

Company Registration No. 1706358

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

**Annual Report and Financial Statements**  
30 June 2014

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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 2014.

#### **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 dispose of numerous properties with a view to constructing a new stadium development.

#### **Financial highlights**

Revenue for the year was at a record level of £180.5m (2013: £147.4m) while operating profit excluding football trading was £26.4m (2013: £10.5m).

#### **Revenue**

Premier League gate receipts rose to £22.4m (2013: £22.2m). 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 45,000. The Club had over 98,000 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 resulting in gate receipts and prize money of £9.2m (2013: £10.4m).

Revenue from the domestic cup competitions earned the Club £3.2m (2013: £0.9m) having reached the quarter-finals of the Capital One Cup.

Media and broadcasting revenues rose significantly to £88.9m (2013: £57.3m), despite finishing a place lower in the Premier League in 6<sup>th</sup> (2013: 5<sup>th</sup>), due to the new FAPL television rights deal.

Sponsorship and corporate hospitality income remained constant at £37.3m. Merchandising revenue increased by 13% to £11.0m (2013: £9.7m).

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

Operating expenses before football trading increased compared to last year at £154.1m (2013: £136.9m) predominantly due to lower insurance receipts, restructuring costs for changes in key personnel, more extensive use of the new training ground facility and a £1.9m payment to youth and community initiatives.

#### **Profit from operations**

Profit from operations, excluding football trading and before restructuring and depreciation was £36.0m (2013: £23.4m) and after deducting depreciation and restructuring costs was £26.4m (2013: £10.5m).

#### **Amortisation and impairment of intangible assets**

Amortisation and impairment of intangible assets and other football trading-related expenditure (net of income) has risen to £47.1m (2013: £25.4m) due to the continued investment in the playing squad and impairments of certain player registrations.

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

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

#### **Net finance expenses**

Finance costs have fallen to £7.5m (2013: £8.2m) and finance income has increased to £4.2m (2013: £0.5m). The main reason for increased finance income is the higher notional interest on deferred receipts for player disposals.

#### **Profit for the period**

The Group made a profit after taxation of £65.2m (2013: £1.5m).

### Balance sheet

The Group has continued to invest significantly in the Northumberland Development Project (NDP) with the cumulative spend increasing from £34.9m to £40.9m during the period.

Intangible assets have risen as the Club invested £109.7m in its playing squad during the year which, after taking into account disposals, amortisation and impairments, led to an increase in the net book value from £73.2m in 2013 to £122.3m in 2014.

Group net assets are £183.7m (2013: £78.4m) whilst the Group has net funds of £3.2m compared to a net debt of £54.8m in the prior year.

### Cash flow

The Group had a net cash inflow from its operations of £83.2m for the year (2013: £14.2m).

The Group issued 4,000,000 preference shares of £0.001 each for the sum of £40.0m.

### Future Developments

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

### Five-year review

|  | June<br>2014<br>£'000 | June<br>2013<br>£'000 | June<br>2012<br>£'000 | June<br>2011<br>£'000 | June<br>2010<br>£'000 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenue</b>   | 180,541               | 147,392               | 144,156               | 163,486               | 119,814               |
| Profit from operations excluding football trading and before restructuring and depreciation    | 36,040                | 23,393                | 23,023                | 37,578                | 25,444                |
| Restructuring and depreciation   | (9,600)               | (12,894)              | (8,828)               | (5,284)               | (2,770)               |
| Operating profit before football trading   | 26,440                | 10,499                | 14,195                | 32,294                | 22,674                |
| Amortisation and impairment of registrations and other football-related income and expenditure | (47,064)              | (25,381)              | (25,000)              | (39,450)              | (39,466)              |
| Profit on disposal of intangible fixed assets  | 103,965               | 26,343                | 9,200                 | 8,573                 | 15,250                |
| <b>Profit/(loss) before interest and taxation</b>  | 83,341                | 11,461                | (1,605)               | 1,417                 | (1,542)               |
| Net interest payable   | (3,311)               | (7,779)               | (5,699)               | (1,015)               | (4,997)               |
| <b>Profit/(loss) on ordinary activities before taxation</b>                                    | 80,030                | 3,682                 | (7,304)               | 402                   | (6,539)               |
| Taxation   | (14,769)              | (2,154)               | 3,021                 | 267                   | (108)                 |
| <b>Retained profit/(loss)</b>  | 65,261                | 1,528                 | (4,283)               | 669                   | (6,647)               |
| <b>Net assets</b>  |                       |                       |                       |                       |                       |
| Intangible assets  | 122,311               | 73,204                | 57,955                | 101,215               | 115,660               |
| Property plant and equipment   | 181,331               | 168,951               | 186,693               | 150,299               | 123,552               |
| Net current liabilities, including trade receivables due after one year                        | (34,402)              | (92,319)              | (87,724)              | (78,439)              | (63,531)              |
| <b>Total assets less current liabilities</b>   | 269,240               | 149,836               | 156,924               | 173,075               | 175,681               |
| Provisions and creditors – amounts falling due after more than one year                        | (85,554)              | (71,411)              | (80,027)              | (91,592)              | (105,180)             |
| <b>Net assets</b>  | 183,686               | 78,425                | 76,897                | 81,483                | 70,501                |

### Results and dividends

The audited consolidated income statement for the year ended 30 June 2014 is set out on page 8.

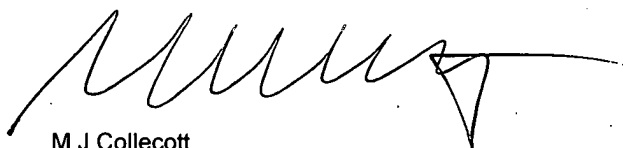
The Directors have not recommended the payment of a dividend (2013: £nil).

**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

12 November 2014

### **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 2014. For a full list of Directors please refer to page 45.

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 182,111,021 ordinary shares of Tottenham Hotspur Limited representing 85.46% of those in issue and therefore ENIC are the ultimate parent of Tottenham Hotspur Limited.

At the year end Macon Inc., a company with which the Group is under common control, held 4,000,000 preference shares of £0.001 in the Company.

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 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 £101,363 to international, UK-based and local charities during the year (2013: £22,266). The Group made no political donations during the year (2014: £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.

#### **Supplier payment policy**

The Group's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 30 days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly. Trade payables at 30 June 2014 represented 42 days (2013: 82 days) of annual purchases. This figure excludes contracted creditors in respect of player purchases and capital costs which are paid on their contractual due dates.

#### **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**

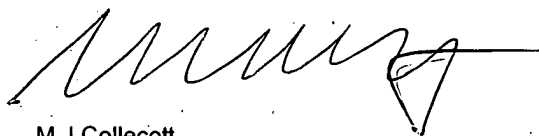
The Board of Directors continually monitors the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, the current economic downturn and the need for additional funding requirements of a new stadium development. These risks and 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.

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 for the foreseeable future. The Board of Directors acknowledges that the capital structure of the business will change as the Northumberland Development Project (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 the 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

12 November 2014

## Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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 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 2014 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 25. 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).

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 2014 and of the group'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 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.



