Tottenham Hotspur plc

Interim Report 2007


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Summary

Revenue continues to grow as we drive all areas of the Club. The decrease in profit from operations before player trading and amortisation reflects one-off costs including the changes to football management made during the period. The business continues to generate good levels of cash and the increase in assets reflects our continued desire to invest for long term growth.

Daniel Levy, Chairman

Revenue
increased 14% to £54.5m
with higher income for media and broadcasting, merchandising and sponsorship.

Intangible assets
increased 29% to £69.7m

Total assets
increased 14% to £177.0m

Chairman's statement

Financial results

After announcing record results for our last financial year, I am pleased to report that we have continued to make progress in the first six months of the year. Revenue, in particular, has improved when compared to the corresponding period last year as the Club aims to surpass the annual revenue figure of £100m for the second successive year. The 14% increase in total revenue to £54.5m is primarily due to the continued strength of the Premier League brand and the central FAPL TV rights deal.

Premier League gate receipts were down by £0.9m which reflects one less game being played during the period than last season. We continue to play to full or near capacity every match. Success in the Cup competitions, which was a key factor for us last season, has again proven to be the case for us this campaign, as the club progressed to the semi-finals of the League Cup during the period and went on to win the final in February. Additionally we progressed through the group stages of the UEFA Cup for the second successive season.

Media and broadcasting revenues rose by 63% to £17.8m in the period primarily due to the central FAPL TV rights deal. This figure is also boosted by the sale of rights for the Club's home UEFA Cup matches.

Merchandising income increased for the second successive year with sales up £1.4m for the first six months of the year to £6.6m, representing a rise of 26%. The success of this season's new kits, as well as enthusiasm for the Club's 125th anniversary, has contributed to this continued growth.

Sponsorship income rose by £0.5m whilst Corporate Hospitality was £0.1m down, due to playing one less league game than in the corresponding period last year.

Operating expenses before amortisation of intangible assets were £44.6m and show an increase on the prior period in part due to an enlarged playing squad, but also due to one-off costs relating to changes in First Team management.

Amortisation of intangible assets has increased by 48% to £12.4m, reflecting the significant investment that the Club has made in its squad over the last twelve months. Profit on the disposal of intangible assets is down from £15.0m to £4.3m, last year's figures having included the sale of Michael Carrick to Manchester United.

Finance expenses have increased by £1.3m to £2.3m reflecting a full six months interest due on the £20m secured loan notes drawn down in 2006 in respect of the Academy and further property related loans.

The Club generated a profit from operations before player trading and amortisation of £9.9m. Taking into account amortisation and profit on disposal of intangible assets, the profit from operations was £1.8m.

The Club's financial position has strengthened amongst Europe's elite clubs, as reported in the Deloitte Football Money League. Based on last year's financial statements, the Club moved up four places to be the eleventh wealthiest team in Europe based on revenues – the highest ranked Club that did not participate last season in the UEFA Champions League with the benefit of the associated revenues. Additionally, this ranking was achieved despite the fact that we have the smallest stadium capacity of the other top fifteen sides.

This re-emphasises the potential upside for the Club from Champions League football and the impact a new Stadium would have, more of which is discussed later.

Chairman's statement continued

On the pitch

This period's league performance has on the whole been disappointing and this has affected our league position, which in turn determines our league merit fee payment.

Changes were made to First Team management. We welcomed Juande Ramos, one of Europe's most successful coaches and winner of the UEFA Cup in the preceding two years, to the Club as Head Coach. He was joined by Assistant Coaches, Marcos Alvarez and Gus Poyet; the latter being welcomed back having previously been a hugely popular player for the Club. They have made important changes and instilled key processes in the management of the First Team, which resulted in immediate improvements.

In addition to internal change our Football Management team lobbied the Premier League and Clubs for a change from five to seven substitutes on the bench from next season, which was accepted by the Premier League's shareholders. We believe it is important that there is a level playing field across all European leagues. We constantly refer to ourselves as the most attractive footballing league in the world, but in order to both maintain that label and improve our competitive edge, it is important to give our managers and coaches greater choice on the substitutes bench, enabling them to be more creative tactically. That was the objective behind us bringing this proposal to the table. Additionally, it should also mean that younger players from the Academy can be given an opportunity to break into the First Team.

