

# TO DARE IS TO DO™



**TOTTENHAM HOTSPUR PLC**  
**ANNUAL REPORT 2010**

**“THIS PERIOD HAS SEEN THE CLUB PRODUCE A RECORD TURNOVER AND A 23% INCREASE IN OPERATING PROFIT. WE ARE BENEFITING NOW FROM OUR INVESTMENT TO DATE IN THE FIRST TEAM SQUAD. OUR CHALLENGE IS TO ACCRUE FURTHER BENEFITS FROM OUR INVESTMENT IN CAPITAL PROJECTS IN ORDER TO LAY THE STRONGEST FOUNDATIONS FOR THE FUTURE STABILITY AND PROSPERITY OF THE CLUB.”**

**DANIEL LEVY**

**CHAIRMAN, TOTTENHAM HOTSPUR PLC**



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# FINANCIAL HIGHLIGHTS

## REVENUE

**£119.8m**

2009: £113.0m

## TANGIBLE ASSETS

**£123.6m**

2009: £103.3m

## PROFIT FROM OPERATIONS (EXCLUDING FOOTBALL PLAYER TRADING)

**£22.7m**

2009: £18.4m

## INTANGIBLE ASSETS (PLAYERS)

**£115.7m**

2009: £128.4m

## PROFIT ON DISPOSAL OF PLAYER REGISTRATIONS

**£15.3m**

2009: £56.5m

## GROUP NET ASSETS

**£70.5m**

2009: £62.1m

# SUMMARY AND OUTLOOK

- **Record revenues** of £119.8 million
- Profit from operations excluding football player trading of **£22.7 million**
- Total assets of **£288.2 million**
- **Increases in media and broadcasting revenues**, including a higher merit award for our fourth place finish
- **Stadium at full capacity for every FAPL game** resulting in increased gate receipts and merchandising revenues
- **Continued investment** in the First Team squad and in capital projects

# DARE TO PERFORM

**“I JUST WANTED TO GET THERE, TO FINISH FOURTH. IT’S A FANTASTIC ACHIEVEMENT FOR THE PLAYERS AND EVERYONE AT THE CLUB.”**

**HARRY REDKNAPP**  
TEAM MANAGER

**Wednesday 5 May 2010**

Peter Crouch, Michael Dawson, Gareth Bale and team mates celebrate qualifying for the Champions League at the end of the Premier League match against Manchester City.





# RECORD-BREAKING PERFORMANCES ON THE PITCH

Following a record-breaking Premier League season, our Club achieved a cherished and long-awaited top-four finish that would see us join Europe's elite in the UEFA Champions League. The sustained and significant investment in the First Team helped achieve qualification for this illustrious competition.



- 1. 25 August 2010**  
**White Hart Lane**  
The stage is set for the home-leg of the UEFA Champions League play-off match versus BSC Young Boys. The performance that followed saw us achieve the Group Stages.
- 2. 25 August 2010**  
**White Hart Lane**  
Peter Crouch celebrates after scoring the third goal in our 4-0 victory versus BSC Young Boys.
- 3. 2 November 2010**  
**White Hart Lane**  
Gareth Bale races clear of the Inter Milan defence during our victory over the European Champions in our Group Stage match.

**4th**  
**PLACE**  
highest ever Premier League finish

**19**  
**DIFFERENT**  
**GOAL SCORERS**  
equals the Premier League record

**ONLY 12**  
**HOME GOALS**  
**CONCEDED**  
equal lowest in the 2009/2010  
Premier League Season

Find out more at  
[tottenhamhotspur.com/  
news](http://tottenhamhotspur.com/news)

# DARE TO NURTURE

**“WE FEEL THIS COMBINATION OF TECHNICAL DEVELOPMENT AT HOME WITH ADDED COAL-FACE EXPERIENCE IN THE LEAGUE IS THE BEST WAY OF BRIDGING THE GAP FROM YOUTH FOOTBALL TO THE PREMIER LEAGUE.”**

DANIEL LEVY  
CHAIRMAN, TOTTENHAM HOTSPUR PLC

Wednesday 14 April 2010

Danny Rose celebrates his wonder goal on his First Team debut against Arsenal.







# DEVELOPING YOUNG TALENT TO PLAY AT THE HIGHEST LEVEL

Behind the scenes, the endless development hours for the younger players comes in the form of training with the First Team and acquiring playing experience in the Football League.



- 1. 10 August 2010**  
**Ashton Gate, Bristol**  
Danny Rose plays in an England Under-21 International friendly.
- 2. 10 October 2009**  
David Button gains playing experience at Crewe Alexandra.
- 3. 20 October 2009**  
**Riverside Stadium**  
Jake Livermore in action whilst on loan to Derby County.

**16**  
**PLAYERS COMPETED  
IN INTERNATIONALS**

for their respective  
Under-16 to Under-21 sides

**28**  
**TOURNAMENTS  
ATTENDED**

preparing young players to  
compete in the Premier League

**17**  
**UNDER-21 PLAYERS**

made senior appearances in an  
average of 22 Football League  
games each

Find out more at  
[tottenhamhotspur.com/  
academy](http://tottenhamhotspur.com/academy)

# DARE TO DEVELOP

**“GROUNDWORKS HAVE BEEN ONGOING FOR SEVERAL MONTHS AND WE HAVE NOW STARTED CONSTRUCTION WORKS ON THE MAIN BUILDING. THE OPENING OF THIS STATE-OF-THE-ART FACILITY WILL BE MUCH WELCOMED AND LONG AWAITED.”**

**DANIEL LEVY**  
CHAIRMAN, TOTTENHAM HOTSPUR PLC

October 2010

Aerial image of part of the new Training Centre site at Bulls Cross, Enfield showing the progress made to the First Team pitches, the completed grounds maintenance building and the start of construction of the main building.





The works programme for our new state-of-the-art training facility in Bulls Cross, Enfield is now well underway. Due for completion in 2012, the site project team has completed the ground levelling and infrastructure work and construction of the main building has commenced.



1. Aerial view showing the extent of the 73 acre site and indicating the location of the key zones.
2. Aerial CGI showing the main building of the new Training Centre.
3. The Training Centre will help the Club attract and retain high quality talent.

The facility is designed to be the best in Europe and will enable the Club to attract, develop and retain the highest quality talent.

The full list of completed works includes:

- the grounds maintenance building
- the installation of irrigation water extraction boreholes
- the perimeter fencing and planting 75% complete
- Desso pitch reinforcement and undersoil heating to main First Team pitches
- First Team pitches complete and ready for seeding
- Academy weekend pitches complete and ready for seeding
- ecological zones planted
- instant hedgerows and feature trees for main access road and parking areas procured
- artificial pitch base and floodlighting bases
- all site roads completed to base level
- electrical substation and supply installed
- water and fire hydrant supply installed
- sheet piling foundations
- basement building dig
- swimming pool and basement area floors and walls cast
- ground floor slabs cast and drainage
- stone base installed for internal pitch

Find out more at  
[tottenhamhotspur.com/  
futureplans/trainingcentre](http://tottenhamhotspur.com/futureplans/trainingcentre)

# DARE TO INVEST

**“A NEW INCREASED CAPACITY STADIUM IS ESSENTIAL FOR OUR CLUB. WE HAVE 33,000 SUPPORTERS ON THE PAID-FOR SEASON TICKET WAITING LIST.”**

DANIEL LEVY  
CHAIRMAN, TOTTENHAM HOTSPUR PLC

We have the vision to develop the most fan-friendly and atmospheric stadium in Europe.





TOTTENHAM  
HOTSPUR

TOTTENHAM  
HOTSPUR

HOTSPUR



Our Northumberland Development Project received planning consent at local level and now progresses to further planning stages. We have recently registered an interest in the Olympic Stadium site to keep our options open and remain determined to seek the best option for the Club going forward.



We are continuing to work with Haringey Council and our application will be considered by the Mayor of London and will then be referred to the Secretary of State. Given the early stages of reaching full planning for the Northumberland Development Project it is only prudent that we keep our options open and therefore we have registered a joint interest with AEG (Europe) in the Olympic Stadium site.

1. Artist's impression of new Tottenham Hotspur stadium showing a single tier stand that will create a wall of sound ensuring the best possible atmosphere.

Find out more at  
[tottenhamhotspur.com/  
futureplans](http://tottenhamhotspur.com/futureplans)

# DARE TO GROW

**“I THINK THIS CURRENT INCENTIVE THAT ENABLES ALL UNDER 11s TO JOIN MEMBERSHIP FOR FREE IS A BRILLIANT WAY OF ENSURING WE HAVE A SOLID FAN BASE IN THE FUTURE AND IN THIS CURRENT CLIMATE OF CUT BACKS TOTTENHAM AS A CLUB SHOULD BE COMMENDED.”**

**MATTHEW ADAMS**

**LIFELONG FAN AND ONE HOTSPUR BRONZE MEMBER**

**Saturday 1 May 2010**

A young supporter showing his colours at the last home game of the 2009/2010 season.





# WELCOMING NEW FANS

We recognise the importance of growing the next generation of loyal supporters, ensuring that we continue to have a devoted following in decades to come. We have been working on a number of initiatives that make supporting Spurs more accessible for families and children and this will remain a key focus.



- 1, 2 & 4. **7 August 2010**  
**White Hart Lane**  
Young fans showing support at our pre-season friendly against Fiorentina.
- 3. **17 April 2010**  
**White Hart Lane**  
Young fan cheering our team onto victory against Chelsea.
- 5. **7 August 2010**  
**White Hart Lane**  
Chirpy leads mascots at the Fiorentina game.

## JUNIOR MEMBERSHIP

Junior Membership has doubled in size following the introduction of free membership to under 11s for their first year.

## FAMILY EVENTS

We continue to deliver family events at the Lane including football fun days and our annual open training event where children can watch the First Team train.

## SPECIAL ALLOCATION OF TICKETS

The Club has introduced a special allocation of tickets at our Premier League matches for members who want to bring children to their first match at the Lane.

## FREE EDUCATIONAL STADIUM TOURS

We have been piloting free educational Stadium tours for primary schools in our catchment area.

Find out more at  
[tottenhamhotspur.com/onehotspur](http://tottenhamhotspur.com/onehotspur)

# DARE TO ENTERTAIN

**“OUR FANS ARE AMAZING  
– WE ALWAYS KNOW THAT  
WHEREVER WE PLAY, OUR  
SUPPORTERS WILL BE THERE  
WITH US. THEY’RE A CRUCIAL  
PART OF OUR TEAM.”**

MICHAEL DAWSON

ONE HOTSPUR PLAYER OF THE SEASON 2009/2010

Sunday 6 December 2009

Michael Dawson celebrates scoring the second goal at Goodison Park against Everton in the Premier League.







**COME ON YOU SPURS**



# MILLIONS OF LOYAL SUPPORTERS WORLDWIDE

We are proud to have millions of passionate and loyal fans and are delighted that their unwavering support has been rewarded with the return of European 'Glory Nights' at the Lane. The growth in support of Tottenham Hotspur continues to go from strength to strength.

1	
2	
3	4
5	

- 17 April 2010**  
**White Hart Lane**  
Fans celebrate with Gareth Bale after he scores our second goal against Chelsea.
- 1 May 2010**  
**White Hart Lane**  
Spurs v Bolton.
- 17 April 2010**  
**White Hart Lane**  
Spurs v Chelsea.
- 27 March 2010**  
**White Hart Lane**  
Spurs v Portsmouth.
- 27 March 2010**  
**White Hart Lane**  
Spurs v Portsmouth.

## 90,000

**ONE HOTSPUR MEMBERS**

an increase of 25%

## 33,000

**ON SEASON TICKET WAITING LIST**

an increase of 43%

## 1.2m

**UNIQUE USERS**

of [tottenhamhotspur.com](http://tottenhamhotspur.com) each month – an increase of 20%

## 166.3m

**PEOPLE WORLDWIDE**

support Spurs or like us to do well

Find out more at  
[tottenhamhotspur.com/fanzone](http://tottenhamhotspur.com/fanzone)

# DARE TO INSPIRE

**“REACHING ONE MILLION  
SPORTING OPPORTUNITIES  
IS A HUGE LANDMARK,  
A FANTASTIC ACHIEVEMENT.”**

**LEDLEY KING  
CLUB CAPTAIN**

**Saturday 20 March 2010**

Club Captain Ledley King attends an event that marks the achievement of the Tottenham Hotspur Foundation in reaching the milestone of delivering One Million sporting opportunities in just two years.



1 Million  
life changing  
opportunities

1 Million  
life changing  
opportunities



TOTTENHAM  
HOTSPUR  
FOUNDATION

TOTTENHAM  
HOTSPUR  
FOUNDATION



Tottenham Hotspur Foundation is committed to providing the best sports, health, training and education programmes for all our communities. This year has seen the Foundation reach a landmark, creating One Million life-changing opportunities for people in our communities in just two years.



The Tottenham Hotspur Foundation uses sport and, in particular football, as a vehicle to create life-changing opportunities for children, groups and individuals within our communities.

