ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

Tottenham Hotspur Limited
(formerly Tottenham Hotspur plc)
("Tottenham Hotspur" or "the Company")

The Directors present their Annual Report on the affairs of the Group together with the financial statements and Auditor's Report for the year ended 30 June 2012.

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 and hold numerous properties with a view to constructing a new stadium development.

De-listing

On 16 January 2012, the Company de-listed from trading on AIM and re-registered as a private limited company. At the same time, the Company changed its name from Tottenham Hotspur plc to Tottenham Hotspur Limited.

Financial highlights

Revenue for the year was £144.2m (2011: £163.5m) while operating profit excluding football trading was £14.2m (2011: £32.3m). The lower revenue in the current year is due to the lack of UEFA Champions League football which produced record high revenues in the prior year

Revenue

Premier League gate receipts rose as did domestic cup competitions, with the Club reaching the Semi-Finals of the FA Cup at Wembley Stadium and the Third Round of the Carling Cup. The Stadium continued to sell out for all Premier League home games further underlining the need for an increased capacity stadium to meet demand and satisfy a waiting list that rose to 39,000 during this period.

The Club did not progress past the Group Stages in the UEFA Europa League and as a result gate receipts and prize money from UEFA competitions fell to £6.4m (2011: £37.1m).

In domestic cup competitions, the Club reached the semi-finals of the FA Cup at Wembley Stadium and the third round of the Carling Cup, earning the Club £3.6m (2011: £1.9m).

Media and broadcasting revenues increased by 10% to £59.2m (2011: £54.0m) largely due to a higher number of televised games as the Club finished 4th in the Premier League (2011: 5th).

Sponsorship and corporate hospitality income increased by 10% to £35.1m from £31.8m. In the main this is due to increased revenue from the main shirt sponsor deal.

Merchandising income fell by 4% to £9.2m (2011: £9.6m) mainly due to a drop in sales caused by the lack of UEFA Champions League participation.

Operating expenses (excluding football trading)

Operating expenses before football trading fell slightly by 1% compared to last year at £130.0m (2011: £131.2m).

Profit from operations

Profit from operations, excluding football trading and before restructuring and depreciation was £23.0m (2011: £37.6m) and after deducting depreciation and restructuring costs was £14.2m (2011: £32.3m), largely as a result of no UEFA Champions League football in the current year. Looking at this across the past five years this measure of cash generated from operations, has averaged over £29.2m per annum.

Amortisation and impairment of intangible assets

Amortisation and impairment of intangible assets and other football trading-related income and expenditure has fallen by 37% to £25.0m (2011: £39.5m) as a result of significant player disposals during the period.

Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £9.2m for the financial year (2011: £8.6m) which included the sales of Peter Crouch and Wilson Palacios to Stoke City, Robbie Keane to LA Galaxy, Jamie O'Hara to Wolverhampton Wanderers, Alan Hutton to Aston Villa, Roman Pavlyuchenko to Lokomotiv Moscow and Vedran Corluka to Lokomotiv Moscow.

Net finance expenses

Finance costs have risen slightly to £5.8m (2011: £5.5m) and finance income has fallen to £0.1m from £4.5m as the prior year included a £4.2m credit in relation to our convertible redeemable preference shares.

Loss for the period
The Group made a loss after taxation of £4.3m (2011: profit of £0.7m).

Balance sheet
The Club has continued to invest significantly in the Northumberland Development Project (NDP) and the new Training Centre and as a result the carrying value of property, plant and equipment has increased in the year from £150.3m to £186.7m.

Intangible assets have fallen from £101.2m to £58.0m as the Club reduced the size of the first-team squad during the year, as mentioned above.

Group net assets are £76.9m (2011: £81.5m) whilst net debt has risen from £56.8m to £70.1m largely due to the investment in property, plant and equipment.

Cash flow
The Group had a net cash inflow from its operations of £26.6m for the year (2011: £69.1m).

The Group had a cash outflow of £27.2m (2011: £48.8m) to acquire players and received £33.6m (2011: £22.5m) of cash inflows from player sales.