Nigel Mercer (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
12 November 2014



Consolidated income statement  
for the year ended 30 June 2014

|  | Notes | 2014   |                      |           | 2013   |                      |           |
|--|-------|--|----------------------|-----------|--|----------------------|-----------|
|  |       | Operations,<br>excluding<br>football<br>trading* | Football<br>trading* | Total     | Operations,<br>excluding<br>football<br>trading* | Football<br>trading* | Total     |
|  |       | £'000  | £'000                | £'000     | £'000  | £'000                | £'000     |
| <b>Revenue</b>   | 2     | 180,541  | -                    | 180,541   | 147,392  | -                    | 147,392   |
| <b>Operating expenses</b>                                | 3     | (154,101)  | (47,064)             | (201,165) | (136,893)  | (25,381)             | (162,274) |
| <b>Operating profit/(loss)</b>                           |       | 26,440   | (47,064)             | (20,624)  | 10,499   | (25,381)             | (14,882)  |
| <b>Profit on disposal of intangible<br/>fixed assets</b> | 6     | -  | 103,965              | 103,965   | -  | 26,343               | 26,343    |
| <b>Profit from operations</b>                            | 4     | 26,440   | 56,901               | 83,341    | 10,499   | 962                  | 11,461    |
| <b>Finance income</b>                                    | 7     |  |                      | 4,178     |  |                      | 458       |
| <b>Finance costs</b>                                     | 7     |  |                      | (7,489)   |  |                      | (8,237)   |
| <b>Profit on ordinary activities<br/>before taxation</b> |       |  |                      | 80,030    |  |                      | 3,682     |
| <b>Tax</b>   | 8     |  |                      | (14,769)  |  |                      | (2,154)   |
| <b>Profit for the period</b>                             | 19    |  |                      | 65,261    |  |                      | 1,528     |

\* Football trading represents amortisation, impairment and profit/(loss) 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 2014

|                                       | Notes     | 2014<br>£'000    | 2013<br>£'000    |
|---------------------------------------|-----------|------------------|------------------|
| <b>Non-current assets</b>             |           |                  |                  |
| Property, plant and equipment         | 9         | 181,331          | 168,951          |
| Intangible assets                     | 10        | 122,311          | 73,204           |
| Trade receivables due after one year  | 12        | 39,507           | 4,768            |
|                                       |           | <b>343,149</b>   | <b>246,923</b>   |
| <b>Current assets</b>                 |           |                  |                  |
| Inventories                           | 11        | 5,045            | 3,173            |
| Trade and other receivables           | 12        | 52,671           | 19,057           |
| Cash and cash equivalents             | 13        | 38,535           | 3,211            |
|                                       |           | <b>96,251</b>    | <b>25,441</b>    |
| <b>Total assets</b>                   |           | <b>439,400</b>   | <b>272,364</b>   |
| <b>Current liabilities</b>            |           |                  |                  |
| Trade and other payables              | 14        | (161,432)        | (94,992)         |
| Current tax liabilities               | 14        | (1,412)          | (1,508)          |
| Interest-bearing loans and borrowings | 14        | (2,662)          | (22,542)         |
| Provisions                            | 14/16     | (4,654)          | (3,486)          |
|                                       |           | <b>(170,160)</b> | <b>(122,528)</b> |
| <b>Non-current liabilities</b>        |           |                  |                  |
| Interest-bearing overdrafts and loans | 15        | (32,421)         | (35,084)         |
| Trade and other payables              | 15        | (22,843)         | (20,216)         |
| Deferred grant income                 | 15        | (1,994)          | (2,066)          |
| Deferred tax liabilities              | 15/16     | (28,296)         | (14,045)         |
|                                       |           | <b>(85,554)</b>  | <b>(71,411)</b>  |
| <b>Total liabilities</b>              |           | <b>(255,714)</b> | <b>(193,939)</b> |
| <b>Net assets</b>                     |           | <b>183,686</b>   | <b>78,425</b>    |
| <b>Equity</b>                         |           |                  |                  |
| Share capital                         | 18        | 10,655           | 10,655           |
| Share premium                         |           | 34,788           | 34,788           |
| Preference shares                     | 19        | 40,000           | -                |
| Capital redemption reserve            |           | 633              | 633              |
| Retained earnings                     |           | 97,610           | 32,349           |
| <b>Total equity</b>                   | <b>19</b> | <b>183,686</b>   | <b>78,425</b>    |

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 12 November 2014.

Signed on behalf of the Board of Directors

  
Matthew Collecott

Consolidated statement of changes in equity  
for the year ended 30 June 2014

|                           | Share capital<br>account<br>£'000 | Share premium<br>account<br>£'000 | Preference<br>shares<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|---------------------------|-----------------------------------|-----------------------------------|-------------------------------|---|--|----------------|
| 7                         |                                   |                                   |                               |   |  |                |
| Balance as at 1 July 2013 | 10,655                            | 34,788                            | -                             | 633                                       | 32,349                                 | 78,425         |
| Preference shares issued  | -                                 | -                                 | 40,000                        | -   | -                                      | 40,000         |
| Profit for the year       | -                                 | -                                 | -                             | -   | 65,261                                 | 65,261         |
| <b>At 30 June 2014</b>    | <b>10,655</b>                     | <b>34,788</b>                     | <b>40,000</b>                 | <b>633</b>                                | <b>97,610</b>                          | <b>183,686</b> |

For the year ended 30 June 2013

|                           | Share capital<br>account<br>£'000 | Share premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|---------------------------|-----------------------------------|-----------------------------------|---|--|----------------|
| Balance as at 1 July 2012 | 10,655                            | 34,788                            | 633                                       | 30,821                                 | 76,897         |
| Profit for the year       | -                                 | -                                 | -   | 1,528                                  | 1,528          |
| <b>At 30 June 2013</b>    | <b>10,655</b>                     | <b>34,788</b>                     | <b>633</b>                                | <b>32,349</b>                          | <b>78,425</b>  |

Consolidated statement of cash flows  
for the year ended 30 June 2014

|  | Note | 2014<br>£'000   | 2013<br>£'000   |
|--|------|-----------------|-----------------|
| <b>Cash flow from operating activities</b>                   |      |                 |                 |
| Profit from operations                                       |      | 83,341          | 11,461          |
| <b>Adjustments for:</b>                                      |      |                 |                 |
| Amortisation of intangible assets                            |      | 39,846          | 26,762          |
| Impairment of intangible assets                              |      | 10,185          | -               |
| Profit on disposal of intangible assets                      |      | (103,965)       | (26,343)        |
| (Profit)/loss on disposal of property, plant and equipment   |      | (24)            | 18              |
| Depreciation and impairment of property, plant and equipment |      | 4,933           | 12,894          |
| Capital grants release                                       |      | 96              | 105             |
| Foreign exchange gain  |      | (857)           | (905)           |
| Increase in trade and other receivables                      |      | (5,235)         | (1,658)         |
| Increase in inventories                                      |      | (1,872)         | (940)           |
| Increase/(decrease) in trade and other payables              |      | 56,742          | (7,170)         |
| <b>Cash flow from operations</b>                             |      | <b>83,190</b>   | <b>14,224</b>   |
| Interest paid  |      | (3,598)         | (6,001)         |
| Interest received  |      | 60              | 29              |
| Income tax paid  |      | (614)           | (1,179)         |
| <b>Net cash flow from/(used in) operating activities</b>     |      | <b>79,038</b>   | <b>7,073</b>    |
| <b>Cash flows from investing activities</b>                  |      |                 |                 |
| Acquisitions of property, plant and equipment                |      | (17,426)        | (21,195)        |
| Proceeds from sale of property, plant and equipment          |      | 137             | 26,025          |
| Acquisitions of intangible assets                            |      | (91,681)        | (42,630)        |
| Proceeds from sale of intangible assets                      |      | 47,889          | 46,023          |
| <b>Net cash flow from investing activities</b>               |      | <b>(61,081)</b> | <b>8,223</b>    |
| <b>Cash flows from financing activities</b>                  |      |                 |                 |
| Preference shares issued                                     |      | 40,000          | -               |
| Repayments of borrowings                                     |      | (22,633)        | (27,787)        |
| <b>Net cash flow from/(used in) financing activities</b>     |      | <b>17,367</b>   | <b>(27,787)</b> |
| Net increase/(decrease) in cash and cash equivalents         |      | 35,324          | (12,491)        |
| Cash and cash equivalents at start of the period             |      | 3,211           | 15,702          |
| <b>Cash and cash equivalents at end of year</b>              | 13   | <b>38,535</b>   | <b>3,211</b>    |

## **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 5.

Tottenham Hotspur Ltd is a company incorporated in the United Kingdom. The nature of the Group's operations and its principal activities are 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). The financial statements have also been prepared in accordance with IFRS adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS regulation. 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 Ltd (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.