Projects that we currently deliver include:

## CREATING

sporting opportunities

## SUPPORTING

disabled people

## IMPROVING

community cohesion

## INSPIRING

achievement in education

## RECOGNISING

achievement

## PROMOTING

healthy lifestyles

1. **Ledley King** with Tottenham Hotspur Foundation Disability Coach **Danny Jarvis** at the One Million Sporting Opportunities event.
2. **Jermain Defoe** helps out at Walthamstow Kickz project.
3. **Peter Crouch** and **Sebastien Bassong** attend the launch of the Tottenham Hotspur Foundation Business Enterprise project.
4. **Niko Kranjcar** with young achievers at the Haringey Education Awards Ceremony.
5. **Harry Redknapp** visits the Kickz project at Northumberland Park School, Tottenham.
6. **Peter Crouch** helping the delivery of another sporting opportunity in Waltham Forest.

Find out more at  
[tottenhamhotspur.com/foundation](http://tottenhamhotspur.com/foundation)

# CHAIRMAN'S STATEMENT

This year's financial results for the year ended 30 June 2010 have seen revenue reach a record high of £119.8m (2009: £113.0m). For yet another season we filled our Stadium to capacity for every Premier League home match and during this period Premier League gate receipts rose to £20.1m (2009: £19.8m).

This period has seen the Club produce a record turnover and a 23% increase in operating profit before football trading and amortisation, achieved during what has been a difficult economic time and a season without European competition.

These figures show the significant progress that has been made over the past 10 years. This is most notable from a financial perspective given the growth in revenues, intangible assets (players) and tangible assets (Stadium and Training Ground developments). To put this into context, 10 years ago the Club had revenues of £48m, intangible assets of £37m and tangible assets of £47m. We now have revenues of £120m, intangible assets of £116m and property, plant and equipment of over £123m. This is now a business with total assets of over £288m.

The Board has always taken the view that the business should be grown prudently and that reinvestment in the core drivers of the business alongside strong partners would deliver stability and, ultimately, success to the Club.

Investment in the First Team squad has meant qualification for the Champions League, one of our key goals. Investment in capital projects will mean the ability to continue to compete at the highest level.

Alongside these investments are the less obvious but no less important ones which include – investment in young players, in our growing younger fan base, in the growth of our brand footprint internationally and investment in our wider communities.

These have also enabled our Club to be the largest charitable donor in the Premier League and our Foundation to be the most extensive provider of community-based projects.

## Financial highlights

This year's financial results for the year ended 30 June 2010 have seen revenue reach a record high of £119.8m (2009: £113.0m). For yet another season we filled our Stadium to capacity for every Premier League home match and during this period Premier League gate receipts rose to £20.1m (2009: £19.8m).

Increases in media and broadcasting revenues, including the higher merit award for our fourth place finish, along with a rise in merchandising revenue, also contributed to our increased revenues.

Importantly, our operating profit excluding football trading, a key performance indicator for how the business is performing as a cash-generating business, increased by 23% to £22.7m (2009: £18.4m).

We have continued to invest in the First Team squad and currently have one of the largest squads in the Premier League. Additionally we have invested in our capital projects with the start of building works on the First Team and Academy Training Centre and have recently gained local planning consent for the Northumberland Development Project.

## Capital projects

The Club revised its plans for the Northumberland Development Project – the new stadium and related developments scheme – in response to stakeholder feedback. New designs incorporated four retained heritage buildings, a raised piazza and revised southern development with reduced residential and increased public square. The plans were formally submitted to Haringey Council in October 2009 and received approval by the Council's Planning Committee on 30 September 2010. At the time of publication of this Report, the application was in the process of being referred to the Mayor of London and the Secretary of State in order to obtain full consent.



**“OUR FOURTH PLACE FINISH IN THE PREMIER LEAGUE AT THE END OF THE SEASON WAS TRULY MEMORABLE AND LONG AWAITED. IT HERALDED A RETURN TO EUROPE AND OUR ENTRY TO THE ELITE CHAMPIONS LEAGUE.”**

**REVENUE**

2009 £113.0m	2010 £119.8m
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**OPERATING PROFIT**

2009 £18.4m	2010 £22.7m
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**PREMIER LEAGUE GATE RECEIPTS**

2009 £19.8m	2010 £20.1m
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The stage of consent reached to date, with the incorporated amendments, has meant that the projected cost of the scheme has risen substantially. Retained historic buildings, which will require extensive refurbishment and renovation, increased development costs associated with the piazza, the loss of enabling development with the reduction in residential, substantive S106 and S278 agreements and a sizeable contribution to Transport for London, collectively add in the region of £50m to the costs. Additionally, the scheme does not benefit from public sector grants or regeneration monies.

It was therefore prudent and sensible that, at a time when we had yet to receive approval for the application, we should register our interest in the Olympic Stadium site, before the deadline of expressions of interest passed.

A new, increased capacity stadium is essential for our Club. We have 33,000 supporters on the paid-for Season Ticket Waiting List and we need to continue to move the Club forward which can only be delivered for the longer term in an enlarged stadium.

We shall continue to pursue our stadium processes and we shall retain our primary focus of creating the most atmospheric stadium in Europe – this is what our supporters deserve and this is what makes our matchday experience unmissable.

We continue to support the 2018 World Cup bid – to win this in the coming months would be a fantastic achievement and any stadiums involved would clearly feature on the world stage and forever be known as a World Cup stadium and a part of football’s World Cup heritage.

We shall shortly be taking the players to view the latest stage of works to the new Training Centre at Enfield. Groundworks have been ongoing for several months and we have now started construction works on the main building. The opening of this state-of-the-art facility will be much welcomed and long awaited and we anticipate it being operational for the 2012/2013 season. I have no doubt that the playing and non-playing staff of both the First Team and the Academy will thoroughly enjoy their new surroundings and world-class facilities on the 73 acre green belt site.

**On the pitch**

Our fourth place finish in the Premier League at the end of the season was truly memorable and long awaited. It heralded a return to Europe and our entry to the elite Champions League. Following on from this success, in the current season we won our qualifying round to progress to the Group Stages of the Champions League in which we recorded a memorable win over Inter Milan, the current European Champions, on an unforgettable November night at White Hart Lane. Investment in the First Team squad has long been the first priority at the Club and we must now look to continue our consistently good performances with a stable squad.

In 2009/2010 we reached the quarter-finals of the Carling Cup, being knocked out by the eventual winners Manchester United and went one round further in The FA Cup, reaching the semi-finals before a disappointing loss in extra time to Portsmouth at Wembley.

During the financial year the following players joined the Club: Sebastien Bassong, Anton Blackwood, Peter Crouch, Eidur Gudjohnsen (loan), Younes Kaboul, Niko Kranjcar, Kyle Naughton, James Walker and Kyle Walker. The total cost of all of these players was £37.8m.

The following players have left during the financial year: Troy Archibald-Henville, Darren Bent, Yuri Berchiche, Kevin-Prince Boateng, Lee Butcher, Pascal Chimbonnda, Sam Cox, Gilberto Da Silva Melo, Chris Gunter, Tomas Pekhart, James Walker, Didier Zokora, for total fees of £24.6m.

Since the year end we have boosted the squad further with the following signings: William Gallas, Stipe Pletikosa, Sandro, Rafael van der Vaart, for combined transfer fees of £19.9m.

The following players have left since the year end: Dorian Dervite and Adel Taarabt, for combined transfer fees of £0.9m.

The Club had a successful pre-season tour in the summer of 2009, when the First Team squad competed in and won the Barclays Asia Trophy and also participated in the Wembley Cup. In the summer of 2010 the First Team trained with our international partner club, San Jose Earthquakes and participated in the Red Bulls tournament in New York.

# CHAIRMAN'S STATEMENT

continued

## On the pitch (continued)

At youth level, three more academy players, David Button, Jake Livermore and Danny Rose made their debuts during the season, building on the four from the previous season. These First Team appearances are invaluable experiences at such young ages. Behind the scenes the endless development hours for the younger players come in the form of training and friendly game experience with the First Team, plus acquiring playing experience in the Football League. This is a result of the Club's strategy to withdraw from the Reserve League and allow players to accumulate senior appearances in the Football League. Last season 17 players under 21 years of age played an average of 22 games each, whilst still training regularly back at the Lodge and playing in midweek development games for Tottenham Hotspur. We feel this combination of technical development at home with added coal-face experience in the League is the best way of bridging the gap from youth football to the Premier League.

The feedback we receive about the level of professionalism and conduct of our young players on loan is particularly pleasing and they are a credit to our Club.

Additionally, 16 players competed in international football for their respective Under-16 to Under-21 sides, 13 of whom played for England.

We attended 28 tournaments as part of the continuing strategy of preparing young players to compete against the different football styles and cultures which make up the Premier League.

## Commercial operations

This year saw the continuation of several commercial agreements and time was spent preparing for their renewal at the end of their terms.

One contract which ended at the end of this period was our shirt sponsorship agreement with MANSION. We should like to thank them for their support and involvement with the Club over the past four years.

We were delighted to announce two new shirt sponsors in a ground-breaking innovative split of the shirt sponsorship inventory. Autonomy, the world's largest pure software company, became our sponsor for all Premier League matches and Investec, the specialist banking and asset manager, became our sponsor for all cup competitions. Both companies are blue-chip international organisations, listed on the London Stock Exchange. We look forward to working with them both at this key stage in the Club's growth and development and in leveraging and activating these sponsorships to the benefit of all businesses. In addition, we have worked to renew and replace agreements in other sector categories with Thomas Cook, Sportingbet and Ladbrokes.

These agreements run from 1 July 2010 and will be reflected in the next set of accounts.

We are also pleased to announce a further one-year extension to the Puma kit deal that will see us through to the end of the 2011/2012 season.

Corporate Hospitality suffered from the Club not being in a European competition during the season, but Merchandising saw a significant increase as consumer confidence rose during a good football season.

Our Club channels continue to grow and our official website, despite the ever-increasing number of generic sports websites, broke the one million unique users (visiting monthly) and peaked at 1.5m.

Spurs TV continues to attract the highest levels of subscriptions of any comparable Premier League club channel and content regularly drives additional media coverage in the wider football arena. The Club's Facebook page and Twitter account were planned within this period and launched in the summer.

The challenge for the Club on the new media front is to adopt and innovate those streams and channels which not only deliver accessibility and information to our supporters, but which keep up with growing demand and requirement for content.

## International development

We had a busy year with our three well established partnerships, namely Supersport United FC (South Africa), South China (Hong Kong) and San Jose Earthquakes (USA), and were delighted to agree a new partnership with FC Internazionale (Brazil).

All these partnerships have been developed to provide relationships that can facilitate the development of players and the exchange of coaching and academy methodologies. As a result we have seen players visit us from all four clubs and we have made several visits to our partners. We have also jointly participated in international tournaments with our partners.

The very visible, immediate gains of these partnerships have been the signings of Sandro from FC Internazionale and a pre-contract agreement with Khumalo Bongani to join us from Supersport in January 2011. At Academy level we continue to monitor players at all age groups and are excited about the future potential.

## Fan development

This period included plans for programmes and incentives designed to promote access to our next, younger generation of fans. Launched at the start of the 2010/2011 season, these included free membership for under-11's which doubled our junior membership, along with provisions for season ticket holders to bring their children to matches, free stadium tours for schools and increased family days and events. It is important that we recognise the need to make the Club and its fixtures accessible and to welcome new fans as we seek to grow the Club for the future.

## Tottenham Hotspur Foundation

This was the year that saw us reach the key milestone of having delivered one million opportunities through the Club's Foundation, and we achieved this within two years. It is a remarkable achievement. All too often the work of football clubs in the community is seen as a photo opportunity or a brief player appearance – we have deliberately worked hard to remove this superficial and inaccurate description. Anyone who attended the Foundation's recent awards ceremony as part of our 'To Care is to Do' programme would have realised that the work achieves real results. This programme, which works with children in care, is just one of the many examples of programmes we run which work with individuals and which fundamentally address their issues and make it possible for them to achieve more in life. Hours are given to one-to-one contact and mentoring, and the results are inspiring.

## “OUR CHALLENGE IS TO ACCRUE FURTHER BENEFITS FROM OUR INVESTMENT AND CAPITAL PROJECTS IN ORDER TO LAY THE STRONGEST FOUNDATION FOR THE FUTURE STABILITY AND PROSPERITY OF THE CLUB.”

We are proud of the fact that the Tottenham Hotspur Foundation continues to lead the way within Community Sport by developing a wide range of innovative and pioneering projects across London.

Within this period we developed and launched the Foundation's new educational degree course and became an institutional partner with Middlesex University. This is the first partnership of its kind and the learners will undertake an 'Applied Sport and Community Development' Foundation Degree focusing on sport and community.

The Foundation continues to deliver a number of estate-based projects across four London boroughs (Haringey, Enfield, Barnet and Waltham Forest) and in Harlow.

The Section 106 agreement with Enfield Council and Lee Valley Park Regional Authority relating to our new Training Centre at Bulls Cross was also launched. To date a range of projects have been delivered including healthy walks, writing skills courses, estates and health programmes and further initiatives will be delivered over the next 10 years.

