



Tottenham Hotspur plc  
Annual Report 2008



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**"WE BELIEVE THAT THE CLUB HAS CONTINUED TO BUILD A STRONG PLATFORM FOR THE FUTURE THROUGH CONTINUED INVESTMENT IN THE TEAM, IN THE INFRASTRUCTURE OF THE CLUB AND THROUGH THE PROGRESS OF THE TRAINING CENTRE.**

**I AM ALSO DELIGHTED THAT WE HAVE NOW FINALLY AGREED UPON A SOLUTION TO THE CLUB'S FUTURE STADIUM REQUIREMENTS AND WE MUST NOW REMAIN FOCUSED ON TAKING THE STADIUM DEVELOPMENT PROJECT THROUGH THE VARIOUS STAGES OF CONSULTATION AND ON TO PLANNING."**

**Daniel Levy** Chairman

## FINANCIAL HIGHLIGHTS

Turnover £m	2008	114.8
	2007	103.1

**+11%**

Gate receipts – Premier League £m	2008	18.3
	2007	18.1

**+1%**

Sponsorship and corporate hospitality £m	2008	27.8
	2007	25.4

**+9%**

Media and broadcasting £m	2008	40.3
	2007	33.7

**+20%**

Merchandising £m	2008	9.7
	2007	7.1

**+38%**

Operating profit before restructuring, depreciation, amortisation and football trading £m	2008	35
	2007	32

**+9%**

## SUMMARY AND OUTLOOK

### Record turnover

up 11% on the prior year.

### Strong performance

from all parts of the business.

### £33m

spent on player acquisitions in financial year.

### Improved

net cash inflow from operations.

### Net debt

remains low at £14.6m.

### New Training Centre

has planning approval – new build expected to commence in 2009.

### Over £44m

committed on property transactions in and around current stadium.

### New stadium

entering consultation period for the Northumberland Development Project that includes plans for a new stadium.

# GROWING...



**...THE STRONG GROWTH OF THE CLUB  
CONTINUES APACE**



**Record Turnover**  
up 11% on the prior year

**One Hotspur** has attracted more than 70,000 members and we now have over 22,000 on the Season Ticket Waiting List

**Merchandising** achieved a 38% increase in turnover during our 125th Anniversary year

# ENTERTAINING...



**...WE NEVER FORGET WE ARE IN THE ENTERTAINMENT BUSINESS**



**We entertain**  
a global audience of 4.77bn as part of the Premier League

**Full house**  
Our team played to near sell-out crowds throughout the season

**Global reach**  
New research has concluded that our global fanbase now stands at 20m

**www.**  
up to 1.17m fans visit our website each month

# CELEBRATING...



**...OUR 125 ANNIVERSARY AND  
LEAGUE CUP VICTORY**





**Silverware**  
returned to the Lane

**Wembley Final**  
Fans travelled from  
all over the world to  
witness our victory

# INVESTING...



**...INVESTMENT IN ALL AREAS CONTRIBUTED TO  
THE PERFORMANCE OF THE BUSINESS**



## Infrastructure

We continue to spend on key infrastructure whilst investing substantially in the Club's future

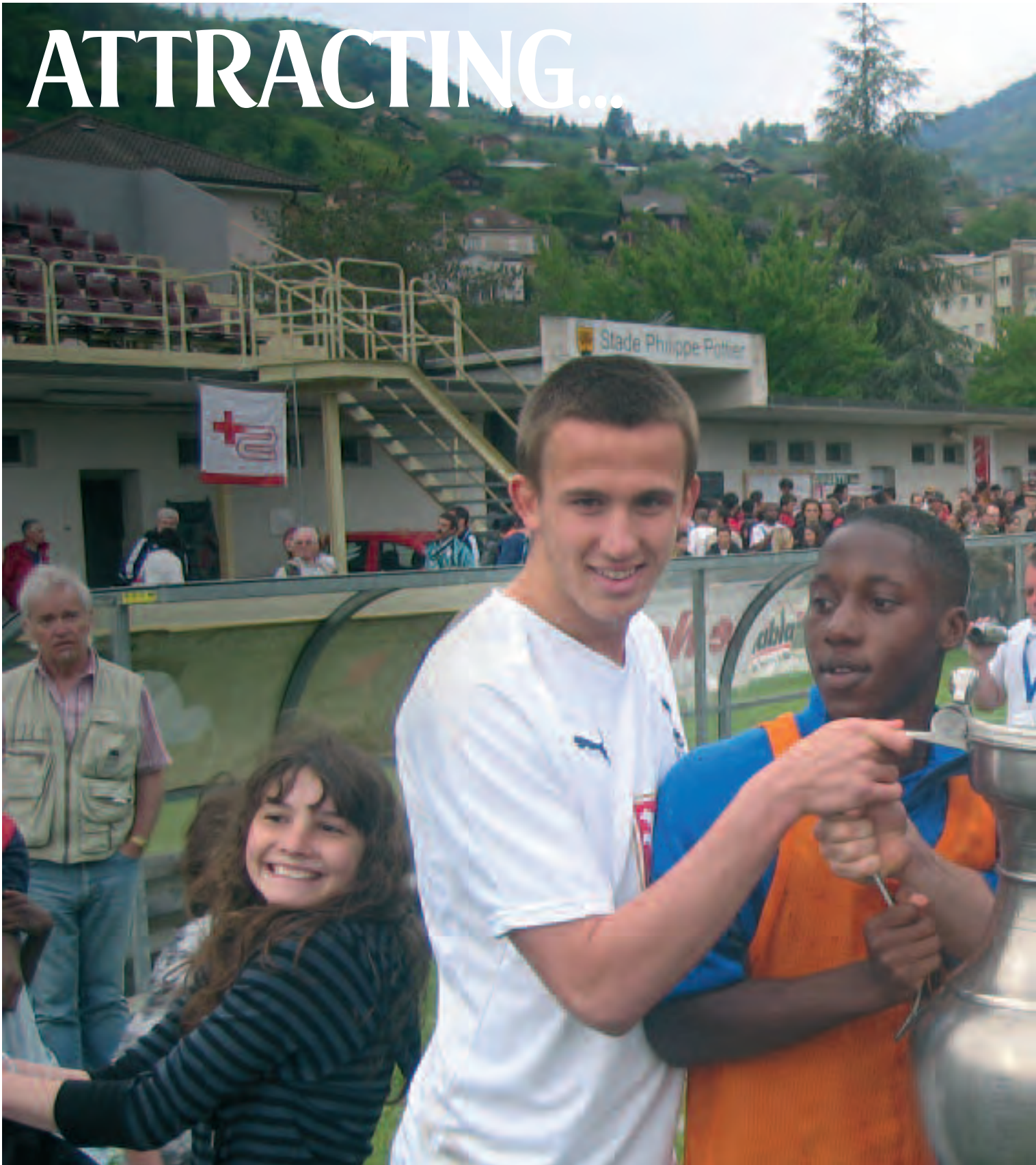
## Technology

Off the pitch – New technologies now support retail, new media, customer service and ticketing

## Players

On the pitch – In the last two years over £110m has been spent on players both for the First Team and youth teams

# ATTRACTING...



**...OUR REVITALISED ACADEMY HAS ATTRACTED AN ENVIABLE COMPLEMENT OF YOUNG BRITISH TALENT AND YOUTH INTERNATIONALS**



## International experience

Our academy players participated in an unparalleled 11 international tournaments during this season, gaining important experience at a young age



# INSPIRING...



**...MANY BUSINESSES TRY TO GIVE SOMETHING BACK TO THEIR COMMUNITIES. FEW HAVE THE POWER TO TRULY ENGAGE**



## Tackling

Backed with over £5m from the Club since its formation, our Foundation uses football and sport to tackle key social issues

## Changing

Quite simply it creates opportunities that change lives

# BUILDING...



**...PLANNING PERMISSION HAS BEEN GRANTED  
FOR A NEW WORLD CLASS TRAINING CENTRE**





## 2011

Work is set to begin in 2009 on the 68 acre site. The project is expected to be completed by Autumn 2011.



# ASPIRING...



**...THE CLUB ANNOUNCES PLANS TO DELIVER A 60,000 SEATER STATE-OF-THE-ART STADIUM**

# “IT REPRESENTS A SIGNIFICANT STEP IN THE GROWTH OF THE CLUB WITH A PROPOSED STADIUM CAPACITY OF 60,000 AND WOULD PROVIDE STATE-OF-THE-ART FACILITIES, IMPORTANT PUBLIC SPACE, NEW JOBS AND HOMES AND A SIGNIFICANT BOOST FOR THE LOCAL ECONOMY.”

“The Northumberland Development Project would deliver a world class scheme and substantial new investment for Haringey and our supporters. It represents a significant step in the growth of the Club, with a proposed stadium capacity of 60,000 and would provide state-of-the-art facilities, important public space, new jobs and homes and a significant boost for the local economy.

It would also enable us to provide a new base for the Tottenham Hotspur Foundation so that its award winning programmes can continue and have an even greater impact in the local community.

Tottenham Hotspur is proud of its roots in Haringey. We have been in the borough for 126 years and the Club is inextricably linked with this part of London. We believe that this scheme has the potential to create a truly inspirational environment for the Club and the community as well as acting as the catalyst for the uplift of the wider area.

We are at an early stage of what is part of our long-term plans for the Club and now we want the views of local people and our fans. I hope people will take the time to look at our plans and let us have their comments.”

**Daniel Levy** Chairman, Tottenham Hotspur Football Club

# “SPURS HAS PLAYED AN INTEGRAL ROLE IN GIVING A SENSE OF IDENTITY TO THE AREA IT CALLS HOME. TOTTENHAM WOULD NOT BE TOTTENHAM WITHOUT ITS FOOTBALL CLUB.”

“I am delighted that Tottenham Hotspur has confirmed its commitment to remain in our borough.

We have always regarded Spurs as one of Haringey's prime assets. They bring major economic benefits to our borough and carry out some excellent community work through the Tottenham Hotspur Foundation.

But more than anything, Spurs has played an integral role in giving a sense of identity to the area it calls home. Tottenham would not be Tottenham without its football club.

We have been working extremely hard to regenerate the Tottenham area, which suffered so much from industrial decline. Real progress is being made, and it is extremely pleasing that Spurs has demonstrated that they share our commitment to this continuing regeneration.

But, as always, we will consider very carefully any plans that are submitted to us, as we strive to ensure that a new stadium delivers real benefits for all who live and work in the area.”

**Councillor George Meehan** Leader of Haringey Council

## £44m

The Club has committed over £44m buying and taking options on 40 residential and 160 commercial properties around the current site to pave the way for a significant mixed use development.

## Kick start

The Club's Northumberland Development Project has the potential to kick start the wider regeneration of the area.

## Chairman's statement

I am delighted to report that in our 125th anniversary year we were able to produce another strong performance, a year in which the highlight was undoubtedly winning the Carling Cup in a thrilling game at Wembley against Chelsea, bringing the welcome return of silverware to the Club.

### Financial highlights

This year's financial results for the year ended 30 June 2008 have seen further substantial growth in revenue, an increase of 11% to £114.8m and adjusted operating profit before restructuring, depreciation, amortisation and football trading of £35.0m (2007: £32.0m). The Club is generating significant operating revenues from the core business and net debt remains low at £14.6m, despite substantial spending on players and properties.

We have continued to generate operating profits assisted by our continued participation in Cup games and the ongoing strength of FAPL TV rights has given us the stability to move the business into its next phase of development – to progress the new Training Centre and embark on the Northumberland Development Project, albeit the latter is still at the early stages of consultation.

The Board has proposed a dividend at the same level as last year for the year to 30 June 2008 of 4p per ordinary share which amounts to £3.7m. Again, we believe it is a mature approach to offer long-term investors and fans of the Club a return on their investment. The dividend, if approved, will be paid by 16 January 2009 to shareholders on the register at the close of business on 19 December 2008.

### Capital projects

The Training Centre project received approval from the planning authorities in 2008. We are currently fulfilling pre-development planning conditions and the project is due to break ground in 2009. We shall then start to see the reward for years spent pushing through a hugely complex planning application within the Metropolitan Green Belt.

The new Training Centre, on 68 acres, will be important in enhancing the Club's position in domestic and European competition, attracting and developing exciting young talent, including home grown talent, which in turn benefits the national team. There is also substantial provision for benefits to the local community through the outreach programmes of the Tottenham Hotspur Foundation.

With a waiting list for season tickets of over 22,000 and Club membership levels of over 70,000, our need for an increased capacity stadium has been clear for all to see for some time. We diligently spent considerable time reviewing our options and the news that our supporters had been waiting for came this month when we announced our intention to remain in Tottenham, confirming the Northumberland Development Project – a world class scheme incorporating a new stadium with a capacity of 60,000, a club museum, new shops, restaurants, homes and important public space.

Having reviewed our stadium options it was clear that there were a limited number of alternative sites to our current location and following discussions with Council bodies, the LDA, Transport for London and local and central government officials, redeveloping the existing site emerged as the most viable route.

We have spent five years buying and taking options over property around the current stadium site to enable us to either develop locally or to gain the critical mass to achieve a substantial site sale as a contribution to a relocation. To date this includes almost 60 separate property transactions, including 40 residential and potentially 160 commercial properties at a commitment of £44m.

The scheme includes the current site and adjoining land with the stadium sited largely to the north of the existing one.

Our vision		
Football	Assets	Brand
To continue to strive for success in football	Development of the Club's assets	Continue to build the Tottenham Hotspur brand
▶ Domestic	▶ Academy	▶ Domestically
▶ European	▶ Stadium	▶ Internationally

Getting to this stage has necessitated a great deal of work, determination and co-operation. The task ahead will by no means be easy but it is our firm belief that the new development will not only benefit everyone involved in the Club, but significantly enhance the immediate area around the ground. Importantly, it has real potential to kick start the regeneration of the wider area.

The Club is a major economic driver in Tottenham and gaining permission for such a scheme, without the need for a temporary relocation, will end local concerns about the Club leaving the Borough of Haringey with the resultant loss to the local economy.

We have been encouraged by our discussions with Haringey Council and Councillor George Meehan, Leader of Haringey Council, had this to say about our proposal:

"I am delighted that Tottenham Hotspur has confirmed its commitment to remain in our borough.

"We have always regarded Spurs as one of Haringey's prime assets. They bring major economic benefits to our borough and carry out some excellent community work through the Tottenham Hotspur Foundation.