### **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 received. 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 discounted**

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, when it becomes probable that the number of appearances will be achieved or the specified future events will 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% |

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 2013.

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 following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 9 'Financial Instruments';
- IFRS 10 'Consolidated Financial Statements';
- IFRS 11 'Joint Arrangements';
- IFRS 12 'Disclosure of Interests in Other Entities';
- IFRS 13 'Fair Value Measurement';
- IFRS 14 'Regulatory Deferral Accounts';
- IFRS 15 'Revenue from Contracts from Customers';
- IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation';
- IAS 16 and IAS 41 'Agriculture: Bearer Plants';
- IAS 19 (revised June 2011) 'Employee Benefits';
- IAS 27 (revised May 2011) 'Separate Financial Statements';
- IAS 28 (revised May 2011) 'Investments in Associates and Joint Ventures'

The Directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods.

### ***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 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 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.

### ***Current 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.



## 2. Revenue

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

|                           | 2014<br>£'000  | 2013<br>£'000  |
|---------------------------|----------------|----------------|
| <b>Revenue comprises:</b> |                |                |
| Match receipts            | 34,801         | 33,491         |
| TV and media              | 89,512         | 57,347         |
| Commercial                | 56,228         | 56,554         |
|                           | <b>180,541</b> | <b>147,392</b> |

All revenue except for £341,000 (2013: £588,000) derives from the Group's principal activity in the United Kingdom and is shown exclusive of VAT.

## 3. Operating expenses

|   | 2014<br>£'000  | 2013<br>£'000  |
|---|----------------|----------------|
| Staff costs   | 100,400        | 96,087         |
| Redundancy costs and onerous employment contracts                               | 4,663          | 61             |
| Depreciation and impairment of property, plant and equipment                    | 4,933          | 12,894         |
| Profit on disposal of property, plant and equipment                             | (24)           | (5,590)        |
| Other operating costs   | 44,129         | 33,441         |
| <b>Operating expenses excluding football trading</b>                            | <b>154,101</b> | <b>136,893</b> |
| Amortisation, impairments and other net football trading income and expenditure | 47,064         | 25,381         |
| <b>Total operating expenses</b>   | <b>201,165</b> | <b>162,274</b> |

#### 4. Profit from operations

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

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| Depreciation and impairment of property, plant and equipment |               |               |
| – owned  | 4,933         | 12,894        |
| Profit on disposal of property, plant and equipment          | (24)          | (5,590)       |
| Amortisation of intangible fixed assets                      | 39,846        | 26,762        |
| Impairment of intangible fixed assets                        | 10,185        | -             |
| Amortisation of grants                                       | (96)          | (105)         |
| Charitable donations   | 101           | 22            |
| Operating lease rentals:                                     |               |               |
| – land and buildings   | 375           | 393           |
| – other  | 150           | 163           |
| Foreign exchange gain  | (857)         | (905)         |

The analysis of auditor's remuneration is as follows:

|   | 2014<br>£'000 | 2013<br>£'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                                 | 76            | 76            |
| Total audit fees  | 91            | 91            |
| Fees payable to the Company's auditor for other services to the Group:                |               |               |
| – taxation compliance services  | 139           | 63            |
| – taxation advisory services  | 180           | 133           |
| – other audit related services pursuant to legislation                                | 6             | 6             |
| – other assurance services  | 5             | 5             |
| Total non-audit fees  | 330           | 207           |

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 UK GAAP and the audit of the Company's accounts represents the audit of the Group's consolidated financial statements prepared in accordance with IFRS.

## 5. Staff numbers and costs

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

|   | 2014<br>Number | 2013<br>Number |
|---|----------------|----------------|
| Players and football administration staff | 188            | 187            |
| Administration staff                      | 125            | 120            |
| Retail and distribution staff             | 67             | 61             |
|   | <b>380</b>     | <b>368</b>     |

The aggregate payroll costs of these employees were as follows:

|                       | 2014<br>£'000  | 2013<br>£'000 |
|-----------------------|----------------|---------------|
| Salaries and bonuses  | 88,760         | 84,727        |
| Social security costs | 11,320         | 11,127        |
| Other pension costs   | 320            | 233           |
|                       | <b>100,400</b> | <b>96,087</b> |

In addition the Group employs, on average, 570 temporary staff on match days (2013: 565).

In addition to the above payroll costs, redundancy costs and costs of onerous employment contracts of £4,663,000 (2013: £61,000) were also charged to the income statement during the year.

The total aggregate remuneration of the Directors for the year was £3,605,000 (2013: £2,471,000) including pension costs of £36,600 (2013: £35,400). Included within that remuneration are emoluments totalling £60,000 (2013: £10,000) paid to non-executive Directors. The highest paid Director received total remuneration of £2,166,000 (2013: £1,658,000), of which £nil (2013: £550,000) was paid by the ultimate parent company and re-charged to the Company as fees in both the current and prior year with £nil (2013: £nil) outstanding at the balance sheet date. The remuneration of all other Directors was paid by the Company. The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is four (2013: one).

## 6. Profit on disposal of intangible fixed assets

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

**7. Finance income and costs**

|   | 2014<br>£'000  | 2013<br>£'000  |
|---|----------------|----------------|
| Interest income   | 514            | 29             |
| Notional interest income on deferred receipts for sales of players' registrations | 3,664          | 429            |
|   | <b>4,178</b>   | <b>458</b>     |
|   | 2014<br>£'000  | 2013<br>£'000  |
| Interest expense  | (3,504)        | (5,640)        |
| Notional interest expense on deferred payments for players' registrations         | (3,893)        | (2,390)        |
| Amortisation of debt issue costs  | (92)           | (207)          |
|   | <b>(7,489)</b> | <b>(8,237)</b> |

**8. Tax charge on ordinary activities**

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| <b>Current tax</b>   |               |               |
| UK corporation tax charge on profits for the year at 22.5% (2013: 23.75%)                | -             | -             |
| Other prior year adjustments   | 518           | 142           |
| Current tax charge   | <b>518</b>    | <b>142</b>    |
| <b>Deferred tax</b>  |               |               |
| Origination and reversal of timing differences in prior years                            | (525)         | 128           |
| Origination and reversal of timing differences in current year                           | 118           | 458           |
| Rollover relief deferred in respect of players disposed of and purchased in prior years  | -             | (365)         |
| Rollover relief deferred in respect of players disposed of and purchased in current year | 17,956        | 2,376         |
| Accelerated capital allowances in current year   | 546           | -             |
| Difference in tax rates  | (3,844)       | (585)         |
| Deferred tax charge  | <b>14,251</b> | <b>2,012</b>  |
| Total tax charge on ordinary activities  | <b>14,769</b> | <b>2,154</b>  |

## 8. Tax charge on ordinary activities (continued)

### Total tax credit

|   | 2014<br>£'000 | 2013<br>£'000 |
|---|---------------|---------------|
| Profit on ordinary activities before taxation   | 80,030        | 3,682         |
| Tax on profit on ordinary activities before taxation at the UK statutory rate of 22.5% (2013: 23.75%) | 18,007        | 874           |
| Expenses not deductible   | 4             | 1,261         |
| Depreciation for which no tax relief is available   | 609           | 699           |
| Effect of restating deferred tax liability at 20% (2013: 24%)   | (3,844)       | (585)         |
| Other prior year adjustments  | (7)           | (95)          |
| <b>Total tax charge on ordinary activities</b>  | <b>14,769</b> | <b>2,154</b>  |