Our international work continues and Foundation coaches have this year travelled to Sri Lanka, China, South Africa, Portugal, Singapore and Poland to help support work within disability sport and football development.

We shall continue to underwrite the work of the Foundation as this Club is fully aware of its responsibility to its communities.

### Other charitable donations

In support of our international charity SOS Children's Villages, the Club participated in World Orphan Week. Every player sponsored an orphan from three countries around the world – Haiti, China and South Africa.

We specifically arranged sponsorship of children in the Club-funded orphan's house in Rustenburg, South Africa by our players likely to be selected for England. It was especially heart-warming that in the lead up to the World Cup 2010, Michael Dawson was able to visit the house and meet the young lad he was personally sponsoring.

We have also worked with and supported Help 4 Heroes and donated thousands of tickets to Tickets for Troops. We regularly send out flags and kit to our fans in the armed forces serving overseas. We auctioned the Poppy Appeal match shirts and generous supporters bidding helped us raise over £30,000 for that event alone.

We continue to support the Tottenham Tribute Trust (TTT) which looks after ex-players in need. A special range of legends shirts was marketed and sold with all profits to the TTT and we have planned activities for future fund-raising jointly with the committee.

During this period we became the first British club to become a Special Olympics Global Football Ambassador, alongside Inter Milan. We shall now work with Special Olympics in both the UK and around the world and the Foundation recently supported their work in Portugal.

Outside of the period and notably due to our location in Northumberland Park, the most deprived area of London, the Club and players, led by Benoit Assou-Ekotto, made a substantial donation to the Evening Standard's 'The Dispossessed Campaign'.

### Environmental responsibility

The Club takes a responsible approach to the challenges of climate change. In addition to being a founding participant of 10:10, we have also embraced leading green technologies in the new Training Centre currently under construction.

Notably, the new building will include an inter-seasonal Aquifer Thermal Energy Store (ATES). This will reduce the carbon emissions footprint by a 30% improvement on the minimum standard required and this will be one of the first uses of this type of technology in the UK.

### Management and staff

I should like to thank Harry Redknapp, the coaches and all the players for a wonderful season.

There is never a quiet period at a football club and I should like to thank all of our staff for their consistent hard work and determination to deliver the very best service to supporters.

At the end of the season, John Alexander, our Club Secretary, left us to join Manchester United after 10-years' service. We thank him and wish him well for the future. I am very pleased to welcome Darren Eales as his replacement, who joins us from West Bromwich Albion.

I should also like to once again thank Sir Keith Mills, our Non-Executive Director, for his invaluable guidance and support.


We are delighted to announce the appointment to the Club's management board of Charlie Wijeratna as Executive Director with commercial responsibilities, with effect from December 2010. Charlie joins us from the London Organising Committee for the Olympic Games where he was responsible for the delivery of significant commercial revenues. He brings with him a proven track record and will be a great addition to the management team.

### Outlook

Our priority on the pitch remains the Premier League – this is the true measure of our progress and ability to compete at the highest level.

We are benefiting now from our investment to date in the First Team squad. Our challenge is to accrue further benefits from our investment and capital projects in order to lay the strongest foundations for the future stability and prosperity of the Club.

I should like to commend everyone at the Club for their continued hard work and thank our supporters for their magnificent support both home and away throughout the season.



**Daniel Levy**

Chairman  
 10 November 2010

# FINANCIAL REVIEW

Our fans continue to demonstrate unwavering support for our team and Club and we are continually seeking ways to increase our fan base overseas and add value for domestic fans.

I am pleased to announce the financial results for the year ended 30 June 2010.

We again reached record revenues and a 23% increase in our operating profit before football trading and amortisation.

The table below shows the results of the football and property segments of the Group.

	2010 £m	2009 £m
<b>Football</b>		
Revenue	119.0	112.2
Operating profit*	22.8	18.6
(Loss)/profit before tax	(5.8)	34.2
<b>Property</b>		
Revenue	0.8	0.8
Operating loss*	(0.1)	(0.2)
Loss before tax	(0.7)	(0.8)
<b>Group</b>		
Revenue	119.8	113.0
Operating profit*	22.7	18.4
(Loss)/profit before tax	(6.5)	33.4

\*Operating profit/(loss) before interest, football trading and amortisation.

## Revenue

This year Club revenue has reached a record high of £119.8m (2009: £113.0m).

Premier League gate receipts rose to £20.1m (2009: £19.8m) with the Stadium sold out for all Premier League home games. The revenue from gate receipts remains consistently high with demand for season tickets being stronger than ever with the Season Ticket Waiting List standing at 33,000 registered and paid-up members. Our fans continue to demonstrate unwavering support for our team and Club and 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.

Beyond the Premier League the Club missed out on the Carling Cup final, for what would have been a third successive year, being knocked out by the eventual winners Manchester United at the quarter-final stage. The Club went one round further in The FA Cup, reaching the semi-finals before we disappointingly lost in extra time to Portsmouth at Wembley. Overall, the cup competitions raised £6.7m (2009: £8.1m) in gate receipts and prize monies, a drop of £1.4m mainly due to a lack of European football for the first time in four years.

Media and broadcasting revenues increased by 15% to £51.5m (2009: £44.8m). This gain is largely attributable to a higher merit fee award based on our final league position of fourth compared to eighth the previous season and a rise in the number of times the Club featured in live televised games.

Sponsorship and Corporate Hospitality income fell to £25.8m (2009: £27.4m), again a reflection of not having the well-attended mid-week European games that have proved popular with corporate fans, as well as difficult economic conditions.

Merchandising rose by 12% to £7.8m (2009: £7.0m) as we saw a return of discretionary spend and better average transaction values as well as a strong product mix.

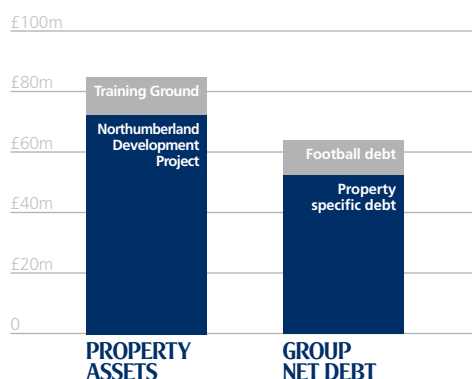
## Operating expenses (excluding football trading)

Operating expenses before football trading rose by 3% from £94.6m to £97.1m in the year. Player salaries have risen as the Club has further invested in the depth of its playing squad in preparation of Champions League football.

This higher cost base has been partially offset by a favourable movement in unrealised foreign exchange differences, due to the strengthening of Sterling against the Euro during the year and also by the stability of the team management and the lack of restructuring costs.

## “PREMIER LEAGUE GATE RECEIPTS ROSE TO £20.1M (2009: £19.8M) WITH THE STADIUM SOLD OUT FOR ALL PREMIER LEAGUE HOME GAMES.”

### CAPITAL PROJECTS SPEND AGAINST GROUP NET DEBT



#### Profit from operations (excluding football trading and amortisation)

Overall, our operating profit before football trading and amortisation, which is one of the key performance indicators for how the Club is performing as a cash-generating business, increased by 23% to £22.7m (2009: £18.4m).

#### Amortisation and impairment of intangible assets

Amortisation and impairment of intangible assets are £40.0m (2009: £37.3m) as the Club maintains its significant investment in its playing squad. With intangible assets (players) valued at £115.7m in the balance sheet it is clear that the historic cost of our team represents an enviable squad whose market value would be far in excess of its carrying value.

#### Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £15.3m for the financial year (2009: £56.5m), which includes the sales of Darren Bent to Sunderland, Didier Zokora to Sevilla and Kevin-Prince Boateng to Portsmouth. The comparative figure for the prior period includes significant gains that were made on the sales of the registrations of Dimitar Berbatov and Robbie Keane.

#### Net finance expenses

Interest expense has reduced by £0.5m but a reduction in interest income has resulted in an increase in the net finance expense from £3.4m to £5.0m.

#### Taxation

The Group has incurred a tax charge of £0.1m in the current year at a tax rate of 28%. Therefore the loss after tax is £6.6m.

#### Balance sheet

The most significant balance sheet movement relates to the continued investment in property, a further investment throughout the year in both the Training Ground build and the acquisition of property through Tottenham Hotspur Property Company Limited for the Northumberland Development Project (NDP) which contributed to a £20.2m increase in tangible assets.

We now hold tangible assets with a net book value of £123.6m on our balance sheet; the current Stadium, plant and equipment amounts to £38.9m of these assets; NDP £72.4m and the new Training Ground £12.3m. The current book value of the property which has been acquired to ensure we can deliver the NDP is £52.0m, with a further £20.4m being spent on planning and professional fees.

This huge investment over the past five years has been funded through equity contributions and long term debt financing. An overview of the property segment extracted from the consolidated balance sheet shows the debt position in relation to the asset holding. Clearly it is important to highlight the difference between the Football Club and this long-term investment in assets.

This investment was recently underpinned by the granting of local planning consent for the NDP master plan.

In August 2009, the Club placed 30 million new ordinary shares of 5p each, raising £15.0m to ensure that the Club's cash flow was not affected by the NDP. Group net assets grew to £70.5m (2009: £62.1m).

#### Cash flow

The Group had a net cash inflow from its operations of £19.9m for the year (2009: £29.9m).

We had a cash outflow of £62.0m (2009: £68.6m) to acquire players and pay contingent sums arising from transfer agreements, this is partially offset by £34.5m (2009: £47.2m) of cash inflows from player sales and contingent receipts with the residual outflow offset by operating profits.

The other major cash movements were the drawdown of £3.8m in property loans to help fund the Northumberland Development Project and a £10.0m short-term loan from our banking facilities. The Group repaid £4.1m of other borrowings during the year.

# FINANCIAL REVIEW

continued

The introduction of Financial Fair Play underlines our focus on investing in young talent and our Academy facilities, it necessitates the need for a new stadium... and it underlines our decision to work within our historic operational cash flows. We are well placed to meet the challenges of the future.

## 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.

Looking forward, the next major challenge our industry will face, from a financial perspective, will be the inevitable change that 'Financial Fair Play' will bring to the game. The essence of the change is to balance revenues and expenses. It was inevitable that UEFA would bring further control to the game and the Premier League has embraced these changes taking the view that it is better to be involved in a process than pushing against the inevitable.

From the Club's perspective it vindicates our consistent approach to invest in the Club. It underlines our focus on investing in young talent and our Academy facilities, it necessitates the need for a new stadium, which is now more important to drive revenues to the next level, and it underlines our decision to work within our historic operational cash flows. We are well placed to meet the challenges of the future.

## On the pitch

As we invest for the future the continued success of the First Team in the league, European and cup competitions remains an important part of our progression, particularly as we head off on a Champions League adventure which will test players and staff alike, as we raise our game to football's most elite competition.

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, the importance of this will be further highlighted by the introduction of Financial Fair Play.

## Off the pitch

The development of the new stadium will expose the Group to additional risks. The risk that we might not obtain the necessary financing would have a significant negative impact and require a write-off of some of the planning and professional fees paid to date. There is also a risk that the market value of the property held may reduce, however we are confident there are appropriate contingency plans in place to safeguard against this risk.

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.



**Matthew Collecott**

Finance Director  
10 November 2010

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 2010.

## Principal activities and business review

The principal activities of the Group continue to be the operation of a professional football club in England together with related commercial activities. In addition, the Group continues to acquire 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 16 to 22.

## 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 consider particularly relevant to the Company are interest rate risk, currency risk and cash flow risk.

The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group hedges its interest exposure by using fixed interest rate facilities where it is deemed appropriate. The Group is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 19 to the financial statements.

## Results and dividends

The audited consolidated income statement for the year ended 30 June 2010 is set out on page 32.

The Directors have not recommended the payment of a dividend (2009: nil).

## Post balance sheet events

Details of post balance sheet events are given in note 28 to the accounts.

## Share capital

On 10 December 2009 the Directors were granted the authority, under a shareholders' resolution, to purchase through the market 18,407,581 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 8,739 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 did not purchase any ordinary shares or any CRPS.

These authorities expire on 14 December 2010 and similar resolutions will be put to shareholders at an Annual General Meeting of the Company to be held on 14 December 2010 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' REPORT

continued

## 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 2010.

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 (ENIC).

At the year end ENIC held 93,986,990 ordinary shares representing 76% of those in issue and 56,214 convertible redeemable preference shares, representing 97% of those in issue. During the year there was a placing of an additional 30 million ordinary shares of which ENIC acquired 27.8 million. Accordingly, ENIC has a fully diluted beneficial interest in Tottenham Hotspur plc of 85% at the time of signing these financial statements.

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

Matthew Collocott 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 Remuneration Report on pages 29 and 30. Directors' interests in contracts are disclosed in note 25.

## 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:

- so far as each of the Directors is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditors are unaware; and
- 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 s418 of the Companies Act 2006.

