

Fees for the audit of the Company's subsidiaries accounts represent the fees payable to Deloitte LLP in respect of the audit of the Company's individual financial statements prepared in accordance with FRS 101 and the audit of the Company's accounts represents the audit of the Group's consolidated financial statements prepared in accordance with IFRS. No services were provided pursuant to a contingent fee arrangement.

5. Staff numbers and costs

The average number of employees of the Group during the year, including Executive Directors, was as follows:

	2016 Number	2015 Number
Players and football administration staff	196	192
Administration staff	134	133
Retail and distribution staff	79	74
	409	399

The aggregate payroll costs of these employees were as follows:

	2016 £'000	2015 £'000
Salaries and bonuses	88,529	89,752
Social security costs	11,266	10,941
Other pension costs	247	139
	100,042	100,832

In addition the Group employs, on average, 512 temporary staff on match days (2015: 529).

In addition to the above payroll costs, redundancy costs and costs of onerous employment contracts of £nil (2015: £6,494,000) and other employment contract costs of £4,552,000 (2015: £nil) were also charged to the income statement during the year.

The total aggregate remuneration of the Directors, who are deemed to represent Key Management Personnel, for the year was £4,819,000 (2015: £4,311,000) including pension costs of £25,000 (2015: £44,800). Included within that remuneration are emoluments totalling £13,000 (2015: £60,000) paid to non-executive Directors. The highest paid Director received total remuneration of £2,843,000 (2015: £2,610,000). The remuneration of all Directors was paid by the Company. The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is three (2015: four).

6. Profit on disposal of intangible fixed assets

	2016 £'000	2015 £'000
Consideration	57,623	32,028
Net book value of disposals	(30,514)	(10,846)
	27,109	21,182

7. Finance income and costs

	2016 £'000	2015 £'000
Interest income	166	936
Notional interest income on deferred receipts for sales of players' registrations	2,812	3,271
	2,978	4,207
	2016 £'000	2015 £'000
Interest expense	(3,712)	(2,804)
Notional interest expense on deferred payments for players' registrations	(3,123)	(2,339)
Amortisation of debt issue costs	(328)	(95)
Provision for early repayment charge (see note 15)	(16)	(3,552)
	(7,179)	(8,790)

8. Tax charge on ordinary activities

	2016 £'000	2015 £'000
Current tax		
UK corporation tax charge on profits for the year at 20% (2015: 20.75%)	8,550	1,101
Other prior year adjustments	228	(857)
Current tax charge	8,778	244
Deferred tax		
Origination and reversal of timing differences in prior years	(117)	168
Origination and reversal of timing differences in current year	92	(105)
Rollover relief deferred in respect of players disposed of and purchased in current year	1,200	1,951
Accelerated capital allowances in current year	(1,313)	483
Difference in tax rates	(3,227)	(84)
Deferred tax (credit)/charge (see note 16)	(3,365)	2,413
Total tax charge on ordinary activities	5,413	2,657

8. Tax charge on ordinary activities (continued)

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	38,450	12,053
Tax on profit on ordinary activities before taxation at the UK statutory rate of 20% (2015: 20.75%)	7,690	2,501
Expenses not deductible	606	326
Depreciation for which no tax relief is available	(1,093)	603
Effect of restating deferred tax liability at 18% (2015: 20%)	(3,227)	(84)
Gain on disposal	1,325	-
Other prior year adjustments	112	(689)
Total tax charge on ordinary activities	5,413	2,657

Reductions in the UK corporation tax rate from 21% (effective from 1 April 2014) to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017), and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the future current tax charges accordingly.

Other than the provision for deferred tax (see note 16) and the items referred to above, there are no items which would materially affect future tax charges.

9. Property, plant and equipment

For the year ended 30 June 2016

Group	Land and buildings		Motor vehicles	General plant and equipment	Assets under the course of construction	Total
	Freehold and long leasehold £'000	Short leasehold £'000				
Cost or valuation						
At 1 July 2015	126,011	1	207	40,228	102,769	269,216
Additions	6,501	-	279	4,348	69,638	80,766
Disposals	(4,415)	-	(128)	(2,668)	-	(7,211)
At 30 June 2016	128,097	1	358	41,908	172,407	342,771
Depreciation and impairment						
At 1 July 2015	17,142	1	71	28,942	5,201	51,357
Eliminated on disposal	(296)	-	(53)	(2,630)	-	(2,979)
Charged in the year	2,156	-	48	4,220	-	6,424
At 30 June 2016	19,002	1	66	30,532	5,201	54,802
Net book value						
At 30 June 2016	109,095	-	292	11,376	167,206	287,969

9. Property, plant and equipment (continued)

Land and buildings that are currently held for the NDP have been presented at their net book value within assets under the course of construction. In the event that the proposed NDP does not proceed, some of the £115,320,000 of professional fees, enabling works and construction costs included within assets under the course of construction to 30 June 2016 (2015: £59,024,000) may need to be written-off.

