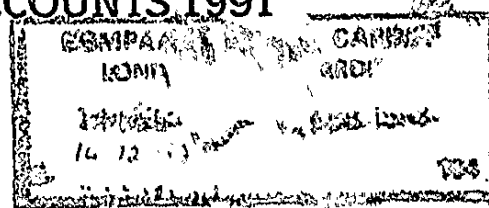




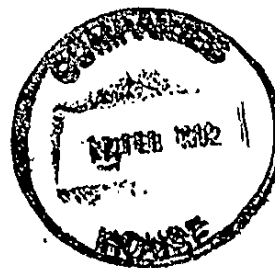
# Tottenham Hotspur plc

## ANNUAL REPORT AND ACCOUNTS 1991



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## Directors and advisers

<i>Directors</i>	A. M. Sugar D.Sc. ( <i>Chairman</i> ) T. F. Venables ( <i>Chief Executive</i> ) N. Solomon M.A. (Cantab) ( <i>Deputy Chairman</i> ) A. G. Berry F.C.C.A. C. T. Sandy A.T.I.L. J. Crystal LL.B.
<i>Secretary</i>	C. T. Sandy A.T.I.L.
<i>Registered office</i>	748 High Road, Tottenham, London N17 0AP
<i>Registered number</i>	1706358
<i>Auditors</i>	KPMG Peat Marwick Chartered Accountants 1 Puddle Dock, Blackfriars, London EC4V 3PD
<i>Solicitors</i>	Ashurst Morris Crisp Broadwalk House, 5 Appold Street, London EC2R 7HE  Fuglers 70 Charlotte Street, London W1P 1LR  Herbert Smith Exchange House, Primrose Street, London EC2A 2HS
<i>Bankers</i>	Midland Bank plc 60 West Smithfield, London EC1A 9DX
<i>Financial advisers</i>	Henry Ansbacher & Co. Limited One Milre Square, London EC3A 5AN
<i>Stockbrokers</i>	Sheppards 1 London Bridge, London SE1 9QU
<i>Registrars</i>	Stentiford Close Registrars Limited Broseley House, Newlands Drive, Witham, Essex CM8 2UL
<i>Public relations</i>	Michael Joyce Financial Limited 19 Garrick Street, London WC2E 9BB

## Chairman's statement

Turnover for the year ended 31st May 1991 was £18,173,000 (1990 - £28,018,000) and as a result of discontinued activities, exceptional costs and high interest charges the loss for the financial year was £2,935,000 (1990 - £2,597,000).

As mentioned in the half year report, I would again like to state that I took the chair at Tottenham Hotspur plc on 28th June 1991. I am in the unusual position of having to report on a financial year with which both I and the new management have had little or nothing to do. The new management have understandably taken a prudent view on the balance sheet so as to go forward into the current financial year with a clean slate.

During the year the Group closed down the trading operations of its sportswear and leisurewear companies Martex Limited and Fieldquest Limited (formerly Hummel (UK) Limited), and also after the year end, in September 1991, sold its investment in the computer services business Synchro Systems Limited, thus leaving the Group with its core business, the football club and associated merchandising activities.

The management's priorities are now focused on reducing debt so as to reduce the burden of high interest charges and concentrating on the Group's core businesses.

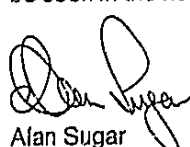
At this time of reporting I am pleased to state that the first five months trading in the current financial year have been profitable. I am also pleased to state that, disregarding any gains from player sales, our business plans reflect a promising financial year, albeit still burdened with some interest charges. The Board has confidence in the profitability of the Group on a long term basis. We are confident that new revenues will be forthcoming by way of the proposed formation of the Premier League, as well as increasing television rights revenues brought about by the current reorganisation of UK television contractors, which is expected to create greater competition in tendering for coverage rights. Opportunities will also exist with coverage by satellite and cable TV. We can expect much higher sponsorship revenues and an increase in all of the marketing activities which are associated with the football club.

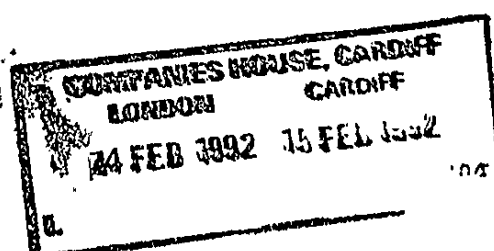
These potential revenue increases alone can be the foundation to a profitable growth pattern in the future. Whilst I previously stated that the current task is to reduce debt and concentrate on our core activities, the longer term strategy will be to develop in areas which are football and sports associated and which build on the club's excellent name, reputation and facilities.