We were disappointed to lose Gareth Bale to injury, joining Benoit Assou-Ekotto, as long-term injured players, but they are both young and promising players. Outside of this period, and largely to cover positions affected by injuries, we acted in the January window and brought Chris Gunter, Jonathan Woodgate, Gilberto and Alan Hutton to the Club – all internationals for their respective countries – essentially bringing forward the acquisition of summer 2008 transfer targets.

Since we last reported Phil Ifil, Lee Barnard, Wayne Routledge and Jermain Defoe have departed. We wish them well and thank them for their services to the Club.

It is important to reiterate that we continue to look for excellent young talent. The investment over the last few years in some of Europe's best young prospects often goes unnoticed, yet the Club continues to invest at a time when competition for young players to join the Academy and development squad is high. We welcomed Yuri Berchiche and Danny Rose to our Academy.

It would be remiss not to mention Robbie Keane's contribution to the Club and to congratulate him on his 100th goal for the Club. We thank Robbie for his enthusiasm and commitment to our Club.

Off the pitch

In respect of our two main capital expenditure projects, namely the Training Centre and the Stadium, we were delighted to announce, after years of detailed planning, that we were granted planning permission at local Council level for a new, state-of-the-art, First Team and Academy training facility at Bull's Cross, Enfield. As with all major developments we have further steps on the planning process to undertake, and hope to be in a position to report on the future timetable of this project shortly. A facility of this nature will enable the Club to continue to compete for, retain and train the best available talent at all levels.

As indicated at the EGM earlier this year, we remain on track to announce our preferred option for the stadium development by the end of the first half of 2008. Clearly the development of a larger stadium will be instrumental in growing the Club and continuing to move forward and compete at the highest level in all competitions and we must seek to maximise this income stream. You will have heard me stress on several occasions however that this must be achieved in a manner that does not undermine the current financial stability of the Club, nor should it prevent us from continuing to invest in the First Team. Recent events have clearly shown that it has been this ability to invest in the team that has produced the record financial results we have enjoyed reporting in recent years.

The global financial markets do not currently present the best environment in which to raise funds for major capital projects and we shall have to look closely at our options and the merits of each option going forward. I shall report on this as the process develops.

Summary and outlook

This year saw us celebrate the 125th year of the Club's existence – a period in which this Club has enjoyed the highs and the lows that accompany this great game. We celebrated it in many ways, focusing our thoughts on the man many of us believe was singularly instrumental in delivering our 'glory' decades – Bill Nicholson. Our rich heritage was remembered and recounted and we should be rightly proud of the Club's strong heritage. We did, however, also take this year to remind ourselves that we must look ahead and believe even greater times are yet to come and the last few months have certainly given us that belief, a period which saw us defeat top clubs playing the style of football for which our Club is known.

Once again the Club accommodated a great number of games as we continued to compete in four competitions. The Cup games produced terrific performances. The disappointment we all felt at going out of the UEFA Cup by the narrowest of margins, on penalties to PSV Eindhoven, was testament to how far the squad has come in a short period of time under the management and coaching of Juande and his team.

Which only leaves me to mention the highlight of our 125th year – winning the League Cup. A tremendous achievement that saw us beat close London rivals Arsenal and Chelsea, and the clearest indication yet that we have now begun a return to winning ways.

With European qualification confirmed, the challenge is now to continue to improve and to establish ourselves as a main contender.

I firmly believe that these financial results and the results on the pitch mean we are ideally positioned for future growth and success.

My final words, as always, will go to our fans. When other clubs struggle to fill their stadia for a midweek, televised game, our supporters continue to fill the Lane and give our team their utmost support. They continued to travel to Europe and, I am pleased to note, were given a reason to travel to Wembley – a day when we won both on and off the pitch, such was the immense support. Thank you.