## Substantial shareholdings

The Company has received the following notification of holdings of 3% or more of the share capital of the Company as at 8 November 2010:

	Ordinary shares		Convertible redeemable preference shares	
	%	Number	%	Number
ENIC International Limited	76	93,986,990	97	56,214

## Charitable and political donations

The Group made cash donations of £11,960 to international, UK-based and local charities during the year (2009: £26,450). The Group made no political donations during the year (2009: £nil). The Group made contributions with a value in excess of £0.5 million to the 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 considered fully, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled people, should as far as possible, be identical to that of other employees.

## Employees consultation

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

## Supplier payment policy

The Group's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 30 days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly. Trade creditors at 30 June 2010 represented 56 days (2009: 43 days) of annual purchases. This figure excludes contracted creditors in respect of player purchases and capital costs which are paid on their contractual due dates.



### **Tangible fixed assets**

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

### **Key performance indicators**

The Directors monitor the business based on the key performance indicators as being revenue and operating profit/(loss) before tax and player trading as shown in the table on page 20.

### **Going concern**

The Board of Directors continually monitors the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, the current economic downturn and the need for additional funding requirements of a new stadium development. The Financial Review details these risks and uncertainties, the Group's financial performance and position for the year and its cash flows and funding position. In addition, note 19 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risk. The Directors believe that these risks and uncertainties are mitigated by, inter alia, the robust nature of our business with long-term fixed revenues from the key business areas, notably the FAPL TV deal.

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

### **Directors' indemnities**

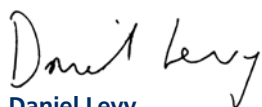
The Group has not made any qualifying third-party indemnity provisions for the benefit of its Directors during the year.

### **Auditors**

Deloitte 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 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 14 December 2010 at the Company's Registered Offices.



**Daniel Levy**

Chairman  
 10 November 2010

# 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. However in the year to 30 June 2010 the Company has not been able to comply with the provisions set out in section 1 of the code for part of the year because subsequent to 19 January 2009 there was only one Non-Executive Director, Sir K E Mills, following the resignation of Lord Davies of Abersoch. As a result the Company has not been able to comply with principles A3, B2 and C3 for the year, which recommend that the Board should include a balance of Executive and Non-Executive Directors and that the Remuneration and Audit Committees should comprise at least two independent Non-Executives.

There are currently two Executive Directors (D P Levy and M J Collecott); and the Board considers that it is adequate for two Executive Directors to deal with the management of the Public Limited Company (PLC) and four Executives of the Football Club. Following the resignation of Lord Davies, the Group currently only has one Non-Executive Director, Sir K E Mills. The Board consider that Sir K E Mills has 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:

- 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, D P Levy is responsible for running both the Board and the Group's business. In the Board's view the independent Non-Executive Director has the ability and authority to ensure the Group and its shareholders are not disadvantaged by this combination of roles;
- 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; and
- 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 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 [tottenhamhotspur.com](http://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 six 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.

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: Sir K E Mills), which met on three 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 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 E 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 29 and 30.

### **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 2010 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 16 to 22. 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.

# CORPORATE GOVERNANCE

continued

## 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, [tottenhamhotspur.com](http://tottenhamhotspur.com) and all other media channels available to them.

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

## Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and Article 4 of the IAS Regulation and 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). Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

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

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

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

## Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board



**Daniel Levy**

Chairman

10 November 2010



**Matthew Collecott**

Finance Director

10 November 2010

## Introduction

This report has been prepared in accordance with the Companies Act 2006 (the 'Act').

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 Remuneration Report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Companies Act 2006. 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:

- basic annual salary (including Directors' fees) and benefits;
- annual bonus payments;
- share option incentives;
- pension arrangements; and
- 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, D P Levy, are payable to ENIC Group. These fees are 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 evaluates the Executive's performance in light of business risk and economic climate.

### 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 M J Collecott. The only element of remuneration which is pensionable is the basic annual salary.

# REMUNERATION REPORT

continued

## 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. For the current year M J 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 two 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;
- during the year the first tranche was paid, following achievement of aggregate earnings before interest, tax, depreciation and amortisation (EBITDA) of £45m or more over the three year ends following the commencement date;
- 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 fourth and fifth years after commencement; and
- 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 £1,835,657 (2009: £927,999). Contributions to pension schemes were £23,500 (2009: £23,500) as detailed below.

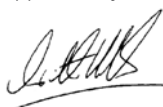
Details of the remuneration of the Directors individually and in total are shown below:

	Fees £	Salary £	Bonus £	Benefits in kind £	Sub total £	Pension £	Year to 30 June 2010 Total £	Year to 30 June 2009 Total £
D P Levy*	675,000	—	675,000	—	1,350,000	—	<b>1,350,000</b>	675,000
M J Collecott	—	235,000	235,000	10,657	480,657	23,500	<b>504,157</b>	266,499
Lord Davies of Abersoch** (resigned 16 January 2009)	—	—	—	—	—	—	—	5,000
Sir K E Mills**	5,000	—	—	—	5,000	—	<b>5,000</b>	5,000
	680,000	235,000	910,000	10,657	1,835,657	23,500	<b>1,859,157</b>	951,499

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

\*\* Non-Executive Directors.

Approved by the Remuneration Committee.



### Sir Keith Mills

Chairman of the Remuneration Committee  
10 November 2010

# 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 2010 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

## Opinion on financial statements

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matters prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

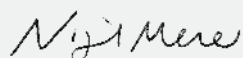
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors'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

Although not required to do so, the Directors have voluntarily chosen to make a corporate governance statement detailing the extent of their compliance with the June 2008 FRC Combined Code. We reviewed:

- the Directors' statement in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

## Other matters

We have reported separately on the parent company financial statements of Tottenham Hotspur plc for the year ended 30 June 2010 and on the information in the Directors' report described as having been audited.



## Nigel Mercer

(Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

10 November 2010

# CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2010

	Note	Year ended 30 June 2010			Year ended 30 June 2009		
		Operations, excluding football trading* £'000	Football trading* £'000	Total £'000	Operations, excluding football trading* £'000	Football trading* £'000	Total £'000
<b>Revenue</b>	3	<b>119,814</b>	<b>—</b>	<b>119,814</b>	113,012	—	113,012
Operating expenses	4	<b>(97,140)</b>	<b>(39,466)</b>	<b>(136,606)</b>	(94,622)	(38,099)	(132,721)
<b>Operating profit/(loss)</b>		<b>22,674</b>	<b>(39,466)</b>	<b>(16,792)</b>	18,390	(38,099)	(19,709)
Profit on disposal of intangible fixed assets	7	—	<b>15,250</b>	<b>15,250</b>	—	56,500	56,500
<b>Profit/(loss) from operations</b>	5	<b>22,674</b>	<b>(24,216)</b>	<b>(1,542)</b>	18,390	18,401	36,791
Finance income	8			<b>1,358</b>			4,563
Finance costs	8			<b>(6,355)</b>			(7,956)
<b>(Loss)/profit on ordinary activities before taxation</b>				<b>(6,539)</b>			33,398
Tax	9			<b>(108)</b>			(10,234)
<b>(Loss)/profit for the period</b>	22			<b>(6,647)</b>			23,164
<b>Attributable to:</b>							
<b>Equity holders of the parent</b>				<b>(6,647)</b>			23,164
(Loss)/earnings per share from continuing operations – basic	10			<b>(5.6p)</b>			25.0p
(Loss)/earnings per share from continuing operations – diluted	10			<b>(5.6p)</b>			12.9p

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

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



# CONSOLIDATED BALANCE SHEET

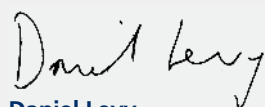
as at 30 June 2010

OUR CLUB  
OUR BUSINESS  
OUR RESULTS

	Note	30 June 2010 £'000	30 June 2009 £'000
<b>Non-current assets</b>			
Property, plant and equipment	11	<b>123,552</b>	103,338
Intangible assets	12	<b>115,660</b>	128,432
		<b>239,212</b>	231,770
<b>Current assets</b>			
Inventories	13	<b>1,066</b>	1,172
Trade and other receivables	14	<b>35,909</b>	37,738
Current tax receivable		<b>697</b>	1,104
Cash and cash equivalents	15	<b>11,285</b>	19,622
		<b>48,957</b>	59,636
<b>Total assets</b>		<b>288,169</b>	291,406
<b>Current liabilities</b>			
Trade and other payables	16	<b>(86,776)</b>	(89,579)
Interest bearing loans and borrowings	16	<b>(24,117)</b>	(13,810)
Provisions	16/18	<b>(1,595)</b>	(1,211)
		<b>(112,488)</b>	(104,600)
<b>Non-current liabilities</b>			
Interest bearing overdrafts and loans	17	<b>(65,761)</b>	(66,504)
Trade and other payables	17	<b>(18,833)</b>	(37,871)
Deferred grant income	17	<b>(2,127)</b>	(2,211)
Deferred tax liabilities	17/18	<b>(18,459)</b>	(18,157)
		<b>(105,180)</b>	(124,743)
<b>Total liabilities</b>		<b>(217,668)</b>	(229,343)
<b>Net assets</b>		<b>70,501</b>	62,063
<b>Equity</b>			
Share capital	20	<b>6,177</b>	4,640
Share premium		<b>25,217</b>	11,638
Equity component of convertible redeemable preference shares ('CRPS')	20	<b>3,774</b>	3,805
Revaluation reserve	22	<b>—</b>	2,240
Capital redemption reserve		<b>595</b>	595
Retained earnings		<b>34,738</b>	39,145
<b>Total equity</b>	22	<b>70,501</b>	62,063

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 10 November 2010.

Signed on behalf of the Board of Directors



**Daniel Levy**

Chairman

10 November 2010

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2010

	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 2009	4,640	11,638	3,805	2,240	595	39,145	62,063
Loss for the year	—	—	—	—	—	(6,647)	(6,647)
Transfer of revaluation reserve	—	—	—	(2,240)	—	2,240	—
CRPS converted in the period	37	79	(31)	—	—	—	85
Ordinary share issue	1,500	13,500	—	—	—	—	15,000
<b>At 30 June 2010</b>	<b>6,177</b>	<b>25,217</b>	<b>3,774</b>	<b>—</b>	<b>595</b>	<b>34,738</b>	<b>70,501</b>

for the year ended 30 June 2009

	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 2008	4,639	11,637	3,806	2,288	595	19,645	42,610
Profit for the year	—	—	—	—	—	23,164	23,164
Amortisation of revaluation reserve	—	—	—	(48)	—	48	—
CRPS converted in the period	1	1	(1)	—	—	—	1
Final dividend on equity shares relating to the year ended 30 June 2008	—	—	—	—	—	(3,712)	(3,712)
At 30 June 2009	4,640	11,638	3,805	2,240	595	39,145	62,063

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2010

OUR CLUB  
OUR BUSINESS  
OUR RESULTS

	Note	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
<b>Cash flow from operating activities</b>			
(Loss)/profit from operations		(1,542)	36,791
<b>Adjustments for:</b>			
Amortisation and impairment of intangible assets		39,990	37,288
Profit on disposal of intangible assets		(15,250)	(56,500)
Profit on disposal of property, plant and equipment		—	(3)
Depreciation of property, plant and equipment		2,423	2,842
Capital grants release		88	66
Foreign exchange (gain)/loss		(755)	2,235
(Increase)/decrease in trade and other receivables		(4,865)	12,928
Decrease in inventories		107	712
Decrease in trade and other payables		(344)	(6,415)
<b>Cash flow from operations</b>		<b>19,852</b>	<b>29,944</b>
Interest paid		(3,071)	(4,342)
Interest received		83	1,080
Income tax refund/(paid)		602	(750)
<b>Net cash flow from operating activities</b>		<b>17,466</b>	<b>25,932</b>
<b>Cash flows from investing activities</b>			
Acquisitions of property, plant and equipment, net of proceeds		(22,984)	(32,048)
Acquisitions of intangible assets		(61,992)	(68,609)
Proceeds from sale of intangible assets		34,499	47,180
<b>Net cash flow from investing activities</b>		<b>(50,477)</b>	<b>(53,477)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		—	(3,712)
Ordinary share issue		15,000	—
Proceeds from borrowings		13,750	19,612
Repayments of borrowings		(4,076)	(4,016)
<b>Net cash flow from financing activities</b>		<b>24,674</b>	<b>11,884</b>
Net decrease in cash and cash equivalents		(8,337)	(15,661)
Cash and cash equivalents at start of the period		19,622	35,283
<b>Cash and cash equivalents at end of year</b>	15	<b>11,285</b>	<b>19,622</b>

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

## 1. Accounting policies and critical accounting judgements

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

### Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 25.

Tottenham Hotspur plc is a company incorporated in the United Kingdom. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 23.

### Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRS adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS regulation. The financial statements have been prepared on a historical cost basis, except for the revaluation of certain properties.