"But more than anything, Spurs have played an integral role in giving a sense of identity to the area it calls home. Tottenham would not be Tottenham without its football club.

"We have been working extremely hard to regenerate the Tottenham area, which suffered so much from industrial decline. Real progress is being made, and it is extremely pleasing that Spurs has demonstrated that they share our commitment to this continuing regeneration.

"But, as always, we will consider very carefully any plans that are submitted to us, as we strive to ensure that a new stadium delivers real benefits for all who live and work in the area."

We continue to work closely with Haringey Council and are grateful to them for their support and desire to see the Club remain in Tottenham.

Looking further forward and to funding for the new development, the funding package will necessarily include a combination of sponsorship, property deals, bank finance and innovative funding proposals.

However, stadium projects take time to deliver and we are determined not to undertake any capital project that undermines the financial stability that we have worked so hard to create at this Club. Be assured we shall look to ensure that this scheme is delivered in an appropriate manner.

The project team now includes a multi-disciplinary group of architects, transport consultants, heritage specialists, planning consultants and other advisers.

The public consultation period will now begin and we would hope to submit a planning application in 2009. I am personally delighted that we have been able to put forward a viable option which we know to be the fans' favourite – remaining at the Club's spiritual home.

## On the pitch

During the financial year the following players joined the Club: Jonathan Woodgate, Alan Hutton, Younes Kaboul, Kevin-Prince Boateng, Chris Gunter, Gilberto, Daniel Rose and Yuri Berchiche for a combined sum of £32.7m.

Jermain Defoe, Hossam Ahmed Mido, Reto Ziegler, Emil Hallfredsson, Mark Yeates, Phil Ifil, Lee Barnard and Wayne Routledge left the Club during the year for a combined sale price of £18.8m.

Since the year end we have added the following quality players to our squad as we embark on our third year in European competition: Luka Modric, Giovanni Dos Santos, Heurlho Gomes, Cesar Sanchez, Vedran Corluka, Roman Pavlyuchenko and David Bentley have joined at a cost of £78.0m. Fraizer Campbell has joined on a season long loan.

The following players have left since the year end: Radek Cerny, Joe Martin, Robbie Keane, Dimitar Berbatov, Pascal Chimbonda, Teemu Tainio, Steed Malbranque, Younes Kaboul, Anthony Gardner, Paul Robinson, Tommy Forecast and Young-Pyo Lee for combined transfer fees of £73.7m. We wish them well.

Whilst the transfer request from Dimitar Berbatov was expected, we could not have foreseen a similar request from Robbie Keane. Whereas we traded early in other key positions, we finished the transfer window disappointed not to have secured an additional experienced striker. Undoubtedly we have started the season without the benefit of settled striker options and it is here that we must now look to build confidence and partnerships.

## Chairman's statement continued

In addition, exciting young talent has joined us for the future including John Bostock, Paul-Jose M'Poku Ebunge and Mirko Ranieri.

I am pleased to report that, during the year, 25 of our First Team professional players were called up to represent their respective national teams and this continues to demonstrate the quality of our current squad of players.

Eight graduates from the Academy moved to professional contracts last season as third year, full-time players. Our academy participated in no fewer than 11 youth competitions internationally – providing our players with invaluable experience. The U20s lifted the trophy in Monthey in Switzerland and the U18s rounded off their season by winning the Talence tournament in France.

In the Summer of 2008 the First Team squad trained pre-season in Spain and took part and won the Feyernoord Jubileum Tournament.

### Commercial operations

The Club benefits from two main commercial partners MANSION, our shirt sponsor, and PUMA our kit sponsor. Our agreement with MANSION extends for a further two seasons, and the one with PUMA for three further seasons.

Additionally, during the period, the Club established new partnerships with BT, as broadband partner, and Thomas Cook, as travel services partner, and renewed its agreement with Carlsberg.

Our One Hotspur membership programme, which was introduced last year and is designed to provide membership for all levels of the Club's supporter base, has attracted over 70,000 members. Through this new platform we have a season ticket waiting list in excess of 22,000, an important indicator of our need for an increased capacity stadium. One Hotspur works well and continues to provide much improved data on the ticketing process, particularly with respect to monitoring excess ticket demand and future stadium modelling.

The Club's corporate hospitality facilities were sold out for virtually every game during the season with demand coming from a wide range of international, national and local businesses for the executive boxes and range of executive lounge facilities.

The Merchandise Division has performed well against the same period in the prior year. Turnover was up by 38% on the prior record year, buoyed by the 125th anniversary kit which was the Club's most popular kit launch in its history aligned with new stores in Enfield and Chelmsford.

The Club's growing fan base, coupled with our increasingly popular website driving traffic, have led to growing turnover for our online shop. The value of our online retail sales operation grew by 88% on the prior year and now represents 45% of retail turnover.

The Club's website [tottenhamhotspur.com](http://tottenhamhotspur.com), which was again updated during the year with a new look, continues to attract a record number of visitors and regularly receives over one million unique user visits a month making it once again one of the five most visited football club sites in the UK (Hitwise).

The Club's online TV service, Spurs TV Online, was successfully re-launched during the year and is now a leading brand in the marketplace.

### International development

We continue to focus on developing the Club's international fan base and as part of this process we have created a new role for a Head of International Development to look at all parts of the Club's community and commercial footprint in overseas markets.

Our partnership with SuperSport United in South Africa, a Premier Soccer League ("PSL") team owned by SuperSport, one of the largest broadcasters in Africa, broadcasting to 57 countries, which was announced last year, has seen the valuable exchange of both players and coaches. SuperSport United won the PSL and their academy, with our involvement, has attracted players from all over Africa. The relationship has resulted in extensive coverage of both the Club and the joint academy throughout the continent.

Since the year end we have similarly agreed a partnership with the American club, San Jose Earthquakes and are now considering opportunities to do likewise in other key territories.

## Tottenham Hotspur Foundation

The Tottenham Hotspur Foundation goes from strength to strength since gaining charitable status in 2007 meeting its aim to engage and inspire children through the medium of football, encourage physical activity and healthy lifestyles and improve educational attainment whilst also tackling crime and anti-social behaviour in the community. We are also particularly proud of our work with the Foundation and with young people with disabilities.

During this, our 125th year, we established the Bill Nicholson Scholarship Fund with monies from activities surrounding the anniversary celebrations. The Fund will seek to encourage grass roots football and support worthy local causes, in keeping with the wishes of Bill's family.

Our thanks to the players for participating in a community event each week of the season, and to our Patron Lord Triesman and Ambassador Les Ferdinand OBE.

## Other charitable donations

The Club remains one of the largest charitable donors of any club in the FAPL and it is a priority that we continue to support our designated charities in the form of direct financial support, gifts and contributions in kind. During this period, the value of the Club's contribution to local, national and international charitable causes was in excess of £0.5m in addition to the original founding capital of £4.5m to underpin the activities of the Tottenham Hotspur Foundation.

This was the Club's second year of its long-term international charitable partnership with SOS Children's Village which saw the opening of the Club's first house in Rustenburg, South Africa, in September 2008. The provision of IT equipment and internet means that the children in the house, and indeed the Village, are able to access educational materials and also interact with the Club's own Learning Zone – a very real, tangible benefit of the relationship.

## Management and staff

This period saw us make changes to our coaching staff, bringing in Head Coach, Juande Ramos and the First Team Assistant Coaches, Marcos Alvarez and Gus Poyet – however following our extremely poor start to the season and just three League wins since February, we announced their departure this month, along with Sporting Director, Damien Comolli. We wish them well.

We moved swiftly to appoint Harry Redknapp as Manager. With Harry's appointment we also recognised that the time was right for us to return to a more traditional style of football management at the Club and Damien will not be directly replaced.

I should like to thank all of our staff who have embraced the challenges of the last year with enthusiasm and hard work. They are a tribute to the Club. We are reliant on the dedication of everyone, from the Board, the coaching staff, players and our management and employees across all departments.

Finally, our thanks to our Non-Executive Directors, Sir Keith Mills and Mervyn Davies, who have provided such excellent support and senior counsel to the Board throughout the year.

## Outlook

The start to the 2008/09 season has been extremely disappointing and we are all keen to see a turnaround on the pitch. I know Harry is relishing the opportunity of restoring confidence to a squad of highly talented international players.

We believe that the Club has continued to build a strong platform for the future through continued investment in the team, in the infrastructure of the Club and through the progress of the Training Centre.

I am also delighted that we have now finally agreed upon a solution to the Club's future stadium requirements and we must now remain focused on taking the stadium development project through the various stages of consultation and on to planning. It is an exciting project which will represent a significant step in the growth of the Club. Whilst we still have a number of challenges ahead on this project, we are confident that it is the right way to go forward for the Club, the fans and the shareholders.

It would be remiss of me not to comment on the fact that the world is currently experiencing unprecedented events in the financial sector – this will affect us all to a varying degree and football clubs will not be immune. We currently enjoy low debt and have invested significantly in both players, capital projects and infrastructure. We have achieved this with sensible financial governance and management of the business which should stand us in good stead to ride out turbulent times.



**D P Levy** Chairman  
29 October 2008

## Financial review

### Revenue

This year the Club has again attained record revenue, rising from £103.1m to £114.8m. This 11% increase can largely be attributed to the new central FAPL TV deal, our success in the Carling Cup and another very profitable year in merchandising.

Attendances have continued to be maintained at the high levels that we have been able to achieve over the last few years with Premier League gate receipts bringing in £18.3m.

The Club's second successive campaign in the UEFA Cup saw us reach the last 16, there was a fourth round defeat in the FA Cup to Manchester United, but we won our first piece of silverware in nine years lifting the Carling Cup at Wembley Stadium. In total, the cup competitions raised £10.3m in gate receipts and prize monies.

The new central FAPL TV rights deal for this season resulted in a substantial increase in TV and broadcasting revenues of 20% to £40.3m (2007: £33.7m). These were supplemented by TV monies from our cup runs but our merit fee award was reduced as a result of our final league position of eleventh compared to fifth the previous season.

Sponsorship income, aided by a Carling Cup win bonus, rose by £0.8m as we enjoyed our second season with MANSION and PUMA and Corporate Hospitality was up by £1.6m on last year primarily due to increased executive memberships.

Aided by new kits, our 125th anniversary and two new stores, merchandising sustained its significant growth, with income up a further £2.7m to £9.7m from last year, representing a rise of 38%.

### Operating expenses (excluding football trading)

Operating expenses before football trading rose by £14.0m to £87.3m in the year. Player salaries have risen due to an enlarged playing squad and one-off costs which were incurred related to the restructuring of coaching staff.

### Profit from operations excluding football trading and before restructuring and depreciation

Our adjusted operating profit before restructuring, depreciation and football trading, which is one of our key performance indicators, is £35.0m, compared to £32.0m the previous year. This shows that we are continuing to perform well as a cash-generating business with net cash flow from operating activities up from £3.7m to £29.6m in the year.

### Amortisation and impairment of intangible assets

Amortisation and impairment of intangible assets has increased by £18.1m to £37.0m, representing the significant investment that the Club has made in its playing squad over the last 12 months.

### Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £16.4m for the financial year, including £7.9m relating to the sale of Jermain Defoe to Portsmouth. Other significant sales in the year include Hossam Ahmed Mido to Middlesbrough and Reto Ziegler to Sampdoria for net profits of £2.3m and £0.9m respectively and a further £3.4m in relation to the Michael Carrick transfer to Manchester United.

The Club continued its policy of strengthening its playing squad, represented by an investment of £32.7m during the year. Further major additions were made post balance sheet for a total of £78.0m. These acquisitions are offset by £73.7m of disposals in the summer transfer window.

### Net finance expenses

Net finance expenses have increased by £2.0m to £3.9m reflecting a full 12 months' interest due on the additional £20.0m secured loan notes drawn down in respect of the Academy and interest on further property related loans in connection with the stadium development project.

### Profit before taxation

The overall result of the above is that profit before taxation is £3.0m for the year.

### Taxation

The Group has incurred a tax charge of £2.0m in the current year. Therefore profit after tax is £1.0m.



## Balance sheet

The most significant movements on the balance sheet are due to the large investment that the Group has made in acquiring properties around the stadium to be able to redevelop. As a result, property, plant and equipment have increased from £51.1m to £74.1m, of which £4.9m relates to professional fees that would need to be written off in the event that the proposed Northumberland Development Project does not proceed. A consequence of the property acquisitions is that net debt is £14.6m at the balance sheet date.

Group net assets are £42.6m, a slight fall of £3.5m from the previous year.

Due to the significant increase in property assets during the year, the Group has provided a segmental analysis in note 3 to the accounts in which it has split out key financial indicators between its main activity of football and property.

## Cash flow

The Group had a net cash inflow from its operations of £35.2m for the year, compared to £8.5m in the prior year, despite a reduced operating profit, due to improved cash management.

Finance costs have risen by £2.4m due to increased borrowings to fund the £26.0m of properties, plant and equipment that were acquired during the year. We had a cash outflow of £27.5m (2007: £53.5m) to acquire players and pay contingent sums arising from transfer agreements, but this is partially offset by £16.2m (2007: £27.8m) of cash inflows from player sales and contingent receipts.

Tax of £3.6m was paid in the year as well as a dividend of 4p per ordinary share which had a cash outflow of £3.7m.

The other major cash movement was the drawdown of £20.9m in property loans to help fund the stadium project.

## Risks and opportunities

The Group is exposed to a range of risks and uncertainties which have the potential to affect the long-term performance of the Group. Risks are monitored by the Board on a continual basis and the Group seeks to mitigate the risks wherever possible.

### On the pitch

The continued success of the First Team in the league, European and domestic cup competitions is an important factor in securing the long-term stability of the Group. This is especially true given the significant increase in income generated from TV revenues under the new central FAPL TV deal.

Our ambitions in these competitions can be achieved with the continued commitment of the playing staff, the football management team and supporters. Our successful approach to nurturing both home grown talent and acquisitions through the transfer market will help the team to secure future success on the pitch.

There is always continued upward pressure on player costs and salaries, which continue to require significant cash outflows. Accordingly, the challenge for the Group continues to be to locate players of both quality and value through the transfer market and Academy.

Our supporters continue to demonstrate unwavering support for our team and Club. Attendances are consistently high with 22,000 people on the waiting list for season tickets. We are continually seeking ways to increase our fan base overseas and add value for domestic fans. This continued support is of utmost importance in ensuring that the Club is able to prosper.