The other major cash movement was the drawdown of £14.5m (2011: £6.8m) in loans to help fund the NDP and the expenditure on the construction of the new Training Centre. The Group repaid £6.1m (2011: £5.5m) of other borrowings during the year.

Five-year review

	June 2012 £'000	June 2011 £'000	June 2010 £'000	June 2009 £'000	June 2008 £'000
Revenue	**144,156**	163,486	119,814	113,012	114,788
Profit from operations excluding football trading and before restructuring and depreciation	**23,023**	37,578	25,444	24,054	35,001
Restructuring and depreciation	**(8,828)**	(5,284)	(2,770)	(5,664)	(7,540)
Operating profit before football trading	**14,195**	32,294	22,674	18,390	27,461
Amortisation of registrations and other football-related income and expenditure	**(25,000)**	(39,450)	(39,466)	(38,099)	(36,971)
Profit on disposal of intangible fixed assets	**9,200**	8,573	15,250	56,500	16,362
(Loss)/profit before interest and taxation	**(1,605)**	1,417	(1,542)	36,791	6,852
Net interest payable	**(5,699)**	(1,015)	(4,997)	(3,393)	(3,865)
(Loss)/profit on ordinary activities before taxation	**(7,304)**	402	(6,539)	33,398	2,987
Taxation	**3,021**	267	(108)	(10,234)	(2,018)
Retained (loss)/profit	**(4,283)**	669	(6,647)	23,164	969
Net assets					
Intangible assets	**57,955**	101,215	115,660	128,432	62,423
Property plant and equipment	**186,693**	150,299	123,552	103,338	74,130
Net current liabilities	**(87,724)**	(78,439)	(63,531)	(44,964)	(10,255)
Total assets less current liabilities	**156,924**	173,075	175,681	186,806	126,298
Provisions and creditors – amounts falling due after more than one year	**(80,027)**	(91,592)	(105,180)	(124,743)	(83,688)
Net assets	**76,897**	81,483	70,501	62,063	42,610

Financial risk management objectives and policies
The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Group's business the financial risks that the Directors consider particularly relevant to the Company are interest rate risk, currency risk and cash flow risk.

The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group hedges its interest exposure by using fixed interest rate facilities where it is deemed appropriate. The Group is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 17 to the financial statements.

Results and dividends
The audited consolidated income statement for the year ended 30 June 2012 is set out on page 8.

The Directors have not recommended the payment of a dividend (2011: £nil).

Post balance sheet events
Details of post balance sheet events are given in note 25 to the accounts.

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 2012.

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 181,952,721 ordinary shares of Tottenham Hotspur Limited representing 85% of those in issue and therefore are the ultimate parent of Tottenham Hotspur Limited.

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

Details of the Directors' emoluments are given in note 5 of the consolidated accounts. Directors' interests in contracts are disclosed in note 22.

Disclosure of information to the auditor
In the case of each of the persons who are Directors of the Company at the date when this report was approved:
so far as each of the Directors is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware; and each of the Directors has taken all of the steps that he 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 auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Charitable and political donations
The Group made cash donations of £51,002 to international, UK-based and local charities during the year (2011: £100,287). The Group made no political donations during the year (2011: £nil). The Group made contributions with a value in excess of £0.5m to the Tottenham Hotspur Foundation during the current and previous years and continues to underwrite the ongoing good works of the charity. In addition, the Group makes many other contributions of Tottenham Hotspur Football Club memorabilia to local registered charities, especially in the Haringey and Enfield districts and adjacent catchment areas.

Disabled employees
Applications for employment by disabled persons are always considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled people, should as far as possible, be identical to that of other employees.

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

Supplier payment policy
The Group's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 30 days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly. Trade payables at 30 June 2012 represented 77 days (2011: 59 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.

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 17 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risk. The Directors believe that these risks and uncertainties are mitigated by, inter alia, the robust nature of our business with long-term fixed revenues from the key business areas, notably the FA Premier League (FAPL) TV deal.