The results for the financial year do not justify payment of a dividend at this time but it is the Board's intention to recommence payment of dividends as soon as possible.

Your attention is drawn to the enclosed circular to shareholders setting out details of a proposed rights issue for the Company, which was announced today, and convening an Extraordinary General Meeting at which shareholders will be asked to consider resolutions necessary to implement the rights issue. Conditional on the passing of all the resolutions to be proposed at the Extraordinary General Meeting to enable the rights issue to be implemented, the London Stock Exchange has agreed to lift the suspension of the Company's listing and it is expected that dealings in the Company's shares will recommence on 31st December 1991.

I would like to take this opportunity to thank our shareholders, our staff members — both on the administrative and football side — as well as our supporters, for the understanding and loyalty shown during the past difficult times. I can assure them that the new management team has its objectives well defined and will most diligently carry them out. We are confident that positive results will clearly be seen in the not too distant future.

  
Alan Sugar



6th December 1991

## Directors' report

The Directors present their annual report and the audited accounts for the year ended 31st May 1991.

### Business review

The principal activities of the Group are the operation of a professional football club and related merchandising activities. Sports and leisurewear activities carried on through Marlex Limited and Hummel (UK) Limited have now been closed down. The Company disposed of its 75% holding in Synchro Systems Limited on 13th September 1991 (see Post Balance Sheet Events).

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

### Dividend

The Directors do not propose the payment of a dividend (1990 - interim dividend £101,855).

### Fixed assets

Details of changes in fixed assets are given in notes 10 and 11 to the account.

### Directors

The Directors who served during the year and their interests in the share capital of the Company, which were all beneficial, were as follows:

	31st May 1991 or resignation if earlier No. of shares	31st May 1990 or appointment if later No. of shares
N. Solomon (appointed 16.1.91)	100	100
D. A. Alexiou (resigned 7.8.91)	22,400	22,400
I. A. Gray (from 3.8.90 to 29.7.91)	1,000	1,000
A. G. Berry	800,000	800,000
F. P. Sinclair (resigned 7.8.91)	120,000	120,000
P. A. Bobroff (resigned 21.6.91)	1,096,800	1,096,800
I. A. Scholar (resigned 28.10.90)	2,659,500	2,659,500
D. R. Peter (resigned 31.8.90)	5,500	5,500
R. Holt (resigned 30.6.90)	-	-

D. R. Peter had an option to subscribe for 50,000 shares under the Executive Share Option Scheme which lapsed when he resigned as a Director.

T. F. Venables (see (d) below) has an option to subscribe for 350,000 shares under the same scheme at a price of 115p exercisable between 7th March 1991 and 7th March 1996.

The following changes in the composition of the Board and in the interests of the Directors have taken place between 31st May 1991 and the date of this report.

- D. J. Buchler was appointed a Director of the Company on 13th June 1991. He resigned on 7th August 1991.
- By agreements dated 21st June 1991 A. M. Sugar and Edenote plc, a company wholly owned by T. F. Venables, each acquired 1,822,000 shares at 75p per share by purchasing 2,547,200 shares in which I. A. Scholar was interested and 1,096,800 shares in which P. A. Bobroff was interested.
- Following the above sale of his shares P. A. Bobroff immediately resigned from the Board of the Company.
- On 21st June 1991 A. M. Sugar and T. F. Venables were appointed Directors of the Company.
- On 28th June 1991 A. M. Sugar was appointed Chairman of the Company and T. F. Venables was appointed Chief Executive. N. Solomon became Deputy Chairman and I. A. Gray became Managing Director.

## Directors' report

continued

- (f) On 3rd July 1991 A. M. Sugar and Edennote plc made a general offer to all shareholders in the Company on the same terms as those agreed with I. A. Scholar and P. A. Bobroff, as required by Rule 9 of the City Code on Takeovers and Mergers. When the offer closed, the holding of each of A. M. Sugar and Edennote plc had increased to 2,902,938 shares (28.5%).
- (g) I. A. Gray ceased to be a director on 29th July 1991.
- (h) On 7th August 1991 C. T. Sandy was appointed as Financial Director and Company Secretary and J. Crystal was appointed a Director. C. T. Sandy is interested in 1,000 shares at the date of this report.
- (i) On 7th August 1991 D. A. Alexiou, F. P. Sinclair and D. J. Buchler resigned as Directors.

The unexpired period of the service contract of T. F. Venables, who is being proposed for re-election at the Annual General Meeting, is four years and seven months. None of the other Directors being proposed for re-election has a service contract.

None of the Directors had an interest in the share capital of any other Group company during the year.