For the year ended 30 June 2015

Group	Land and buildings		Motor vehicles	General plant and equipment	Assets under the course of construction	Total
	Freehold and long leasehold	Short leasehold				
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 July 2014	110,507	1	366	43,767	81,247	235,888
Additions	3,427	-	-	3,146	36,416	42,989
Disposals	(112)	-	(159)	(9,390)	-	(9,661)
Transfer from assets under construction	12,189	-	-	2,705	(14,894)	-
At 30 June 2015	126,011	1	207	40,228	102,769	269,216
Depreciation and impairment						
At 1 July 2014	15,045	1	60	34,843	4,608	54,557
Eliminated on disposal	(7)	-	(59)	(9,390)	-	(9,456)
Charged in the year	2,104	-	70	3,489	593	6,256
Transfer from assets under construction	-	-	-	-	-	-
At 30 June 2015	17,142	1	71	28,942	5,201	51,357
Net book value						
At 30 June 2015	108,869	-	136	11,286	97,568	217,859

10. Intangible fixed assets

For the year ended 30 June 2016

£'000

Cost of registrations

At 1 July 2015	207,928
Additions	53,323
Disposals	(86,654)
At 30 June 2016	174,597

Amortisation and impairment of registrations

At 1 July 2015	99,364
Charged in year – amortisation	31,462
Charged in year – impairment	1,510
Disposals	(56,215)
At 30 June 2016	76,121

Net book value of registrations

At 30 June 2016	98,476
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Intangible assets relate entirely to the carrying value of the playing squad and are being amortised over the remaining length of the Players' contracts which are between one and six years.

In the period, capitalised player registrations were impaired by £1,510,000 (2015: £3,014,000). Impairment losses were incurred where there was evidence that the carrying value of the player may not be recoverable in accordance with the Group's accounting policy. Recoverable amounts have been estimated as fair values less costs of disposal, in accordance with the Group's accounting policy.

The Directors' consider the individual intangible assets relating to two (2015: three) members of the playing squad to be material to the financial statements and note the combined carrying amount of these totalling £31,648,000 (2015: £34,154,000). The cost will continue to be amortised over the remaining contract length which is an average of three and a half years.

For the year ended 30 June 2015

£'000

Cost of registrations

At 1 July 2014	208,171
Additions	37,315
Disposals	(37,558)
At 30 June 2015	207,928

Amortisation and impairment of registrations

At 1 July 2014 ¹	85,860
Charged in year – amortisation	37,202
Charged in year – impairment	3,014
Disposals	(26,712)
At 30 June 2015	99,364

Net book value of registrations

At 30 June 2015	108,564
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11. Inventories

	2016 £'000	2015 £'000
Inventories	4,179	4,037

Inventories comprise merchandising goods held for resale.

12. Trade and other receivables

	2016 £'000	2015 £'000
Trade receivables due in more than one year	990	24,984
Non-current assets	990	24,984
Trade receivables due in less than one year	52,060	36,138
Other receivables	3,575	2,642
Prepayments and accrued income	5,539	4,296
Current assets	61,174	43,076
	62,164	68,060

Trade receivables above include £44,219,000 (2015: £53,464,000) in respect of the disposal of players' registrations, of which £990,000 is due in more than one year (2015: £24,984,000). In the period since the balance sheet date, £41,253,000 has been received in relation to the outstanding £44,194,000 of trade receivables relating to the disposal of player registrations.

The Directors consider the carrying amount of trade and other receivables approximates their fair value. Refer to note 17 for disclosures relating to receivables' ageing and other credit risk considerations.

13. Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits.

	2016 £'000	2015 £'000
Bank balances	172,531	10,707
Cash in hand	29	16
Cash and cash equivalents	172,560	10,723

The carrying amount of these assets approximates their fair value.

14. Current liabilities

	2016 £'000	2015 £'000
Bank loans (secured)	1,354	952
Other loans (secured)	-	18,408
Interest-bearing loans and borrowings	1,354	19,360
Trade payables due in less than one year	32,855	25,728
Other tax and social security	13,109	19,083
Other payables	10,466	17,583
Accruals and deferred income	132,479	80,441
Trade and other payables	188,909	142,835
Corporation tax liabilities	4,085	1,101
Provisions (see note 16)	4,643	9,009
	198,991	172,305

Trade payables above include £19,809,000 in respect of the acquisition of players' registrations (2015: £21,043,000).

Accruals and deferred income include income in respect of season tickets and commercial sponsorships relating to future years.

The Directors consider that the carrying amount of trade payables approximates their fair value.

15. Non-current liabilities

	2016 £'000	2015 £'000
Bank loans (secured)	122,526	11,978
Interest-bearing loans and borrowings	122,526	11,978
Trade payables due in more than one year	18,574	5,075
Accruals and deferred income	45,000	-
Other payables	5,011	4,240
Trade and other payables	68,585	9,315
Deferred grant income	1,852	1,923
Deferred tax liabilities (see note 16)	27,344	30,709
	220,307	53,925

Trade payables above are all in respect of the acquisition of players' registrations. Accruals and deferred income relate to payments received in advance for periods commencing more than a year from the balance sheet date.