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

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

Auditor
Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

M J Collecott
Secretary
28 December 2012

Directors' responsibilities statement

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTTENHAM HOTSPUR LIMITED

We have audited the financial statements of Tottenham Hotspur Limited for the year ended 30 June 2012 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 25. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2012 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Nigel Mercer
(Senior Statutory Auditor)
for and on behalf of **Deloitte LLP**
Chartered Accountants and Statutory Auditor
London, United Kingdom
28 December 2012

Consolidated income statement
for the year ended 30 June 2012

		Year ended 30 June 2012			Year ended 30 June 2011		
		Operations, excluding football trading*	**Football trading***	**Total**	Operations, excluding football trading*	Football trading*	Total
	Notes	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Revenue	2	**144,156**	**—**	**144,156**	163,486	—	163,486
Operating expenses	3	**(129,961)**	**(25,000)**	**(154,961)**	(131,192)	(39,450)	(170,642)
Operating profit/(loss)		**14,195**	**(25,000)**	**(10,805)**	32,294	(39,450)	(7,156)
Profit on disposal of intangible fixed assets	6	**—**	**9,200**	**9,200**	—	8,573	8,573
Profit/(loss) from operations	4	**14,195**	**(15,800)**	**(1,605)**	32,294	(30,877)	1,417
Finance income	7			**127**			4,499
Finance costs	7			**(5,826)**			(5,514)
(Loss)/profit on ordinary activities before taxation				**(7,304)**			402
Tax	8			**3,021**			267
(Loss)/profit for the period	19			**(4,283)**			669

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

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

All activities in the year derive from continuing operations.

Consolidated balance sheet
as at 30 June 2012

	Notes	**30 June 2012 £'000**	30 June 2011 £'000
Non-current assets			
Property, plant and equipment	9	**186,693**	150,299
Intangible assets	10	**57,955**	101,215
		244,648	251,514
Current assets			
Inventories	11	**2,234**	1,774
Trade and other receivables	12	**19,104**	18,030
Cash and cash equivalents	13	**15,702**	20,650
		37,040	40,454
Total assets		**281,688**	291,968
Current liabilities			
Trade and other payables	14	**(96,176)**	(95,608)
Current tax liabilities	14	**(2,546)**	(260)
Interest-bearing loans and borrowings	14	**(25,574)**	(20,461)
Provisions	14/16	**(468)**	(2,564)
		(124,764)	(118,893)
Non-current liabilities			
Interest-bearing overdrafts and loans	15	**(59,632)**	(56,269)
Trade and other payables	15	**(6,399)**	(15,085)
Deferred grant income	15	**(1,963)**	(2,045)
Deferred tax liabilities	15/16	**(12,033)**	(18,193)
		(80,027)	(91,592)
Total liabilities		**(204,791)**	(210,485)
Net assets		**76,897**	81,483
Equity			
Share capital	18	**10,655**	10,693
Share premium		**34,788**	34,788
Capital redemption reserve		**633**	595
Retained earnings		**30,821**	35,407
Total equity	19	**76,897**	81,483

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 28 December 2012.
Signed on behalf of the Board of Directors

Matthew Collecott
28 December 2012

Consolidated statement of changes in equity
for the year ended 30 June 2012

	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 2011	10,693	34,788	—	595	35,407	81,483
Loss for the year	—	—	—	—	(4,283)	(4,283)
Ordinary Shares redeemed during the period	(38)	—	—	38	(303)	(303)
At 30 June 2012	**10,655**	**34,788**	**—**	**633**	**30,821**	**76,897**

For the year ended 30 June 2011

	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 2010	6,177	25,217	3,774	595	34,738	70,501
Profit for the year	—	—	—	—	669	669
CRPS converted in the period	4,516	9,571	(3,774)	—	—	10,313
At 30 June 2011	**10,693**	**34,788**	**—**	**595**	**35,407**	**81,483**