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

| Group                                   | Land and buildings |                          | Motor vehicles | General plant and equipment | Assets under the course of construction | Total          |
|---|--------------------|--------------------------|----------------|-----------------------------|---|----------------|
|   | Freehold<br>£'000  | Short leasehold<br>£'000 |                |                             |   |                |
| <b>Cost or valuation</b>                |                    |                          |                |                             |   |                |
| At 1 July 2013                          | 107,834            | 1                        | 345            | 41,076                      | 69,428                                  | 218,684        |
| Additions                               | 2,673              | -                        | 228            | 2,085                       | 12,440                                  | 17,426         |
| Disposals                               | -                  | -                        | (207)          | (15)                        | -                                       | (222)          |
| Transfer from assets under construction | -                  | -                        | -              | 621                         | (621)                                   | -              |
| <b>At 30 June 2014</b>                  | <b>110,507</b>     | <b>1</b>                 | <b>366</b>     | <b>43,767</b>               | <b>81,247</b>                           | <b>235,888</b> |
| <b>Depreciation and impairment</b>      |                    |                          |                |                             |   |                |
| At 1 July 2013                          | 13,141             | 1                        | 98             | 31,876                      | 4,617                                   | 49,733         |
| Eliminated on disposal                  | -                  | -                        | (97)           | (12)                        | -                                       | (109)          |
| Charged in the year                     | 1,904              | -                        | 59             | 2,979                       | (9)                                     | 4,933          |
| Transfer from assets under construction | -                  | -                        | -              | -                           | -                                       | -              |
| <b>At 30 June 2014</b>                  | <b>15,045</b>      | <b>1</b>                 | <b>60</b>      | <b>34,843</b>               | <b>4,608</b>                            | <b>54,557</b>  |
| <b>Net book value</b>                   |                    |                          |                |                             |   |                |
| <b>At 30 June 2014</b>                  | <b>95,462</b>      | <b>-</b>                 | <b>306</b>     | <b>8,924</b>                | <b>76,639</b>                           | <b>181,331</b> |

## 9. Property, plant and equipment (continued)

Land and buildings that are currently held for the NDP have been transferred at their net book value into assets under the course of construction. In the event that the proposed NDP does not proceed, some of the £40,859,000 of professional fees capitalised to 30 June 2014 (2012: £34,915,000) may need to be written-off.

The new Training Centre was opened during the prior year resulting in a transfer of £60,556,000 from assets under the course of construction to land and buildings totalling £57,555,000 and general plant and equipment totalling £2,976,000.

### For the year ended 30 June 2013

| Group                                   | Land and buildings |                          | Motor vehicles | General plant and equipment | Assets under the course of construction | Total          |
|---|--------------------|--------------------------|----------------|-----------------------------|---|----------------|
|   | Freehold<br>£'000  | Short leasehold<br>£'000 |                |                             |   |                |
| <b>Cost or valuation</b>                |                    |                          |                |                             |   |                |
| At 1 July 2012                          | 59,413             | 1                        | 246            | 32,332                      | 132,082                                 | 224,074        |
| Additions                               | 1,045              | -                        | 210            | 5,771                       | 14,169                                  | 21,195         |
| Disposals                               | (10,179)           | -                        | (111)          | (3)                         | (16,257)                                | (26,550)       |
| Transfer from assets under construction | 57,555             | -                        | -              | 2,976                       | (60,566)                                | (35)           |
| <b>At 30 June 2013</b>                  | <b>107,834</b>     | <b>1</b>                 | <b>345</b>     | <b>41,076</b>               | <b>69,428</b>                           | <b>218,684</b> |
| <b>Depreciation and impairment</b>      |                    |                          |                |                             |   |                |
| At 1 July 2012                          | 10,580             | 1                        | 115            | 26,685                      | -                                       | 37,381         |
| Eliminated on disposal                  | (444)              | -                        | (60)           | (3)                         | -                                       | (507)          |
| Charged in the year                     | 3,005              | -                        | 43             | 5,229                       | -                                       | 8,277          |
| Impairment                              | -                  | -                        | -              | -                           | 4,617                                   | 4,617          |
| Transfer from assets under construction | -                  | -                        | -              | (35)                        | -                                       | (35)           |
| <b>At 30 June 2013</b>                  | <b>13,141</b>      | <b>1</b>                 | <b>98</b>      | <b>31,876</b>               | <b>4,617</b>                            | <b>49,733</b>  |
| <b>Net book value</b>                   |                    |                          |                |                             |   |                |
| <b>At 30 June 2013</b>                  | <b>94,693</b>      | <b>-</b>                 | <b>247</b>     | <b>9,200</b>                | <b>64,811</b>                           | <b>168,951</b> |

# 10. Intangible fixed assets

For the year ended 30 June 2014

£'000

## Cost of registrations

|                        |                |
|------------------------|----------------|
| At 1 July 2013         | 143,690        |
| Additions              | 109,718        |
| Disposals              | (45,237)       |
| <b>At 30 June 2014</b> | <b>208,171</b> |

## Amortisation and impairment of registrations

|                                |               |
|--------------------------------|---------------|
| At 1 July 2013                 | 70,486        |
| Charged in year – amortisation | 39,846        |
| Charged in year – impairment   | 10,185        |
| Disposals                      | (34,657)      |
| <b>At 30 June 2014</b>         | <b>85,860</b> |

## Net book value of registrations

|                        |                |
|------------------------|----------------|
| <b>At 30 June 2014</b> | <b>122,311</b> |
|------------------------|----------------|

Intangible assets relate entirely to the carrying value of the playing squad and are being amortised over the remaining length of the Players' contracts which are between one and six years.

In the period, capitalised player registrations were impaired by £10,185,000. Impairment losses were incurred where there was evidence of a permanent diminution in the value of the registrations in accordance with the Group's accounting policy. Recoverable amounts have been estimated as fair values less costs of disposal, in accordance with the Group's accounting policy.

The entity considers the individual intangible assets relating to three members of the playing squad to be material to the financial statements and note the combined carrying amount of these totalling £44,910,000. The cost will continue to be amortised over the remaining contract length which is an average of four years.

For the year ended 30 June 2013

£'000

## Cost of registrations

|                        |                |
|------------------------|----------------|
| At 1 July 2012         | 153,290        |
| Additions              | 61,691         |
| Disposals              | (71,291)       |
| <b>At 30 June 2013</b> | <b>143,690</b> |

## Amortisation and impairment of registrations

|                                |               |
|--------------------------------|---------------|
| At 1 July 2012                 | 95,335        |
| Charged in year – amortisation | 26,762        |
| Disposals                      | (51,611)      |
| <b>At 30 June 2013</b>         | <b>70,486</b> |

## Net book value of registrations

|                        |               |
|------------------------|---------------|
| <b>At 30 June 2013</b> | <b>73,204</b> |
|------------------------|---------------|

# 11. Inventories

|             | 2014<br>£'000 | 2013<br>£'000 |
|-------------|---------------|---------------|
| Inventories | 5,045         | 3,173         |

Inventories comprise merchandising goods held for resale.

# 12. Trade and other receivables

|   | 2014<br>£'000 | 2013<br>£'000 |
|---|---------------|---------------|
| Trade receivables due in more than one year | 39,507        | 4,768         |
| Non-current assets                          | 39,507        | 4,768         |
| Trade receivables due in less than one year | 41,487        | 11,128        |
| Other receivables                           | 6,023         | 1,020         |
| Prepayments and accrued income              | 5,161         | 6,909         |
| Current assets                              | 52,671        | 19,057        |
|   | 92,178        | 23,825        |

Trade receivables above include £73,401,000 (2013: £9,885,000) in respect of the disposal of players' registrations, of which £39,507,000 is due in more than one year. In the period since the balance sheet date, £33,271,000 has been received in relation to the outstanding £73,401,000 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.

|                           | 2014<br>£'000 | 2013<br>£'000 |
|---------------------------|---------------|---------------|
| Bank balances             | 38,517        | 3,192         |
| Cash in hand              | 18            | 19            |
| Cash and cash equivalents | 38,535        | 3,211         |

The carrying amount of these assets approximates their fair value.