### Directors' interests in contracts

Pursuant to an agreement dated 1st August 1990 between the Company and The Holborn Property Company Limited ("Holborn") (a company in which I. A. Scholar, then a Director of the Company, was interested), Holborn advanced £1.1 million to the Company by way of an unsecured loan carrying interest at an initial rate of 2% above the base rate of Holborn's bankers. The loan was expressed to be repayable on 29th October 1990; with the extension of the repayment date, the interest charged on overdue amounts was, in accordance with the loan agreement, increased to 3% above the base rate of Holborn's bankers compounding at 20 business day intervals. On 21st June 1991 the debt owing by the Company to Holborn amounting to approximately £1.27 million (including accrued interest) was taken on by A. M. Sugar in consideration of a payment by A. M. Sugar to Holborn of the same amount, following which the interest rate was reduced to be equal to the base rate of Midland Bank plc as determined from time to time.

Since the year end a licence has been granted to Saxilby Limited to occupy The Chanticleer Restaurant in Paxton Road, Tottenham. A. G. Berry, being a Director and shareholder in Saxilby Limited, has an interest in this contract. The licence has been granted on an arms' length basis for an initial period of one year at a rent of £47,500.

Other than the items disclosed above, and service contracts, none of the Directors had a material interest in any contract with the Company or any subsidiary at any time during the year.

### Non-executive Directors

A. G. Berry is 51 and has been a Director since 1987. He is Chairman of Business Technology Group Plc and was formerly Chairman of Blue Arrow plc.

J. Crystal is 41 and is a practising barrister at law.

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

### Significant shareholdings

Apart from the interests of the Directors, the Company has received a notification of interest of 3% or more in the share capital of the Company as at the date of this report as follows:

	No. of shares	%
B. J. Kennedy	400,000	3.9

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TOTTENHAM HOTSPUR plc

**Directors' report**  
continued

**Tax status**

In the opinion of the Directors, the Company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 as at 31st May 1991. However, the Company became a close company on 19th October 1991 and will remain so until the suspension in dealing in the Company's shares is lifted.

**Donations**

During the year, the Group made no charitable donations (1990 - £7,400). There were no political donations during the year (1990 - nil).

**Post Balance Sheet Events**

Since the year end a number of significant changes have occurred to the composition of the Board of Directors and to the major shareholders of the Company. These changes are described under the heading "Directors" in this report.

On 13th September 1991 A. M. Sugar and Edennote plc each lent to the Company £800,000. On 28th November 1991 A. M. Sugar lent a further £4.056 million to the Company. The loans to the Company from A. M. Sugar and Edennote plc (including the loan from Holborn which A. M. Sugar has taken on) are unsecured and carry interest at the base rate of Midland Bank plc.

The Company disposed of its 75% interest in the ordinary share capital of Synchro Systems Limited on 13th September 1991 for £1 to P.A. Warsop who is a director and existing shareholder of that company. Further details are given in Note 12 to the Accounts.

The Company has today announced a proposed rights issue to raise approximately £7.0 million (net of expenses).

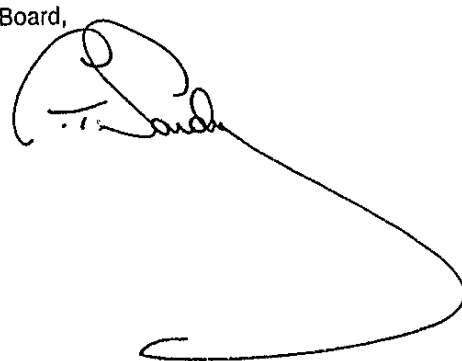
**Auditors**

A resolution to appoint Touche Ross & Co will be proposed at the forthcoming Annual General Meeting. The Directors would like to take this opportunity to thank KPMG Peat Marwick for their services in recent years.

By order of the Board,

Colin Sandy

Secretary



6th December 1991

TOTTENHAM HOTSPUR plc

**Report of the auditors**  
to the members of Tottenham Hotspur plc

We have audited the accounts on pages eight to eighteen in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 31st May 1991 and of the loss and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

London

6th December 1991

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditor



## TOTTENHAM HOTSPUR plc

# Consolidated profit and loss account

Year ended 31st May 1991

	Note	1991 £'000	1990 £'000
Turnover	1	18,173	28,018
Cost of sales and distribution costs		5,640	13,675
Player and match expenses		6,126	7,829
Administrative expenses		5,895	5,179
		<u>17,661</u>	<u>26,683</u>
Profit on ordinary activities before interest	1, 4	512	1,335
Interest payable (net)	3	<u>(2,293)</u>	<u>(2,341)</u>
Loss on ordinary activities before taxation		(1,781)	(1,006)
Taxation	5	<u>21</u>	<u>(271)</u>
Loss on ordinary activities after taxation and before extraordinary item		(1,760)	(1,277)
Extraordinary items	7	<u>(1,175)</u>	<u>(1,320)</u>
Loss for the financial year	8	(2,935)	(2,597)
Dividends		<u>-</u>	<u>(102)</u>
Transfer from reserves for the financial year		<u>(2,935)</u>	<u>(2,699)</u>
Loss per share	9	(17.3)p	(12.5)p

Movements on reserves are shown in note 12 to the accounts.