### Off the pitch

The development of the new stadium will expose the Group to additional risks. The risks that we might not obtain planning permission or obtain the necessary financing would have a significant negative impact and would require a write-off of professional fees capitalised to date. In addition, there may be property write-downs that would impact the income statement.

We continue to explore new opportunities in order to broaden our range of income streams both nationally and internationally. This continued diversification of our income streams will help to ensure the Group is financially robust and increases our stability.

The Club is reliant on the Premier League brand and exposed to external governing bodies of The FA, UEFA and FIFA. Clearly any changes in these bodies can affect our business model.



**M J Collecott** Finance Director  
29 October 2008

## Directors' report

The Directors present their Annual Report on the affairs of the Group together with the financial statements and Auditors' Report for the year ended 30 June 2008.

### 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 are acquiring numerous properties with a view to a new stadium development. A review of the Group's business, an indication of the likely future developments of its business and a description of the principal risks and uncertainties facing the Group are contained in the Chairman's Statement and the Financial Review set out on pages 18 to 23.

### Environmental matters and employee matters

The Group seeks to maintain its strong track record as a responsible employer. We seek to minimise the Group's impact on the environment and endeavour to achieve this through recycling and energy conservation wherever possible. We are also committed to maintaining a workplace of the highest standard and seek to do so by ensuring that we provide training programmes, appropriate remuneration and a positive working environment.

### 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 particularly consider 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 21 to the financial statements.

### Results and dividends

The audited consolidated income statement for the year ended 30 June 2008 is set out on page 34.

The Directors have recommended the payment of a dividend of 4p per ordinary share (2007: 4p per ordinary share).

### Post balance sheet events

Details of post balance sheet events are given in note 30 to the accounts.

### Share capital

On 26 November 2007 the Directors were granted the authority, under a shareholders' resolution, to purchase through the market 13,883,456 of the Company's ordinary shares at prices ranging between 5p and a maximum of 105% of the average mid market price quoted for the five business days prior to the purchase. A second resolution granted the authority to purchase through the market 8,814 of the Company's convertible redeemable preference shares ("CRPS") at prices ranging between £78.10 and a maximum of 105% of the average mid market price quoted for the five business days prior to the purchase.

During the year the Company purchased, and subsequently cancelled, 595,360 ordinary shares with a nominal value of £29,768, representing 0.6% of the Company's called up share capital, for a consideration of £841,433. The purchase of shares is viewed as an equitable way of returning value to shareholders proportionate to their holdings. The Company did not purchase any CRPS.

These authorities expire on 15 December 2008 and similar resolutions will be put to shareholders at an Annual General Meeting of the Company to be held on 15 December 2008 to ensure the Directors have the flexibility to enhance shareholders' value, and to enable the Board to reduce the long-term cost of servicing shareholders who have been prohibited from exiting their investments due to the comparatively high transaction cost of selling their shares.

## 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 2008.

Daniel Levy and certain members of his family are potential beneficiaries of a discretionary trust which ultimately owns 29.41% of the share capital of ENIC International Limited.

At the year end ENIC International Limited held 63,357,098 ordinary shares representing 68% of those in issue and 56,214 convertible redeemable preference shares, representing 96% of those in issue. Accordingly, ENIC International Limited has a fully diluted beneficial interest in Tottenham Hotspur plc of 82% (2007: 82%) at the time of signing these financial statements.

Except as noted above, none of the Directors has any other interest in the share capital of Tottenham Hotspur plc or any of its subsidiaries.

Matthew Collecott is a trustee of the Tottenham Hotspur Foundation, an unpaid position to assist the direction and performance of the Charity.

Details of the Directors' remuneration are given in the Report of the Remuneration Committee on pages 30 and 31. Directors' interests in contracts are disclosed in note 27.

## Disclosure of information to the auditors

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

- 1 so far as each of the Directors is aware, there is no relevant audit information (as defined by the Companies Act 1985) of which the Company's auditors are unaware; and
- 2 each of the Directors has taken all of the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provision of section 234ZA of the Companies Act 1985.

## Substantial shareholdings

The Company has received the following notification of holdings of 3% or more of the share capital of the Company as at 24 October 2008:

	Ordinary shares		Convertible redeemable preference shares	
	%	Number	%	Number
ENIC International Limited	68	63,357,098	96	56,214
Michael Ashcroft	4	3,690,000	2	1,221

## Charitable and political donations

The Group made cash donations of £49,696 to international, UK based and local charities during the year (2007: £84,263). The Group made no political donations during the year (2007: £nil). The Group made contributions with a value in excess of £0.5m to Tottenham Hotspur Foundation during the year. 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 fully considered, 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 persons, should as far as possible, be identical to that of other employees.

## **Directors' report** continued

### **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 creditors at 30 June 2008 represented 44 days (2007: 33 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.

### **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.

### **Going concern**

After making enquiries, the Directors have formed a judgement at the time of approving these financial statements that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to prepare the financial statements on the going concern basis.

### **Directors' indemnities**

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

### **Auditors**

Deloitte & Touche LLP were the Company's auditors during the year and have expressed their willingness to continue in office as auditors. A resolution to reappoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting of the Company.

### **Annual General Meeting**

The Annual General Meeting of the Company will be held on 15 December 2008 at the Company's Registered Offices.

**D P Levy** Chairman  
29 October 2008

## Corporate governance

Compliance with the Principles of Good Governance and Code of Best Practice as appended to the Listing Rules of the Financial Services Authority (the "Combined Code").

### Introduction

The UK Listing Authority requires all listed companies to disclose how they have applied the principles of good governance and complied with the provisions set out in section 1 of the July 2003 FRC Combined Code (the "Code"). Although there is no requirement for an AIM quoted company to comply with the Code, the Directors of Tottenham Hotspur plc (the "Company") have in recent years adopted it as best practice wherever practical and applicable to the size and operation of the Company.

There are currently two Executive Directors (Daniel Levy and Matthew Collecott); and the Board considers that it is adequate for two Executive Directors to deal with the management of a company of this size within this industry and that the independent Non-Executive Directors (Mervyn Davies and Sir Keith Mills) have the ability and authority to ensure the current make up of the Board is appropriate for the Group and its shareholders.

There are three further Principles that the Company does not currently comply with nor does the Board envisage it will comply with in the next year.

- 1 Principle A.2 states that there should be a clear division of responsibilities at the head of the Company between the running of the Board and the executive responsibility for the running of the Company's business. The roles of Chairman and Chief Executive are currently combined. As Chairman and Chief Executive, Daniel Levy is responsible for running both the Board and the Group's business. In the Board's view the independent Non-Executive Directors have the ability and authority to ensure the Group and its shareholders are not disadvantaged by this combination of roles.
- 2 Principle A.4 states that there should be a nomination committee which should lead the process for Board appointments and make recommendations to the Board. The Board considers that a nomination committee is not appropriate due to the relatively small size of the Board.
- 3 Principle A.6 states that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. The Board does not feel it necessary to operate a formal Board evaluation policy because, due to the frequency with which the Board meets (as noted below), any issues concerning the performance of an individual Director would be promptly identified and, if necessary, rectified.

Furthermore, Provision A.3 states that the Board should state its reasons if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the Director has had a material business relationship with the Company as a senior employee of a body that has such a relationship with the Company. The Group invoiced Standard Chartered PLC, of which Mervyn Davies is non-executive Chairman, a total of £19,740 during the year for sponsorship and corporate hospitality services (2007: £101,078). The Board consider that Mervyn Davies remains independent as the services provided were not of a material nature to Standard Chartered PLC as it was in relation to corporate hospitality sales with no ongoing obligations or commitments and was negotiated at arm's length.

### The Board and its Directors

The Executive and Non-Executive Directors are named above. Further details about the Directors are contained within "The Club" section of the Club's website [www.tottenhamhotspur.com](http://www.tottenhamhotspur.com).

Non-Executive Directors are appointed for an initial term of a year and their service contracts provide for a notice period of three months. They are independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement. All Directors are subject to re-election at the first Annual General Meeting following their appointment. The Articles of Association also provide for one-third of the Board to retire by rotation at each Annual General Meeting.

The Board met formally on five occasions during the year to discuss matters specifically reserved for decision by the full Board, which have been separately defined. In addition the Board meets informally on many occasions throughout the year when attending both home and away Tottenham Hotspur fixtures.

The Board is responsible for the development of commercial strategy, monitoring and approval of major business matters and the approval of the financial statements. Prior to each meeting, the Board is furnished with timely financial and non financial information in a form and quality for it to discharge its duties.

The ultimate responsibility for reviewing and approving the Annual and Interim Reports and for ensuring that they present a balanced assessment of the Group's position lies with the Board.

## Corporate governance continued

The Board has established a number of committees and delegates the day-to-day responsibility of managing the Group to the Executive Directors. There are two principal committees of the Board, the Audit and the Remuneration Committees, both of which have defined terms of reference and duties.

The specific terms of reference for all of the Committees may be obtained from the Company Secretary at the Registered Office. The terms and conditions on which Non-Executive Directors are appointed may also be obtained from the Company's Registered Office.

The Company Secretary attends all of the Board and Committee meetings and is responsible for the preparation and distribution of all agenda, minutes and related Board and Committee papers.

A procedure has been established by which Directors are able to take independent professional advice and obtain the appropriate training, deemed necessary in the pursuance of their duties, at the expense of the Company.

### Audit Committee

The Audit Committee (Chairman: E M Davies), which met on two occasions during the year, has responsibility for, among other things, reviewing the scope and results of the audit, the overview of the Annual Report, considering compliance with legal requirements, accounting standards, the AIM rules of the London Stock Exchange, for advising the Board on the requirement to maintain an effective system of internal control and for reviewing the arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Audit Committee meets the external auditors independently from the Executive Directors and reviews matters brought to its attention by the external auditors. The Committee also reviews the objectivity, approach and cost effectiveness of both their audit and non-audit services. In accordance with best practice, the external auditors have confirmed their audit independence in writing to the Committee.

The Committee recommended to the Board that Deloitte & Touche LLP be proposed for reappointment at the forthcoming Annual General Meeting. This recommendation has been accepted and will be proposed to the shareholders.

### Remuneration Committee

The Remuneration Committee (Chairman: Sir K Mills), which met on two occasions during the year, has responsibility for making recommendations to the Board, within agreed terms of reference, on the Company's policy on remuneration and the individual remuneration packages for the Executive Directors, including any compensation payments. Remuneration packages are established when the Directors are appointed.

The Executive Directors may attend meetings at the invitation of the Committee but are not included in discussions concerning their own remuneration package.

A report on Directors' remuneration is set out on pages 30 and 31.

### Internal control

The Board complies with the Combined Code recommendations and revised guidance on internal control and maintains a sound system of internal control to safeguard shareholders' investments and Company assets.

The Board is responsible for the Group's system of internal control. A process of identifying, evaluating and managing the significant risks faced by the Group was in place from the start of the year and to the date of approval of the Annual Report, and is in accordance with Turnbull guidance. Any system of controls can, however, only provide reasonable and not absolute assurance against material misstatement and loss.

The key features of the financial controls of the Group, which have been in place throughout the year ended 30 June 2008 and up to the date of approval of this Annual Report, include a comprehensive system of financial reporting, budgeting and forecasting, and clearly communicated accounting policies and procedures. Financial control is monitored centrally and authorisation of expenditure is closely monitored by the Executive Directors. The Executive Directors receive selected information daily. Income statement, balance sheet and cash flow information is prepared each month and reviewed by relevant Executives. The Board is furnished with regular financial information. The public release of the Annual and Interim Reports is not made until it has been reviewed by the Board.

In addition to financial controls, there is an established "whistle blowing" procedure in place where employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Working groups have also been established involving management, external consultants and operational staff at all levels. Cross group meetings take place to ensure that the risks arising are reviewed, communicated and clearly understood and steps have been taken to ensure the controls in place mitigate, minimise or prevent their eventuality. The Executive Directors discuss key issues at Board meetings. The Board feels that this allows it to review the effectiveness of internal controls and is sufficient to ensure that key risks are identified in a timely manner, evaluated by the correct level of management, and mitigated, where possible, through a system of control measures and reported upon satisfactorily. Given the Group's size the Board does not consider that it would be appropriate to have its own internal audit function at present.

## Financial reporting

Detailed reviews of the year are included in the Chairman's Statement and Financial Review on pages 18 to 23. The Board uses these and the Directors' Report to present a balanced and understandable assessment of the Company's position and future prospects. The Directors' responsibilities for the preparation of the financial statements are described below.

## Relationships with shareholders

The Board recognises the importance of maintaining strong relationships with its shareholders. The Directors seek to build on a mutual understanding of objectives between the Company and shareholders and communicate with private and institutional investors through the Club's website, [www.tottenhamhotspur.com](http://www.tottenhamhotspur.com) and all other media channels available to them.

All shareholders will be given at least 21 working days' notice of the forthcoming Annual General Meeting at which all Executive and Non-Executive Directors and key staff will be available to answer questions from shareholders.

## Statement of Directors' responsibilities

for preparing the financial statements

The Directors are responsible for preparing the Annual Report, Directors' Remuneration 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. The Directors are required by the IAS Regulation to prepare the Group financial statements under International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Group financial statements are also required by law to be properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation.

International Accounting Standard 1 requires that IFRS financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- 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.

The Directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The parent company financial statements are required by law to give a true and fair view of the state of affairs of the Company. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the parent company financial statements comply with the Companies Act 1985. 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.

# Remuneration report

## Introduction

This report has been prepared in accordance with Schedule 7A to the Companies Act 1985.

As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditors to report to the Group's members on certain parts of the Directors' remuneration report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Companies Act 1985. The report has therefore been divided into separate sections for audited and unaudited information.

## Unaudited information

### Policy on the remuneration and incentivisation of employees

In order to ensure that the Group attracts, retains and motivates Executives, the policy of the Board is to ensure that the remuneration of the Directors and senior management reflects their duties, experiences and responsibilities.

All Executive Directors have contracts with an indefinite term providing for a maximum of one year's notice. The service contracts of all Executive Directors provide for one year's compensation on termination.

All Non-Executive Directors have specific terms of engagement and their remuneration is determined by the Board within the limits set by the Articles of Association and based on independent surveys of fees paid to Non-Executive Directors of similar companies. Non-Executive Directors cannot participate in any of the Company's share option schemes.