D P Levy
Chairman
27 March 2008

Unaudited consolidated income statement
for the six months ended 31 December 2007

	Note	**Six months ended 31 December 2007 £'000**	Six months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Revenue	3	**54,480**	47,770	103,091
Operating expenses		**(44,592)**	(33,616)	(73,363)
Profit from operations before football trading and amortisation		**9,888**	14,154	29,728
Amortisation of intangible assets		**(12,418)**	(8,391)	(18,070)
Impairment of intangible assets		**—**	—	(762)
Profit on disposal of intangible assets	4	**4,312**	14,970	18,721
Profit from operations		**1,782**	20,733	29,617
Finance income		**484**	—	53
Finance expenses		**(2,292)**	(966)	(1,924)
(Loss)/profit on ordinary activities before taxation		**(26)**	19,767	27,746
Taxation	5	**(163)**	(6,220)	(8,587)
(Loss)/profit for the period		**(189)**	13,547	19,158
(Loss)/earnings per share – basic	7	**(0.2p)**	14.6p	20.6p
(Loss)/earnings per share – diluted	7	**(0.2p)**	7.8p	11.0p

The results for the above and prior periods all derive from continuing operations.

Unaudited consolidated statement of changes in equity
for the six months ended 31 December 2007

	Share capital account £'000	Share premium account £'000	Equity component of CRPS £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance at 30 June 2007 as originally stated	4,631	11,556	3,838	2,336	565	25,634	48,560
Effect of adoption of IFRS	—	—	—	—	—	(2,432)	(2,432)
Balance as at 1 July 2007 as restated	4,631	11,556	3,838	2,336	565	23,202	46,128
Loss for the period	—	—	—	—	—	(189)	(189)
Amortisation of the revaluation reserve	—	—	—	(25)	—	25	—
Ordinary 5p shares redeemed during the period	(7)	—	—	—	7	(239)	(239)
CRPS converted during the period	38	81	(32)	—	—	—	87
Final dividend on ordinary shares relating to the year ended 30 June 2007	—	—	—	—	—	(3,733)	(3,733)
At 31 December 2007	**4,662**	**11,637**	**3,806**	**2,311**	**572**	**19,066**	**42,054**

Unaudited consolidated balance sheet
as at 31 December 2007

	Note	31 December 2007 £'000	31 December 2006 £'000	30 June 2007 £'000
Non-current assets				
Property, plant and equipment		66,088	49,934	51,057
Intangible assets		69,734	54,148	71,061
		135,822	104,082	122,118
Current assets				
Inventories		1,405	629	1,219
Trade and other receivables	8	28,701	24,725	29,843
Cash and cash equivalents		11,110	26,285	28,283
		41,216	51,639	59,345
Total assets		177,038	155,721	181,463
Non-current liabilities				
Interest bearing overdrafts and loans	9	(48,546)	(39,458)	(39,756)
Trade and other payables	8	(8,445)	(7,525)	(17,785)
Deferred grant income		(2,176)	(2,228)	(2,205)
Deferred tax liabilities		(3,034)	(3,700)	(3,416)
		(62,201)	(52,911)	(63,162)
Current liabilities				
Trade and other payables	8	(62,310)	(48,782)	(60,045)
Current tax liabilities		(2,983)	(6,456)	(5,747)
Interest bearing loans and borrowings		(6,702)	(5,901)	(5,698)
Provisions		(788)	(814)	(683)
		(72,783)	(61,953)	(72,173)
Total liabilities		(134,984)	(114,864)	(135,335)
Net assets		42,054	40,857	46,128
Equity				
Share capital		4,662	4,643	4,631
Share premium		11,637	11,556	11,556
Equity component of CRPS		3,806	3,838	3,838
Revaluation reserve		2,311	2,360	2,336
Capital redemption reserve		572	553	565
Retained earnings		19,066	17,907	23,202
Total equity		42,054	40,857	46,128

Unaudited consolidated statement of cash flows
for the six months ended 31 December 2007