Consolidated statement of cash flows
for the year ended 30 June 2012

	Note	Year ended 30 June 2012 £'000	Year ended 30 June 2011 £'000
Cash flow from operating activities			
(Loss)/profit from operations		**(1,605)**	1,417
Adjustments for:			
Amortisation and impairment of intangible assets		**29,330**	41,953
Profit on disposal of intangible assets		**(9,200)**	(8,573)
(Profit)/loss on disposal of property, plant and equipment		**(175)**	64
Depreciation and impairment of property, plant and equipment		**5,317**	5,284
Capital grants release		**82**	84
Foreign exchange (gain)/loss		**(1,101)**	2,537
(Increase)/decrease in trade and other receivables		**(238)**	4,301
Increase in inventories		**(460)**	(709)
Increase in trade and other payables		**4,667**	22,732
Cash flow from operations		**26,617**	69,090
Interest paid		**(4,499)**	(3,680)
Interest received		**24**	21
Income tax (paid)/refund		**(2)**	957
Net cash flow from operating activities		**22,140**	66,388
Cash flows from investing activities			
Acquisitions of property, plant and equipment, net of proceeds		**(47,663)**	(32,371)
Proceeds from sale of property, plant and equipment		**6,127**	276
Acquisitions of intangible assets		**(27,175)**	(48,825)
Proceeds from sale of intangible assets		**33,593**	22,547
Net cash flow from investing activities		**(35,118)**	(58,373)
Cash flows from financing activities			
Ordinary share issue		**(303)**	—
Proceeds from borrowings		**14,472**	6,831
Repayments of borrowings		**(6,139)**	(5,481)
Net cash flow from financing activities		**8,030**	1,350
Net (decrease)/increase in cash and cash equivalents		**(4,948)**	9,365
Cash and cash equivalents at start of the period		**20,650**	11,285
Cash and cash equivalents at end of year	13	**15,702**	20,650

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 2.

Tottenham Hotspur Ltd is a company incorporated in the United Kingdom. The nature of the Group's operations and its principal activities are set out in the Directors' report on page 2.

Basis of accounting

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

Basis of consolidation

The Group financial statements incorporate the financial statements of Tottenham Hotspur Ltd (the 'Company') and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts, VAT and other sales-related tax.

Merchandising revenue is recognised when goods are delivered and title has passed.

Gate receipts and other matchday revenue are recognised as the games are played. Prize money in respect of cup competitions is recognised when received. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards are accounted for only when known at the end of the football season.

Capital grants

Capital grants relate to amounts receivable from public bodies and football authorities and are treated as deferred income and released to the income statement over the estimated useful life of the asset concerned.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling and recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the exchange rates ruling on the balance sheet dates. Translation differences are dealt with in the income statement.

Player costs and transactions

(a) Initial capitalisation

The costs associated with the acquisition of 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.

Liabilities in respect of player loyalty fees are provided for, as part of operating expenses, when payment becomes probable as the player is contracted to the Club and the loyalty fee is payable prior to the next transfer window at the date the accounts are signed.

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.

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

Deferred tax is charged or credited in the income statement.

Property, plant and equipment

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

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

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

Inventories

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

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

Leases
Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

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

In addition the Group is making contributions in respect of its share of the deficit of the defined benefit section of the Football League Pension and Life Assurance Scheme (the 'Scheme'). A provision has been established for the Group's share of the deficit which exists in this section of the Scheme.

Under the provisions of IAS 19 'Employee Benefits' the Scheme would be treated as a defined benefit multi-employer scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and, accordingly, no disclosures are made under the provisions of IAS 19.

Capital redemption reserve
This relates to ordinary shares bought back through the share buy back scheme.

New standards and interpretations
The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2011.