15. Non-current liabilities (continued)

Bank loans (in notes 14 and 15)

The Investec Bank facility of £16,000,000, which was fully drawn at 30 June 2015, used to fund the construction of the new Training Ground and secured against the new Training Ground site was amended and extended to £25,000,000 in August 2015. At the balance sheet date £25,000,000 is outstanding and repayable over the period to December 2022. The interest on this amount is paid quarterly and tracks the London Inter-Bank Offer Rate. The bank loan is shown in the financial statements net of £265,000 of associated loan arrangement costs which are being amortised over the term of the loan.

In December 2015 a £200,000,000 Bank loan was entered into with HSBC Bank plc, Goldman Sachs Bank USA and Bank of America Merrill Lynch International Limited for the purpose of constructing the new stadium site. The Bank loan is secured against White Hart Lane Stadium and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £100,000,000 of the loan was drawn. The loan is repayable in December 2017 and is shown in the financial statements net of £855,000 of associated loan arrangement costs which are being amortised over the term of the loan.

Other loans (in notes 14 and 15)

Other loans above relate to the issue, at par, of £10,000,000 7.29% secured loan notes by the Group in November 2002 and a further issue, at par, in November 2006 of £20,000,000 7.29% secured loan notes. The £10,000,000 loan notes were used to repay short-term debt and to fund the Group's general working capital requirements.

The loan notes were secured against White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At 30 June 2015 £18,535,000 of the loan notes were outstanding. The loan notes were shown in the financial statements net of £127,000 of associated debt issue costs which were being amortised over the term of the loan notes.

These notes were repaid in December 2015. An additional £16,000 has charged to the income statement in the year relating to the early repayment charge.

15. Non-current liabilities (continued)

The maturity profile of the Group's total borrowings at the balance sheet date which do not include interest payments are as follows:

	2016			2015		
	Principal £'000	Interest £'000	Total £'000	Principal £'000	Interest £'000	Total £'000
Bank loans and overdraft						
In one year or less or on demand	1,354	-	1,354	952	-	952
In more than one year but not more than two years	101,688	-	101,688	11,978	-	11,978
In more than two years but not more than five years	5,880	-	5,880	-	-	-
In more than five years	14,958	-	14,958	-	-	-
	123,880	-	123,880	12,930	-	12,930
Other loans						
In one year or less or on demand	-	-	-	18,408	1,122	19,530
In more than one year but not more than two years	-	-	-	-	-	-
In more than two years but not more than five years	-	-	-	-	-	-
In more than five years	-	-	-	-	-	-
	-	-	-	18,408	1,122	19,530
Total borrowings						
In one year or less or on demand	1,354	-	1,354	19,360	1,122	20,482
In more than one year but not more than two years	101,688	-	101,688	11,978	-	11,978
In more than two years but not more than five years	5,880	-	5,880	-	-	-
In more than five years	14,958	-	14,958	-	-	-
	123,880	-	123,880	31,338	1,122	32,460

15. Non-current liabilities (continued)

Interest rate profile

The Group has no financial assets excluding short-term receivables, other than the Sterling cash deposits of £172,560,000 (2015: £10,723,000) which are part of the financing arrangements of the Group. The Sterling cash deposits comprise deposits placed on the money market at call rates.

	Total £'000	Fixed rate borrowings			Weighted average interest rate at year end %
		Floating rate	Fixed rate	Weighted	
		financial	financial	average time	
		liabilities	liabilities	for which rate is fixed Years	
2016	123,880	123,880	-	-	2.5
2015	31,338	12,930	18,408	5	5.6

The floating rate borrowings are all denominated in Sterling and are referenced to London Inter-Bank Offer Rate (LIBOR) and The Bank of England Base Rate.

Borrowing facilities

As at the balance sheet date the Group had the following undrawn committed bank borrowing facilities:

	2016 £'000	2015 £'000
Expiring in one year or less or on demand	5,000	5,000
Expiring in more than one year but less than two years	100,000	-
Expiring in more than two years but not more than five years	30,000	30,000
Total undrawn committed borrowing facilities	135,000	35,000

This is made up of undrawn bank borrowing facilities of £135,000,000 (2015: £35,000,000).

Fair values

There is no material difference between the fair value and the carrying amount of the Group's financial assets or liabilities except as described below:

	2016		2015	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Other loans	-	-	18,408	18,483

Short-term receivables and liabilities have been excluded from all disclosure.

15. Non-current liabilities (continued)

Treasury policy

The Group's operations are currently funded through operating cash flow, cash balances and loans. The Group is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflow and outflow to minimise any material foreign exchange risk. The Group does not enter into instruments for speculative purposes. All treasury transactions are reported to and approved by the Board.