	Six months ended 31 December 2007 £'000	Six months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Cash flow from operating activities			
Profit from operations	1,782	20,733	29,617
Adjustments for:			
Amortisation of intangible assets	12,418	8,391	18,070
Impairment of intangible assets	—	—	762
Profit on disposal of intangible assets	(4,312)	(14,970)	(18,721)
Profit on disposal of property, plant and equipment	—	—	(14)
Depreciation of property, plant and equipment	1,395	1,039	2,231
Capital grants release	29	35	69
Foreign exchange loss/(profit)	746	—	(145)
Decrease/(increase) in trade and other receivables	1,106	217	(14,138)
(Increase)/decrease in inventories	(185)	146	(444)
Decrease in trade and other payables	(1,843)	(23,770)	(8,765)
Cash flow from operations	11,136	(8,179)	8,522
Interest paid	(2,505)	(753)	(826)
Interest received	487	306	1,150
Income tax paid	(3,360)	(1,840)	(5,176)
Net cash flow from operating activities	5,758	(10,466)	3,670
Cash flows from investing activities			
Acquisitions of property, plant and equipment, net of proceeds	(16,425)	(1,470)	(3,512)
Acquisitions of intangible assets	(20,889)	(35,016)	(53,474)
Proceeds from sale of intangible assets	8,417	19,006	27,849
Net cash flow from investing activities	(28,898)	(17,480)	(29,137)
Cash flows from financing activities			
Dividends paid	(3,733)	—	—
Redemption of ordinary shares	(233)	(31)	(291)
Proceeds from borrowings	11,250	20,000	20,000
Debt issue costs	(275)	—	(200)
Repayments of borrowings	(1,041)	(319)	(340)
Net cash flow from financing activities	5,967	19,650	19,169
Net decrease in cash and cash equivalents	(17,173)	(8,296)	(6,298)
Cash and cash equivalents at start of period	28,283	34,581	34,581
Cash and cash equivalents at end of period	11,110	26,285	28,283

Notes to the consolidated interim statements
for the six months ended 31 December 2007

1. Basis of preparation
The Group's next annual consolidated financial statements, for the year ending 30 June 2008, will be prepared in accordance with International Financial Reporting Standards adopted for use in the EU ("IFRSs"). These condensed consolidated interim financial statements have been prepared on the basis of the recognition and measurement requirements of IFRSs that are effective (or available for early adoption) in those annual consolidated financial statements. These requirements are still subject to change and to additional interpretation.

The financial information presented in this interim statement does not constitute full financial information within the meaning of section 240 of the Companies Act 1985. The comparative figures for the year ended 30 June 2007 differ from the statutory financial statements for the period. Those financial statements, which were prepared under UK GAAP, received an unqualified audit report and did not include a statement under section 237(2) or (3) of the Companies Act 1985. Those statements have been delivered to the Registrar of Companies. Adjustments have been made to those figures so that they comply with the recognition and measurement requirements of IFRSs. These adjustments have been applied to the opening balance sheet at 1 July 2006 and to the comparative information at 31 December 2006, and are set out in note 2.

Accounting policies
Changes to accounting policies arising from the transition to IFRS are set out in note 2. The following accounting policies have been identified by the Board as being the most significant to the financial statements.

Revenue
Revenue represents income receivable from football and related commercial activities, exclusive of VAT.

Gate receipts and other matchday revenue is recognised as the games are played. 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.

Player costs
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.

Signing-on fees are charged evenly, as part of operating expenses, to the income statement over the period of the player's contract. These fees are paid over the period of the player's contract.

Loyalty fees are accrued, as part of operating expenses, to the income statement over the period to which they relate.

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% – 4%
Motor vehicles	20%
General plant and equipment	10% – 33%

Notes to the consolidated interim statements continued

1. Accounting policies continued

Property, plant and equipment continued

The Group has taken advantage of the transitional provisions of IAS 16 "Property, Plant and Equipment" and retained the book amounts of certain assets which were revalued prior to the implementation of that Standard. The properties were last revalued at 31 July 1998 and the valuations have not subsequently been updated.

Intangible fixed assets

The costs associated with the acquisition of players and key football management staff registrations are capitalised as intangible fixed assets, at the fair value at the date of the acquisition.