The notes on pages 11 to 18 form part of these accounts.

# Balance sheets

at 31st May 1991

	Note	Group		Company	
		1991 £'000	1990 £'000	1991 £'000	1990 £'000
<b>Fixed assets</b>					
Intangible	10	8,697	9,407	—	—
Tangible	11	23,211	24,028	22,611	23,307
Investments	12	—	—	2,744	2,694
		<u>31,915</u>	<u>33,435</u>	<u>25,355</u>	<u>25,991</u>
<b>Current assets</b>					
Stocks		603	1,707	510	972
Debtors	13	2,233	3,245	171	1,965
Cash at bank and in hand		—	17	—	2
		<u>2,836</u>	<u>4,969</u>	<u>681</u>	<u>2,939</u>
<b>Creditors</b>					
Amounts falling due within one year	14	(21,531)	(22,964)	(22,478)	(21,489)
<b>Net current liabilities</b>		<u>(18,695)</u>	<u>(17,995)</u>	<u>(21,797)</u>	<u>(18,550)</u>
<b>Total assets less current liabilities</b>		13,220	15,440	3,558	7,441
<b>Creditors</b>					
Amounts falling due after more than one year	15	(1,152)	(437)	(526)	(257)
<b>Net assets</b>		<u>12,068</u>	<u>15,003</u>	<u>3,032</u>	<u>7,184</u>
<b>Capital and reserves</b>					
Called up share capital	17	2,546	2,546	2,546	2,546
Share premium account		2,612	2,612	2,612	2,612
Revaluation reserve	18	5,172	5,270	4,788	4,886
Profit and loss account	18	1,738	4,575	(6,914)	(2,860)
		<u>12,068</u>	<u>15,003</u>	<u>3,032</u>	<u>7,184</u>

A.M. Sugar

T.F. Venables

Directors

The accounts were approved by the Board of Directors on 6th December 1991.

The notes on pages 11 to 18 form part of these accounts.

# Consolidated statement of source and application of funds

Year ended 31st May 1991

	1991 £'000	1990 £'000
<b>Source of funds</b>		
Loss before taxation	(1,781)	(1,006)
Extraordinary items	(1,175)	(1,320)
	<u>(2,956)</u>	<u>(2,326)</u>
<b>Items not involving the movement of funds:</b>		
Depreciation of tangible fixed assets	911	730
Amortisation of players' registrations	782	640
Loss on sale of fixed assets	19	187
Profit on sale of players' registrations	(684)	(3,173)
	<u>1,028</u>	<u>(1,616)</u>
<b>Funds absorbed by operations</b>	<u>(1,928)</u>	<u>(3,942)</u>
<b>Other sources</b>		
Proceeds from disposal of tangible fixed assets	32	46
Proceeds on sale of players' registrations	947	4,525
	<u>979</u>	<u>4,571</u>
	<u>(949)</u>	<u>629</u>
<b>Application of funds</b>		
Purchase of tangible fixed assets	(152)	(8,984)
Purchase of players' registrations	(335)	(3,144)
Incidental costs of sale of players' registrations	-	(325)
Tax paid	-	(280)
Dividends paid	(75)	(284)
Loans transferred to current liabilities	-	(2,000)
	<u>(562)</u>	<u>(15,087)</u>
	<u>(1,511)</u>	<u>(14,458)</u>
<b>Increase/(decrease) in working capital</b>		
Stocks	(1,104)	(1,988)
Debtors	(1,033)	(512)
Creditors	(1,017)	(5,254)
	<u>(3,154)</u>	<u>(7,754)</u>
<b>Movement in net liquid funds:</b>		
Overdraft and current bank loans	1,660	(6,717)
Cash balances	(17)	13
	<u>1,643</u>	<u>(6,704)</u>
	<u>(1,511)</u>	<u>(14,458)</u>

The notes on pages 11 to 18 form part of these accounts.

## Accounting policies

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

### Basis of accounting

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

### Basis of consolidation

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

A separate profit and loss account dealing with the results of the Company only has not been presented.

### Turnover

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

### Depreciation

Freehold land is not depreciated.