**14. Current liabilities**

|  | 2014<br>£'000  | 2013<br>£'000  |
|--|----------------|----------------|
| Bank loans (secured)                     | 1,021          | 21,016         |
| Other loans (secured)                    | 1,641          | 1,526          |
| Interest-bearing loans and borrowings    | 2,662          | 22,542         |
| Trade payables due in less than one year | 37,298         | 27,558         |
| Other tax and social security            | 9,638          | 10,830         |
| Other payables                           | 15,316         | 12,183         |
| Accruals and deferred income             | 99,180         | 44,421         |
| Trade and other payables                 | 161,432        | 94,992         |
| Corporation tax liabilities              | 1,412          | 1,508          |
| Provisions (see note 16)                 | 4,654          | 3,486          |
|  | <b>170,160</b> | <b>122,528</b> |

Trade payables above include £33,704,000 in respect of the acquisition of players' registrations (2013: £20,862,000).

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**

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| Bank loans (secured)                     | 14,013        | 15,035        |
| Other loans (secured)                    | 18,408        | 20,049        |
| Interest-bearing loans and borrowings    | 32,421        | 35,084        |
| Trade payables due in more than one year | 17,399        | 13,672        |
| Other payables                           | 5,444         | 6,544         |
| Trade and other payables                 | 22,843        | 20,216        |
| Deferred grant income                    | 1,994         | 2,066         |
| Deferred tax liabilities (see note 16)   | 28,296        | 14,045        |
|  | <b>85,554</b> | <b>71,411</b> |

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

**15. Non-current liabilities (continued)**

**Bank loans (in notes 14 and 15)**

During the prior year a £20,000,000 short-term revolving loan which forms part of the Group's facility with HSBC Bank was drawn, which is secured against Group assets. This was repaid during the year.

Bank loans of £1,168,000 are secured by a floating charge over the Group's assets and on certain freehold properties. These loans are being repaid over 23 years, in equal quarterly instalments which began in September 2004. Interest is charged quarterly on the outstanding amount of the loans, at a rate which tracks the Bank of England base rate. The bank loans are shown in the financial statements net of £12,000 of associated loan arrangement costs which are being amortised over the term of the loans.

The Investec Bank facility of £16,000,000 which was used to fund the construction of the new Training Ground and secured against the new Training Ground site was fully drawn. At the balance sheet date £14,000,000 is outstanding and repayable over five years. 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 £122,000 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. These notes are repayable in equal annual instalments over 20 years from September 2003.

The £20,000,000 loan notes are repayable in equal instalments over 16 years from September 2007.

The loan notes are secured against White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £20,209,000 of the loan notes are outstanding. The loan notes are shown in the financial statements net of £159,000 of associated debt issue costs which are being amortised over the term of the loan notes.

# 15. Non-current liabilities (continued)

The maturity profile of the Group's total borrowings at the balance sheet date which have been discounted using the Group's weighted average cost of capital and which do not include interest payments are as follows:

|   | 2014               |                   |                | 2013               |                   |                |
|---|--------------------|-------------------|----------------|--------------------|-------------------|----------------|
|   | Principal<br>£'000 | Interest<br>£'000 | Total<br>£'000 | Principal<br>£'000 | Interest<br>£'000 | Total<br>£'000 |
| <b>Bank loans and overdraft</b>                     |                    |                   |                |                    |                   |                |
| In one year or less or on demand                    | 1,021              | -                 | 1,021          | 21,016             | 4                 | 21,020         |
| In more than one year but not more than two years   | 1,027              | -                 | 1,027          | 1,974              | -                 | 1,974          |
| In more than two years but not more than five years | 12,212             | -                 | 12,212         | 12,207             | -                 | 12,207         |
| In more than five years                             | 774                | -                 | 774            | 854                | -                 | 854            |
|   | <b>15,034</b>      | <b>-</b>          | <b>15,034</b>  | <b>36,051</b>      | <b>4</b>          | <b>36,055</b>  |
| <b>Other loans</b>                                  |                    |                   |                |                    |                   |                |
| In one year or less or on demand                    | 1,641              | 1,213             | 2,854          | 1,526              | 1,306             | 2,832          |
| In more than one year but not more than two years   | 1,764              | -                 | 1,764          | 1,641              | -                 | 1,641          |
| In more than two years but not more than five years | 6,127              | -                 | 6,127          | 5,700              | -                 | 5,700          |
| In more than five years                             | 10,517             | -                 | 10,517         | 12,708             | -                 | 12,708         |
|   | <b>20,049</b>      | <b>1,213</b>      | <b>21,262</b>  | <b>21,575</b>      | <b>1,306</b>      | <b>22,881</b>  |
| <b>Total borrowings</b>                             |                    |                   |                |                    |                   |                |
| In one year or less or on demand                    | 2,662              | 1,213             | 3,875          | 22,542             | 1,310             | 23,852         |
| In more than one year but not more than two years   | 2,791              | -                 | 2,791          | 3,615              | -                 | 3,615          |
| In more than two years but not more than five years | 18,339             | -                 | 18,339         | 17,907             | -                 | 17,907         |
| In more than five years                             | 11,291             | -                 | 11,291         | 13,562             | -                 | 13,562         |
|   | <b>35,083</b>      | <b>1,213</b>      | <b>36,296</b>  | <b>57,626</b>      | <b>1,310</b>      | <b>58,936</b>  |

# 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 £38,535,000 (2013: £3,211,000) which are part of the financing arrangements of the Group. The Sterling cash deposits comprise deposits placed on the money market at call rates.

|   | Fixed rate borrowings |   |  |   | Weighted average interest rate at year end % |
|---|-----------------------|---|--|---|--|
|   | Total £'000           | Floating rate financial liabilities £'000 | Fixed rate financial liabilities £'000 | Weighted average time for which rate is fixed £'000 |  |
| Interest rate profile of financial liabilities (all Sterling) |                       |   |  |   |  |
| 2014  | 35,083                | 15,034                                    | 20,049                                 | 6   | 5.5  |
| 2013  | 57,626                | 36,051                                    | 21,575                                 | 7   | 5.5  |

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:

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| Expiring in one year or less or on demand                  | 30,000        | 10,000        |
| Expiring in more than one year but not more than two years | -             | -             |
| Expiring in more than five years                           | -             | -             |
| Total undrawn committed borrowing facilities               | 30,000        | 10,000        |

This is made up of undrawn bank borrowing facilities of £30,000,000 (2013: £10,000,000).