### Basis of consolidation

The Group financial statements incorporate the financial statements of Tottenham Hotspur 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 matchday 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 and transactions

#### (a) Initial capitalisation

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

#### (b) Amortisation discounted

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

#### (c) Contingent consideration

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

#### (d) Impairment

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

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

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

In certain rare instances there may be an individual player whom the Group does not consider to be part of the First Team squad and who will therefore not contribute to the future cash flows earned by the cash-generating unit. This is normally due to a permanent career-threatening injury/condition or due to a serious and permanent fall out with the Group's senior football management and Directors which, as a consequence, means the Group consider it highly unlikely he will ever play for the First Team again. In this situation, the carrying value of the player is removed from the carrying value of players assessed as part of the cash-generating unit referred to above and instead this player will be assessed for impairment in isolation by considering his carrying value with the Group's best estimate of his fair value less costs to sell. The Group estimate this using one of the following sources:

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

#### (e) Disposals

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

#### (f) Remuneration

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

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.

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

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

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

#### Tax

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

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

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

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

### Tax (continued)

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

Deferred tax is charged or credited in the income statement.

### Property, plant and equipment

Freehold land is not depreciated. Leasehold property is amortised over the term of the lease. Other fixed assets are depreciated on a straight-line basis at annual rates appropriate to their estimated useful lives as follows:

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

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

### Inventories

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

### Debt

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

### 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.

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.

### New standards and interpretations

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2009 except as described below.

In the current financial year, the Group has adopted International Accounting Standard 1 'Presentation of Financial Statements' (revised 2007) (IAS 1), International Financial Reporting Standard 8 'Operating Segments' (IFRS 8), and IAS 23 (revised 2007) 'Borrowing Costs' (IAS 23).

The implementation of IAS 1 (revised 2007) has not resulted in any significant changes to disclosures in the current year.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chairman to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 'Segment Reporting') required the Group to identify two sets of segments (business and geographical), using a risks and rewards approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such

segments. Information reported to the Group's Chairman for the purposes of resource allocation and assessment of segment performance is focused on (1) the underlying football operations of the Group and (2) the proposed Northumberland Development Project and Training Centre. As such, the implementation of IFRS 8 has resulted in no significant changes to those previously made under IAS 14.

The implementation of IAS 23 (revised 2007) has not had any impact on these financial statements although as the principal change to the Standard is to eliminate the option to expense all borrowing costs when incurred the Directors consider this may have a significant impact in future years.

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

The Directors anticipate that the adoption of those Standards and Interpretations which, at the date of authorisation of these Group financial statements, were in issue but not yet effective will have little or no impact on the Group's financial statements when they come into effect.

### 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 which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed.

#### Financial assets and liabilities

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

#### Impairment of financial assets

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

#### Derecognition of financial liabilities

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

#### 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 Project (NDP) 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.

On 30 September 2010 the Planning Committee of Haringey Council approved the planning application for the NDP. The application is currently being considered by the Mayor of London and the Secretary of State. In order for the NDP to continue to generate a probable economic benefit, the Directors have had to assess the likelihood of planning permission not being overturned, obtaining financing and generating sufficient demand to fill an enlarged stadium. Although the NDP is in its early stages the Directors remain confident that planning permission will not be overturned, the Group will obtain the necessary funding and that there will be sufficient demand to fill the enlarged stadium. The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the NDP will proceed. The NDP will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the NDP does not proceed such as professional fees and properties whose market value is below cost, would need to be written off at that time.

During the year, work started on the new Training Centre. The Directors believe that the new Training Centre will reach completion over the next two years.

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 2. Operating segments

All revenues disclosed are derived from external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment operating profit represents the profit earned by each segment without allocation of central administration costs and certain recharges. This is the measure reported to the Group's Board for the purpose of resource allocation and assessment of segment performance.

Class of business	Football		Property		Group	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
<b>Revenue</b>	<b>118,955</b>	112,242	<b>859</b>	770	<b>119,814</b>	113,012
Segment operating profit/(loss)	<b>22,808</b>	18,631	<b>(134)</b>	(241)	<b>22,674</b>	18,390
Player trading operating costs	<b>(39,466)</b>	(38,099)	—	—	<b>(39,466)</b>	(38,099)
Profit on disposal of player registrations	<b>15,250</b>	56,500	—	—	<b>15,250</b>	56,500
Net finance charges	<b>(4,362)</b>	(2,810)	<b>(635)</b>	(583)	<b>(4,997)</b>	(3,393)
<b>(Loss)/profit before taxation</b>	<b>(5,770)</b>	34,222	<b>(769)</b>	(824)	<b>(6,539)</b>	33,398
Property, plant and equipment	<b>38,890</b>	40,947	<b>84,662</b>	62,391	<b>123,552</b>	103,338
Intangible assets	<b>115,660</b>	128,432	—	—	<b>115,660</b>	128,432
<b>Non-current assets</b>	<b>154,550</b>	169,379	<b>84,662</b>	62,391	<b>239,212</b>	231,770
Total assets	<b>205,965</b>	230,927	<b>82,204</b>	60,479	<b>288,169</b>	291,406
Total liabilities	<b>(128,704)</b>	(166,248)	<b>(88,964)</b>	(63,095)	<b>(217,668)</b>	(229,343)
<b>Segment net assets/(liabilities)</b>	<b>77,261</b>	64,679	<b>(6,760)</b>	(2,616)	<b>70,501</b>	62,063

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

## 3. Revenue

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

	2010 £'000	2009 £'000
<b>Revenue comprises:</b>		
Gate receipts – Premier League	<b>20,123</b>	19,792
Gate receipts – cup competitions	<b>6,726</b>	8,065
Sponsorship and corporate hospitality	<b>25,763</b>	27,363
Media and broadcasting	<b>51,519</b>	44,811
Merchandising	<b>7,793</b>	6,960
Other	<b>7,890</b>	6,021
	<b>119,814</b>	113,012

All revenue except for £859,000 (2009: £770,000) 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 £1,358,000 in 2010 and £4,563,000 in 2009 as set out in note 8. Consequently total revenue is £121,172,000 (2009: £117,575,000).

## 4. Operating expenses

	2010 £'000	2009 £'000
Staff costs	<b>67,073</b>	60,468
Depreciation of property, plant and equipment	<b>2,770</b>	2,842
Other operating costs	<b>27,297</b>	31,312
<b>Operating expenses excluding football trading</b>	<b>97,140</b>	94,622
Amortisation, impairments and other net football trading income and expenditure	<b>39,466</b>	38,099
<b>Total operating expenses</b>	<b>136,606</b>	132,721



## 5. Profit/(loss) from operations

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

	<b>2010</b> <b>£'000</b>	2009 £'000
Depreciation of property, plant and equipment:		
– owned	<b>2,770</b>	2,842
Amortisation of intangible fixed assets	<b>39,991</b>	37,288
Amortisation of grants	<b>(88)</b>	(66)
Restructuring	—	2,822
Charitable donations	<b>12</b>	27
Operating lease rentals:		
– land and buildings	<b>277</b>	289
– other	<b>167</b>	153
Foreign exchange (gain)/loss	<b>(801)</b>	2,272

The analysis of auditors' remuneration is as follows:

	<b>2010</b> <b>£'000</b>	2009 £'000
Fees payable to the Company's auditors for statutory services:		
– audit of the Company's accounts	<b>20</b>	20
– audit of the accounts of the Company's subsidiaries	<b>65</b>	65
Total audit fees	<b>85</b>	85
Other services:		
– tax services	<b>259</b>	130
– other services pursuant to legislation	<b>10</b>	22
– other services	<b>5</b>	46
Total non-audit fees	<b>274</b>	198
Total fees	<b>359</b>	283

Fees for the audit of the Company's subsidiaries accounts represent the fees payable to Deloitte LLP in respect of the audit of the Company's individual financial statements prepared in accordance with UK GAAP and the audit of the Company's accounts represents the audit of the Group's consolidated financial statements prepared in accordance with IFRS.

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

## 6. Staff numbers and costs

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

	<b>2010</b> <b>Number</b>	2009 Number
Players and football administration staff	<b>142</b>	148
Administration staff	<b>100</b>	92
Retail and distribution staff	<b>48</b>	46
	<b>290</b>	286

Administration staff for 2010 includes a headcount of 9 (2009: nil) Football Development staff, who were employed by Tottenham Hotspur Foundation in 2009.

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 6. Staff numbers and costs (continued)

The aggregate payroll costs of these employees was as follows:

	£'000	£'000
Salaries and bonuses	59,408	53,577
Social security costs	7,092	6,496
Other pension costs	573	395
	<b>67,073</b>	<b>60,468</b>

In addition the Group employs, on average, 584 temporary staff on matchdays (2009: 577).

In addition to the above payroll costs, redundancy costs of £129,682 (2009: £2,098,935) were also charged to the income statement during the year.

## 7. Profit on disposal of intangible fixed assets

	2010 £'000	2009 £'000
Proceeds	26,122	72,539
Net book value of disposals	(10,872)	(16,039)
	<b>15,250</b>	<b>56,500</b>

## 8. Finance income and costs

	2010 £'000	2009 £'000
Interest income	83	1,080
Notional interest income on deferred receipts for sales of players' registrations	1,275	3,483
	<b>1,358</b>	<b>4,563</b>

	2010 £'000	2009 £'000
Interest expense	(2,779)	(3,272)
Notional interest expense on deferred payments for players' registrations	(3,257)	(4,036)
Amortisation of debt issue costs	(83)	(90)
Interest charge on CRPS liability	(236)	(558)
	<b>(6,355)</b>	<b>(7,956)</b>

## 9. Tax charge on ordinary activities

	2010 £'000	2009 £'000
<b>Current tax</b>		
UK corporation tax charge on profits for the year	—	1,888
Other prior year adjustments	(194)	(60)
Current tax (credit)/charge	<b>(194)</b>	<b>1,828</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(60)	(390)
Rollover relief deferred in respect of players disposed of and purchased in prior years	857	—
Rollover relief deferred in respect of players disposed of and purchased in current year	(495)	8,796
Deferred tax charge	<b>302</b>	<b>8,406</b>
Total tax charge on ordinary activities	<b>108</b>	<b>10,234</b>

## Reconciliation of total tax charge

	2010 £'000	2009 £'000
(Loss)/profit on ordinary activities before taxation	<b>(6,539)</b>	33,398
Tax on (loss)/profit on ordinary activities before taxation at the UK statutory rate of 28% (2009: 28%)	<b>(1,831)</b>	9,351
Expenses not deductible	<b>726</b>	367
Depreciation for which no tax relief is available	<b>550</b>	591
Net impact of rollover relief in respect of players disposed of and purchased in prior years	<b>857</b>	—
Other prior year adjustments	<b>(194)</b>	(60)
Utilisation of tax losses	—	(15)
<b>Total tax charge on ordinary activities</b>	<b>108</b>	10,234

Other than the provision for deferred tax (see note 18) and the items referred to above, there are no items which would materially affect future tax charges.

## 10. Earnings per share

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

	2010 £'000	2009 £'000
Earnings for the purpose of basic earnings per share being net (loss)/profit attributable to equity holders of the Company	<b>(6,647)</b>	23,164
Accretion of CRPS liability	<b>236</b>	558
Earnings for the purpose of diluted earnings per share	<b>(6,411)</b>	23,722
	<b>Number</b>	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>117,911,574</b>	92,793,219
Convertible redeemable preference shares	<b>90,317,964</b>	91,063,038
	<b>208,229,538</b>	183,856,257
	<b>Pence</b>	Pence
Basic (loss)/earnings per share	<b>(5.6p)</b>	25.0p
Diluted (loss)/earnings per share	<b>(5.6p)</b>	12.9p

There are no ordinary share options outstanding at the year end (2009: nil). On conversion of the CRPS the fully diluted share capital at year end would be 213,860,549 shares (2009: 183,862,111 shares).

The convertible redeemable preference shares are not considered to be dilutive in the current year as they would reduce the loss per share.

## 11. Property, plant and equipment For the year ended 30 June 2010

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 2009	55,634	1	199	20,830	50,882	127,546
Additions	3,905	—	114	452	18,513	22,984
<b>At 30 June 2010</b>	<b>59,539</b>	<b>1</b>	<b>313</b>	<b>21,282</b>	<b>69,395</b>	<b>150,530</b>
<b>Depreciation</b>						
At 1 July 2009	7,991	1	98	16,118	—	24,208
Charged in the year	866	—	42	1,862	—	2,770
<b>At 30 June 2010</b>	<b>8,857</b>	<b>1</b>	<b>140</b>	<b>17,980</b>	<b>—</b>	<b>26,978</b>
<b>Net book value</b>						
<b>At 30 June 2010</b>	<b>50,682</b>	<b>—</b>	<b>173</b>	<b>3,302</b>	<b>69,395</b>	<b>123,552</b>

Land and buildings that are currently held for the Northumberland Development Project have been transferred at their net book value into assets under the course of construction. In the event that the proposed Northumberland Development Project does not proceed, some of the £20,432,000 of professional fees capitalised to 30 June 2010 (2009: £11,199,000) may need to be written off.