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

Future accounting developments
At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):
- IFRS 9 'Financial Instruments'
- IFRS 10 'Consolidate Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'
- IFRS 13 'Fair Value Measurement'
- IAS 19 (revised) 'Employee Benefits'
- IAS 27 (revised) 'Separate Financial Statements'
- IAS 28 (revised) 'Investments in Associates and Joint Ventures'
- IFRIC 20 'Striping costs in the production phase of a surface mine'

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

Critical accounting judgements and estimates
In the application of the Group's accounting policies, which are described herein, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are:

Contingent liabilities
Current liabilities and provisions contain contingent bonuses payable to employees, players and clubs and are based on the best information available to management at the balance sheet date. However, the future costs assumed are inevitably only estimates, which may differ from those ultimately incurred.

Recoverable amount of non-current assets
Property, plant and equipment
All non-current assets, including property, plant and equipment and intangible assets, are reviewed for potential impairment using estimates of the future economic benefits attributable to them. Such estimates involve assumptions in relation to future ticket income, media and sponsorship revenue and on pitch performance. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect, the recoverable value of the asset.

Assets under construction
The assets classified under 'in the course of construction' relate to the Group's 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. Therefore, once either of these projects begin their useful economic lives, depreciation will begin.

The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the NDP will proceed. The NDP will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the NDP does not proceed such as a significant proportion of professional fees capitalised that are specific to the proposed stadium site and properties whose market value is below cost, would need to be written-off at that time.

During the year, work continued on the new Training Centre. Following year end, in August 2012 the new Training Centre reached completion and will be capitalised within property, plant and equipment assets next year.

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.

2. Revenue

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

	2012	2011
	£'000	£'000
Revenue comprises:		
Gate receipts – Premier League	**21,434**	20,416
Cup competitions – Gate receipts and domestic prize money	**6,225**	9,962
UEFA solidarity and prize money	**4,344**	29,453
Sponsorship and corporate hospitality	**35,144**	31,837
Media and broadcasting	**59,217**	54,016
Merchandising	**9,211**	9,553
Other	**8,581**	8,249
	144,156	163,486

All revenue except for £753,000 (2011: £725,000) derives from the Group's principal activity in the United Kingdom and is shown exclusive of VAT.

3. Operating expenses

	2012	2011
	£'000	£'000
Staff costs	**90,206**	91,063
Depreciation and impairment of property, plant and equipment	**5,317**	5,284
Other operating costs	**34,438**	34,845
Operating expenses excluding football trading	**129,961**	131,192
Amortisation, impairments and other net football trading income and expenditure	**25,000**	39,450
Total operating expenses	**154,961**	170,642

4. Profit/(loss) from operations

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

	2012	2011
	£'000	£'000
Depreciation and impairment of property, plant and equipment		
– owned	**5,317**	5,284
Amortisation of intangible fixed assets	**29,330**	41,953
Amortisation of grants	**(82)**	(84)
Charitable donations	**51**	100
Operating lease rentals:		
– land and buildings	**285**	285
– other	**150**	146
Foreign exchange (gain)/loss	**(185)**	2,486

The analysis of auditor's remuneration is as follows:

	2012	2011
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts:		
– audit of the Company's accounts	**16**	22
– audit of the accounts of the Company's subsidiaries	**72**	83
Total audit fees	**88**	105
Fees payable to the Company's auditor for other services to the Group:		
– taxation compliance services	**49**	49
– taxation advisory services	**170**	110
– other audit related services pursuant to legislation	**5**	10
– other assurance services	**5**	5
Total non-audit fees	**229**	174
Total fees	**317**	279

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

5. Staff numbers and costs

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

	2012	2011
	Number	Number
Players and football administration staff	**171**	159
Administration staff	**111**	105
Retail and distribution staff	**59**	51
	341	315

The aggregate payroll costs of these employees were as follows:

	£'000	£'000
Salaries and bonuses	**79,130**	79,058
Social security costs	**9,313**	9,846
Other pension costs	**1,763**	2,159
	90,206	91,063

In addition the Group employs, on average, 590 temporary staff on matchdays (2011: 611).

In addition to the above payroll costs, redundancy costs of £3,340,860 (2011: £191,762) were also charged to the income statement during the year.