16. Provisions for liabilities

For the year ended 30 June 2016

£'000

Contingent transfer fees payable - due in less than one year

At 1 July 2015	364
Provided during the year	646
Utilised during the year	(364)
Released during the year	-

At 30 June 2016 – due in less than one year	646
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Provisions on employment contracts – due in less than one year

At 1 July 2015	8,645
Provided during the year	3,997
Utilised during the year	(6,538)
Released during the year	(2,107)

At 30 June 2016 – due in less than one year	3,997
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Deferred taxation – due in more than one year

At 1 July 2015	30,709
Credited to the income statement (see note 8)	(3,365)

At 30 June 2016 – due in more than one year	27,344
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Total

At 30 June 2016	31,987
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16. Provisions for liabilities (continued)

For the year ended 30 June 2015

	£'000
Contingent transfer fees payable - due in less than one year	
At 1 July 2014	208
Provided during the year	364
Utilised during the year	(177)
Released during the year	(31)
At 30 June 2015 – due in less than one year	364
Provisions on employment contracts – due in less than one year	
At 1 July 2014	4,446
Provided during the year	8,645
Utilised during the year	(4,256)
Released during the year	(190)
At 30 June 2015 – due in less than one year	8,645
Deferred taxation – due in more than one year	
At 1 July 2014	28,296
Charged to the income statement (see note 8)	2,413
At 30 June 2015 – due in more than one year	30,709
Total	
At 30 June 2015	39,718

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

Deferred taxation has been provided as follows and is classified as a non-current liability:

	2016 £'000	2015 £'000
Accelerated capital allowances	2,289	3,909
Intangible fixed assets	25,290	27,159
Other timing differences	(235)	(359)
	27,344	30,709

17. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. Strong financial capital management is an integral part of the Directors' strategy to achieve the Group's stated objectives. The Directors review financial capital reports on a regular basis and the Group finance function do so on a daily basis ensuring that the Group has adequate liquidity. The Directors' consideration of going concern is detailed in the Directors' Report. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 14 and 15, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in note 19 and the statement of changes in equity.

Financial risk management objectives and policies

The Group's financial assets include cash and cash equivalents, trade receivables and other short-term deposits. The main purpose of these financial instruments is to finance the Group operations. The Group has other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations. The Group's receivables and payables from player trading are contractually structured in order to minimise financial risk. Surplus cash within the Group is put on deposit, the objective being to maximise returns on such funds whilst ensuring that the short-term cash flow requirements of the Group are met.

17. Financial instruments (continued)

The carrying value of the financial assets and liabilities (with non-financial assets and liabilities shown for reconciling purposes) are analysed as follows:

	2016			2015		
	Financial assets £'000	Non-financial assets £'000	Total £'000	Financial assets £'000	Non-financial assets £'000	Total £'000
Assets						
Non-current assets	990	386,445	387,435	24,984	326,423	351,407
Loans and receivables	57,599	-	57,599	40,595	-	40,595
Cash and bank balances	172,560	-	172,560	10,723	-	10,723
Other current assets	-	7,754	7,754	-	6,518	6,518
Total assets	231,149	394,199	625,348	76,302	332,941	409,243

	2016			2015		
	Financial liabilities £'000	Non-financial liabilities £'000	Total £'000	Financial liabilities £'000	Non-financial liabilities £'000	Total £'000
Liabilities						
Borrowings at amortised cost:						
Current	(1,354)	-	(1,354)	(19,360)	-	(19,360)
Non-current	(122,526)	-	(122,526)	(11,978)	-	(11,978)
Trade and other payables	(250,656)	(6,837)	(257,493)	(135,511)	(16,639)	(152,150)
Other liabilities	-	(37,925)	(37,925)	-	(42,742)	(42,742)
Total liabilities	(374,536)	(44,762)	(419,298)	(166,849)	(59,381)	(226,230)
Net (liabilities)/assets	(143,387)	349,437	206,050	(90,547)	273,560	183,013

The Group has not used derivative financial instruments during the year. The Board will review the need for the use of derivative financial instruments in the future.

The Group has exposure to the following risks from its use of financial instruments:

- (i) market risk;
- (ii) credit risk; and
- (iii) liquidity risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange and interest rates.

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow at both fixed and floating interest rates. Having borrowings at both fixed and floating rates spreads the risk of significant movements in the interest rate. The Group does not consider this risk as significant.

17. Financial instruments (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date. For floating rate cash deposits, the analysis is prepared assuming the amount of deposits outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of reasonable possible changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2016 would decrease/increase by £280,260 (2015: decrease/increase by £73,223). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans.

Foreign currency management

The presentational currency of the Group is UK Sterling. The Group is exposed to currency risk due to movements in foreign currencies relative to Sterling affecting the Group's foreign currency transactions and balances.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Euro	37,807	13,811	56,187	19,014
US Dollar	871	1,483	5,464	3,420
Australian Dollar	-	-	921	863

These amounts principally relate to player transfer liabilities and receivables.

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro, US Dollar and Australian Dollar. The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Euro, US Dollar and Australian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The positive number below indicates an increase in profit and retained earnings where Sterling strengthens against the Euro, US Dollar or Australian Dollar. For a 10% weakening of Sterling against the Euro, US Dollar or Australian Dollar, there would be an equal and opposite impact on profit and retained earnings.