The acquisition costs are fully amortised 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. Provision is made for any impairment of the carrying value of the playing squad should the carrying value of the squad as a whole exceed the amount recoverable from the squad as a whole through use or sale.

Where a player is not considered to be part of the playing squad a provision for impairment would be made if the individual player's carrying value exceeds the amount recoverable through use or sale.

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.

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

Preference shares

Convertible Redeemable Preference Shares ("CRPS") are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the CRPS and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Issue costs were apportioned between the liability and equity components of the CRPS based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The finance expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the liability component of the instrument. The difference between this amount and the interest paid is added to the carrying amount of the liability component.

These statements were approved by the Board of Directors on 27 March 2008, and are not audited.

These results were announced to the Stock Exchange on 27 March 2008 and are being posted to all shareholders. Copies will be available to personal callers at the registered office, Bill Nicholson Way, 748 High Road, Tottenham, London N17 0AP.

2. Explanation of transition to IFRS

The effect of the changes to the Group's accounting policies as a result of IFRS adoption were as follows:

Reconciliation of profit from UK GAAP to IFRS

	Six months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Profit for the period as previously reported under UK GAAP	13,764	18,895
IFRS adjustments:		
Intangible assets (IAS 38)	1	176
Discounting of long-term receivables and payables (IAS 39)	(80)	(156)
Employee benefits (IAS 19)	(138)	—
Unwinding of deferred tax discount (IAS 12)	—	153
Deferred tax on business combinations (IAS 12)	—	90
Profit for the period as restated under IFRS	13,547	19,158

Reconciliation of equity from UK GAAP to IFRS

	As at 30 June 2007 £'000	As at 31 December 2006 £'000	As at 1 July 2006 £'000
Total equity as previously reported under UK GAAP	48,560	43,690	29,956
IFRS adjustments:			
Intangible assets (IAS 38)	(1,928)	(1,143)	(585)
Discounting of long-term receivables and payables (IAS 39)	1,369	564	85
Employee benefits (IAS 19)	—	(138)	—
Unwinding of deferred tax discount (IAS 12)	(1,603)	(1,756)	(1,756)
Deferred tax on business combinations (IAS 12)	(270)	(360)	(360)
Total equity as restated under IFRS	46,128	40,857	27,340

IAS 38 Intangible assets

Under IAS 38 "Intangible 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. Under UK GAAP the acquisition costs were not discounted. The discounted asset results in a reduction to the income statement amortisation charge.

IAS 39 Financial instruments: recognition and measurement

In accordance with IAS 39 "Financial instruments: recognition and measurement", any intangible 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. Under UK GAAP the deferred creditor had not been discounted.

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. Under UK GAAP the deferred debtor had not been discounted.

Notes to the consolidated interim statements continued

2. Explanation of transition to IFRS continued

IAS 39 Financial instruments: recognition and measurement 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.

IAS 19 Employee benefits

IAS 19 "Employee benefits" requires that holiday pay earned but not taken by employees should be recognised at the accounting period end. The adjustments are stated net of deferred tax.

IAS 12 Income tax

a) Unwinding of deferred tax discount; under IFRS it is prohibited to discount a deferred tax liability or asset and as such the Group has unwound the discount it previously applied under UK GAAP.
b) Deferred tax arising on business combinations; IAS 12 requires a deferred tax liability to be recognised on fair value adjustments on consolidation resulting in carrying amounts of assets or liabilities in the consolidated financial statements that differ from the carrying amounts in the acquired entity's financial statements, and consequently from their tax bases where equivalent adjustments are not recognised for tax purposes. This results in a deferred tax liability in respect of the fair value of properties acquired as part of business combinations. There was no such requirement under UK GAAP.