The total aggregate remuneration of the Directors for the year was £2,853,000 (2011: £2,303,000) including pension costs of £35,000 (2011: £29,000). Included within that remuneration are emoluments totalling £10,000 (2011:£10,000) paid to non-executive Directors. The highest paid Director received total remuneration of £2,200,000 (2011: £1,800,000), which was paid by the ultimate parent company and re-charged to the Company as fees in both the current and prior year with £110,000 (2011: £1,800,000) settled after the balance sheet date. The remuneration of all other Directors was paid by the Company. The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is one (2011: one).

6. Profit on disposal of intangible fixed assets

	2012	2011
	£'000	£'000
Consideration	**33,699**	8,573
Net book value of disposals	**(24,499)**	—
	9,200	8,573

7. Finance income and costs

	2012	2011
	£'000	£'000
Interest income	**24**	21
Notional interest income on deferred receipts for sales of players' registrations	**103**	461
Interest credit on Convertible Redeemable Preference Share liability	**—**	4,017
	127	4,499

	2012	2011
	£'000	£'000
Interest expense	**(4,493)**	(3,326)
Notional interest expense on deferred payments for players' registrations	**(1,190)**	(2,092)
Amortisation of debt issue costs	**(143)**	(96)
	(5,826)	(5,514)

8. Tax (credit)/charge on ordinary activities

	2012	2011
	£'000	£'000
Current tax		
UK corporation tax charge on profits for the year at 25.5% (2011: 27.5%)	**—**	—
Other prior year adjustments	**3,139**	—
Current tax charge	**3,139**	—
Deferred tax		
Origination and reversal of timing differences in prior years	**(5,003)**	238
Origination and reversal of timing differences in current year	**(272)**	355
Rollover relief deferred in respect of players disposed of and purchased in prior years	**—**	(77)
Rollover relief deferred in respect of players disposed of and purchased in current year	**157**	664
Accelerated capital allowances in current year	**(29)**	—
Difference in tax rates	**(1,013)**	(1,447)
Deferred tax credit	**(6,160)**	(267)
Total tax credit on ordinary activities	**(3,021)**	(267)

Total tax credit

	2012	2011
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	**(7,304)**	402
Tax on (loss)/profit on ordinary activities before taxation at the UK statutory rate of 25.5% (2011: 27.5%)	**(1,863)**	112
Expenses/(non-taxable income) not deductible	**663**	(30)
Depreciation for which no tax relief is available	**1,058**	937
Effect of restating deferred tax liability at 26%	**(1,014)**	(1,447)
Net impact of rollover relief in respect of players disposed of and purchased in prior years	**—**	(77)
Other prior year adjustments	**(1,865)**	238
Total tax credit on ordinary activities	**(3,021)**	(267)

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and 23% effective 1 April 2013. These rate reductions become substantively enacted in March 2012 and July 2012 respectively. The UK government has also proposed to further reduce the standard rate of UK corporation tax to 21% effective 1 April 2014, but this change has not been substantively enacted.

Other than the provision for deferred tax (see note 16) and the items referred to above, there are no items which would materially affect future tax charges.

9. Property, plant and equipment

For the year ended 30 June 2012

	Land and buildings			General	Assets under	
		Short	Motor	plant and	the course of	
	Freehold	leasehold	vehicles	equipment	construction	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 July 2011	59,395	1	294	26,335	96,439	182,464
Additions	5,283	—	30	1,652	40,698	47,663
Disposals	(5,741)	—	(78)	—	(234)	(6,053)
Transfer from Assets Under Construction	476	—	—	4,345	(4,821)	—
At 30 June 2012	**59,413**	**1**	**246**	**32,332**	**132,082**	**224,074**
Depreciation and impairment						
At 1 July 2011	9,737	1	110	22,317	—	32,165
Eliminated on disposal	(49)	—	(52)	—	—	(101)
Charged in the year	892	—	57	4,368	—	5,317
At 30 June 2012	**10,580**	**1**	**115**	**26,685**	—	**37,381**
Net book value						
At 30 June 2012	**48,833**	—	**131**	**5,647**	**132,082**	**186,693**

Land and buildings that are currently held for the NDP have been transferred at their net book value into assets under the course of construction. In the event that the proposed NDP does not proceed, some of the £33,594,000 of professional fees capitalised to 30 June 2012 (2011: £26,340,000) may need to be written-off.