	2016 £'000	2015 £'000
Euro	2,042	578
US Dollar	510	215
Australian Dollar	102	96

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Of the total trade receivable balance of £53,050,000, £44,219,000 relates to amounts receivable from various other football clubs in relation to player trading. The maximum credit exposure relates to the total of cash and cash equivalents, and trade receivables and is £225,610,000.

There are no other significant concentrations of credit risk within the Group. Cash is deposited with one financial institution however the Directors are satisfied this does not create a significant credit risk. The maximum risk exposure relates to football creditors but this is mitigated by the governing bodies of international and national football associations.

Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum credit risk exposure of the Group comprises the amounts presented in the balance sheet which are stated net of provisions for doubtful debts.

17. Financial instruments (continued)

The ageing of trade receivables at the reporting date was:

	2016		2015	
	Gross receivables £'000	Provision £'000	Gross receivables £'000	Provision £'000
Non-football				
Not past due	1,991	-	3,284	-
Past due 0 – 30 days	1,767	-	1,887	-
Past due 31 – 90 days	4,200	-	1,689	-
More than 90 days	873	-	798	-
	8,831	-	7,658	-
Football				
Not past due	44,219	-	53,411	-
Past due 0 – 30 days	-	-	-	-
Past due 31 – 90 days	-	-	-	-
More than 90 days	-	-	53	-
	44,219	-	53,464	-
Total				
Not past due	46,210	-	56,695	-
Past due 0 – 30 days	1,767	-	1,887	-
Past due 31 – 90 days	4,200	-	1,689	-
More than 90 days	873	-	851	-
	53,050	-	61,122	-
			2016 £'000	2015 £'000
Movements in the allowance for doubtful debts				
At 1 July 2015			-	51
Provided during the year			82	-
Recovered during the year			-	(30)
Utilised during the year			-	(21)
At 30 June 2016			82	-

(iii) Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and finance leases as applicable. The annual Group cash flow is cyclical in nature with the majority of cash inflows being received prior to the start of the playing season.

Ultimate responsibility for liquidity risk management rests with the Directors. The Directors use management information tools including budgets and cash flow forecasts to be able to constantly monitor and manage current and future liquidity.

The maturity profile of the Group's borrowings is shown on pages 27 and 28 along with the Group's borrowing facilities as at the balance sheet date.

18. Called up share capital

	2016 £'000	2015 £'000
Allotted, called up and fully paid:		
212,929,088 (2015: 212,929,088) ordinary shares of 5p each	10,646	10,646

During the year no (2015: 173,121) ordinary shares were bought back and cancelled by the company.

19. Reconciliation of movements in Group shareholders' funds

	2016 £'000	2015 £'000
Opening shareholders' funds	183,013	183,686
Profit for the year	33,037	9,396
Preference shares bought back	(10,000)	(10,000)
Ordinary shares cancelled	-	(69)
Net addition/(reduction) to shareholders' funds	23,037	(673)
Closing shareholders' funds	206,050	183,013

The Company has issued 4 million preference shares of £0.001 each, which were purchased at a price of £10.00 per share by Macon Inc., a company with which the Group is under common control. No voting rights are allotted to the preference shares. The preference shares have been accounted for as equity as there is no obligation to make repayments. In November 2015 the Company bought back 1 million shares from Macon Inc. at a price of £10.00 per share.

20. Commitments

At the balance sheet date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016 £'000	2015 £'000
Minimum lease payments:		
Within one year	860	658
Within two to five years	2,746	3,196
After five years	12,592	12,151
	16,198	16,005

Capital commitments were as follows:

Contracted – normal course of business	21,587	5,298
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21. Net cash/(debt)

	2016 £'000	2015 £'000
Cash and cash equivalents	172,560	10,723
Bank loans	(125,000)	(13,000)
Other loans	-	(18,535)
Net cash/(debt)	47,560	(20,812)

22. Related party transactions

The following paragraphs give details of all related party transactions involving the Company and any of its subsidiary undertakings.

ENIC Group companies

Amounts totalling £561 (2015: £1,339) including VAT were incurred during the year by the Group on behalf of ENIC Group and subsequently reimbursed by ENIC Group during the year. At the balance sheet date, £nil (2015: £nil) was due to the Group from ENIC Group.

During the year, ENIC Group invoiced the Group for services to the value of £349,845 (2015: £nil). At the balance sheet date, £nil (2015: £nil) was due to ENIC Group from the Group.

During the year, Raz Air Limited invoiced the Group for services to the value of £109,860 (2015: £110,047). At the balance sheet date, £nil (2015: £nil) was due to Raz Air Limited from the Group.

Other

Tottenham Hotspur Foundation was established on 1 November 2006. During the year the Group invoiced the Foundation for expenses paid on their behalf of £30,956 (2015: £135,633). At the balance sheet date, £25,036 (2015: £8,341) was due to the Group from Tottenham Hotspur Foundation.