### Remuneration package

There are five main elements of the remuneration package for Executive Directors and senior management:

- 1 basic annual salary (including Directors' fees) and benefits;
- 2 annual bonus payments;
- 3 share option incentives;
- 4 pension arrangements; and
- 5 performance-based loyalty scheme.

### Basic annual salary and benefits

Executive Directors, with the exception of the Chairman, are paid a basic salary, which is reviewed annually by the Remuneration Committee. The basic salary reflects the Executive's experience and job responsibilities. The Remuneration Committee also takes into account information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies. The fees for the Chairman of the Group, Daniel Levy, are payable to ENIC Group. This fee is reviewed annually by the Remuneration Committee. In addition to a basic salary, the Executive Directors are entitled to be provided with certain benefits in kind, principally the provision of private healthcare and a fully expensed company car.

### Annual bonus payments

Bonuses, where paid, are defined by the Company's Executive incentive scheme, which predefines specific key performance indicators against which the Remuneration Committee evaluate the Executive's performance.

### Share option incentives

An Executive Share Option Scheme exists for both Executive Directors and employees. At the current time the Group has chosen not to remunerate its employees and Directors with share options. No share options have been issued to employees and Directors since 4 April 1999. This policy will continue to be reviewed each financial year. Options granted previously were made on a discretionary basis by the Board.

### Pension arrangements

The Company does not operate its own pension scheme but a stakeholder pension scheme is available to all employees. During the year the Company made payments to an external scheme on behalf of Matthew Collecott. The only element of remuneration which is pensionable is the basic annual salary.



## Performance-based loyalty scheme

Aggregate emoluments of Directors disclosed below do not include any amounts in respect of the Senior Executives' loyalty bonus scheme, a scheme which was awarded in January 2007. During the year Matthew Collecott's award could equate to £150,000 subject to the criteria below being met. This same amount would accrue for each of the next four years and be receivable in tranches as outlined below:

### Notes

- Amounts payable in two tranches, the first after three years from the commencement date (the date the Executive is informed of his bonus) and the second after five years from the same date;
- The payment of the first tranche is conditional on achieving aggregate earnings before interest, tax, depreciation and amortisation (EBITDA) of £45m or more over the three year ends following the commencement date. EBITDA is calculated pre football trading.
- The payment of the second tranche is conditional on the above conditions being met as well as achieving aggregate EBITDA of £30m per annum in the third and fourth years after commencement.
- Executive Directors are only entitled to receive their entitlement provided they remain in employment at the date they are entitled to receive their first and second tranches.

## Audited information

### Directors' remuneration

The aggregate emoluments of the Directors of the Company for the year were £1,393,672 (2007: £1,314,710). Contributions to pension schemes were £22,500 (2007: £20,004) as detailed below.

Details of the remuneration of the Directors individually and in total are shown below:

	Fees £	Salary £	Bonus £	Benefits- in-kind £	Sub total £	Pension £	Year to 30 June 2008 Total £	Year to 30 June 2007 Total £
D P Levy*	1,000,000	–	–	–	1,000,000	–	<b>1,000,000</b>	950,000
M J Collecott	–	225,000	150,000	8,672	383,672	22,500	<b>406,172</b>	377,214
E M Davies**	5,000	–	–	–	5,000	–	<b>5,000</b>	5,000
Sir K Mills**	5,000	–	–	–	5,000	–	<b>5,000</b>	2,500
	1,010,000	225,000	150,000	8,672	1,393,672	22,500	<b>1,416,172</b>	1,334,714

\* The fees of the Chairman, Daniel Levy, were paid to ENIC Group.

\*\* Non-Executive Directors.

Approved by the Remuneration Committee.

### Sir K Mills

Chairman of the Remuneration Committee  
29 October 2008

## **Independent auditors' report**

to the members of Tottenham Hotspur plc

We have audited the Group financial statements of Tottenham Hotspur plc for the year ended 30 June 2008, which comprise of the consolidated income statement, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes 1 to 30. These Group financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

We have reported separately on the parent company financial statements of Tottenham Hotspur plc for the year ended 30 June 2008.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view, whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the part of the Directors' Remuneration Report described as having been audited has been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Group financial statements.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited Group financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements and the part of the Directors' Remuneration Report to be audited.

## Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation;
- the part of the Directors' Remuneration Report described as having been audited has been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Group financial statements.

### **Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
United Kingdom  
29 October 2008

# Consolidated income statement

as at 30 June 2008

## Continuing operations

	Note	Year ended 30 June 2008			Year ended 30 June 2007 Total (note 2) £'000
		Operations, excluding football trading* £'000	Football trading* £'000	Total £'000	
<b>Revenue</b>	5	<b>114,788</b>	–	<b>114,788</b>	103,091
Operating expenses	6	<b>(87,327)</b>	<b>(36,971)</b>	<b>(124,298)</b>	(92,195)
<b>Operating profit/(loss)</b>		<b>27,461</b>	<b>(36,971)</b>	<b>(9,510)</b>	10,896
Profit on disposal of intangible fixed assets	9	–	<b>16,362</b>	<b>16,362</b>	18,721
<b>Profit from operations</b>	7	<b>27,461</b>	<b>(20,609)</b>	<b>6,852</b>	29,617
Finance income	10			<b>1,797</b>	1,419
Finance costs	10			<b>(5,662)</b>	(3,291)
<b>Profit on ordinary activities before taxation</b>				<b>2,987</b>	27,745
Tax	11			<b>(2,018)</b>	(8,587)
<b>Profit for the period from continuing operations</b>	24			<b>969</b>	19,158
Earnings per share from continuing operations – basic	12			<b>1.0p</b>	20.6p
Earnings per share from continuing operations – diluted	12			<b>1.0p</b>	11.0p

\* Football trading represents the amortisation, impairment, and the 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 recognised income and expense is presented.

# Consolidated balance sheet

as at 30 June 2008

	Note	30 June 2008 £'000	30 June 2007 £'000
<b>Non-current assets</b>			
Property, plant and equipment	14	<b>74,130</b>	51,057
Intangible assets	13	<b>62,423</b>	71,061
		<b>136,553</b>	122,118
<b>Current assets</b>			
Inventories	15	<b>1,884</b>	1,219
Trade and other receivables	16	<b>41,292</b>	29,843
Current tax receivable		<b>2,182</b>	–
Cash and cash equivalents	17	<b>35,283</b>	28,283
		<b>80,641</b>	59,345
<b>Total assets</b>		<b>217,194</b>	181,463
<b>Current liabilities</b>			
Trade and other payables	18	<b>(77,496)</b>	(60,045)
Current tax liabilities	18	<b>–</b>	(5,747)
Interest bearing loans and borrowings	18	<b>(7,798)</b>	(5,698)
Provisions	18	<b>(5,602)</b>	(683)
		<b>(90,896)</b>	(72,173)
<b>Non-current liabilities</b>			
Interest bearing overdrafts and loans	19	<b>(57,187)</b>	(39,756)
Trade and other payables	19	<b>(14,607)</b>	(17,785)
Deferred grant income	19	<b>(2,143)</b>	(2,205)
Deferred tax liabilities	19/20	<b>(9,751)</b>	(3,416)
		<b>(83,688)</b>	(63,162)
<b>Total liabilities</b>		<b>(174,584)</b>	(135,335)
<b>Net assets</b>		<b>42,610</b>	46,128
<b>Equity</b>			
Share capital	22	<b>4,639</b>	4,631
Share premium		<b>11,637</b>	11,556
Equity component of convertible redeemable preference shares ("CRPS")	23	<b>3,806</b>	3,838
Revaluation reserve		<b>2,288</b>	2,336
Capital redemption reserve		<b>595</b>	565
Retained earnings		<b>19,645</b>	23,202
<b>Total equity</b>	24	<b>42,610</b>	46,128

These financial statements were approved by the Board of Directors on 29 October 2008.

Signed on behalf of the Board of Directors



**D P Levy** Chairman  
29 October 2008

## Consolidated statement of changes in equity

for the year ended 30 June 2008

	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 as at 1 July 2007	4,631	11,556	3,838	2,336	565	23,202	46,128
Profit for the period	–	–	–	–	–	969	969
Amortisation of revaluation reserve	–	–	–	(48)	–	48	–
Ordinary 5p shares redeemed during the year	(30)	–	–	–	30	(841)	(841)
CRPS converted in the period	38	81	(32)	–	–	–	87
Final dividend on equity shares relating to year ended 30 June 2007	–	–	–	–	–	(3,733)	(3,733)
<b>At 30 June 2008</b>	<b>4,639</b>	<b>11,637</b>	<b>3,806</b>	<b>2,288</b>	<b>595</b>	<b>19,645</b>	<b>42,610</b>

for the period ended 30 June 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 as at 1 July 2006	4,646	11,556	3,838	2,384	550	4,287	27,261
Profit for the period	–	–	–	–	–	19,158	19,158
Amortisation of revaluation reserve	–	–	–	(48)	–	48	–
Ordinary 5p shares redeemed during the year	(15)	–	–	–	15	(291)	(291)
At 30 June 2007	4,631	11,556	3,838	2,336	565	23,202	46,128

## Consolidated statement of cash flows

for the year ended 30 June 2008

	Note	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
<b>Cash flow from operating activities</b>			
Profit from operations		6,852	29,617
<b>Adjustments for:</b>			
Amortisation and impairment of intangible assets		35,057	18,832
Profit on disposal of intangible assets		(16,362)	(18,721)
Loss/(profit) on disposal of property, plant and equipment		14	(14)
Depreciation of property, plant and equipment		2,877	2,231
Capital grants release		58	69
Foreign exchange loss/(profit)		1,319	(145)
Increase in trade and other receivables		(4,225)	(14,138)
Increase in inventories		(668)	(444)
Increase/(decrease) in trade and other payables		10,327	(8,765)
<b>Cash flow from operations</b>		<b>35,249</b>	<b>8,522</b>
Interest paid		(3,164)	(826)
Interest received		1,094	1,150
Income tax paid		(3,610)	(5,176)
<b>Net cash flow from operating activities</b>		<b>29,569</b>	<b>3,670</b>
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment, net of proceeds		(25,962)	(3,512)
Acquisitions of intangible assets		(27,456)	(53,474)
Proceeds from sale of intangible assets		16,222	27,849
<b>Net cash flow from investing activities</b>		<b>(37,196)</b>	<b>(29,137)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(3,733)	–
Redemption of ordinary shares		(841)	(291)
Proceeds from borrowings		20,916	20,000
Debt issue costs		(275)	(200)
Repayments of borrowings		(1,440)	(340)
<b>Net cash flow from financing activities</b>		<b>14,627</b>	<b>19,169</b>
Net increase/(decrease) in cash and cash equivalents		7,000	(6,298)
Cash and cash equivalents at start of the period		28,283	34,581
<b>Cash and cash equivalents at end of year</b>	17	<b>35,283</b>	<b>28,283</b>

# Notes to the consolidated accounts

## 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.

Tottenham Hotspur plc is a company incorporated in the United Kingdom under the Companies Act 1985. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 24.

### Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with article 4 of the EU IAS regulation. Refer to note 2 for an explanation of the transition to IFRS.

### Basis of consolidation

The Group financial statements incorporate the financial statements of Tottenham Hotspur plc ("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 match day revenue are 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.

### Grants receivable

Grants receivable are credited to a deferred credit account and released to the income statement over the estimated useful life of the asset in respect of which they are receivable.

### 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

The costs associated with the acquisition of player and key football management staff registrations are capitalised as intangible fixed assets. 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. 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, and where the reduction in value is considered permanent.

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 and where the reduction in value is considered permanent.

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, as detailed in note 2.

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.

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.



## 1. Accounting policies and critical accounting judgements continued

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 for the period to which they relate.

### 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.

### 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 differs 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 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 capitalise 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.

### 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 are 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 interest 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.

### 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.

## Notes to the consolidated accounts continued

### 1. Accounting policies and critical accounting judgements continued

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.

#### Adoption of new and revised standards

In the current year, the Group has adopted IFRS 7 "Financial Instruments: Disclosures" which is effective for annual reporting periods beginning on or after 1 January 2007, and the related amendment to IAS 1 "Presentation of Financial Statements". The impact of the adoption of IFRS 7 and the changes to IAS 1 has been to expand the disclosures provided in these financial statements regarding the Group's financial instruments and risk management (see note 21).

#### Interpretations effective in 2007 but not relevant

Several interpretations have been made effective for periods beginning after 1 January 2007, but none are considered to have material relevance to the Group financial statements.

#### Standard adopted by the EU but not yet effective

IFRS 8 "Operating Segments" was available for early adoption at the date of authorisation of these financial statements, but has not been applied by the Group.

The Directors anticipate that the adoption of this standard in future periods will have no material impact on the financial statements of the Group except the additional segment disclosures when IFRS 8 comes into effect for periods commencing on or after 1 January 2009.

#### Critical accounting judgements and estimates

In the application of the Group's accounting policies, which are described in note 1, 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 Directors, 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

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.

#### Current taxation

The complex nature of tax legislation under in which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed.

#### Property, plant and equipment

The assets classified under in the course of construction relate to the Group's two main ongoing capital projects: the proposed Northumberland Development and the development of the new Training Centre. IAS 16 requires that for an asset to be capitalised it must result in a probable economic benefit. In order for the Northumberland Development to generate a probable economic benefit the Directors have had to assess the likelihood of the Development being granted planning permission, obtaining financing and generating sufficient demand to fill an enlarged stadium. The Development is in its early stages and although the Group has not yet obtained planning permission or financing the Directors are confident they will do so in the future. The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the Development will proceed. The Development will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the Development does not proceed such as professional fees and properties whose market value is below cost, would need to be written off at that time. The new Training Centre received planning permission in the year and the Directors believe that the development will break ground in 2009 and that the completion of the overall project is probable.

## 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 financial performance from UK GAAP to IFRS

	Year ended 30 June 2007 £'000
Profit for the period as previously reported under UK GAAP	<b>18,895</b>
IFRS adjustments:	
Intangible assets (IAS 38)	<b>176</b>
Discounting of long-term receivables and payables (IAS 39)	<b>(156)</b>
Unwinding of deferred tax discount (IAS 12)	<b>153</b>
Deferred tax on business combinations (IAS 12)	<b>90</b>
Profit for the period as restated under IFRS	<b>19,158</b>

### Reconciliation of financial position from UK GAAP to IFRS

	As at 30 June 2007 £'000	As at 1 July 2006 £'000
Total equity as previously reported under UK GAAP	<b>48,560</b>	29,877
IFRS adjustments:		
Intangible assets (IAS 38)	<b>(1,928)</b>	(585)
Discounting of long-term receivables and payables (IAS 39)	<b>1,369</b>	85
Unwinding of deferred tax discount (IAS 12)	<b>(1,603)</b>	(1,756)
Deferred tax on business combinations (IAS 12)	<b>(270)</b>	(360)
Total equity as restated under IFRS	<b>46,128</b>	27,261

The transition to IFRS has had no significant impact on the cash flows of the Group.