Leasehold property is amortised over the term of the lease. Other fixed assets are depreciated on a straight line basis at annual rates appropriate to their estimated useful life as follows:

Freehold properties	2%
Motor vehicles	20%
General plant and equipment	10%-33%

### Stocks

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

### Transfer fees

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

### Finance leases

Assets held under finance leases are included in fixed assets at total rental cost less finance charges. Finance charges are taken to the profit and loss account using the sum-of-the-digits method.

### Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date.

## Notes to the accounts

Year ended 31st May 1991

### 1. Turnover and profit on ordinary activities before interest

Turnover comprises:	1991	1990
	£'000	£'000
Primary football activities	11,129	8,067
Sale of players' registrations	947	4,525
Football merchandise retail and distribution	2,796	3,463
	<u>14,872</u>	<u>16,055</u>
Discontinued activities	3,301	11,963
	<u>18,173</u>	<u>28,018</u>
Profit on ordinary activities before interest can be analysed as follows:	1991	1990
	£'000	£'000
Primary football activities	2,088	379
Player trading less amortisation	(98)	2,533
Football merchandise retail and distribution	268	(365)
	<u>2,258</u>	<u>2,547</u>
Exceptional costs	(1,569)	-
Discontinued activities	(177)	(1,212)
	<u>512</u>	<u>1,335</u>

Exceptional costs comprise the professional and other costs incurred as a result of the Group's financial position and the need to raise additional finance.

### 2. Staff numbers and costs

The average number of employees of the Group during the year was as follows:	1991	1990
	No.	No.
Players and football administration staff	78	76
Administration staff	70	94
Retail and distribution staff	53	74
	<u>201</u>	<u>244</u>

The aggregate payroll costs of these employees were as follows:

	1991	1990
	£'000	£'000
Salaries and bonuses	4,699	4,822
Social security costs	484	474
Other pension costs	76	103
	<u>5,259</u>	<u>5,399</u>

### 3. Interest payable (net)

	1991	1990
	£'000	£'000
Interest receivable	(6)	-
Interest payable on bank overdrafts and loans repayable within five years	2,299	2,341
	<u>2,293</u>	<u>2,341</u>

### 4. Profit on ordinary activities

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

	1991	1990
	£'000	£'000
Depreciation of tangible fixed assets	911	730
Amortisation of players' registrations	782	640
Profit on transfer of players' registrations	(684)	(3,173)
Auditors' remuneration and expenses	25	64
Finance lease charges	71	41
Operating lease rentals	204	81
Exceptional costs	1,569	-

## Notes to the accounts

Year ended 31st May 1991

### 5. Taxation

	1991 £'000	1990 £'000
UK Corporation tax at 33.83% (1990: 34.83%)	—	—
Adjustment in respect of prior years	(21)	—
Irrecoverable ACT	—	278
Deferred taxation credit	—	(7)
	<u>(21)</u>	<u>271</u>

### 6. Directors emoluments

The emoluments of the Directors of the Company for the year were £108,200 (1990 – £147,200) of which £8,600 (1990 – £9,900) related to pension contributions.

The emoluments of the Chairman who served from 16th January 1991 to the year end were £15,000 (1990 – nil).

The previous Chairman and the Acting Chairman who also served during the year received no emoluments.

Excluding pension contributions, the emoluments of the highest paid Director were £51,000 (1990 – £80,000).

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

	1991	1990
£0 – £ 5,000	5	5
£ 5,001 – £10,000	1	—
£10,001 – £15,000	1	—
£25,001 – £30,000	1	—
£50,001 – £55,000	1	—
£55,001 – £60,000	—	1
£75,001 – £80,000	—	1

### 7. Extraordinary items

These comprise the following:

	1991 £'000	1990 £'000
Closure costs of Martox Limited	404	—
Loss on disposal of Synchro Systems Limited	464	—
Closure costs of Fieldquest Limited (formerly Hummel (UK) Limited)	307	1,320
	<u>1,175</u>	<u>1,320</u>

The loss on disposal of Synchro Systems Limited represents full provision for losses incurred on the sale of that company after the year end.

### 8. Loss for the financial year

The loss for the financial year includes a loss of £4,152,000 (1990 – £7,167,000) dealt with in the accounts of the Company. This loss includes £2,164,000 which has arisen as a result of the closure and disposal of subsidiary undertakings. The 1990 Company loss included £4,611,000 provision against investments in subsidiary undertakings.

### 9. Loss per share

The calculation of loss per share is based on the loss attributable to shareholders before extraordinary items of £1,760,000 (1990 – £1,277,000) and on 10,185,548 ordinary shares (1990 – 10,185,548) in issue during the year.