During the year, Tottenham Hotspur Foundation invoiced the Group for £10,629 (2015: £1,511). At the balance sheet date, £nil (2015: £nil) was due to Tottenham Hotspur Foundation from the Group.

During the year ended 30 June 2013, properties owned by the Group were sold to TH Property Ltd, a company with which the Group is under common control. During the year the Group invoiced TH Property Ltd for expenses paid on their behalf of £6,197 (2015: £298,745). At the balance sheet date, £nil (2015: £nil) was due to the Group from TH Property Ltd.

During the year, TH Property Ltd invoiced the Group for services to the value of £349,380 (2015: £400,879). At the balance sheet date, £nil (2015: £nil) was due to TH Property Ltd from the Group.

Tottenham University Technical College ("Tottenham UTC") was opened on 1 September 2014. During the year the Group paid costs on behalf of Tottenham UTC totalling £153,579 (2015: £532,361) of which £nil (2015: £17,222) was invoiced to Tottenham UTC. At the balance sheet date £nil (2015: £nil) was due to the Group from Tottenham UTC.

Melix Financial Services Inc, a company with which the Group is under common control, provided commercial advice on global sponsorship opportunities. During the year, Melix Financial Services Inc invoiced the Group for £500,000 (2015: £nil). At the balance sheet date, £nil (2015: £nil) was due to Melix Financial Services from the Group.

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2015 or 2016. All of these transactions were at arm's length.

23. Pensions

Defined contribution schemes

Certain staff of the Group are members of the Football League Limited Pension and Life Assurance Scheme. Others are members of a self administered Group money purchase scheme offered to all employees as a result of the Automatic Enrolment scheme. The assets of these schemes are held separately from those of the Group, being invested with insurance companies. The total pension cost charged during the year amounted to £246,979 (2015: £139,099). At the balance sheet date the total pension accrual was £21,000 (2015: £17,000).

Defined benefit scheme

The Group is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the 'Scheme'). The most recent actuarial valuation of the Scheme was as at 31 August 2011 and indicated that the contribution required from the Group towards making good this deficit was £642,000 at 1 September 2012. The pension cost charged during the year relating to this deficit was £nil (2014: £235,000). At the balance sheet date the Group's share of this deficit was £282,000 (2015: £376,000).

24. Contingent liabilities and assets

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

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £9,321,000 (2015: £13,380,000).

The Group is satisfied that no material unprovided liability will arise.

Under the terms of certain contracts for the sale of players' registrations, future receipts may be receivable from third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent asset was £12,634,000 (2015: £17,390,000), none of which has been recognised.

25. Post balance sheet events

Since the balance sheet date the following events have occurred:

- V Wanyama was bought from Southampton;
- V Janssen was bought from AZ Alkmaar;
- M Sissoko was bought from Newcastle United;
- G-K Nkoudou was bought from OM Marseille;
- G Ward was sold to Ipswich Town;
- A Pritchard was sold to Norwich City;
- D Ball was sold to Rotherham United;
- D Yedlin was sold to Newcastle United;
- N Chadli was sold to West Bromwich Albion;
- R Mason was sold to Hull City;
- P Lopez was loaned from Espanyol;
- F Fazio was loaned to AS Roma;
- N Bentaleb was loaned to FC Schalke;
- C Njie was loaned to OM Marseille;
- F Lesniak was loaned to Slovan Liberec;

Including Football League levies, the uncontingent net expenditure from these transactions amounted to approximately £31,379,000.

The contingent liability from the above player transactions amounts to approximately £4,902,000 and the contingent asset amounts to approximately £31,773,000.

26. Full Listing of Subsidiaries

A full listing of subsidiaries can be located in note 3 of the financial statements of the Company.

Company balance sheet
as at 30 June 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Property, plant and equipment	2	99,444	63,578
Investments	3	2,490	2,490
		101,934	66,068
Current assets			
Inventory	4	3,193	3,147
Trade and other receivables	5	224,480	93,257
Cash and cash equivalents		-	364
		227,673	96,768
Current liabilities	6	(96,458)	(43,020)
Net current assets		131,215	53,748
Total assets less current liabilities		233,149	119,816
Non-current liabilities	7	(109,737)	-
Provisions for liabilities	8	(51)	-
Net assets		123,361	119,816
Equity			
Share capital	9	10,646	10,646
Share premium	9	34,788	34,788
Preference shares	9	20,000	30,000
Capital redemption reserve	9	642	642
Retained earnings	9	57,285	43,740
Equity		123,361	119,816

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 10 October 2016.