#### 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 asset and the income statement amortisation charge.

#### IAS 39 Financial instruments: recognition and measurement

In accordance with IAS39 "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. 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.

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 12 Income tax

- 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.
- Deferred tax arising on business combinations; IAS12 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.

## Notes to the consolidated accounts continued

### 3. Segmental analysis

It should be noted that the Group's primary area of activity is participation in national and international football competitions, therefore the economic and asset components of the balance sheet can be attributed essentially to this type of activity. The Group's secondary segment is property development for the purpose of a new stadium.

Class of Business	Football		Property		Group	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000	2008 £'000	2007 £'000
<b>Revenue</b>	<b>114,612</b>	103,088	<b>176</b>	3	<b>114,788</b>	103,091
Segment operating profit/(loss)	<b>27,975</b>	29,811	<b>(514)</b>	(83)	<b>27,461</b>	29,728
Player trading operating costs	<b>(36,971)</b>	(18,832)	–	–	<b>(36,971)</b>	(18,832)
Profit on disposal of player registrations	<b>16,362</b>	18,721	–	–	<b>16,362</b>	18,721
Net finance charges	<b>(3,305)</b>	(1,872)	<b>(560)</b>	–	<b>(3,865)</b>	(1,872)
<b>Profit/(loss) before taxation</b>	<b>4,061</b>	27,828	<b>(1,074)</b>	(83)	<b>2,987</b>	27,745
<b>Non-current asset additions</b>	<b>36,701</b>	68,919	<b>23,022</b>	2,002	<b>59,723</b>	70,921
Total assets	<b>181,149</b>	176,521	<b>36,045</b>	4,942	<b>217,194</b>	181,463
Total liabilities	<b>(136,873)</b>	(129,970)	<b>(37,711)</b>	(5,365)	<b>(174,584)</b>	(135,335)
<b>Segment net assets/(liabilities)</b>	<b>44,276</b>	46,551	<b>(1,666)</b>	(423)	<b>42,610</b>	46,128

The majority of the Group's operations are conducted in the United Kingdom.

### 4. Analysis of comparative income statement

	2007		
	Operations, excluding football trading £'000	Football trading £'000	Total £'000
Revenue	103,091	–	103,091
Operating expenses	(73,363)	(18,832)	(92,195)
Operating profit/(loss)	29,728	(18,832)	10,896
Profit on disposal of intangible assets	–	18,721	18,721
Profit from operations	29,728	(111)	29,617

### 5. Revenue

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

	2008 £'000	2007 £'000
<b>Revenue comprises:</b>		
Gate receipts – Premier League	<b>18,274</b>	18,069
Gate receipts – Cup competitions	<b>10,341</b>	12,770
Sponsorship and corporate hospitality	<b>27,778</b>	25,427
Media and broadcasting	<b>40,329</b>	33,734
Merchandising	<b>9,723</b>	7,051
Other	<b>8,343</b>	6,040
	<b>114,788</b>	103,091

All revenue derives from the Group's principal activity in the United Kingdom and is shown exclusive of VAT.

In addition to the amounts shown, the Group recognised finance income of £1,797,000 in 2008 and £1,419,000 in 2007 as set out in note 10. Consequently total revenue is £116,585,000 (2007: £104,510,000).

## 6. Operating expenses

	2008 £'000	2007 £'000
Staff costs	52,921	43,804
Depreciation of property, plant and equipment	2,877	2,231
Other operating costs	31,529	27,328
<b>Operating expenses excluding football trading</b>	<b>87,327</b>	73,363
Amortisation, impairments and other net football trading income and expenditure	36,971	18,832
<b>Total operating expenses</b>	<b>124,298</b>	92,195

## 7. Profit from operations

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

	2008 £'000	2007 £'000
Depreciation of property, plant and equipment:		
– owned	2,877	2,231
Amortisation and impairment of intangible fixed assets	37,268	18,942
Amortisation of grants	(58)	(69)
Restructuring	4,663	–
Property project costs*	–	365
Charitable donations	50	84
Operating lease rentals:		
– land and buildings	145	143
– other	174	197

\* Following the decision to develop current and adjacent site these costs have been capitalised in the financial year ended 30 June 2008.

The analysis of auditors' remuneration is as follows:

	2008 £'000	2007 £'000
Fees payable to the Company's auditors for statutory services:		
– audit of the Company's accounts	20	14
– audit of the accounts of the Company's subsidiaries	65	56
<b>Total audit fees</b>	<b>85</b>	70
Other services:		
– tax services	135	40
– other services pursuant to legislation	43	11
<b>Total non-audit fees</b>	<b>178</b>	51
<b>Total fees</b>	<b>263</b>	121

Fees for the audit of the Company's subsidiaries accounts represent the fees payable to Deloitte & Touche 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 IFRSs.

Tax services relate mainly to assessing the tax implications of significant corporate transactions. Other services relate primarily to providing advice on accounting matters.

## Notes to the consolidated accounts continued

### 8. Staff numbers and costs

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

	2008 Number	2007 Number
Players and football administration staff	144	123
Tottenham Hotspur Community staff (now Tottenham Hotspur Foundation)	–	6
Administration staff	90	79
Retail and distribution staff	40	33
	<b>274</b>	241

The aggregate payroll costs of these employees was as follows:

	[2008] £'000	[2007] £'000
Salaries and bonuses	47,432	39,138
Social security costs	5,405	4,590
Other pension costs	84	76
	<b>52,921</b>	43,804

In addition the Group employs on average 570 temporary staff on match days (2007: 586).

In addition to the above payroll costs, redundancy costs of £360,347 (2007: £116,000) were also charged to the income statement during the year.

As at 1 November 2006 Tottenham Hotspur Community became Tottenham Hotspur Foundation, a separate legal entity from the Group.

### 9. Profit on disposal of intangible fixed assets

	2008 £'000	2007 £'000
Proceeds	22,618	23,075
Net book value of disposals	<b>(6,256)</b>	(4,354)
	<b>16,362</b>	18,721

### 10. Financial income and costs

	2008 £'000	2007 £'000
Interest income	1,094	1,152
Notional interest income on deferred receipts for players' registrations	703	267
	<b>1,797</b>	1,419
	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Interest expense	<b>(2,961)</b>	(1,669)
Notional interest income on deferred payments for players' registrations	<b>(1,633)</b>	(491)
Amortisation of debt issue costs	<b>(75)</b>	(40)
Interest charge on CRPS liability	<b>(993)</b>	(1,091)
	<b>(5,662)</b>	(3,291)

## 11. Tax charge on ordinary activities

	2008 £'000	2007 £'000
<b>Current tax</b>		
UK corporation tax charge on profits for the year	336	9,075
Rollover relief in respect of players disposed of and purchased in prior years	(4,880)	–
Other prior year adjustments	226	–
Current tax (credit)/charge	<b>(4,318)</b>	9,075
<b>Deferred tax</b>		
Origination and reversal of timing differences	(493)	(281)
Rollover relief deferred in respect of players disposed of and purchased in prior years	4,794	–
Rollover relief deferred in respect of players disposed of and purchased in current year	2,067	–
Other prior year adjustments	(32)	(207)
Deferred tax charge/(credit)	<b>6,336</b>	(488)
Total tax charge on ordinary activities	<b>2,018</b>	8,587

### Reconciliation of total tax charge

	2008 £'000	2007 £'000
Profit on ordinary activities before taxation	2,987	27,745
Tax on profit on ordinary activities before taxation at the UK statutory rate of 30%/28% (2007: 30%)	881	8,323
Expenses not deductible	764	642
Depreciation for which no tax relief is available	335	350
Net impact of rollover relief in respect of players disposed of and purchased in prior years	(86)	–
Difference in tax rates	(88)	(249)
Other prior year adjustments	212	(438)
Utilisation of tax losses	–	(41)
Total tax charge on ordinary activities	<b>2,018</b>	8,587

In the March 2007 budget it was announced that the rate of corporation tax would be reduced from the current rate of 30% to a rate of 28% with effect from 1 April 2008. The effective tax rate for the year is 29.5% (2007: 30%).

Other than the provision for deferred tax and the items referred to above (see note 19), there are no items which would materially affect future tax charges.

## 12. Earnings per share

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

	2008 £'000	2007 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Company	969	19,158
Accretion of CRPS liability	993	1,091
Earnings for the purpose of diluted earnings per share	<b>1,962</b>	20,249
	<b>Number</b>	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>93,032,204</b>	92,843,042
Convertible redeemable preference shares	<b>91,075,534</b>	91,845,600
	<b>184,107,738</b>	184,688,642
Basic earnings per share	<b>1.0p</b>	20.6p
Diluted earnings per share	<b>1.0p</b>	11.0p

There are no ordinary share options outstanding at the year end (2007: nil). On conversion the fully diluted share capital at year end would be 183,862,111 shares (2007: 184,463,721 shares).

In the current year, the CRPS are antidilutive because their conversion to ordinary shares and associated accretion of CRPS liability would increase earnings per share. Therefore, diluted earnings per share does not assume conversion.

## Notes to the consolidated accounts continued

### 13. Intangible assets

	£'000
<b>Cost of registrations</b>	
At 1 July 2007	105,944
Additions	32,675
Disposals	(17,541)
<b>At 30 June 2008</b>	<b>121,078</b>
<b>Amortisation and impairment of registrations</b>	
At 1 July 2007	34,883
Charged in year – amortisation and impairment	35,057
Disposals	(11,285)
<b>At 30 June 2008</b>	<b>58,655</b>
<b>Net book value of registrations</b>	
<b>At 30 June 2008</b>	<b>62,423</b>
At 30 June 2007	71,061

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 five years.

### 14. Property, plant and equipment

Group	Land and buildings		Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
	Freehold £'000	Short leasehold £'000				
<b>Cost or valuation</b>						
At 1 July 2007	54,763	213	194	16,112		71,282
Additions	15,662	–	39	2,913	7,363	25,977
Disposals	–	–	(68)	(15)	–	(83)
Transfer to Assets Under Construction	(17,897)	(212)	–	–	17,531	(578)
<b>At 30 June 2008</b>	<b>52,528</b>	<b>1</b>	<b>165</b>	<b>19,010</b>	<b>24,894</b>	<b>96,598</b>
<b>Depreciation</b>						
At 1 July 2007	7,757	1	87	12,380	–	20,225
Eliminated on disposal	–	–	(54)	(2)	–	(56)
Charged in the year	1,006	2	40	1,829	–	2,877
Transfer to Assets Under Construction	(576)	(2)	–	–	–	(578)
<b>At 30 June 2008</b>	<b>8,187</b>	<b>1</b>	<b>73</b>	<b>14,207</b>	<b>–</b>	<b>22,468</b>
<b>Net book value</b>						
<b>At 30 June 2008</b>	<b>44,342</b>	<b>–</b>	<b>91</b>	<b>4,803</b>	<b>24,894</b>	<b>74,130</b>
At 30 June 2007	47,006	212	107	3,732	–	51,057



## 14. Property, plant and equipment continued

Group	Land and buildings					Total £'000
	Freehold £'000	Short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	
<b>Cost or valuation comprises:</b>						
At cost	10,508	–	165	19,010	24,894	54,577
At 1998 valuation	42,020	1	–	–	–	42,021
<b>At 30 June 2008</b>	<b>52,528</b>	<b>1</b>	<b>165</b>	<b>19,010</b>	<b>24,894</b>	<b>96,598</b>

The Group's property interests were valued at £42,340,000 as at 31 July 1998 by Drivers Jonas who acted as independent valuers. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors' Appraisal & Valuation Manual. The Stadium was valued on the basis of depreciated replacement cost; existing use value was adopted for other properties occupied for the purpose of the business and other properties were valued on the basis of open market value.

The net book value in the accounts of the properties, prior to the valuation, was £42,261,000. No adjustment to the net book value was made at 31 July 1998 because the difference was immaterial. Since 31 July 1998, none of the valued properties have been disposed of.

All land and building additions since 31 July 1998 are included in the balance sheet at cost.

The revaluation surplus is disclosed in the consolidated statement of changes in equity. The revaluation surplus arises in a subsidiary and cannot be distributed to the parent due to legal restrictions in the country of incorporation.

The Directors are not aware of any material change in value to the Group's properties.

Land & Buildings that are currently held for the Northumberland Development Project have been transferred at their Net Book Value into Assets Under Construction. In the event that the proposed Northumberland Development does not proceed, £4,900,000 of professional fees capitalised in the year to 30 June 2008 would need to be written off.

## 15. Inventories

	2008 £'000	2007 £'000
Inventories	<b>1,884</b>	1,219

Inventories comprise merchandising goods held for resale.

## 16. Trade and other receivables

	2008 £'000	2007 £'000
Trade receivables due in less than one year	<b>22,309</b>	21,081
Trade receivables due in more than one year	<b>6,624</b>	688
Other taxation	–	546
Other receivables	<b>7,246</b>	2,111
Prepayments and accrued income	<b>5,113</b>	5,417
	<b>41,292</b>	29,843

Trade receivables above include £15,601,000 (2007: £8,378,000) in respect of the disposal of players' registrations.

The Directors consider the carrying amount of trade and other receivables approximates their fair value.

Refer to note 21 for disclosures relating to debtors ageing and other credit risk considerations.

**Notes to the consolidated accounts** continued**17. Cash and cash equivalents**

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

	2008 £'000	2007 £'000
Bank balances	<b>35,267</b>	28,268
Petty cash	<b>16</b>	15
Cash and cash equivalents	<b>35,283</b>	28,283

The carrying amount of these assets approximates their fair value.

**18. Current liabilities**

	2008 £'000	2007 £'000
Bank loans (secured)	<b>1,700</b>	40
Other loans (secured)	<b>1,049</b>	976
CRPS liability	<b>5,049</b>	4,682
Interest bearing loans and borrowings	<b>7,798</b>	5,698
Trade payables	<b>20,557</b>	10,016
Corporation tax	–	5,747
Other tax and social security	<b>6,605</b>	2,460
Other payables	<b>3,703</b>	3,200
Accruals and deferred income	<b>46,631</b>	44,369
Provisions	<b>5,602</b>	683
	<b>90,896</b>	72,173

Trade payables above include £16,531,000 in respect of the acquisition of players' registrations (2007: £6,747,000).