3. Revenue analysis

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

	Six months ended 31 December 2007 £'000	SIx months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Revenue comprises:			
Gate receipts – Premier League	**9,540**	10,443	18,069
Gate receipts – Cup competitions	**3,727**	4,511	12,770
Media and broadcasting	**17,767**	10,905	33,734
Sponsorship and corporate hospitality	**13,254**	12,854	25,427
Merchandising	**6,570**	5,199	7,051
Other	**3,622**	3,858	6,040
	54,480	47,770	103,091

4. Profit on disposal of intangible assets

	Six months ended 31 December 2007 £'000	Six months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Proceeds	**8,489**	18,751	23,075
Net book value of disposals	**(4,177)**	(3,781)	(4,354)
	4,312	14,970	18,721

5. Taxation

A corporation tax charge of £163,000 has been accrued as at 31 December 2007 on the profit before tax (adjusted for the interest charge in respect of the Convertible Redeemable Preference Shares) of £544,000 – an effective tax rate of 30%.

6. Dividends

The Directors do not recommend an interim dividend (31 December 2006: £nil). During the period a final dividend on ordinary shares of £3.7m was paid.

7. (Loss)/earnings per share

Earnings per share has been calculated using the weighted average number of shares in issue in each period.

	Six months ended 31 December 2007 £'000	Six months ended 31 December 2006 £'000	Year ended 30 June 2007 £'000
Basic earnings ((loss)/profit for the period)	**(189)**	13,547	19,158
Interest charge in respect of CRPS	**—**	800	1,091
Diluted (loss)/earnings	**(189)**	14,347	20,249
	Number	Number	Number
Weighted average number of shares in issue	**92,892,956**	92,895,538	92,843,042
Effect of dilutive potential on ordinary shares:			
CRPS	**—**	91,845,600	91,845,600
	92,892,956	184,741,138	184,688,642
Basic (loss)/earnings per share	**(0.2p)**	14.6p	20.6p
Diluted (loss)/earnings per share	**(0.2p)**	7.8p	11.0p

The CRPS are not dilutive in the current period as they would reduce loss per share.

Notes to the consolidated interim statements continued

8. Receivables and payables analysis

	As at 31 December 2007 £'000	As at 31 December 2006 £'000	As at 30 June 2007 £'000
Receivables: Amounts recoverable within one year			
Trade receivables (excluding transfer debtors)	**5,215**	5,664	13,391
Other receivables (excluding transfer debtors)	**5,969**	—	2,110
Receivables arising from player transfers	**6,053**	9,729	7,637
Other tax and social security	—	—	546
Prepayments and accrued income	**9,174**	6,727	5,417
	26,411	22,120	29,102
Receivables: Amounts recoverable in more than one year			
Receivables arising from player transfers	**2,290**	2,605	741
Total receivables	**28,701**	24,725	29,843
Trade and other payables: Amounts due within one year			
Trade payables, accruals and deferred income (excluding transfer creditors)	**46,456**	38,012	48,877
Other tax and social security	**2,375**	2,309	2,460
Payables arising for player transfers	**13,479**	8,461	8,708
Total trade and other payables: Amounts due within one year	**62,310**	48,782	60,045
Trade and other payables: Amounts due after more than one year			
Other payables (excluding transfer creditors)	—	—	127
Payables arising from player transfers	**8,445**	7,525	17,658
Total trade and other payables: Amounts due after more than one year	**8,445**	7,525	17,785
Total trade and other payables	**70,755**	56,307	77,830

9. Loan facility

In October 2007, the Group arranged a loan facility of up to £75,000,000 secured by a floating charge over certain freehold and leasehold properties. In November 2007, there was an initial drawdown of £11,250,000. The loan is being repaid over ten years in six-monthly instalments. Interest will be charged quarterly on the outstanding amount of the loan, at a rate which tracks LIBOR. The loan is included in the financial information net of £275,000 of associated loan arrangement costs which are being amortised over the term of the loan.

Independent review report to Tottenham Hotspur plc

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 31 December 2007 which comprises the income statement, the statement of changes in equity, the balance sheet, the statement of cash flows and related notes 1 to 9. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in notes 1 and 2, the annual financial statements of the Group will be prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report have been prepared in accordance with the accounting policies the Group intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
27 March 2008
London
UK

Directors, officers and advisers

Executive Chairman
D P Levy

Executive Director
M J Collecott

Non-Executive Directors
E M Davies
Sir K E Mills

Company Secretary
M J Collecott

Registered office
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Registered number
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