Signed on behalf of the Board of Directors



Matthew Collecott
Director

Statement of Changes in Equity
as at 30 June 2016

	Share capital	Share premium	Preference shares	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2015	10,646	34,788	30,000	642	43,740	119,816
Preference shares repaid	-	-	(10,000)	-	-	(10,000)
Ordinary shares cancelled	-	-	-	-	-	-
Profit for the year	-	-	-	-	13,545	13,545
At 30 June 2016	10,646	34,788	20,000	642	57,285	123,361

For the year ended 30 June 2015

	Share capital	Share premium	Preference shares	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2014	10,655	34,788	40,000	633	37,083	123,159
Preference shares repaid	-	-	(10,000)	-	-	(10,000)
Ordinary shares cancelled	(9)	-	-	9	(69)	(69)
Profit for the year	-	-	-	-	6,726	6,726
At 30 June 2015	10,646	34,788	30,000	642	43,740	119,816

1. Accounting policies and critical judgements

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 30 June 2016 were authorised for issue by the Board of Directors on 10 October 2016 and the balance sheet was signed on the board's behalf by Matthew Collecott. Tottenham Hotspur Limited is incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds except when otherwise indicated. The principal accounting policies adopted by the Company are set out in this note. The accounting standards applied were FRS 101: "*Reduced Disclosure Framework*".

The principal accounting policies which have been applied in preparing the financial statements for the year ended 30 June 2016 are the same as those set out in Note 1 of the consolidated Financial Statements with those most relevant to the Company repeated below.

Basis of accounting

The measurement basis used in the preparation of these financial statements is the historical cost convention.

Cashflow statement

Under the provisions of FRS 101 the Company has not presented a cash flow statement, as the results of the Company are included within the consolidated financial statements.

Capital grants

Capital grants relate to amounts receivable from public bodies and football authorities and are treated as deferred income and released to the profit and loss account over the estimated useful life of the asset concerned.

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.

Property, plant and equipment

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 – 33%

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment.

Inventory

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

Debt

Debt is stated initially at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the accounting period.

Leases

Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

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 the 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 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.

1. Accounting policies and critical judgements (continued)

Critical accounting judgements and estimates

In the application of the Company's accounting policies, which are described herein, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are:

Recoverable amount of non-current assets

Property, plant and equipment

All non-current assets, including property, plant and equipment is reviewed for potential impairment using estimates of the future economic benefits attributable to them. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect, the recoverable value of the asset.

Assets under construction

The assets classified under 'in the course of construction' relate to the Group's main ongoing capital project: the proposed Northumberland Development Project (NDP). IAS 16, Property, Plant and Equipment requires that for an asset to be capitalised it must result in a probable economic benefit. Therefore, once this project begins its useful economic life, depreciation will begin.

The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the NDP will proceed. The NDP will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the NDP does not proceed such as a significant proportion of professional fees and construction costs capitalised that are specific to the proposed stadium site and properties whose market value is below cost, would need to be written-off at that time.

Taxation

The complex nature of tax legislation under which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed. As such there are accounting judgements and estimates applied to the provision for Current Tax and Deferred Tax.

2. Property, plant and equipment

For the year ended 30 June 2016

	Land and buildings short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost					
At 1 July 2015	782	206	18,780	66,039	85,807
Additions	-	231	864	37,451	38,548
Disposals	-	(128)	(861)	-	(989)
Transfer to group company	-	-	-	(1,414)	(1,414)
At 30 June 2016	782	309	18,783	102,078	121,952
Depreciation and impairment					
At 1 July 2015	62	71	16,895	5,201	22,229
Charged in the year	16	45	1,095	-	1,156
Eliminated on disposal	-	(53)	(824)	-	(877)
At 30 June 2016	78	63	17,166	5,201	22,508
Net book value					
At 30 June 2016	704	246	1,617	96,877	99,444

2. Property, plant and equipment (continued)

For the year ended 30 June 2015

	Land and buildings short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost					
At 1 July 2014	782	366	27,247	47,425	75,820
Additions	-	-	917	18,771	19,688
Disposals	-	(160)	(9,384)	(157)	(9,701)
At 30 June 2015	782	206	18,780	66,039	85,807
Depreciation and impairment					
At 1 July 2014	46	60	25,281	4,608	29,995
Charged in the year	16	70	998	593	1,677
Eliminated on disposal	-	(59)	(9,384)	-	(9,443)
At 30 June 2015	62	71	16,895	5,201	22,229
Net book value					
At 30 June 2015	720	135	1,885	60,838	63,578

All assets shown are held at historical cost.

3. Investments held as fixed assets

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

	Investment in subsidiary undertakings £'000
At 1 July 2015	2,490
At 30 June 2016	2,490

At 30 June 2016, the Company had the following interests in the subsidiary undertakings noted below, all of which are registered and operate in England and Wales:

	Shares class	Holding and voting rights
Tottenham Hotspur Football & Athletic Co. Limited – professional football club	Ordinary	100%
White Hart Lane Stadium Limited – provision of football entertainment	Ordinary	100%
Tottenham Hotspur Finance Company Limited – issuer of loan notes	Ordinary	100%
Paxton Road Limited – holds certain properties on behalf of the Group	Ordinary	100%
Stardare Limited – holds certain properties on behalf of the Group	Ordinary	100%
Star Furnishing Company Limited – holds certain properties on behalf of the Group	Ordinary	100%
Canvax Limited – holds certain properties on behalf of the Group	Ordinary	100%
Greenbay Property Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northumberland Development Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northwise Limited – holds certain properties on behalf of the Group	Ordinary	100%
Redbury Limited – holds certain properties on behalf of the Group	Ordinary	100%
Meldene Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Chigwell) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Enfield) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Property Company Limited – intermediary holding company for other companies that hold property on behalf of the Group	Ordinary	100%
Tottenham Hotspur Stadium Limited – future provider of football entertainment	Ordinary	100%
Tottenham Hotspur Stadium Development Limited – intermediary holding company	Ordinary	100%

4. Inventories

	2016 £'000	2015 £'000
Inventory	3,193	3,147

Inventories comprises merchandising goods held for resale.