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.

**19. Non-current liabilities**

	2008 £'000	2007 £'000
Bank loans (secured)	<b>20,403</b>	1,814
Other loans (secured)	<b>26,689</b>	27,734
CRPS liability	<b>10,095</b>	10,208
Interest bearing loans and borrowings	<b>57,187</b>	39,756
Trade payables	<b>12,735</b>	14,554
Other payables	<b>1,872</b>	3,231
Grants (deferred credits)	<b>2,143</b>	2,205
Deferred tax liabilities	<b>9,751</b>	3,416
	<b>83,688</b>	63,162

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

Bank loans of £1,813,000 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 from September 2004. Interest will be 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 £28,000 of associated loan arrangement costs which are being amortised over the term of the loans.

During the year an additional non-recourse £75,000,000 bank facility has been obtained. £11,250,000 of this loan was to refinance the existing debt of the Group incurred in respect of the acquisition of certain properties, of which £375,000 was repaid during the year. The remainder of the facility is available to draw upon to acquire further properties. At the balance sheet date a further £9,666,000 had been drawn to facilitate property acquisitions. The bank loans are shown in the financial statements net of £252,000 of associated loan arrangement costs which are being amortised over the term of the loans.

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.

## 19. Non-current liabilities continued

The £20,000,000 loan notes plus additional Club funds have been set aside for the First Team and New Training Centre project. These loan notes are repayable in equal instalments over 16 years from September 2007.

The loan notes are secured against the White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £28,142,000 of the loan notes are outstanding. The loan notes are shown in the financial statements net of £404,000 of associated debt issue costs which are being amortised over the term of the loan notes.

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:

	2008 £'000	2007 £'000
<b>Bank loans and overdraft</b>		
In one year or less or on demand	1,700	40
In more than one year but not more than two years	1,505	43
In more than two years but not more than five years	4,554	150
In more than five years	14,344	1,621
	<b>22,103</b>	1,854
<b>Other loans</b>		
In one year or less or on demand	1,049	976
In more than one year but not more than two years	1,131	1,052
In more than two years but not more than five years	3,945	3,668
In more than five years	21,613	23,014
	<b>27,738</b>	28,710
<b>CRPS liability</b>		
In one year or less or on demand	5,049	4,682
In more than one year but not more than two years	5,034	5,063
In more than two years but not more than five years	5,061	5,145
In more than five years	–	–
	<b>15,144</b>	14,890
<b>Total borrowings</b>		
In one year or less or on demand	7,798	5,698
In more than one year but not more than two years	7,670	6,158
In more than two years but not more than five years	13,560	8,963
In more than five years	35,957	24,635
	<b>64,985</b>	45,454

### Interest rate profile

The Group has no financial assets excluding short-term debtors, other than the sterling cash deposits of £35,283,000 (2007: £28,283,000) which are part of the financing arrangements of the Group. The sterling cash deposits comprise of deposits placed on money market at call rates.

Interest rate profile of financial liabilities (all sterling)	Total £'000	Floating rate financial liabilities £'000	Fixed rate borrowings		
			Fixed rate financial liabilities £'000	Weighted average interest rate at year end %	Weighted average time for which rate is fixed Years
<b>2008</b>	<b>64,985</b>	<b>37,247</b>	<b>27,738</b>	<b>7</b>	<b>15</b>
2007	45,454	16,744	28,710	7	16

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. The CRPS were included as a fixed rate financial liability at 30 June 2006. The CRPS were redeemable from 31 January 2007 under the terms set out in note 23 at which time they became a floating rate financial liability.

## Notes to the consolidated accounts continued

### 19. Non-current liabilities continued

#### Borrowing facilities

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

	2008 £'000	2007 £'000
Expiring in one year or less or on demand	20,000	15,000
Expiring in more than one year but not more than two years	10,000	–
Expiring in more than five years	54,084	–
<b>Total undrawn committed borrowing facilities</b>	<b>84,084</b>	15,000

This is made up of undrawn bank borrowing facilities of £30,000,000 and the remaining £54,084,000 undrawn facility relating to property acquisitions (see the note above).

#### 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:

	2008		2007	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Other loans	27,738	21,770	28,710	28,992

Short-term debtors and creditors have been excluded from all disclosures.

#### Treasury policy

The Group's operations are currently funded through operating cash flow, loans and the net proceeds from the CRPS issue. 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.

### 20. Provisions for liabilities

	£'000
<b>Contingent transfer fees payable</b>	
At 1 July 2007	683
Provided during the year	2,160
Reversed to income during the year	(263)
Utilised during the year	(263)
<b>At 30 June 2008</b>	<b>2,317</b>
<b>Provisions on player contracts</b>	
At 1 July 2007	–
Provided during the year	3,285
<b>At 30 June 2008</b>	<b>3,285</b>
Deferred taxation	
At 1 July 2007	3,415
Charged to the profit and loss account	6,336
<b>At 30 June 2008</b>	<b>9,751</b>
<b>Total</b>	
<b>At 30 June 2008</b>	<b>15,353</b>
At 30 June 2007	4,098

## 20. Provisions for liabilities continued

Deferred taxation has been provided as follows:

	2008 £'000	2007 £'000
Accelerated capital allowances	3,276	3,385
Deferred tax on properties not qualifying for capital allowances	233	270
Intangible fixed assets	6,257	(240)
Other timing differences	(15)	–
	<b>9,751</b>	<b>3,415</b>

## 21. 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. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in notes 22-24 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, such as trade and other receivables and trade and other payables, which arise directly from its operations. 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 financial assets of the Group are receivables, including cash and cash equivalents, which have a carrying value of £67.9m at the balance sheet date. The financial liabilities of the Group are loans and payables held at amortised cost and total £92.6m.

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
- (iii) Liquidity risk

This note presents information about the Group's exposure to each of the above risks, 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 analyses below have 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 on 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 a 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 2008 would decrease / increase by £65,999 (2007 decrease / increase by £22,656). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans.

## Notes to the consolidated accounts continued

### 21. Financial Instruments continued

#### Foreign currency management

The presentational currency of the Group is UK sterling. The Group is exposed to the currency risk due to movements in foreign currency relative to the 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	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Euro	<b>10,484</b>	14,554	<b>1,031</b>	1,500

#### Foreign Currency Sensitivity Analysis

The Group is mainly exposed to the Euro.

The following table details the Groups sensitivity to a 10% increase and decrease in sterling against the Euro. 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. For a 10% weakening of sterling against the Euro, there would be an equal and opposite impact on profit and retained earnings.

	Euro Impact	
	2008 £'000	2007 £'000
Impact on profit and other equity	<b>1,014</b>	2,054

#### (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 £28.9m, £15.6m relates to amounts receivable from various other football clubs in relation to player trading and £7.6m relates to commercial sponsorship. The maximum credit exposure relates to the total of cash and cash equivalents and trade receivables and is £57.5m.

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. The Group does not consider that it has significant concentration of credit risk.

## 21. Financial Instruments continued

The ageing of trade receivables at the reporting date was:

	Gross receivables 2008 £'000	Provision 2008 £'000	Gross receivables 2007 £'000	Provision 2007 £'000
<b>Non Football</b>				
Not past due	8,014	–	9,158	–
Past due 0 – 30 days	3,827	–	3,344	–
Past due 31 – 90 days	1,149	–	550	–
More than 90 days	343	12	339	66
	<b>13,333</b>	<b>12</b>	13,391	66
<b>Football</b>				
Not past due	15,588	–	7,934	–
Past due 0 – 30 days	–	–	444	–
Past due 31 – 90 days	–	–	–	–
More than 90 days	12	–	–	–
	<b>15,600</b>	<b>–</b>	8,378	–
<b>Total</b>				
Not past due	23,602	–	17,092	–
Past due 0 – 30 days	3,827	–	3,788	–
Past due 31 – 90 days	1,149	–	550	–
More than 90 days	355	12	339	66
	<b>28,933</b>	<b>12</b>	21,769	66
			<b>2008</b>	2007
			£'000	£'000
<b>Movements in the allowance for doubtful debts</b>				
At 1 July			66	693
Provided during the year			11	64
Recovered during the year			(9)	(691)
Utilised during the year			(56)	–
<b>At 30 June</b>			<b>12</b>	<b>66</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 page 49 along with the Group's borrowing facilities as at the balance sheet date.

## Notes to the consolidated accounts continued

### 22. Called-up share capital

	Number	£'000
<b>Authorised:</b>		
<b>At 30 June 2008 – ordinary shares of 5p each</b>	<b>200,000,000</b>	<b>10,000</b>
<b>At 30 June 2008 – CRPS of £78.10 each</b>	<b>60,000</b>	<b>4,686</b>
At 30 June 2007 – ordinary shares of 5p each	200,000,000	10,000
At 30 June 2007 – CRPS of £78.10 each	60,000	4,686
<b>Allotted, called up and fully paid:</b>		
<b>At 30 June 2008 – ordinary shares of 5p each</b>	<b>92,786,577</b>	<b>4,639</b>
<b>At 30 June 2008 – CRPS of £78.10 each</b>	<b>58,307</b>	<b>4,554</b>
At 30 June 2007 – ordinary shares of 5p each	92,618,121	4,631
At 30 June 2007 – CRPS of £78.10 each	58,800	4,592

During the year 601,610 ordinary shares, with a nominal value of £30,081 were purchased by the Company and subsequently cancelled. During the year 493 CRPS were converted to ordinary shares at the rate of 1,562 ordinary shares for each CRPS. The equity component of the CRPS at 30 June 2008 is £3,806,000 (2007: £3,838,000).

### 23. Equity component of convertible redeemable preference shares

The CRPS were issued on 23 January 2004 for consideration of £250 per share. The key terms of the CRPS are as follows:

- no dividend shall be payable until 31 October 2007 (in respect of the period from the third anniversary of issue to 30 September 2007) and thereafter will be payable annually on 31 October in respect of each twelve month period to 30 September at a rate of 1% above the HSBC Bank base rate;
- on 31 October 2007 and on each 31 October thereafter (or, if later, 28 days after the posting of the Company's audited consolidated financial statements for the period ended on the prior 30 June), the CRPS will be convertible into ordinary shares at the election of CRPS holders at the rate of 1,562 ordinary shares for each CRPS;
- the Company may serve notice of its wish to redeem all or any of the CRPS at any time, in which event CRPS holders may elect either to convert or redeem their relevant proportion of CRPS set out in the notice;
- on and after the date falling three years from the date of issue, CRPS holders will be entitled to elect to redeem their CRPS. Once the Company has received elections in respect of more than 50% in number of the CRPS, but not before, it will redeem all of the CRPS in three equal annual tranches on a pro rata basis;
- all of the CRPS still in issue will be redeemed in three equal annual tranches on a pro rata basis on the seventh, eighth and ninth anniversaries of the date of issue;
- the Company will only be obliged to pay dividends or redeem the CRPS on the dates above to the extent that it has sufficient distributable reserves lawfully to do so, otherwise it may defer payment until it is so able;
- the sum to be paid on redemption of each CRPS shall be the amount paid up on such share (including any premium), together with any arrears and accruals of, and interest on, the dividend payable in respect of such share, calculated to the relevant date of redemption;
- CRPS holders are entitled to one vote on a show of hands or, on a poll, one vote per ordinary share that would have been allotted to that CRPS holder had conversion taken place at that time at the conversion rate then applicable. CRPS holders may only vote on resolutions relating to: the winding up of the Company, a reduction in the capital of the Company or the rights attached to the CRPS, or when the Company has been in default, for a period of more than one month, of its obligations relating to the payment of a dividend or the redemption of the shares; and
- on a return of capital or winding up, CRPS holders have the right to receive, in priority to any other classes of shares, the amount of the paid up sum (including any premium paid) in respect of each CRPS on subscription, plus any arrears of dividend.



## 24. Reconciliation of movements in Group shareholders' funds

	2008 £'000	2007 £'000
<b>Opening shareholders' funds</b>	<b>46,128</b>	27,261
Profit/(loss) for the year	<b>969</b>	19,158
Ordinary 5p shares redeemed during the year	<b>(841)</b>	(291)
Dividend payment	<b>(3,733)</b>	–
<b>Conversion of CRPS to ordinary shares</b>	<b>87</b>	–
<b>Net addition/(reduction) to shareholders' funds</b>	<b>(3,518)</b>	18,867
<b>Closing shareholders' funds</b>	<b>42,610</b>	46,128

## 25. 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:

	2008 £'000	2007 £'000
<b>Minimum lease payments:</b>		
Payable within one year	<b>287</b>	143
Payable within two to five years	<b>1,047</b>	93
Payable in more than five years	<b>225</b>	–
	<b>1,559</b>	236
<b>Capital commitments were as follows:</b>		
Contracted	<b>6,393</b>	3,028
Authorised but not contracted	<b>149</b>	69
	<b>6,542</b>	3,097

Contracted capital commitments relate to agreed property acquisitions.

## 26. Net debt

	2008 £'000	2007 £'000
Cash and cash equivalents	<b>35,283</b>	28,283
Securitisation blocked funds for First Team and new Training Centre Project	<b>(19,300)</b>	(20,000)
	<b>15,983</b>	8,283
Bank loans	<b>(1,797)</b>	(1,854)
Securitisation non-blocked funds	<b>(8,438)</b>	(8,710)
Bank Loans – Property	<b>(20,306)</b>	–
<b>Net debt*</b>	<b>(14,558)</b>	(2,281)

\* In addition, the Group has £15.1m of CRPS (2007: £14.9m).

## Notes to the consolidated accounts continued

### 27. 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 £8,999 (2007: £1,720) 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 £5,012 (2007: £nil) was due to the Group from ENIC Group, this has subsequently been paid in full.

Amounts totalling £nil (2007: £2,214) including VAT were incurred during the year by ENIC Group on behalf of the Group.

During the year, the Group invoiced ENIC Group £20,000 (2007: nil) for Opus books. At the balance sheet date £nil (2007: £nil) was due to the Group from ENIC Group.

#### Other

E M Davies is currently non-executive chairman of Standard Chartered PLC. During the year, the Group invoiced Standard Chartered PLC £19,740, (2007: £101,078) including VAT for sponsorship and corporate hospitality services. At the balance sheet date £nil (2007: £44,650) was due to the Group from Standard Chartered PLC.