## 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:

|             | 2014                |                     | 2013                |                     |
|-------------|---------------------|---------------------|---------------------|---------------------|
|             | Book value<br>£'000 | Fair value<br>£'000 | Book value<br>£'000 | Fair value<br>£'000 |
| Other loans | 20,049              | 19,794              | 21,575              | 21,267              |

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 hedges its interest rate exposure by using fixed interest rate facilities where deemed appropriate. 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 2014**

£'000

**Contingent transfer fees payable**

|                          |            |
|--------------------------|------------|
| At 1 July 2013           | 2,392      |
| Provided during the year | 208        |
| Utilised during the year | (2,392)    |
| <b>At 30 June 2014</b>   | <b>208</b> |

**Provisions on employment contracts**

|                          |              |
|--------------------------|--------------|
| At 1 July 2013           | 1,094        |
| Provided during the year | 4,446        |
| Utilised during the year | (1,094)      |
| <b>At 30 June 2014</b>   | <b>4,446</b> |

**Deferred taxation**

|                                 |               |
|---------------------------------|---------------|
| At 1 July 2013                  | 14,045        |
| Charged to the income statement | 14,251        |
| <b>At 30 June 2014</b>          | <b>28,296</b> |

**Total**

|                        |               |
|------------------------|---------------|
| <b>At 30 June 2014</b> | <b>32,950</b> |
|------------------------|---------------|

**16. Provisions for liabilities (continued)**

**For the year ended 30 June 2013**

£'000

|   |               |
|---|---------------|
| <b>Contingent transfer fees payable</b>   |               |
| At 1 July 2012                            | 468           |
| Provided during the year                  | 3,120         |
| Released to income during the year        | -             |
| Utilised during the year                  | (1,196)       |
| <b>At 30 June 2013</b>                    | <b>2,392</b>  |
| <b>Provisions on employment contracts</b> |               |
| At 1 July 2012                            | -             |
| Provided during the year                  | 1,094         |
| Utilised during the year                  | -             |
| <b>At 30 June 2013</b>                    | <b>1,094</b>  |
| <b>Deferred taxation</b>                  |               |
| At 1 July 2012                            | 12,033        |
| Charged to the income statement           | 2,012         |
| <b>At 30 June 2013</b>                    | <b>14,045</b> |
| <b>Total</b>                              |               |
| <b>At 30 June 2013</b>                    | <b>17,531</b> |

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:

|                                | 2014<br>£'000 | 2013<br>£'000 |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 3,451         | 3,341         |
| Intangible fixed assets        | 25,133        | 11,162        |
| Other timing differences       | (288)         | (458)         |
|                                | <b>28,296</b> | <b>14,045</b> |

## 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 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.

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

|                        | 2014                         |                                  |                | 2013                         |                                  |                |
|------------------------|------------------------------|----------------------------------|----------------|------------------------------|----------------------------------|----------------|
|                        | Financial<br>assets<br>£'000 | Non-financial<br>assets<br>£'000 | Total<br>£'000 | Financial<br>assets<br>£'000 | Non-financial<br>assets<br>£'000 | Total<br>£'000 |
| <b>Assets</b>          |                              |                                  |                |                              |                                  |                |
| Non-current assets     | 39,507                       | 303,642                          | 343,149        | -                            | 242,155                          | 242,155        |
| Loans and receivables  | 47,510                       | -                                | 47,510         | 16,916                       | -                                | 16,916         |
| Cash and bank balances | 38,535                       | -                                | 38,535         | 3,211                        | -                                | 3,211          |
| Other current assets   | -                            | 10,206                           | 10,206         | -                            | 10,082                           | 10,082         |
| <b>Total assets</b>    | <b>125,552</b>               | <b>313,848</b>                   | <b>439,400</b> | <b>20,127</b>                | <b>252,237</b>                   | <b>272,364</b> |

## 17. Financial instruments (continued)

|                                 | 2014                              |                                       |                  | 2013                              |                                       |                  |
|---------------------------------|-----------------------------------|---------------------------------------|------------------|-----------------------------------|---------------------------------------|------------------|
|                                 | Financial<br>liabilities<br>£'000 | Non-financial<br>liabilities<br>£'000 | Total<br>£'000   | Financial<br>liabilities<br>£'000 | Non-financial<br>liabilities<br>£'000 | Total<br>£'000   |
| <b>Liabilities</b>              |                                   |                                       |                  |                                   |                                       |                  |
| Borrowings at amortised cost:   |                                   |                                       |                  |                                   |                                       |                  |
| Current                         | (2,662)                           | -                                     | (2,662)          | (22,542)                          | -                                     | (22,542)         |
| Non-current                     | (32,421)                          | -                                     | (32,421)         | (35,084)                          | -                                     | (35,084)         |
| Trade and other payables        | (171,582)                         | -                                     | (171,580)        | (118,914)                         | -                                     | (118,914)        |
| Other liabilities               | -                                 | (49,049)                              | (49,051)         | -                                 | (17,399)                              | (17,399)         |
| <b>Total liabilities</b>        | <b>(206,665)</b>                  | <b>(49,049)</b>                       | <b>(255,714)</b> | <b>(176,540)</b>                  | <b>(17,399)</b>                       | <b>(193,939)</b> |
| <b>Net (liabilities)/assets</b> | <b>(81,113)</b>                   | <b>264,799</b>                        | <b>183,686</b>   | <b>(156,413)</b>                  | <b>234,838</b>                        | <b>78,425</b>    |

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.

#### 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 2014 would decrease/increase by £78,590 (2013: decrease/increase by £173,444). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans.



## 17. Financial instruments (continued)

### 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        |               |
|-----------|---------------|---------------|---------------|---------------|
|           | 2014<br>£'000 | 2013<br>£'000 | 2014<br>£'000 | 2013<br>£'000 |
| Euro      | 44,253        | 22,502        | 65,895        | 23,803        |
| US Dollar | -             | -             | 10,628        | 5,646         |

These amounts principally relate to player transfer liabilities and receivables.

### Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro and US Dollar. The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Euro and US 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 or Dollar. For a 10% weakening of Sterling against the Euro or Dollar, there would be an equal and opposite impact on profit and retained earnings.

|           | 2014<br>£'000 | 2013<br>£'000 |
|-----------|---------------|---------------|
| Euro      | 2,405         | 124           |
| US Dollar | 1,149         | 83            |

### (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 £80,994,000, £73,401,000 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 £119,529,000.

There are no other significant concentrations of credit risk within the Group. 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:

|                       | 2014                          |                    | 2013                          |                    |
|-----------------------|-------------------------------|--------------------|-------------------------------|--------------------|
|                       | Gross<br>receivables<br>£'000 | Provision<br>£'000 | Gross<br>receivables<br>£'000 | Provision<br>£'000 |
| <b>Non-football</b>   |                               |                    |                               |                    |
| Not past due          | 5,571                         | -                  | 2,004                         | -                  |
| Past due 0 – 30 days  | 682                           | -                  | 3,330                         | -                  |
| Past due 31 – 90 days | 523                           | -                  | 511                           | -                  |
| More than 90 days     | 816                           | (21)               | 243                           | (38)               |
|                       | <b>7,592</b>                  | <b>(21)</b>        | <b>6,088</b>                  | <b>(38)</b>        |
| <b>Football</b>       |                               |                    |                               |                    |
| Not past due          | 72,772                        | -                  | 9,566                         | -                  |
| Past due 0 – 30 days  | 500                           | -                  | 36                            | -                  |
| Past due 31 – 90 days | -                             | -                  | -                             | -                  |
| More than 90 days     | 130                           | (30)               | 206                           | -                  |
|                       | <b>73,402</b>                 | <b>(30)</b>        | <b>9,808</b>                  | <b>-</b>           |
| <b>Total</b>          |                               |                    |                               |                    |
| Not past due          | 78,343                        | -                  | 11,570                        | -                  |
| Past due 0 – 30 days  | 1,182                         | -                  | 3,366                         | -                  |
| Past due 31 – 90 days | 523                           | -                  | 511                           | -                  |
| More than 90 days     | 946                           | (51)               | 449                           | (38)               |
|                       | <b>80,994</b>                 | <b>(51)</b>        | <b>15,896</b>                 | <b>(38)</b>        |

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| <b>Movements in the allowance for doubtful debts</b> |               |               |
| At 1 July 2013                                       | 38            | 65            |
| Provided during the year                             | 32            | 38            |
| Recovered during the year                            | (16)          | (17)          |
| Utilised during the year                             | (3)           | (48)          |
| <b>At 30 June 2014</b>                               | <b>51</b>     | <b>38</b>     |

## (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 26 and 27 along with the Group's borrowing facilities as at the balance sheet date.