5. Current assets

	2016 £'000	2015 £'000
Trade receivables	667	543
Amounts owed by Group undertakings	222,603	91,971
Other receivables	354	409
Prepayments and accrued income	264	330
Debt issue costs	592	-
Deferred tax (note 8)	-	4
	224,480	93,257

6. Current liabilities

	2016 £'000	2015 £'000
Bank overdraft	82,780	-
Trade payables	1,288	4,136
Corporation tax	-	620
Other taxation	1,462	8,725
Other payables	57	56
Accruals and deferred income	5,578	3,806
Amounts due to Group undertakings	5,293	25,677
	96,458	43,020

7. Non-current liabilities

	2016 £'000	2015 £'000
Bank loans	99,737	-
Accruals and deferred income	10,000	-
	109,737	-

During the year, an amount of £10,000,000 was received from a company, which is not a related party, as a contribution towards future construction expenses related to the Northumberland Development Project.

The facility of £200,000,000 entered into on 10 December 2015 with HSBC Bank plc, Goldman Sachs Bank USA and Bank of America Merrill Lynch International Limited was partially drawn at the balance sheet date. At the balance sheet date £100,000,000 was drawn and is repayable in December 2017. The interest on this amount is paid bi-annually and tracks the London Inter-Bank Offer Rate. The bank loan is shown in the financial statements net of £855,095 of associated loan arrangement costs which are being amortised over the term of the loan.

The maturity profile of the company's financial liabilities at the balance sheet date:

	2016 £'000	2015 £'000
Expiring in more than two years but less than five years	100,000	-

7. Non-current liabilities (continued)

Borrowing facilities

As at the balance sheet date the Company had the following undrawn committed bank borrowing:

	2016 £'000	2015 £'000
Expiring in one year or less or on demand	5,000	5,000
Expiring in more than one year but less than two years	100,000	-
Expiring in more than two years but less than five years	30,000	30,000

8. Provisions for liabilities/(assets)

£'000

Deferred taxation

At 1 July 2015	(4)
Charged to the profit and loss account	55
At 30 June 2016 - Deferred tax liability	51
At 30 June 2015 - Deferred tax asset	(4)

Deferred taxation has been provided as follows and is classified as a non-current liability:

	2016 £'000	2015 £'000
Accelerated capital allowances	51	(4)
	51	(4)

9. Reconciliation of movements in equity

	Share capital account £'000	Share premium account £'000	Preference shares £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
For the year ended 30 June 2016						
Balance as at 1 July 2015	10,646	34,788	30,000	642	43,740	119,816
Preference shares repaid	-	-	(10,000)	-	-	(10,000)
Ordinary shares cancelled	-	-	-	-	-	-
Profit for the period	-	-	-	-	13,545	13,545
At 30 June 2016	10,646	34,788	20,000	642	57,285	123,361

The retained profit for the year, within the financial statements of the parent company, was £13,545,000 (2015: £6,726,000 profit). As permitted by the Companies Act 2006 Section 408, no separate profit and loss account is presented. The audit fee of £3,000 (2015: £3,000) is borne by another Group company in the current and prior year. No fees were paid to the Company's auditor or affiliated entities, relating to other services during the year. Refer to the Group financial statements for full disclosure of fees payable to the auditor.

During the year the Company received a dividend of £7,148,000 from Redbury Limited, a wholly-owned subsidiary, included within profit for the period.

The movements in the share capital, share premium and preference shares accounts are disclosed in note 19 to the consolidated financial statements.

10. Commitments

The total commitments under non-cancellable operating leases are:

	2016 £'000	2015 £'000
Land and buildings:		
Leases expiring within one year	301	270
Leases expiring within two to five years	565	467
Leases expiring in more than five years	-	-
	866	737
Capital commitments were as follows:		
Contracted – normal course of business	3,560	-

11. Transition to FRS 101

For all periods up to and including the year ended 30 June 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 30 June 2016, are the first the Company has prepared in accordance with FRS 101. Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes. In preparing these financial statements, the Company has started from an opening balance sheet as at 1 July 2014, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. No adjustments were required resulting from the transition to FRS 101.

Executive Chairman

D P Levy

Executive Directors

M J Collecott

D Cullen

R Caplehorn

Non-Executive Directors

Sir K E Mills (Resigned 29 February 2016)

Mr K V Watts (Chairman of the Remuneration Committee)

Mr R Robson (Chairman of the Audit Committee)

Company Secretary

M J Collecott

Registered office

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Registered number

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Auditor

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