Tottenham Hotspur Foundation was established on 1 November 2006. During the year the Group invoiced the Foundation for expenses paid on their behalf of £410,054 (2007: £631,245). At the balance sheet date £61,419 (2007: £631,245) was due to the Group from Tottenham Hotspur Foundation.

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2008 or 2007. All of these transactions were at arm's length.

The fees paid to related parties with regard to Directors' emoluments have been disclosed in the Report of the Remuneration Committee on pages 30 and 31.

Key management personnel are deemed to be the Directors. The remuneration of Directors is determined by the Remuneration Committee having regard to the performance of individuals and market trends. Refer to page 31 in the Remuneration Report for details of the Directors remuneration for the year.

### 28. 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. 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 £84,000 (2007: £75,000).

#### Defined benefit scheme

The Group is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). The most recent actuarial valuation of the Scheme was as at 31 August 2005 and indicated that the contribution required from the Group towards making good this deficit was £190,000 at 1 April 2006. The pension cost charged during the year relating to this deficit was £nil (2007: £nil). At the balance sheet date the Group's share of this deficit was £127,000 (2007: £155,000).

### 29. Contingent liabilities and assets

The Company, together with its subsidiaries, has given a multilateral 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 £7,288,000 (2007: £13,609,000).

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 £5,290,000 (2007: £8,151,000).

### 30. Post balance sheet events

Since the balance sheet date the following events have occurred:

L Modric was bought from Dinamo Zagreb  
G Dos Santos was bought from Barcelona  
J Bostock joined from Crystal Palace  
M Ranieri joined from Perugia  
M'Poku Ebunge joined from Standard Liege  
H Gomes was bought from PSV Eindhoven  
D Bentley was bought from Blackburn Rovers  
C Sanchez joined from Real Zaragoza  
V Corluka was bought from Manchester City  
R Pavlyuchenko was bought from Spartak Moscow  
T Forecast was transferred to Southampton  
R Cerny was transferred to Queens Park Rangers  
J Martin was sold to Blackpool  
T Tainio was sold to Sunderland  
P Robinson was sold to Blackburn Rovers  
P Chimbonda was sold to Sunderland  
A Gardner was sold to Hull City  
R Keane was sold to Liverpool  
S Malbranque was sold to Sunderland  
Y Kaboul was sold to Portsmouth  
Y P Lee was sold to Borussia Dortmund  
D Berbatov was sold to Manchester United

First Team management changes include the departures of Juande Ramos, Marcos Alvarez, Gus Poyet and Damien Comolli and the appointment of Harry Redknapp as Manager.

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £12,870,000.

The contingent liability from these transactions amounts to approximately £10,250,000 and the contingent asset amounts to approximately £13,125,000.

Subsequent to the year end the Directors have proposed a final dividend of 4p per share totalling £3,711,463 (2007: £3,733,177). This is subject to shareholder approval at the Annual General Meeting and hence has not yet been included as a liability in these financial statements.

## Five-year review

	June 2008 £'000 IFRS	June 2007 £'000 IFRS	June 2006 £'000 UK GAAP	June 2005 £'000 UK GAAP	June 2004 £'000 UK GAAP
<b>Revenue</b>	<b>114,788</b>	103,091	74,141	70,550	66,324
Profit from operations excluding football trading and before restructuring and depreciation	<b>35,001</b>	31,959	4,587	14,619	11,453
Restructuring and depreciation	<b>(7,540)</b>	(2,231)	(2,226)	(1,807)	(1,718)
Operating profit before football trading	<b>27,461</b>	29,728	2,361	12,812	9,735
Amortisation of registrations and other football related income and expenditure	<b>(36,971)</b>	(18,832)	(11,781)	(12,741)	(10,924)
Profit/(loss) on disposal of intangible fixed assets	<b>16,362</b>	18,721	12,299	5,632	(381)
<b>Profit/(loss) before interest and taxation</b>	<b>6,852</b>	29,617	2,879	5,703	(1,570)
Net interest payable	<b>(3,865)</b>	(1,872)	(2,261)	(793)	(894)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>2,987</b>	27,745	618	4,910	(2,464)
Taxation	<b>(2,018)</b>	(8,587)	(2,193)	(707)	(178)
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>969</b>	19,158	(1,575)	4,203	(2,642)
Other finance costs in respect of non-equity shares	–	–	–	(99)	(50)
Retained profit/(loss)	<b>969</b>	19,158	(1,575)	4,104	(2,692)
<b>Net assets</b>					
Intangible assets	<b>62,423</b>	71,061	30,264	31,348	25,053
Property plant and equipment	<b>74,130</b>	51,057	49,762	49,105	48,219
Net current liabilities*	<b>(10,255)</b>	(12,828)	(20,008)	(17,423)	(12,730)
<b>Total assets less net current liabilities*</b>	<b>126,298</b>	109,290	60,018	63,030	60,542
Provisions and creditors – amounts falling due after more than one year	<b>(83,688)</b>	(63,162)	(30,062)	(17,217)	(18,278)
Net assets	<b>42,610</b>	46,128	29,956	45,813	42,264
Basic earnings/(loss) per share	<b>1.0p</b>	20.6p	(1.7p)	4.2p	(2.6p)

\* Including portion of provisions for liabilities falling due within one year.

The amounts for 2004 to 2006 are stated on the basis of UK GAAP because it is not practicable to restate amounts for periods prior to the date of transition to IFRS. The principal differences between UK GAAP and IFRS have been discussed in note 2 of the Group financial statements.

# Independent auditors' report

as at 30 June 2008

## Independent auditors' report to the members of Tottenham Hotspur plc

We have audited the parent company financial statements of Tottenham Hotspur plc ("the Company") for the year ended 30 June 2008 ("the Company's financial statements") which comprise The Company's balance sheet and the related notes 1 to 11. These parent company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Tottenham Hotspur plc and its subsidiaries for the year ended 30 June 2008 and on the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The Directors' responsibilities for preparing the Annual Report and the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Company's financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the Company's financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited Company's financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent company financial statements.

## Opinion

In our opinion:

- the Company's financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2008;
- the Company's financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Company's financial statements.

## Deloitte & Touche LLP

Chartered Accountants and Registered Auditors  
United Kingdom  
29 October 2008

**Company balance sheet**

as at 30 June 2008

	Note	30 June 2008 £'000	30 June 2007 £'000
<b>Fixed assets</b>			
Tangible assets	2	<b>11,538</b>	7,608
Investments	3	<b>2,490</b>	2,490
		<b>14,028</b>	10,098
<b>Current assets</b>			
Stock	4	<b>1,507</b>	1,219
Debtors	5	<b>95,686</b>	57,565
		<b>97,193</b>	58,784
<b>Creditors:</b> amounts falling due within one year	6	<b>(60,536)</b>	(16,984)
Net current (liabilities)/assets		<b>36,657</b>	41,800
<b>Total assets less current liabilities</b>		<b>50,685</b>	51,898
<b>Creditors:</b> amounts falling due after more than one year	7	<b>(10,097)</b>	(10,215)
		<b>40,588</b>	41,683
<b>Provisions for liabilities</b>	8	<b>(329)</b>	(283)
<b>Net assets</b>		<b>40,259</b>	41,400
<b>Capital and reserves</b>			
Called-up share capital	9	<b>4,640</b>	4,631
Share premium account	9	<b>11,637</b>	11,556
Equity component of CRPS	9	<b>3,806</b>	3,838
Revaluation reserve	9	–	2,216
Capital redemption reserve	9	<b>595</b>	565
Profit and loss account	9	<b>19,581</b>	18,594
<b>Shareholders' funds</b>	9	<b>40,259</b>	41,400

The Company balance sheet was approved by the Board of Directors on 29 October 2008.

Signed on behalf of the Board of Directors

**D P Levy** Chairman  
29 October 2008

# Notes to the Company accounts

## 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.

### Grants receivable

Grants receivable are credited to a deferred credit account and released to the profit and loss account over the estimated useful life of the asset in respect of which they are receivable.

### 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.

### 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 are 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 interest 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.

### 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 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.

## Notes to the Company accounts continued

### 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

Company	Land and buildings		Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
	Freehold £'000	Short leasehold £'000				
Cost or valuation						
At 1 July 2007	6,502	1	194	13,654	–	20,351
Additions	1,885	–	39	2,345	6,801	11,070
Disposals	(6,043)	–	(66)	(15)	–	(6,124)
Transfer to Assets Under Construction	(1,741)	–	–	–	1,453	(288)
<b>At 30 June 2008</b>	<b>603</b>	<b>1</b>	<b>167</b>	<b>15,984</b>	<b>8,254</b>	<b>25,009</b>
Depreciation						
At 1 July 2007	1,055	1	87	11,600	–	12,743
Eliminated on Disposal	(348)	–	(53)	(2)	–	(403)
Charged in the year	122	–	40	1,257	–	1,419
Transfer to Assets Under Construction	(288)	–	–	–	–	(288)
<b>At 30 June 2008</b>	<b>541</b>	<b>1</b>	<b>74</b>	<b>12,855</b>	<b>–</b>	<b>13,471</b>
<b>Net book value</b>						
<b>At 30 June 2008</b>	<b>62</b>	<b>–</b>	<b>93</b>	<b>3,129</b>	<b>8,254</b>	<b>11,538</b>
At 30 June 2007	5,447	–	107	2,054	–	7,608

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:

Shares	Cost and net book value £'000
<b>At 1 July 2007 and at 30 June 2008</b>	<b>2,490</b>

At 30 June 2008, the Company had the following interests in the subsidiary undertakings noted below, all of which are registered and operate in England and Wales:



### 3. Investments held as fixed assets continued

	Share class	Holding and voting rights
Tottenham Hotspur Football & Athletic Co. Limited – professional football club	Ordinary	100%
White Hart Lane Stadium Limited – provision of football entertainment	Ordinary	100%
Tottenham Hotspur Finance Company Limited – issuer of loan notes	Ordinary	100%
Paxton Road Limited – holds certain properties on behalf of the Group	Ordinary	100%
Stardare Limited – holds certain properties on behalf of the Group	Ordinary	100%
Star Furnishing Company Limited – holds certain properties on behalf of the Group	Ordinary	100%
Ambergate Estates 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%
Hillkey Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northumberland Park Limited – holds certain properties on behalf of the Group	Ordinary	100%
Quizlane 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%
Vestbrook Limited – holds certain properties on behalf of the Group	Ordinary	100%

### 4. Stock

	2008 £'000	2007 £'000
Stock	<b>1,507</b>	1,219

Stock comprises merchandising goods held for resale.

### 5. Debtors

	2008 £'000	2007 £'000
Trade debtors	<b>371</b>	65
Amounts owed by Group undertakings	<b>94,548</b>	56,541
Corporation tax	<b>266</b>	–
Other taxation	–	622
Other debtors	<b>334</b>	258
Prepayments and accrued income	<b>167</b>	79
	<b>95,686</b>	57,565

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

	2008 £'000	2007 £'000
Bank overdraft	<b>26,173</b>	6,016
CRPS liability	<b>5,049</b>	4,682
Trade creditors	<b>1,701</b>	918
Corporation tax	<b>2,199</b>	1,907
Other creditors	<b>137</b>	245
Accruals and deferred income	<b>2,660</b>	1,347
Amounts due to Group undertakings	<b>22,617</b>	1,869
	<b>60,536</b>	16,984

## Notes to the Company accounts continued

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

	2008 £'000	2007 £'000
CRPS liability	10,095	10,208
Grants (deferred credits)	2	7
	<b>10,097</b>	<b>10,215</b>

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

	2008 £'000	2007 £'000
<b>CRPS liability</b>		
In one year or less or on demand	5,049	4,682
In more than one year but not more than two years	5,034	5,063
In more than two years but not more than five years	5,061	5,145
	<b>15,144</b>	<b>14,890</b>

#### Interest rate profile

The Group has no financial assets excluding short-term debtors. The CRPS liability attracts floating rate interest as set out in the Group financial statements.

#### Borrowing facilities

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

	2008 £'000	2007 £'000
Expiring in one year or less or on demand	20,000	15,000
Expiring in more than one year but not more than two years	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

	£'000
<b>Deferred taxation</b>	
At 1 July 2007	283
Charge to the profit and loss account	46
<b>At 30 June 2008</b>	<b>329</b>
At 30 June 2007	283

Deferred taxation has been provided as follows:

	2008 £'000	2007 £'000
Accelerated capital allowances	329	416

## 9. Reserves

for the year ended 30 June 2008

	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 as at 1 July 2007	4,631	11,556	3,838	2,216	565	18,594	41,400
Profit for the period	–	–	–	–	–	3,345	3,345
Ordinary 5p shares redeemed during the year	(30)	–	–	–	30	(841)	(841)
CRPS converted in the period	39	81	(32)	–	–	–	88
Realisation of revaluation surplus	–	–	–	(2,216)	–	2,216	–
Final Dividend on equity shares relating to year ended 30 June 2007	–	–	–	–	–	(3,733)	(3,733)
<b>At 30 June 2008</b>	<b>4,640</b>	<b>11,637</b>	<b>3,806</b>	<b>–</b>	<b>595</b>	<b>19,581</b>	<b>40,259</b>

The retained profit for the year, dealt with in the financial statements of the parent company, was £3,345,000 (2007: £2,518,000). As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented. The audit fee of £3,000 (2007: £3,000) is borne by another Group company in the current year and prior year. No fees were paid to the Company's auditors or affiliated entities, relating to other services during the year. Refer to the Group financial statements for full disclosure of fees payable to auditors.

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

	2008 £'000	2007 £'000
<b>Opening shareholders' funds</b>	<b>41,400</b>	39,173
Profit for the year	<b>3,346</b>	2,518
Ordinary 5p shares redeemed during the year	<b>(841)</b>	(291)
Dividend payment	<b>(3,733)</b>	–
Conversion of CRPS to ordinary shares	<b>87</b>	–
Net (reduction)/addition to shareholders' funds	<b>(1,141)</b>	2,227
<b>Closing shareholders' funds</b>	<b>40,259</b>	41,400

## 11. Commitments

The annual commitments under non-cancellable operating leases are:

	2008 £'000	2007 £'000
<b>Land and buildings:</b>		
Leases expiring within one year	<b>25</b>	–
Leases expiring within two to five years	<b>–</b>	143
Leases expiring in more than five years	<b>412</b>	150
	<b>437</b>	293
<b>Capital commitments were as follows:</b>		
Contracted	<b>274</b>	1,228
Authorised but not contracted	<b>149</b>	69
	<b>423</b>	1,297

Subsequent to the year end the Directors have proposed a final dividend of 4p per share totalling £3,711,463 (2007: £3,704,725). This is subject to shareholder approval at the Annual General Meeting and hence has not yet been included as a liability in these financial statements.