# Notes to the accounts

Year ended 31st May 1991

## 10. Intangible fixed assets

<i>Group</i>	Cost of players' registrations £'000
Cost	10,315
At 1st June 1990	335
Additions	--
Disposals	(425)
At 31st May 1991	<u>10,225</u>
Amortisation	908
At 1st June 1990	782
Charged in year	(162)
Disposals	--
At 31st May 1991	<u>1,528</u>
Net book value	8,697
At 31st May 1991	<u>8,697</u>
At 31st May 1990	<u>9,407</u>

## 11. Tangible fixed assets

<i>Group</i>	Land and buildings Freehold £'000	Short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Total £'000
Cost or valuation					
At 1st June 1990	21,951	67	440	3,230	25,688
Additions	32	--	--	120	152
Disposals	--	--	(97)	(30)	(127)
At 31st May 1991	<u>21,983</u>	<u>67</u>	<u>343</u>	<u>3,320</u>	<u>25,713</u>
Depreciation					
At 1st June 1990	52	28	141	1,439	1,660
Charged in the year	362	10	78	461	911
Disposals	--	--	(46)	(30)	(76)
At 31st May 1991	<u>414</u>	<u>38</u>	<u>173</u>	<u>1,870</u>	<u>2,495</u>
Net book value					
At 31st May 1991	<u>21,569</u>	<u>29</u>	<u>170</u>	<u>1,450</u>	<u>23,218</u>
At 31st May 1990	<u>21,899</u>	<u>39</u>	<u>299</u>	<u>1,791</u>	<u>24,028</u>
Being:					
At cost	148	62	343	3,320	3,873
At 1988 valuation	2,085	5	--	--	2,090
At 1990 valuation	19,750	--	--	--	19,750
At 31st May 1991	<u>21,983</u>	<u>67</u>	<u>343</u>	<u>3,320</u>	<u>25,713</u>

## Notes to the accounts

Year ended 31st May 1991

### 11. Tangible fixed assets continued

Company	Land and buildings		Motor vehicles	General plant and equipment	Total
	Freehold	Short leasehold			
	£'000	£'000	£'000	£'000	£'000
Cost or valuation:					
At 1st June 1990	21,799	21	159	2,677	24,636
Additions	32	-	4	74	110
Disposals	-	-	(138)	(30)	(168)
At 31st May 1991	21,831	21	25	2,701	24,578
Depreciation					
At 1st June 1990	52	11	69	1,197	1,329
Charged in the year	362	1	11	359	733
Disposals	-	-	(65)	(30)	(95)
At 31st May 1991	414	12	15	1,526	1,967
Net book value					
At 31st May 1991	21,417	9	10	1,175	22,611
At 31st May 1990	21,747	10	90	1,460	23,307
Being:					
At cost	132	16	25	2,701	2,874
At 1988 valuation	1,949	5	-	-	1,954
At 1990 valuation	19,750	-	-	-	19,750
At 31st May 1991	21,831	21	25	2,701	24,578

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

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

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

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Cost	18,468	18,436	18,328	18,296
Depreciation	(1,855)	(1,581)	(1,521)	(1,256)
	16,613	16,855	16,807	17,040

Included above are assets which are held under finance leases as follows:

	Group		Company	
	Cars	Other	Cars	Other
	£'000	£'000	£'000	£'000
Net book value	133	364	6	238
Depreciation charged in year	37	70	2	28



## Notes to the accounts

Year ended 31st May 1991

## 12. Investments held as fixed assets

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

	Shares £'000	Loans £'000	Total £'000
Cost			
At 1st June 1990 and 31st May 1991	4,564	3,291	7,795
Provision			
At 1st June 1990	3,160	1,951	5,111
Adjustment during the year	—	(60)	(60)
At 31st May 1991	3,160	1,891	5,051
Net book value			
At 31st May 1991	1,344	1,400	2,744
At 31st May 1990	1,344	1,340	2,684

At 31st May 1991 the Company had the following principal subsidiary undertakings which are all incorporated in and operate in Great Britain:

	Share class	Holding
The Tottenham Hotspur Football and Athletic Company Limited — professional football club	Ordinary	100%
Synchro Systems Limited — supplier of computer based products and services to the leisure industry	Ordinary	75%
Cockerel Books Limited — publisher of books and videos	Ordinary	100%

The clothing importation and wholesale business carried on by Martex Limited has been closed during the year.