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

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

For the year ended 30 June 2009

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 2008	52,528	1	165	19,010	24,894	96,598
Additions	4,766	—	48	1,259	25,979	32,052
Disposals	(372)	—	(14)	—	—	(386)
Transfer to assets under construction	(1,288)	—	—	561	9	(718)
<b>At 30 June 2009</b>	<b>55,634</b>	<b>1</b>	<b>199</b>	<b>20,830</b>	<b>50,882</b>	<b>127,546</b>
<b>Depreciation</b>						
At 1 July 2008	8,187	1	73	14,207	—	22,468
Eliminated on disposal	(372)	—	(12)	—	—	(384)
Charged in the year	894	—	37	1,911	—	2,842
Transfer to assets under construction	(718)	—	—	—	—	(718)
<b>At 30 June 2009</b>	<b>7,991</b>	<b>1</b>	<b>98</b>	<b>16,118</b>	<b>—</b>	<b>24,208</b>
<b>Net book value</b>						
<b>At 30 June 2009</b>	<b>47,643</b>	<b>—</b>	<b>101</b>	<b>4,712</b>	<b>50,882</b>	<b>103,338</b>

## 12. Intangible assets

For the year ended 30 June 2010

	£'000
<b>Cost of registrations</b>	
At 1 July 2009	197,122
Additions	38,091
Disposals	(33,177)
<b>At 30 June 2010</b>	<b>202,036</b>
<b>Amortisation and impairment of registrations</b>	
At 1 July 2009	68,690
Charged in year – amortisation	39,991
Disposals	(22,305)
<b>At 30 June 2010</b>	<b>86,376</b>
<b>Net book value of registrations</b>	
<b>At 30 June 2010</b>	<b>115,660</b>

For the year ended 30 June 2009

	£'000
<b>Cost of registrations</b>	
At 1 July 2008	121,078
Additions	119,336
Disposals	(43,292)
<b>At 30 June 2009</b>	<b>197,122</b>
<b>Amortisation and impairment of registrations</b>	
At 1 July 2008	58,655
Charged in year – amortisation	37,288
Disposals	(27,253)
<b>At 30 June 2009</b>	<b>68,690</b>
<b>Net book value of registrations</b>	
<b>At 30 June 2009</b>	<b>128,432</b>

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

**13. Inventories**

	2010 £'000	2009 £'000
Inventories	<b>1,066</b>	1,172

Inventories comprise merchandising goods held for resale.

**14. Trade and other receivables**

	2010 £'000	2009 £'000
Trade receivables due in less than one year	<b>24,090</b>	30,557
Trade receivables due in more than one year	<b>2,968</b>	1,180
Other receivables	<b>1,981</b>	2,338
Prepayments and accrued income	<b>6,870</b>	3,663
	<b>35,909</b>	37,738

Trade receivables above include £18,423,000 (2009: £25,049,000) 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 19 for disclosures relating to debtors' ageing and other credit risk considerations.

**15. Cash and cash equivalents**

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

	2010 £'000	2009 £'000
Bank balances	<b>11,276</b>	19,606
Petty cash	<b>9</b>	16
Cash and cash equivalents	<b>11,285</b>	19,622

The carrying amount of these assets approximates their fair value.

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 16. Current liabilities

	2010 £'000	2009 £'000
Bank loans (secured)	18,039	7,683
Other loans (secured)	1,218	1,131
CRPS liability (see note 21)	4,860	4,996
Interest bearing loans and borrowings	24,117	13,810
Trade payables	35,396	36,545
Other tax and social security	6,977	6,128
Other payables	7,841	7,531
Accruals and deferred income	36,562	39,375
Trade and other payables	86,776	89,579
Provisions (see note 18)	1,595	1,211
	<b>112,488</b>	104,600

During the year a £15,000,000 short-term revolving loan which forms part of the Group's facility with HSBC Bank was utilised, which is secured against Club assets.

Trade payables above include £29,120,000 in respect of the acquisition of players' registrations (2009: £32,507,000).

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.

## 17. Non-current liabilities

	2010 £'000	2009 £'000
Bank loans (secured)	31,686	31,155
Other loans (secured)	24,340	25,558
CRPS liability (see note 21)	9,735	9,791
Interest bearing loans and borrowings	65,761	66,504
Trade payables	14,688	31,915
Other payables	4,145	3,901
Accruals and deferred income	—	2,055
Trades and other payables	18,833	37,871
Deferred grant income	2,127	2,211
Deferred tax liabilities (see note 18)	18,459	18,157
	<b>105,180</b>	124,743

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

### Bank loans (in notes 16 and 17)

Bank loans of £1,703,000 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 is charged quarterly on the outstanding amount of the loans, at a rate which tracks the Bank of England base rate. The bank loans are shown in the financial statements net of £23,000 of associated loan arrangement costs which are being amortised over the term of the loans.

There is a £55,000,000 non-recourse bank facility with the Bank of Scotland secured on certain freehold properties. The Group has drawn the £11,250,000 refinance loan to refinance the existing debt of the Group incurred in respect of the acquisition of certain properties, at the balance sheet date £9,375,000 of this loan was outstanding. The remainder of the facility is available to draw upon to acquire further properties. At the balance sheet date a further £28,028,000 had been drawn to facilitate property acquisitions, and £23,844,000 of this loan was outstanding. The bank loans, which are at a floating rate, are shown in the financial statements net of £174,000 of associated loan arrangement costs which are being amortised over the term of the loans.

### Other loans (in notes 16 and 17)

Other loans above relate to the issue, at par, of £10,000,000 7.29% secured loan notes by the Group in November 2002 and a further issue, at par, in November 2006 of £20,000,000 7.29% secured loan notes. The £10,000,000 loan notes were used to repay short-term debt and to fund the Group's general working capital requirements. These notes are repayable in equal annual instalments over 20 years from September 2003.

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

The loan notes are secured against the White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £25,872,000 of the loan notes are outstanding. The loan notes are shown in the financial statements net of £314,000 of associated debt issue costs which are being amortised over the term of the loan notes.

### CRPS liability

For details of the CRPS liability see note 21.

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:

	2010			2009		
	Principal £'000	Interest £'000	Total £'000	Principal £'000	Interest £'000	Total £'000
<b>Bank loans and overdraft</b>						
In one year or less or on demand	18,039	157	18,196	7,683	19	7,702
In more than one year but not more than two years	3,048	—	3,048	2,687	—	2,687
In more than two years but not more than five years	9,156	—	9,156	8,097	—	8,097
In more than five years	19,482	—	19,482	20,371	—	20,371
	<b>49,725</b>	<b>157</b>	<b>49,882</b>	38,838	19	38,857
<b>Other loans</b>						
In one year or less or on demand	1,218	1,572	2,790	1,131	1,643	2,774
In more than one year but not more than two years	1,313	—	1,313	1,218	—	1,218
In more than two years but not more than five years	4,574	—	4,574	4,249	—	4,249
In more than five years	18,453	—	18,453	20,091	—	20,091
	<b>25,558</b>	<b>1,572</b>	<b>27,130</b>	26,689	1,643	28,332
<b>CRPS liability</b>						
In one year or less or on demand	4,860	177	5,037	4,996	313	5,309
In more than one year but not more than two years	4,865	—	4,865	4,887	—	4,887
In more than two years but not more than five years	4,870	—	4,870	4,904	—	4,904
	<b>14,595</b>	<b>177</b>	<b>14,772</b>	14,787	313	15,100
<b>Total borrowings</b>						
In one year or less or on demand	24,117	1,906	26,023	13,810	1,975	15,785
In more than one year but not more than two years	9,226	—	9,226	8,792	—	8,792
In more than two years but not more than five years	18,600	—	18,600	17,250	—	17,250
In more than five years	37,935	—	37,935	40,462	—	40,462
	<b>89,878</b>	<b>1,906</b>	<b>91,784</b>	80,314	1,975	82,289

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 17. Non-current liabilities (continued)

### Interest rate profile

The Group has no financial assets excluding short-term debtors, other than the Sterling cash deposits of £11,285,000 (2009: £19,622,000) 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		Weighted average interest rate at year end %
			Fixed rate financial liabilities £'000	Weighted average time for which rate is fixed Years	
<b>2010</b>	<b>89,878</b>	<b>64,320</b>	<b>25,558</b>	<b>13</b>	<b>3.6</b>
2009	80,314	53,625	26,689	14	3.5

The floating rate borrowings are all denominated in Sterling and are referenced to London Inter Bank Offer Rate (LIBOR) and The Bank of England Base Rate. 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 21 at which time they became a floating rate financial liability.

### Borrowing facilities

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

	<b>2010</b> £'000	2009 £'000
Expiring in one year or less or on demand	<b>15,000</b>	25,000
Expiring in more than one year but not more than two years	—	—
Expiring in more than five years	<b>15,722</b>	39,472
Total undrawn committed borrowing facilities	<b>30,722</b>	64,472

This is made up of undrawn bank borrowing facilities of £15,000,000 and the remaining £15,722,000 undrawn facility relating to future property acquisitions (see note 16 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:

	2010		2009	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Other loans	<b>25,558</b>	<b>21,923</b>	26,689	17,775

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.



## 18. Provisions for liabilities

For the year ended 30 June 2010

	£'000
<b>Contingent transfer fees payable</b>	
At 1 July 2009	1,058
Provided during the year	1,226
Utilised during the year	(1,239)
<b>At 30 June 2010</b>	<b>1,045</b>
<b>Provisions on player contracts</b>	
At 1 July 2009	153
Provided during the year	550
Released to income during the year	(4)
Utilised during the year	(149)
<b>At 30 June 2010</b>	<b>550</b>
<b>Deferred taxation</b>	
At 1 July 2009	18,157
Provided during the year	302
<b>At 30 June 2010</b>	<b>18,459</b>
<b>Total</b>	
<b>At 30 June 2010</b>	<b>20,054</b>

The timing of the outflow of the contingent payment is dictated by the contractual provisions of the relevant agreements.

For the year ended 30 June 2009

	£'000
<b>Contingent transfer fees payable</b>	
At 1 July 2008	2,317
Provided during the year	2,446
Released to income during the year	(332)
Utilised during the year	(3,373)
<b>At 30 June 2009</b>	<b>1,058</b>
<b>Provisions on player contracts</b>	
At 1 July 2008	3,285
Provided during the year	153
Utilised during the year	(3,285)
<b>At 30 June 2009</b>	<b>153</b>
<b>Deferred taxation</b>	
At 1 July 2008	9,751
Provided during the year	8,406
<b>At 30 June 2009</b>	<b>18,157</b>
<b>Total</b>	
<b>At 30 June 2009</b>	<b>19,368</b>

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 18. Provisions for liabilities (continued)

Deferred taxation has been provided as follows:

	2010 £'000	2009 £'000
Accelerated capital allowances	3,456	3,166
Deferred tax on properties not qualifying for capital allowances	233	233
Intangible fixed assets	15,087	14,791
Other timing differences	(317)	(33)
	<b>18,459</b>	<b>18,157</b>

## 19. 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 Directors' consideration of going concern is detailed in the Directors' Report. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in note 22 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 carrying value of the financial assets and liabilities (with non-financial assets and liabilities shown for reconciling purposes) are analysed as follows:

	Year ended 30 June 2010			Year ended 30 June 2009		
	Financial assets £'000	Non-financial assets £'000	Total £'000	Financial assets £'000	Non-financial assets £'000	Total £'000
<b>Assets</b>						
Non-current assets	—	239,212	239,212	—	231,770	231,770
Trade receivables and similar items	29,737	—	29,737	35,179	—	35,179
Cash and cash equivalents	11,285	—	11,285	19,622	—	19,622
Other current assets	—	7,935	7,935	—	4,835	4,835
Total assets	<b>41,022</b>	<b>247,147</b>	<b>288,169</b>	54,801	236,605	291,406

	Year ended 30 June 2010			Year ended 30 June 2009		
	Financial liabilities £'000	Non-financial liabilities £'000	Total £'000	Financial liabilities £'000	Non-financial liabilities £'000	Total £'000
<b>Liabilities</b>						
Borrowings:						
Current	(24,117)	—	(24,117)	(13,810)	—	(13,810)
Non-current	(65,761)	—	(65,761)	(66,504)	—	(66,504)
Trade and other payables	(112,659)	—	(112,659)	(132,031)	—	(132,031)
Other liabilities	—	(15,131)	(15,131)	—	(16,998)	(16,998)
Total liabilities	<b>(202,537)</b>	<b>(15,131)</b>	<b>(217,668)</b>	(212,345)	(16,998)	(229,343)
Net liabilities	<b>(161,515)</b>	<b>232,016</b>	<b>70,501</b>	(157,544)	219,607	(62,063)

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

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

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

This note presents information about the Group's exposure to each of the above risks, 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 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 2010 would decrease/increase by £176,334 (2009 decrease/increase by £246,484). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans.

#### Foreign currency management

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

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

	Liabilities		Assets	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Euro	<b>30,068</b>	42,398	<b>4,210</b>	875

These amounts principally relate to player transfer creditors and debtors.

#### Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro. The following table details the Group's 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	
	2010 £'000	2009 £'000
Impact on profit and other equity	<b>3,372</b>	6,985

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

continued

## 19. Financial instruments (continued)

### (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 £27.1m, £18.4m relates to amounts receivable from various other football clubs in relation to player trading and £2.0m relates to commercial sponsorship. The maximum credit exposure relates to the total of cash and cash equivalents and trade receivables and is £38.0m.

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.

The ageing of trade receivables at the reporting date was:

	Gross receivables 2010 £'000	Provision 2010 £'000	Gross receivables 2009 £'000	Provision 2009 £'000
<b>Non-football</b>				
Not past due	4,646	—	3,849	—
Past due 0 – 30 days	2,458	—	2,222	—
Past due 31 – 90 days	993	—	453	—
More than 90 days	624	86	374	210
	<b>8,721</b>	<b>86</b>	6,898	210
<b>Football</b>				
Not past due	16,706	—	24,976	—
Past due 0 – 30 days	294	—	44	—
Past due 31 – 90 days	248	—	—	—
More than 90 days	1,175	—	29	—
	<b>18,423</b>	—	25,049	—
<b>Total</b>				
Not past due	21,352	—	28,825	—
Past due 0 – 30 days	2,752	—	2,266	—
Past due 31 – 90 days	1,241	—	453	—
More than 90 days	1,799	86	403	210
	<b>27,144</b>	<b>86</b>	31,947	210

	2010 £'000	2009 £'000
<b>Movements in the allowance for doubtful debts</b>		
At 1 July 2009	210	12
Provided during the year	67	203
Recovered during the year	(11)	(1)
Utilised during the year	(180)	(4)
<b>At 30 June 2010</b>	<b>86</b>	210

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

## 20. Called up share capital

	Number	£'000
<b>Authorised:</b>		
<b>At 30 June 2010 – ordinary shares of 5p each</b>	<b>200,000,000</b>	<b>10,000</b>
<b>At 30 June 2010 – CRPS of £78.10 each</b>	<b>60,000</b>	<b>4,686</b>
At 30 June 2009 – ordinary shares of 5p each	200,000,000	10,000
At 30 June 2009 – CRPS of £78.10 each	60,000	4,686
<b>Allotted, called up and fully paid:</b>		
<b>At 30 June 2010 – ordinary shares of 5p each</b>	<b>123,542,585</b>	<b>6,177</b>
<b>At 30 June 2010 – CRPS of £78.10 each</b>	<b>57,822</b>	<b>4,516</b>
At 30 June 2009 – ordinary shares of 5p each	92,799,073	4,640
At 30 June 2009 – CRPS of £78.10 each	58,299	4,553

During the year, 476 CRPS were converted to ordinary shares at the rate of 1,562 ordinary shares for each CRPS, adding an additional 743,512 ordinary shares to the called up share capital. Also on 1 November 2009, 30 million ordinary shares were issued. In total this brings the ordinary share capital to 123,542,585 shares.

The equity component of the CRPS at 30 June 2010 is £3,774,000 (2009: £3,805,000).

## 21. 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:

- 1 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;
- 2 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;
- 3 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;
- 4 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;
- 5 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;
- 6 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;
- 7 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;
- 8 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
- 9 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.

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

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

	2010 £'000	2009 £'000
<b>Opening shareholders' funds</b>	<b>62,063</b>	42,610
(Loss)/profit for the year	<b>(6,647)</b>	23,164
Ordinary 5p shares issued during the year	<b>15,000</b>	—
Dividend payment	—	(3,712)
Conversion of CRPS to ordinary shares	<b>85</b>	1
<b>Net addition to shareholders' funds</b>	<b>8,438</b>	19,453
<b>Closing shareholders' funds</b>	<b>70,501</b>	62,063

During the year the Group transferred the remaining balance on its revaluation reserve to retained earnings. The revaluation surplus had arisen from previous revaluations.

## 23. 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:

	2010 £'000	2009 £'000
<b>Minimum lease payments:</b>		
Within one year	<b>285</b>	289
Within two to five years	<b>907</b>	904
After five years	<b>224</b>	170
	<b>1,416</b>	1,363
<b>Capital commitments were as follows:</b>		
Contracted	<b>87</b>	144

Contracted capital commitments relate to agreed property acquisitions.

## 24. Net debt

	2010 £'000	2009 £'000
Cash and cash equivalents	<b>11,285</b>	19,622
Securitisation blocked funds	<b>(17,743)</b>	(18,549)
	<b>(6,458)</b>	1,073
Bank loans	<b>(16,703)</b>	(6,781)
Securitisation non-blocked funds	<b>(8,129)</b>	(8,140)
Bank loans – property	<b>(33,219)</b>	(32,081)
<b>Net debt*</b>	<b>(64,509)</b>	(45,929)

\*In addition, the Group has £14,600,000 of CRPS (2009: £14,800,000).

## 25. 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 £6,247 (2009: £5,042) including VAT were incurred during the year by the Group on behalf of ENIC Group and subsequently reimbursed by ENIC Group during the year. At the balance sheet date, £nil (2009: £61) was due to the Group from ENIC Group.

Amounts totalling £47,641 (2009: £2,551) including VAT were incurred during the year by ENIC Group on behalf of the Group.

During the year, ENIC Group invoiced the Group for £14,000 (2009: £25,458). At the balance sheet date, £nil (2009: £nil) was due to ENIC Group from the Group.

### Other

Tottenham Hotspur Foundation was established on 1 November 2006. During the year the Group invoiced the Foundation for expenses paid on their behalf of £136,581 (2009: £147,384). At the balance sheet date, £3,099 (2009: £56,307) was due to the Group from Tottenham Hotspur Foundation.

During the year, Tottenham Hotspur Foundation invoiced the Group for £67,835 (2009: £131,830). At the balance sheet date, £128 (2009: £62,760) was due to Tottenham Hotspur Foundation from the Group.

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2010 or 2009. 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 Remuneration Report on pages 29 and 30.

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.

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 2010 Total £	Year to 30 June 2009 Total £
D P Levy*	675,000	—	675,000	—	1,350,000	—	<b>1,350,000</b>	675,000
M J Collecott	—	235,000	235,000	10,657	480,657	23,500	<b>504,157</b>	266,499
Lord Davies of Abersoch** (resigned 16 January 2009)	—	—	—	—	—	—	—	5,000
Sir K E Mills**	5,000	—	—	—	5,000	—	<b>5,000</b>	5,000
	685,000	235,000	910,000	10,657	1,835,657	23,500	<b>1,859,157</b>	951,499

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

\*\* Non-Executive Directors.

## 26. 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 £341,000 (2009: £199,000).

During the year the Group made payments of £231,000 (2009: £nil) into an Employee Funded Retirement Benefit Scheme administered by Sanne Trust Company Limited. Accordingly, no liability in respect of the scheme is recognised by the Group.

### 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 2008 and indicated that the contribution required from the Group towards making good this deficit was £290,000 at 1 September 2009. The pension cost charged during the year relating to this deficit was £42,000 (2009: £196,000). At the balance sheet date the Group's share of this deficit was £253,000 (2009: £295,000).

# NOTES TO THE CONSOLIDATED ACCOUNTS

for the year ended 30 June 2010

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## 27. Contingent liabilities and assets

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

Under the terms of certain contracts for the purchase of players' registrations future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £26,188,000 (2009: £24,188,000).

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 £11,311,000 (2008: £12,061,000), none of which has been recognised.

The Group are currently in discussions with HM Revenue and Customs ('HMRC') relating to a number of tax matters. These primarily relate to (a) HMRC's investigation into image right payments made by football clubs generally; (b) HMRC's enquiries across the football industry as to whether VAT is recoverable on agents' fees on the basis that some agents may not have acted exclusively for the Club; and (c) HMRC's enquiries into the current football creditor rules.

The Group is satisfied that it has acted and accounted properly for these matters, and that once settled, no unprovided liabilities significant to the financial statements will result.

## 28. Post balance sheet events

Since the balance sheet date the following events have occurred:

- R van der Vaart was bought from Real Madrid
- Sandro was bought from Internazionale
- W Gallas joined on a free transfer
- S Pletikosa joined on loan from Spartak Moscow
- A Taarabt was sold to Queens Park Rangers
- D Dervite was released

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £18,126,000.

The contingent liability from these transactions amounts to approximately £809,848 and the contingent asset amounts to approximately £3,200,000.



# FIVE-YEAR REVIEW

	June 2010 £'000 IFRS	June 2009 £'000 IFRS	June 2008 £'000 IFRS	June 2007 £'000 IFRS	June 2006 £'000 UK GAAP
<b>Revenue</b>	<b>119,814</b>	113,012	114,788	103,091	74,141
Profit from operations excluding football trading and before restructuring and depreciation	<b>25,444</b>	24,054	35,001	31,959	4,587
Restructuring and depreciation	<b>(2,770)</b>	(5,664)	(7,540)	(2,231)	(2,226)
Operating profit before football trading	<b>22,674</b>	18,390	27,461	29,728	2,361
Amortisation of registrations and other football-related income and expenditure	<b>(39,466)</b>	(38,099)	(36,971)	(18,832)	(11,781)
Profit on disposal of intangible fixed assets	<b>15,250</b>	56,500	16,362	18,721	12,299
<b>(Loss)/profit before interest and taxation</b>	<b>(1,542)</b>	36,791	6,852	29,617	2,879
Net interest payable	<b>(4,997)</b>	(3,393)	(3,865)	(1,872)	(2,261)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(6,539)</b>	33,398	2,987	27,745	618
Taxation	<b>(108)</b>	(10,234)	(2,018)	(8,587)	(2,193)
<b>(Loss)/profit on ordinary activities after taxation</b>	<b>(6,647)</b>	23,164	969	19,158	(1,575)
Other finance costs in respect of non-equity shares	—	—	—	—	—
<b>Retained (loss)/profit</b>	<b>(6,647)</b>	23,164	969	19,158	(1,575)
<b>Net assets</b>					
Intangible assets	<b>123,552</b>	128,432	62,423	71,061	30,264
Property plant and equipment	<b>115,660</b>	103,338	74,130	51,057	49,762
Net current liabilities	<b>(63,531)</b>	(44,964)	(10,255)	(12,828)	(20,008)
<b>Total assets less current liabilities</b>	<b>175,681</b>	186,806	126,298	109,290	60,018
Provisions and creditors – amounts falling due after more than one year	<b>(105,180)</b>	(124,743)	(83,688)	(63,162)	(30,062)
<b>Net assets</b>	<b>70,501</b>	62,063	42,610	46,128	29,956
<b>Basic (loss)/earnings per share</b>	<b>(5.6p)</b>	25.0p	1.0p	20.6p	(1.7p)

The amounts for 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.

# INDEPENDENT AUDITORS' REPORT

to the members of Tottenham Hotspur plc

We have audited the financial statements of Tottenham Hotspur plc (the 'Company') for the year ended 30 June 2010 which comprise the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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

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

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


## Opinion on other matter prescribed by the Companies Act 2006

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

## Matters on which we are required to report by exception

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

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



## Nigel Mercer

(Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

London, United Kingdom

10 November 2010


# COMPANY BALANCE SHEET

as at 30 June 2010

	Note	30 June 2010 £'000	30 June 2009 £'000
<b>Fixed assets</b>			
Tangible assets	2	31,538	17,689
Investments	3	20,915	2,490
		<b>52,453</b>	20,179
<b>Current assets</b>			
Stocks	4	1,066	811
Debtors	5	142,782	102,074
		<b>143,848</b>	102,885
<b>Creditors:</b> amounts falling due within one year	6	<b>(109,875)</b>	(72,986)
Net current assets		<b>33,973</b>	29,899
<b>Total assets less current liabilities</b>		<b>86,426</b>	50,078
<b>Creditors:</b> amounts falling due after more than one year	7	<b>(9,824)</b>	(9,913)
		<b>76,602</b>	40,165
<b>Provisions for liabilities</b>	8	<b>(586)</b>	(469)
<b>Net assets</b>		<b>76,016</b>	39,696
<b>Capital and reserves</b>			
Called up share capital	9	6,177	4,640
Share premium account	9	25,217	11,638
Equity component of CRPS	9	3,774	3,805
Capital redemption reserve	9	595	595
Profit and loss account	9	40,253	19,018
<b>Shareholders' funds</b>	9	<b>76,016</b>	39,696

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 10 November 2010.

Signed on behalf of the Board of Directors



**Daniel Levy**

Chairman  
10 November 2010

# NOTES TO THE COMPANY ACCOUNTS

for the year ended 30 June 2010

## 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.

## Pension costs

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

Under the provisions of FRS 17 'Retirement Benefits' the Scheme would be treated as a defined benefit multi-employer scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of FRS 17.