## 18. Called up share capital

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| <b>Allotted, called up and fully paid:</b> |               |               |
| 213,102,209 ordinary shares of 5p each     | 10,655        | 10,655        |

During the year no (2013: no) ordinary shares were bought back and cancelled by the company.

**19. Reconciliation of movements in Group shareholders' funds**

|  | 2014<br>£'000  | 2013<br>£'000 |
|--|----------------|---------------|
| <b>Opening shareholders' funds</b>         | <b>78,425</b>  | <b>76,897</b> |
| Profit for the year                        | 65,261         | 1,528         |
| Preference shares issued                   | 40,000         | -             |
| <b>Net addition to shareholders' funds</b> | <b>105,261</b> | <b>1,528</b>  |
| <b>Closing shareholders' funds</b>         | <b>183,686</b> | <b>78,425</b> |

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.

**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:

|   | 2014<br>£'000 | 2013<br>£'000 |
|---|---------------|---------------|
| <b>Minimum lease payments:</b>              |               |               |
| Within one year                             | 253           | 375           |
| Within two to five years                    | 502           | 715           |
| After five years                            | 38            | 53            |
|   | <b>793</b>    | <b>1,143</b>  |
| <b>Capital commitments were as follows:</b> |               |               |
| Contracted – normal course of business      | <b>1,064</b>  | <b>963</b>    |

**21. Net cash / (debt)**

|                           | 2014<br>£'000   | 2013<br>£'000   |
|---------------------------|-----------------|-----------------|
| Cash and cash equivalents | <b>38,535</b>   | <b>3,211</b>    |
| Bank loans                | <b>(15,168)</b> | <b>(36,241)</b> |
| Other loans               | <b>(20,209)</b> | <b>(21,769)</b> |
| <b>Net cash / (debt)</b>  | <b>3,158</b>    | <b>(54,799)</b> |

## 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 £1,488 (2013: £24,079) 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, £396 (2013: £nil) was due to the Group from ENIC Group.

During the year, ENIC Group invoiced the Group for £249,687 (2013: £253,156). At the balance sheet date, £nil (2013: £nil) was due to ENIC Group 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 £69,156 (2013: £59,815). At the balance sheet date, £6,557 (2013: £2,679) was due to the Group from Tottenham Hotspur Foundation.

During the year, Tottenham Hotspur Foundation invoiced the Group for £41,867 (2013: £4,237). At the balance sheet date, £3,730 (2013: £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 £274,181 (2013: £nil). At the balance sheet date, £14,738 (2013: £nil) was due to the Group from TH Property Ltd.

During the year, TH Property Ltd invoiced the Group for £451,253 (2013: £nil). At the balance sheet date, £nil (2013: £nil) was due to TH Property Ltd from the Group.

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2014 or 2013. 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 £85,359 (2013: £47,130).

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

## 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 £15,279,000 (2013: £11,863,000).

The Group is satisfied that no unprovided liability will arise.

Under the terms of certain contracts for the sale of players' registrations, future receipts may be receivable from third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent asset was £18,119,000 (2013: £16,607,000), none of which has been recognised.

**25. Post balance sheet events**

Since the balance sheet date the following events have occurred:

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

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

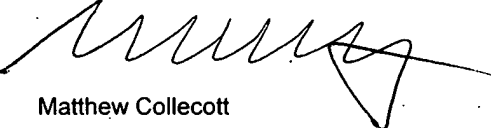
The contingent liability from player purchases amounts to approximately £2,400,000 and the contingent asset amounts to approximately £7,160,000.

Company balance sheet  
as at 30 June 2014

|  | Notes | 2014<br>£'000   | 2013<br>£'000    |
|--|-------|-----------------|------------------|
| <b>Fixed assets</b>  |       |                 |                  |
| Tangible assets  | 2     | 45,825          | 40,078           |
| Investments  | 3     | 2,490           | 2,490            |
|  |       | <b>48,315</b>   | <b>42,568</b>    |
| <b>Current assets</b>  |       |                 |                  |
| Stocks   | 4     | 4,292           | 3,173            |
| Debtors  | 5     | 163,542         | 148,450          |
|  |       | <b>167,834</b>  | <b>151,623</b>   |
| <b>Creditors: amounts falling due within one year</b>          | 6     | <b>(92,990)</b> | <b>(117,838)</b> |
| <b>Net current assets</b>                                      |       | <b>74,844</b>   | <b>33,785</b>    |
| <b>Total assets less current liabilities</b>                   |       | <b>123,159</b>  | <b>76,353</b>    |
| <b>Creditors: amounts falling due after more than one year</b> | 7     | -               | -                |
| <b>Net assets</b>  |       | <b>123,159</b>  | <b>76,353</b>    |
| <b>Capital and reserves</b>                                    |       |                 |                  |
| Called up share capital  | 9     | 10,655          | 10,655           |
| Share premium account  | 9     | 34,788          | 34,788           |
| Preference shares  | 9     | 40,000          | -                |
| Capital redemption reserve                                     | 9     | 633             | 633              |
| Profit and loss account  | 9     | 37,083          | 30,277           |
| <b>Shareholders' funds</b>                                     | 10    | <b>123,159</b>  | <b>76,353</b>    |

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 12 November 2014.

Signed on behalf of the Board of Directors

  
Matthew Collecott

## 1. Accounting policies

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 Company's accounts.

### Basis of accounting

The accounts have been prepared in accordance with applicable United Kingdom law and Accounting Standards and under the historical cost convention with the exception that certain freehold and leasehold properties have been revalued.

### Cashflow statement

Under the provisions of Financial Reporting Standard 1 (Revised) 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.

### Tangible fixed assets

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% |

The Group has taken advantage of the transitional provisions of FRS 15 'Tangible Fixed Assets' and retained the book amounts of certain assets which were revalued prior to implementation of that Standard. The properties were last revalued at 31 July 1998 and the valuations have not subsequently been updated.

### Fixed asset investments

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

### Stocks

Stocks, 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 (continued)

## Pension costs

Payments are made to the external defined contribution pension schemes of eligible employees of the Company. The pension cost charged in the year represents contributions payable by the Company to these schemes.

Under the provisions of FRS 17 'Retirement 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 FRS 17.

## 2. Tangible assets

For the year ended 30 June 2014

| Group                                   | Land and<br>buildings short<br>leasehold<br>£'000 | Motor vehicles<br>£'000 | General plant<br>and equipment<br>£'000 | Assets under<br>the course of<br>construction<br>£'000 | Total<br>£'000 |
|---|---|-------------------------|---|--|----------------|
| <b>Cost or valuation</b>                |   |                         |   |  |                |
| At 1 July 2013                          | 782   | 345                     | 25,925                                  | 42,101   | 69,153         |
| Additions                               | -   | 228                     | 716                                     | 5,945  | 6,889          |
| Disposals                               | -   | (207)                   | (15)                                    | -  | (222)          |
| Transfer from Assets Under Construction | -   | -                       | 621                                     | (621)  | -              |
| <b>At 30 June 2014</b>                  | <b>782</b>  | <b>366</b>              | <b>27,247</b>                           | <b>47,425</b>  | <b>75,820</b>  |
| <b>Depreciation and impairment</b>      |   |                         |   |  |                |
| At 1 July 2013                          | 31  | 98                      | 24,329                                  | 4,617  | 29,075         |
| Charged in the year                     | 15  | 59                      | 964                                     | (9)  | 1,029          |
| Eliminated on disposal                  | -   | (97)                    | (12)                                    | -  | (109)          |
| <b>At 30 June 2014</b>                  | <b>46</b>   | <b>60</b>               | <b>25,281</b>                           | <b>4,608</b>   | <b>29,995</b>  |
| <b>Net book value</b>                   |   |                         |   |  |                |
| <b>At 30 June 2014</b>                  | <b>736</b>  | <b>306</b>              | <b>1,966</b>                            | <b>42,817</b>  | <b>45,825</b>  |