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

The principal terms of the sale were as follows:

- The Company's holding has been sold for £1;
- The Company has assumed the liability for Synchro's overdraft amounting to approximately £1.67 million which already forms part of the Group's bank borrowings;
- The Company has waived all but £195,000 of the existing inter-company debt due from Synchro amounting to approximately £1.81 million following the assumption of Synchro's bank overdraft. £50,000 has been paid in cash by Synchro on completion and £25,000 has been since settled by the delivery of computer equipment by Synchro to the Group. £120,000 is payable in four equal quarterly instalments commencing in December 1991;
- The purchaser will use his best endeavours to procure the release of the Company from any guarantees to third parties in relation to Synchro and, pending such release, will indemnify the Company accordingly;
- The Company has given certain warranties and indemnities to the purchaser under which the Company's maximum liability is £195,000.

Full provision has been made in the Company's accounts for losses arising on the sale.

## 13. Debtors

	Group		Company	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Trade debtors	1,397	1,992	37	86
Amounts owed by group undertakings	—	—	—	1,326
Other debtors	109	913	29	486
Prepayments and accrued income	591	204	105	67
Advance corporation tax recoverable	136	136	—	—
	2,233	3,245	171	1,965

## Notes to the accounts

Year ended 31st May 1991

## 14. Creditors – amounts falling due within one year

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Bank loans and overdraft	10,633	12,293	8,448	10,680
Payments received in advance	1,472	1,300	—	—
Trade creditors	3,427	5,559	1,810	3,364
Amounts owed to group undertakings	—	—	6,024	4,779
Other creditors	3,798	1,678	4,484	1,043
Tax and social security	313	680	261	615
Accruals and deferred income	1,526	989	1,215	673
Current obligations under finance leases	192	206	66	76
Dividend	—	225	—	225
Advance corporation tax payable	170	34	170	34
	<u>21,531</u>	<u>22,964</u>	<u>22,478</u>	<u>21,489</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the Group. The loans were consolidated with the overdraft after the year end.

The dividend figure above in 1990 included amounts due to I. A. Scholar which were re-classified as other creditors during the year.

## 15. Creditors – amounts falling due after more than one year

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Payments received in advance	532	25	—	—
Other creditors	375	—	375	—
Non-current obligations under finance leases	245	412	151	257
	<u>1,152</u>	<u>437</u>	<u>526</u>	<u>257</u>

The finance lease obligations are all repayable within five years.

## 16. Deferred tax

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

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Accelerated capital allowances	972	848	972	848
Available losses	(1,901)	(1,720)	(811)	(786)
Advance corporation tax recoverable	(722)	(588)	—	—
Share option timing differences	(161)	(62)	(161)	(62)
Capitalisation of players' registrations	2,870	3,292	—	—
	<u>1,058</u>	<u>1,770</u>	<u>—</u>	<u>—</u>

The above figures exclude taxation payable:

(a) on disposal of revalued properties, since no material disposals are anticipated.

(b) on the chargeable gain which arose on the disposal of the Cheshunt training ground in June 1986, since rollover relief applies.

## 17. Share capital

	Number	£'000
Ordinary shares of 25 pence each		
Authorised: At 31st May 1990 and 1991	<u>12,000,000</u>	<u>3,000</u>
Issued, called up and fully paid: At 31st May 1990 and 1991	<u>10,185,548</u>	<u>2,546</u>

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

## Notes to the accounts

Year ended 31st May 1991

### 18. Reserves

	Group		Company	
	Profit and loss account £'000	Revaluation reserve £'000	Profit and loss account £'000	Revaluation reserve £'000
Balance at 1st June 1990	4,575	5,270	(2,860)	4,886
Retained loss for year	(2,935)	—	(4,152)	—
Other movement	98	(98)	98	(98)
	<u>1,738</u>	<u>5,172</u>	<u>(6,914)</u>	<u>4,788</u>

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

### 19. Commitments

There were no unprovided capital commitments at 31st May 1991 either contracted or authorised (1990 – nil).

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	£'000 1991	£'000 1990	£'000 1991	£'000 1990
Leases expiring within 1 year	77	10	27	—
Leases expiring within 2 to 5 years	93	36	4	11
Leases expiring in more than 5 years	44	—	—	—
	<u>214</u>	<u>46</u>	<u>31</u>	<u>11</u>

The above figures for the Group include the following totals in respect of Synchro Systems Limited which was disposed of after the year end:

	£'000
Leases expiring within 1 year	4
Leases expiring within 2 to 5 years	14
Lease expiring in more than 5 years	44
	<u>62</u>

### 20. Pensions

Eligible staff of the Group are members of the Football League Limited Pension and Life Assurance Scheme. Certain employees are members of other schemes in the Group.

Company contributions are charged against profit in the year in which they are made.

### 21. Contingent liabilities

A writ was served on the Company since the year end by a former Director who is claiming compensation for loss of office amounting to £223,107. No provision has been made in the accounts since the claim is being strongly contested and the Directors have been advised that the Company has a reasonable chance of defending the action successfully.