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Tottenham Hotspur plc will be held at Bill Nicholson Way, 748 High Road, Tottenham, London N17 0AP at 2.00pm on 15 December 2008 to transact the following business.

### As ordinary business:

1. To receive the report of the Directors and the audited accounts of the Company for the year ended 30 June 2008, together with the report of the auditors on the same.
2. To approve the report of the Remuneration Committee for the year ended 30 June 2008.
3. To reappoint Deloitte & Touche LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.
4. To reappoint E M Davies as a Director who is retiring by rotation in accordance with the Company's Articles of Association.
5. To reappoint Sir Keith E Mills as a Director who is retiring in accordance with the Company's Articles of Association.

### As special business:

To consider and, if thought fit, pass resolutions 6 and 7 below as ordinary resolutions and resolutions 8, 9, 10 and 11 below as special resolutions.

#### Ordinary resolutions

6. THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "1985 Act"), to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £5,360,671 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 15 months from the date on which this resolution is passed, whichever is the earlier, and provided further that the Company may before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors may allot such relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace all existing authorities granted to the Directors for the purposes of section 80 of the 1985 Act which are hereby revoked with immediate effect.
7. To declare a dividend for the year ended 30 June 2008 of 4p per ordinary share to holders of ordinary shares registered at the close of business on 19 December 2008.

#### Special resolutions

8. THAT, subject to the passing of resolution 6 above, the Directors be and are hereby empowered pursuant to section 95 of the 1985 Act to allot equity securities (within the meaning of section 94 of the 1985 Act) for cash pursuant to the general authority conferred on the Directors by resolution 6 up to an aggregate nominal amount of £5,360,671 as if section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 15 months from the date on which this resolution is passed, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to such offer or agreement as if the power conferred hereby had not expired.
9. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the 1985 Act) of ordinary shares of 5p each in the capital of the Company ("ordinary shares") provided that:
  - (A) the maximum number of ordinary shares hereby authorised to be purchased is 13,908,707 (representing 14.99% of the issued ordinary share capital of the Company);
  - (B) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 5p (nominal value);
  - (C) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the ordinary shares are contracted to be purchased;
  - (D) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on the date falling 15 months from the date on which this resolution is passed, whichever is earlier, unless such authority is renewed prior to such time; and
  - (E) the Company may make a contract or contracts to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract or contracts.

10. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the 1985 Act) of convertible redeemable preference shares of £78.10 each in the capital of the Company ("preference shares") provided that:
- (A) the maximum number of preference shares hereby authorised to be purchased is 8,740 (representing 14.99% of the issued preference share capital of the Company);
  - (B) the minimum price (exclusive of expenses) which may be paid for each preference share is £78.10 (nominal value);
  - (C) the maximum price (exclusive of expenses) which may be paid for each preference share is an amount equal to 105% of the average of the middle market quotations for a preference share as derived from the AIM Appendix to the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the preference shares are contracted to be purchased;
  - (D) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on the date falling 15 months from the date on which this resolution is passed, whichever is earlier, unless such authority is renewed prior to such time; and
  - (E) the Company may make a contract or contracts to purchase its preference shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiry of such authority, and may purchase its preference shares in pursuance of any such contract or contracts.
11. THAT the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board

**M J Collecott**

Company Secretary  
Registered Office:  
Bill Nicholson Way  
748 High Road  
Tottenham  
London N17 0AP

Registered in England and Wales  
with Company number 1706358

29 October 2008

## Notice of Annual General Meeting continued

### Explanatory notes on resolutions 6, 8, 9, 10 and 11

#### Resolution 6

The Companies Act 1985 provides that the authority of the Directors to allot relevant securities is subject to the approval of shareholders in general meeting. Accordingly, an ordinary resolution, resolution 5, as set out in the Notice of Annual General Meeting, will be proposed which, if passed, will mean that the Directors will have authority to allot up to 107,213,423 ordinary shares (representing approximately 116% of the current issued ordinary share capital of the Company). Your Directors believe that the authority which this resolution would give them to allot ordinary shares without further recourse to shareholders in a general meeting would be in the best interests of the Company and its shareholders as a whole. The Directors have no present intention of issuing any part of the authorised but unissued ordinary share capital of the Company. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of the passing of the resolution.

#### Resolution 8

The Companies Act 1985 also provides that any equity shares issued wholly for cash must be offered to existing shareholders in proportion to their existing holdings. This requirement may be modified by a special resolution of the shareholders. A special resolution, resolution 8, as set out in the Notice of Annual General Meeting, will be proposed to give the Directors authority to allot equity shares for cash other than on a pro rata basis. If this resolution is passed, your Directors will be authorised to issue up to 107,213,423 ordinary shares (representing approximately 116% of the current issued ordinary share capital of the Company) without being obliged to offer existing shareholders the opportunity to subscribe for all or some of those ordinary shares. In particular, your Directors will have discretion to allot and issue those ordinary shares to such persons (who may include some but not all of the Company's existing shareholders) and at such prices and on such other terms as the Directors in their absolute discretion may determine. Your Directors believe that the Company needs to be in a position to issue ordinary shares for cash on such terms as your Directors may from time to time believe to be in the best interests of the Company without being required to seek consent for such an issue from the Company's shareholders in general meeting. Accordingly, your Directors believe the flexibility which this resolution would grant them to be in the best interests of the Company and its shareholders as a whole. This authority will expire at the conclusion of the next Annual General Meeting or, if earlier, 15 months from the date of the passing of the resolution.

#### Resolutions 9 and 10

The Companies Act 1985 provides that the authority of the Company to purchase its own shares is subject to the approval of shareholders in a general meeting by a special resolution. The Company is seeking to renew its authority to purchase its own ordinary shares and preference shares because the Directors believe it is in the best interests of the Company to retain the flexibility to return cash to shareholders. It is important to note that the Directors have no immediate intention of exercising this authority and would only do so after considering the effect of doing so on net assets and/or earnings per ordinary share and the interests of shareholders generally. In addition, the Directors will only exercise this authority if at the time such exercise is contemplated they are satisfied that the Company has sufficient cash resources and distributable reserves.

Resolution 9 seeks authority for the Company to purchase up to 13,908,707 ordinary shares in the market representing 14.99% of the current outstanding issued ordinary share capital of the Company. The Company will pay not more than 105% of the average middle market price of an ordinary share for the five days preceding any purchase (exclusive of expenses) and not less than 5p per ordinary share (the nominal value of each ordinary share) for purchases of ordinary shares pursuant to the authority.

Resolution 10 seeks authority for the Company to purchase up to 8,740 preference shares in the market representing 14.99% of the current outstanding issued preference share capital of the Company. The Company will pay not more than 105% of the average middle market price of a preference share for the five days preceding any purchase (exclusive of expenses) and not less than £78.10 per preference share (the nominal value of each preference share) for purchases of preference shares pursuant to the authority.

Any shares purchased pursuant to these authorities will be cancelled and the number of ordinary shares or preference shares (as the case may be) in issue will be reduced accordingly. These authorities will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, 15 months from the date of the passing of the relevant resolution.

#### Resolution 11

It is proposed in resolution 11 to adopt new Articles of Association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") primarily to take account of changes in English company law brought about by the Companies Act 2006. Further provisions of the Companies Act 2006 are expected to be brought into effect in 2009 and we therefore expect that further amendments to the Company's Articles of Association will be required at the Annual General Meeting in 2009 and possibly even in 2010.

The principal changes introduced in the New Articles are summarised in the Appendix of this Notice entitled "Explanatory Notes of Principal Changes to the Company's Articles of Association". Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 70 of this document.

## Information for shareholders

### How to vote

Only those shareholders on the Company's Register of Members 48 hours before the time of the Annual General Meeting or any adjourned meeting are entitled to attend, speak and vote at the Annual General Meeting. A shareholder shall be entitled to cast votes in respect of such shares as is registered in his or her name at this time. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

### Appointment of a proxy

Any such shareholder is entitled to appoint a proxy to attend the Annual General Meeting instead of him or her. The proxy shall have the same rights to attend, speak and vote at the Annual General Meeting as the shareholder. A proxy need not be a shareholder of the Company.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to a different share or shares. You may not appoint more than one proxy to exercise rights attached to any one share.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

A proxy voting form for the Annual General Meeting is enclosed with the Annual Report and Accounts. To be valid, a duly completed proxy voting form must reach Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the Annual General Meeting or any adjourned meeting.

Shareholders who return completed proxy voting forms or any CREST Proxy Instruction as noted below may still attend the Annual General Meeting and vote in person if they wish.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournments of the Annual General Meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

[In order to facilitate voting by corporate representatives at the Annual General Meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.]

## Notice of Annual General Meeting continued

### Documents

The following documents may be inspected during business hours at the offices of the Company's solicitors Olswang, 90 High Holborn, London WC1V 6XX (weekends and public holidays excluded) from the date of this Notice until the close of the Meeting and will also be available for inspection at the place of the Annual General Meeting from 11.00am on the day of the Annual General Meeting until the conclusion of the Annual General Meeting:

- (i) copies of the Executive Directors' service agreements;
- (ii) copies of the non Executive Directors' letters of appointment; and
- (iii) a copy of the Articles of Association of the Company marked to show the changes which will be made on the passing of resolution 11.

### Who may attend?

Only shareholders on the Company's Register of Members 48 hours before the time of the Annual General Meeting or any adjourned meeting are entitled to attend, or to appoint proxies or corporate representatives to attend the Annual General Meeting. No one else will be admitted. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

Please bring to the Annual General Meeting the attendance card attached to your Form of Proxy. You will be asked to show it at the entrance and not bringing it with you could delay your admission. Shareholders may also be required to provide proof of identity.

If you have been appointed as a proxy, please make this fact known to the admission staff who will direct you to the appropriate desk.

### Security

There will be security checks at the entrance to the venue. To speed admission, it would be helpful if you did not bring briefcases or large bags. Cameras, mobile phones, lap top computers or tape recorders will not be allowed into the Annual General Meeting.

### Asking questions at the Annual General Meeting

During the Annual General Meeting, the chairman will give shareholders, corporate representatives and proxies the opportunity to ask questions on the resolutions proposed at the Annual General Meeting and which are set out in the Notice of Annual General Meeting.

### About the Annual General Meeting

At the Annual General Meeting, you will be asked to vote on the resolutions which are set out in the Notice of Annual General Meeting and therefore it would be helpful if you were to bring the Annual Report and Accounts to the Annual General Meeting.

### Smoking

Smoking will not be permitted in the auditorium.



## Appendix

### Explanatory notes of principal changes to the Company's Articles of Association

#### Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being removed and certain other provisions amended as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

#### Convening general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular, a general meeting to consider a special resolution can be convened on 14 clear days' notice whereas previously 21 clear days' notice was required. Annual general meetings still must be called on at least 21 clear days' notice (save as permitted or provided by statute).

#### Votes of shareholders

Under the Companies Act 2006, proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all these provisions.

#### Directors' fees

The New Articles provide that the aggregate fees that may be paid to the Directors of the Company as a whole for their services is £500,000 per annum. The Current Articles provide that unless increased in a general meeting of the Company the maximum amount payable to a Director is £10,000 per annum. The uplift is now sought to bring the level of fees potentially payable in line with market practice. It should be noted that this aggregate figure does not apply to the salaried Executive Directors or to services provided outside the scope of the ordinary duties of a Director.

#### Conflicts of interest

The Companies Act 2006 sets out Directors' general duties, which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows Directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Companies Act 2006 also allows the Articles of Association to contain other provisions for dealing with Directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in an appropriate manner.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

## Appendix continued

### Electronic and web communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with shareholders by electronic and/or website communications. The New Articles allow communications to shareholders in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a shareholder by means of website communication, the relevant shareholder must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the shareholder (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

### Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has in some areas widened the scope of the powers of a Company to indemnify Directors and to fund expenditure incurred in connection with certain actions against Directors. In particular, a Company that is a trustee of an occupational pension scheme can now indemnify a Director against liability incurred in connection with the Company's activities as trustee of the scheme. The ability of the Company to provide such indemnities and funding are reflected in the New Articles. In addition, the existing exemption allowing a Company to provide money for the purpose of funding a Director's defence in court proceedings now expressly covers regulatory proceedings and also applies to associated companies.

### Insurance

The Current Articles do not include any express power for the Company to purchase and maintain insurance for the Directors. In line with many companies listed on AIM the New Articles include such power.

### Updating statutory and regulatory references

The opportunity has been taken to update references to legislation as well as regulatory and other bodies.

### Conversion mechanics for conversion of convertible redeemable preference shares

Currently, in order to convert the Company's convertible redeemable preference share ("CRPS") into ordinary shares, any CRPS held in uncertificated form in CREST has to be re-certificated prior to a conversion election being made. It is proposed to amend the rights attaching to the CRPS to enable CRPS held in CREST to be converted into ordinary shares without requiring them to be re-certificated first. In addition, certain additional technical changes to the conversion mechanics are being proposed. No change to the economic rights attaching to the CRPS is being made.

### Borrowing powers

The Current Articles limit the amount which the Group may borrow to three times the Group's "Adjusted Capital and Reserves". The New Articles, in line with many companies listed on AIM, include no such restriction and will give the Board the ability to exercise all the powers of the Company to borrow as it considers appropriate. This flexibility will be required to assist with the Company's proposed stadium development plans.

## 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

Bill Nicholson Way  
748 High Road  
Tottenham  
London N17 0AP

### Registered number

1706358

\* Chairman of the Audit Committee and Member of the Remuneration Committee.

\*\* Chairman of the Remuneration Committee and Member of the Audit Committee.

### Auditors

**Deloitte & Touche LLP**

Chartered Accountants  
London

### Bankers

**HSBC Bank plc**

70 Pall Mall  
London SW1Y 5EZ

### AIM nominated broker and adviser

**Seymour Pierce Limited**

20 Old Bailey  
London EC4M 7EN

### Registrars

**Capita Registrars**

Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
West Yorkshire HD8 0LA

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