## 2. Tangible assets (continued)

For the year ended 30 June 2013

| Group                              | Land and<br>buildings short<br>leasehold<br>£'000 | Motor vehicles<br>£'000 | General plant<br>and equipment<br>£'000 | Assets under<br>the course of<br>construction<br>£'000 | Total<br>£'000 |
|------------------------------------|---|-------------------------|---|--|----------------|
| <b>Cost or valuation</b>           |   |                         |   |  |                |
| At 1 July 2012                     | 782   | 246                     | 25,167                                  | 36,349   | 62,544         |
| Additions                          | -   | 210                     | 758                                     | 5,752  | 6,720          |
| Disposals                          | -   | (111)                   | -                                       | -  | (111)          |
| <b>At 30 June 2013</b>             | <b>782</b>  | <b>345</b>              | <b>25,925</b>                           | <b>42,101</b>  | <b>69,153</b>  |
| <b>Depreciation and impairment</b> |   |                         |   |  |                |
| At 1 July 2012                     | 15  | 115                     | 20,643                                  | -  | 20,773         |
| Charged in the year                | 16  | 43                      | 3,686                                   | -  | 3,745          |
| Impairment                         | -   | -                       | -                                       | 4,617  | 4,617          |
| Eliminated on disposal             | -   | (60)                    | -                                       | -  | (60)           |
| <b>At 30 June 2013</b>             | <b>31</b>   | <b>98</b>               | <b>24,329</b>                           | <b>4,617</b>   | <b>29,075</b>  |
| <b>Net book value</b>              |   |                         |   |  |                |
| <b>At 30 June 2013</b>             | <b>751</b>  | <b>247</b>              | <b>1,596</b>                            | <b>37,484</b>  | <b>40,078</b>  |

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<br>subsidiary undertakings<br>£'000 |
|-----------------|---|
| At 1 July 2013  | 2,490   |
| At 30 June 2014 | 2,490   |

At 30 June 2014, 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<br>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%                         |

### 4. Stocks

|        | 2014<br>£'000 | 2013<br>£'000 |
|--------|---------------|---------------|
| Stocks | 4,292         | 3,173         |

Stock comprises merchandising goods held for resale.

**5. Debtors**

|                                    | 2014<br>£'000  | 2013<br>£'000  |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 546            | 267            |
| Amounts owed by Group undertakings | 157,338        | 147,302        |
| Other debtors                      | 5,340          | 340            |
| Prepayments and accrued income     | 211            | 161            |
| Deferred tax (note 8)              | 107            | 380            |
|                                    | <b>163,542</b> | <b>148,450</b> |

**6. Creditors: amounts falling due within one year**

|                                   | 2014<br>£'000 | 2013<br>£'000  |
|-----------------------------------|---------------|----------------|
| Bank overdraft                    | 17,358        | 42,619         |
| Bank loan                         | -             | 20,000         |
| Trade creditors                   | 1,348         | 2,623          |
| Corporation tax                   | 576           | 600            |
| Other taxation                    | 24            | 44             |
| Other creditors                   | 51            | 409            |
| Accruals and deferred income      | 4,404         | 3,452          |
| Amounts due to Group undertakings | 69,229        | 48,091         |
|                                   | <b>92,990</b> | <b>117,838</b> |

**7. Creditors: amounts falling due after more than one year**

|                       | 2014<br>£'000 | 2013<br>£'000 |
|-----------------------|---------------|---------------|
| Deferred grant income | -             | -             |

The maturity profile of the Company's financial liabilities at the balance sheet date was as follows:

|   | 2014<br>£'000 | 2013<br>£'000 |
|---|---------------|---------------|
| Bank loan   |               |               |
| In one year or less or on demand                    | -             | 20,000        |
| In more than one year but not more than two years   | -             | -             |
| In more than two years but not more than five years | -             | -             |
|   | -             | 20,000        |
| Total borrowings                                    |               |               |
| In one year or less or on demand                    | -             | 20,000        |
| In more than one year but not more than two years   | -             | -             |
| In more than two years but not more than five years | -             | -             |
|   | -             | 20,000        |

**Interest rate profile**

The Group has no financial assets excluding short-term debtors. The short-term revolving loan liabilities attract floating rate interest as set out in the Group financial statements.

**7. Creditors: amounts falling due after more than one year (continued)**

**Borrowing facilities**

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

|   | 2014<br>£'000 | 2013<br>£'000 |
|---|---------------|---------------|
| Expiring in one year or less or on demand | 30,000        | 10,000        |

**Fair values**

There is no material difference between the fair value and the carrying amount of the Company's financial assets or liabilities.

**8. Provisions for liabilities/(assets)**

£'000

**Deferred taxation**

|   |              |
|---|--------------|
| At 1 July 2013                              | (380)        |
| Charged to the profit and loss account      | 273          |
| <b>At 30 June 2014 - Deferred tax asset</b> | <b>(107)</b> |
| At 30 June 2014 - Deferred tax liability    | -            |

**9. Reserves**

For the year ended 30 June 2014

|                           | Share capital<br>account<br>£'000 | Share premium<br>account<br>£'000 | Preference<br>shares<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Profit<br>and loss<br>account<br>£'000 | Total<br>£'000 |
|---------------------------|-----------------------------------|-----------------------------------|-------------------------------|---|--|----------------|
| Balance as at 1 July 2013 | 10,655                            | 34,788                            | -                             | 633                                       | 30,277                                 | 76,353         |
| Preference shares issued  | -                                 | -                                 | 40,000                        | -   | -                                      | 40,000         |
| Profit for the period     | -                                 | -                                 | -                             | -   | 6,806                                  | 6,806          |
| <b>At 30 June 2014</b>    | <b>10,655</b>                     | <b>34,788</b>                     | <b>40,000</b>                 | <b>633</b>                                | <b>37,083</b>                          | <b>123,159</b> |

The retained profit for the year, within the financial statements of the parent company, was £6,806,000 (2013: £256,000 profit). As permitted by the Companies Act 2006 Section 408, no separate profit and loss account is presented. The audit fee of £3,000 (2013: £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.

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

**10. Reconciliation of movements in the Company shareholders' funds**

|                                     | 2014<br>£'000  | 2013<br>£'000 |
|-------------------------------------|----------------|---------------|
| Opening shareholders' funds         | 76,353         | 76,097        |
| Profit for the year                 | 6,806          | 256           |
| Preference shares issued            | 40,000         | -             |
| Net addition to shareholders' funds | 46,806         | -             |
| <b>Closing shareholders' funds</b>  | <b>123,159</b> | <b>76,353</b> |

# 11. Commitments

The annual commitments under non-cancellable operating leases are:

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| Land and buildings:                      |               |               |
| Leases expiring within one year          | 25            | 146           |
| Leases expiring within two to five years | 214           | 44            |
| Leases expiring in more than five years  | -             | 170           |
|  | <b>239</b>    | <b>360</b>    |

Directors, officers and advisers

**Executive Chairman**

D P Levy

**Executive Directors**

M J Collecott

D Cullen

D G Eales

**Non-Executive Directors**

Sir K E Mills (Chairman of the Remuneration Committee)

Mr K V Watts (Chairman of the Audit Committee)

Mr R Robson (appointed 5 September 2014)

**Company Secretary**

M J Collecott

**Registered office**

Bill Nicholson Way

748 High Road

Tottenham

London N17 0AP

**Registered number**

1706358

**Auditor**

Deloitte LLP

Chartered Accountants and Statutory Auditor

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**Registrars**

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