The Company, together with its subsidiaries, has given a multilateral guarantee to its bankers to secure the overdrafts of the Group companies. Provision is included in the accounts of the Company for the liabilities for these overdrafts in respect of Synchro Systems Limited and Martex Limited.

The Company has entered into certain trade bonds in the normal course of its business. At 31st May 1991 these amounted to £10,000 (1990 – £55,000).

## Five year review

	1991 £'000	1990 £'000	1989 £'000	1988 £'000	1987 £'000
<b>Turnover</b>	<u>18,173</u>	<u>28,018</u>	<u>21,835</u>	<u>15,925</u>	<u>9,863</u>
<b>Profit on ordinary activities before interest</b>	<u>512</u>	<u>1,335</u>	<u>1,195</u>	<u>2,047</u>	<u>1,631</u>
Interest (payable)/receivable	(2,293)	(2,341)	(665)	(120)	74
<b>(Loss)/profit on ordinary activities before taxation</b>	<u>(1,781)</u>	<u>(1,006)</u>	<u>530</u>	<u>1,927</u>	<u>1,705</u>
Taxation	21	(271)	(49)	(136)	-
<b>(Loss)/profit on ordinary activities after taxation</b>	<u>(1,760)</u>	<u>(1,277)</u>	<u>481</u>	<u>1,791</u>	<u>1,705</u>
Minority interests	-	-	-	(13)	-
Extraordinary items	(1,175)	(1,320)	(350)	-	4,678
<b>(Loss)/profit for the financial year</b>	<u>(2,935)</u>	<u>(2,597)</u>	<u>131</u>	<u>1,778</u>	<u>6,383</u>
Dividends	-	(102)	(509)	(508)	(383)
<b>Retained (loss)/profit</b>	<u>(2,935)</u>	<u>(2,699)</u>	<u>(378)</u>	<u>1,270</u>	<u>6,000</u>
<b>Net assets</b>					
Intangible fixed assets	8,697	9,407	7,860	5,929	4,932
Tangible fixed assets	23,218	24,028	15,334	12,424	8,872
Net current (liabilities)/assets	(18,695)	(17,995)	(3,018)	526	2,039
<b>Total assets less current liabilities</b>	<u>13,220</u>	<u>15,440</u>	<u>20,176</u>	<u>18,879</u>	<u>15,843</u>
Creditors - amounts falling due after more than one year	(1,152)	(437)	(3,149)	(737)	(142)
	<u>12,068</u>	<u>15,003</u>	<u>17,027</u>	<u>18,142</u>	<u>15,701</u>
Minority interests	-	-	-	(20)	-
<b>Net assets</b>	<u>12,068</u>	<u>15,003</u>	<u>17,027</u>	<u>18,122</u>	<u>15,701</u>
<b>(Loss)/earnings per share</b>	(17.3)p	(12.5)p	4.7p	18.1p	18.4p
Dividends per share	-	1.0p	5.0p	5.0p	4.0p

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Tottenham Hotspur plc will be held at The Chanticleer Restaurant, Paxton Road, Tottenham, London N17 on Monday 30th December 1991 at 2.00 p.m. for the purposes of considering the following ordinary business:

1. To receive the Directors' Report and Accounts of the Company for the year ended 31st May 1991.
2. To re-elect Mr. Alan Sugar as a Director, who was appointed by the Board after the last Annual General Meeting.
3. To re-elect Mr. Terence Venables as a Director, who was appointed by the Board after the last Annual General Meeting.
4. To re-elect Mr. Colin Sandy as a Director, who was appointed by the Board after the last Annual General Meeting.
5. To re-elect Mr. Jonathan Crystal as a Director, who was appointed by the Board after the last Annual General Meeting.
6. To appoint Touche Ross & Co as auditors to the company and to authorise the Directors to fix their remuneration.

Dated 6th December 1991

By order of the Board,

C. T. Sandy A.T.I.I.  
Secretary

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

### NOTES:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and on a poll, to vote in his place. A proxy need not be a member of the Company.
2. To be valid an instrument of proxy and any letter or power of attorney (or a duly certified copy thereof) must (failing previous registration with the Company) be lodged with the Company's Registrars, Steniford Close Registrars Limited, Broseley House, Newlands Drive, Witham, Essex CM8 2UL at least 48 hours before the time appointed for holding the meeting.
3. The register of Directors' interests in the shares of the Company and copies of the Directors' contracts of service will be available for inspection at the registered office of the Company during usual business hours from 6th December 1991 until the date of the Annual General Meeting and also at the place of meeting on the date of that meeting from 1.45 p.m. until its conclusion.