## 2. Tangible assets

### For the year ended 30 June 2010

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				
<b>Cost</b>						
At 1 July 2009	—	1	200	14,753	15,262	30,216
Additions	—	—	114	297	14,395	14,806
<b>At 30 June 2010</b>	<b>—</b>	<b>1</b>	<b>314</b>	<b>15,050</b>	<b>29,657</b>	<b>45,022</b>
<b>Depreciation</b>						
At 1 July 2009	—	1	99	12,427	—	12,527
Charged in the year	—	—	42	915	—	957
<b>At 30 June 2010</b>	<b>—</b>	<b>1</b>	<b>141</b>	<b>13,342</b>	<b>—</b>	<b>13,484</b>
<b>Net book value</b>						
<b>At 30 June 2010</b>	<b>—</b>	<b>—</b>	<b>173</b>	<b>1,708</b>	<b>29,657</b>	<b>31,538</b>

### For the year ended 30 June 2009

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				
<b>Cost</b>						
At 1 July 2008	603	1	167	15,984	8,254	25,009
Additions	—	—	48	709	7,939	8,696
Disposals	—	—	(15)	—	—	(15)
Transfer	(603)	—	—	(1,940)	(931)	(3,474)
<b>At 30 June 2009</b>	<b>—</b>	<b>1</b>	<b>200</b>	<b>14,753</b>	<b>15,262</b>	<b>30,216</b>
<b>Depreciation</b>						
At 1 July 2008	541	1	74	12,855	—	13,471
Eliminated on disposal	—	—	(12)	—	—	(12)
Charged in the year	56	—	37	937	—	1,030
Transfer	(597)	—	—	(1,365)	—	(1,962)
<b>At 30 June 2009</b>	<b>—</b>	<b>1</b>	<b>99</b>	<b>12,427</b>	<b>—</b>	<b>12,527</b>
<b>Net book value</b>						
<b>At 30 June 2009</b>	<b>—</b>	<b>—</b>	<b>101</b>	<b>2,326</b>	<b>15,262</b>	<b>17,689</b>

All assets shown are held at historical cost.

# NOTES TO THE COMPANY ACCOUNTS

for the year ended 30 June 2010

continued

## 3. Investments held as fixed assets

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

	Investment in subsidiary undertakings £'000
At 1 July 2009	2,490
Additions during the year	18,425
<b>At 30 June 2010</b>	<b>20,915</b>

The investments in subsidiary undertakings during the year relate to the following:

	£'000
Quizlane Limited	13,750
Vestbrook Limited	2,886
Ambergate Estates Limited	1,074
Hillkey Limited	715
<b>At 30 June 2010</b>	<b>18,425</b>

At 30 June 2010, the Company had the following interests in the subsidiary undertakings noted below, all of which are registered and operate in England and Wales:

	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%
Northwise Limited – holds certain properties on behalf of the Group	Ordinary	100%
Quizlane Limited – holds certain properties on behalf of the Group	Ordinary	100%
Redbury 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. Stocks

	2010 £'000	2009 £'000
Stocks	<b>1,066</b>	811

Stock comprises merchandising goods held for resale.

#### 5. Debtors

	2010 £'000	2009 £'000
Trade debtors	<b>89</b>	250
Amounts owed by Group undertakings	<b>141,806</b>	101,007
Corporation tax	<b>331</b>	102
Other debtors	<b>260</b>	322
Prepayments and accrued income	<b>296</b>	393
	<b>142,782</b>	102,074

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

	2010 £'000	2009 £'000
Bank overdraft	<b>45,671</b>	24,530
Bank loan	<b>15,000</b>	5,000
CRPS liability	<b>4,860</b>	4,996
Trade creditors	<b>2,792</b>	799
Corporation tax	<b>1,476</b>	3,029
Other creditors	<b>281</b>	50
Accruals and deferred income	<b>5,090</b>	2,550
Amounts due to Group undertakings	<b>34,705</b>	32,032
	<b>109,875</b>	72,986

# NOTES TO THE COMPANY ACCOUNTS

for the year ended 30 June 2010

continued

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

	2010 £'000	2009 £'000
CRPS liability	9,735	9,791
Grants (deferred credits)	89	122
	<b>9,824</b>	9,913

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

	2010 £'000	2009 £'000
<b>Bank loan</b>		
In one year or less or on demand	15,000	5,000
In more than one year but not more than two years	—	—
In more than two years but not more than five years	—	—
	<b>15,000</b>	5,000
<b>CRPS liability</b>		
In one year or less or on demand	4,860	4,996
In more than one year but not more than two years	4,865	4,887
In more than two years but not more than five years	4,870	4,904
	<b>14,595</b>	14,787
<b>Total borrowings</b>		
In one year or less or on demand	19,860	9,996
In more than one year but not more than two years	4,865	4,887
In more than two years but not more than five years	4,870	4,904
	<b>29,595</b>	19,787

### Interest rate profile

The Group has no financial assets excluding short-term debtors. The CRPS and short-term revolving loan liabilities attract 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:

	2010 £'000	2009 £'000
Expiring in one year or less or on demand	15,000	25,000

### 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 2009	469
Charge to the profit and loss account	117
<b>At 30 June 2010</b>	<b>586</b>
At 30 June 2009	329

Deferred taxation has been provided as follows:

	2010 £'000	2009 £'000
Accelerated capital allowances	<b>586</b>	469

## 9. Reserves for the year ended 30 June 2010

	Share capital account £'000	Share premium account £'000	Equity component of CRPS £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2009	4,640	11,638	3,805	595	19,018	39,696
Profit for the period	—	—	—	—	2,810	2,810
Investment in Group companies	—	—	—	—	18,425	18,425
CRPS converted in the period	37	79	(31)	—	—	85
Ordinary share issue	1,500	13,500	—	—	—	15,000
<b>At 30 June 2010</b>	<b>6,177</b>	<b>25,217</b>	<b>3,774</b>	<b>595</b>	<b>40,253</b>	<b>76,016</b>

The retained profit for the year, dealt with in the financial statements of the parent company, was £2,810,000 (2009: £3,148,000). As permitted by the Companies Act 2006 section 408, no separate profit and loss account is presented. The audit fee of £3,000 (2009: £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

	2010 £'000	2009 £'000
<b>Opening shareholders' funds</b>	<b>39,696</b>	40,259
Profit for the year	<b>2,810</b>	3,148
Ordinary 5p shares issued during the year	<b>15,000</b>	—
Investment in Group companies	<b>18,425</b>	—
Dividend payment	—	(3,712)
Conversion of CRPS to ordinary shares	<b>85</b>	1
Net addition/(reduction) to shareholders' funds	<b>36,320</b>	(563)
<b>Closing shareholders' funds</b>	<b>76,016</b>	39,696

## 11. Commitments

The annual commitments under non-cancellable operating leases are:

	2010 £'000	2009 £'000
Land and buildings:		
Leases expiring within one year	—	—
Leases expiring within two to five years	<b>226</b>	226
Leases expiring in more than five years	<b>44</b>	44
	<b>270</b>	270

# 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 2pm on 14 December 2010 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 2010, 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 2010.
3. To re-appoint Deloitte 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 re-appoint M J Collecott as a Director who is retiring by rotation in accordance with the Company's articles of association.

## As special business:

To consider and, if thought fit, pass resolution 5 below as an ordinary resolution and resolutions 6, 7, 8 and 9 below as special resolutions.

## Ordinary resolutions

5. THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the '2006 Act'), to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £3,822,870.75 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 enter into an agreement during the relevant period which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares under any 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 551 of the Companies Act 2006 which are hereby revoked with immediate effect.

## Special resolutions

6. THAT, subject to the passing of resolution 5 above, the Directors be and are hereby empowered to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash pursuant to the general authority conferred on the Directors by resolution 5 as though the restriction in section 561(1) of the 2006 Act did not apply to any such allotment, up to an aggregate nominal amount of £3,822,870.75 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 enter into an 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.
7. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the 2006 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 18,519,033 (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 enter into 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.

8. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the 2006 Act) of convertible redeemable preference shares of £78.10 each in the capital of the Company ('preference shares') provided that:
- the maximum number of preference shares hereby authorised to be purchased is 8,668 (representing 14.99% of the issued preference share capital of the Company);
  - the minimum price (exclusive of expenses) which may be paid for each preference share is £78.10 (nominal value);
  - 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;
  - 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
  - the Company may enter into 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.
9. THAT the amended form of 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



**Matthew Collecott**  
Finance Director  
10 November 2010

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

Registered in England and Wales with Company number 1706358

# NOTICE OF ANNUAL GENERAL MEETING

continued

## **Explanatory notes on resolutions 5, 6, 7, 8 and 9**

### **Resolution 5 – authority to allot shares**

Resolution 5, an ordinary resolution, as set out in the Notice of Annual General Meeting, will be proposed which seeks to renew for a further year the Directors' general authority to allot shares given at last year's annual general meeting and to grant rights to subscribe for or to convert any security into shares in the Company. If passed, this new authority would give the Directors the authority to allot shares and to grant rights to subscribe for or to convert any security into shares in the Company with an aggregate nominal value of up to £3,822,870.75 comprising 76,457,415 ordinary shares (representing approximately 62% 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 6 – disapplication of pre-emption rights**

A special resolution, resolution 6, as set out in the Notice of Annual General Meeting, will be proposed and seeks to renew an authority granted at last year's annual general meeting but in a form updated to reflect the recently implemented relevant provisions of the 2006 Act. It gives the Directors authority to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. If this resolution is passed, your Directors will be authorised to issue up to 76,457,415 ordinary shares (representing approximately 62% 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 7 and 8 – purchase of own shares by the Company**

This resolution seeks to renew the authority of the Company 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 7 seeks authority for the Company to purchase up to 18,519,033 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 8 seeks authority for the Company to purchase up to 8,668 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 9 – amendments to Articles of Association**

It is proposed in resolution 9 to adopt new articles of association (the 'New Articles') with immediate effect at this year's AGM.

The changes to the Articles of Association are of a minor, technical or clarifying nature which reflect changes in market practice and update guidance from bodies representing institutional investors and to reflect changes as a result of the final implementation of the Companies Act 2006, the Companies (Shareholder Rights) Regulations 2009 and the language used in the new model articles for public companies produced by the Department for Business, Innovation and Skills.

The principal changes are summarised in the Appendix of this Notice entitled 'Explanatory Notes of Principal Changes to the Company's Articles of Association'.

The New Articles showing all the changes to the current Articles of Association are available for inspection, as noted on page 69 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 are 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.

A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided each proxy is appointed to exercise rights attached to a different share or shares held by that shareholder. 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, PXS, 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.

### Corporate representatives

If you are a corporation, you may appoint one or more corporate representatives who may exercise on your behalf all your powers as a member provided that they do not do so in relation to the same shares.

### 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 9.

# NOTICE OF ANNUAL GENERAL MEETING

continued

## 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, laptop 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.

The following is an explanation of the principle changes to be made to the Company's current Articles of Association as a result of adopting the new Articles of Association:

### **Directors' refusal to register transfers of shares**

The current Articles of Association permit the Directors to refuse to register transfers of shares without giving a reason for such refusal. This power is inconsistent with the requirement in the Companies Act 2006 that reasons must be given for any refusal. Accordingly, this power has been amended in the new Articles of Association.

### **Quorum requirements at members' meetings**

The current Articles of Association do not reflect the provisions of the Companies Act 2006 with respect to the quorum at members' meetings. The proposed change states that a meeting of the members cannot be quorate by virtue of a member having appointed more than one corporate representative or proxy (with such a member and corporate representative or proxy together satisfying the quorum requirements), which would be contrary to the provisions of the Companies Act 2006.

### **Proxies appointed by multiple members**

The provisions of the Companies Act 2006 in relation to voting by a proxy who has been appointed to act as a proxy by more than one member have been the subject of comment and guidance from the Institute of Chartered Secretaries and Administrators ('ICSA'). The new Articles of Association implement ICSA's guidance to ensure that proxies may properly exercise their votes where they are appointed by more than one member.

### **Other amendments**

Further amendments have been made in the new Articles of Association in relation to the Company's relationship with proxies and corporate representatives appointed by members. These amendments:

- allow the Company to supply proxy appointment forms in electronic format;
- formally set out the Company's rights in relation to verifying a proxy's appointment and authority;
- formally set out the procedure for the termination of a proxy appointment; and
- specify that the Company will not be responsible for analysing whether any proxies or corporate representatives are voting in accordance with their instructions.

# DIRECTORS, OFFICERS AND ADVISERS

## **Executive Chairman**

D P Levy

## **Executive Director**

M J Collecott

## **Non-Executive Director**

Sir K E Mills

(Chairman of the Audit and Remuneration Committees)

## **Company Secretary**

M J Collecott

## **Registered office**

Bill Nicholson Way  
748 High Road  
Tottenham  
London N17 0AP

## **Registered number**

1706358

## **Auditors**

Deloitte LLP  
Chartered Accountants  
2 New Street Square  
London EC4A 3BZ

## **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



# DARE TO REMEMBER



## 50TH ANNIVERSARY

1961 Football League Champions and winners of The FA Cup.

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It has been manufactured to the certified environmental management system ISO 14001.

It is TCF (totally chlorine free), totally recyclable and has biodegradable NAPM recycled certification.



**Tottenham Hotspur plc**

Bill Nicholson Way

748 High Road

Tottenham

London N17 0AP

[tottenhamhotspur.com](http://tottenhamhotspur.com)



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