For the year ended 30 June 2011

Group	Land and buildings Freehold £'000	Land and buildings Short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost or valuation						
At 1 July 2010	59,539	1	313	21,282	69,395	150,530
Additions	172	—	102	5,053	27,044	32,371
Disposals	(316)	—	(121)	—	—	(437)
At 30 June 2011	**59,395**	**1**	**294**	**26,335**	**96,439**	**182,464**
Depreciation and impairment						
At 1 July 2010	8,857	1	140	17,980	—	26,978
Eliminated on disposal	(7)	—	(90)	—	—	(97)
Charged in the year	887	—	60	4,337	—	5,284
At 30 June 2011	**9,737**	**1**	**110**	**22,317**	—	**32,165**
Net book value						
At 30 June 2011	**49,658**	**—**	**184**	**4,018**	**96,439**	**150,299**

10. Intangible assets

For the year ended 30 June 2012

	£'000
Cost of registrations	
At 1 July 2011	227,292
Additions	10,566
Disposals	(84,568)
At 30 June 2012	**153,290**
Amortisation and impairment of registrations	
At 1 July 2011	126,077
Charged in year – amortisation	29,330
Disposals	(60,072)
At 30 June 2012	**95,335**
Net book value of registrations	
At 30 June 2012	**57,955**

For the year ended 30 June 2011

	£'000
Cost of registrations	
At 1 July 2010	202,036
Additions	27,508
Disposals	(2,252)
At 30 June 2011	**227,292**
Amortisation and impairment of registrations	
At 1 July 2010	86,376
Charged in year – amortisation	41,953
Disposals	(2,252)
At 30 June 2011	**126,077**
Net book value of registrations	
At 30 June 2011	**101,215**

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.

11. Inventories

	2012	2011
	£'000	£'000
Inventories	**2,234**	1,774

Inventories comprise merchandising goods held for resale.

12. Trade and other receivables

	2012	2011
	£'000	£'000
Trade receivables due in less than one year	**14,681**	12,447
Trade receivables due in more than one year	**735**	—
Other receivables	**607**	2,038
Prepayments and accrued income	**3,081**	3,545
	19,104	18,030

Trade receivables above include £7,483,000 (2011: £3,427,000) 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 17 for disclosures relating to debtors' ageing and other credit risk considerations.

13. Cash and cash equivalents

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

	2012	2011
	£'000	£'000
Bank balances	**15,687**	20,633
Cash in hand	**15**	17
Cash and cash equivalents	**15,702**	20,650

The carrying amount of these assets approximates their fair value.

14. Current liabilities

	2012 £'000	2011 £'000
Bank loans (secured)	**24,160**	19,148
Other loans (secured)	**1,414**	1,313
Interest-bearing loans and borrowings	**25,574**	20,461
Trade payables	**22,956**	26,641
Corporation tax liabilities	**2,546**	260
Other tax and social security	**9,581**	10,269
Other payables	**11,848**	11,587
Accruals and deferred income	**51,791**	47,111
Trade and other payables	**98,722**	95,868
Provisions (see note 16)	**468**	2,564
	124,764	118,893

Trade payables above include £13,274,000 in respect of the acquisition of players' registrations (2011: £20,910,000).

Accruals and deferred income include income in respect of season tickets and commercial sponsorships relating to future years.

The Directors consider that the carrying amount of trade payables approximates their fair value.

15. Non-current liabilities

	2012 £'000	2011 £'000
Bank loans (secured)	**38,019**	33,242
Other loans (secured)	**21,613**	23,027
Interest-bearing loans and borrowings	**59,632**	56,269
Trade payables	**2,290**	9,984
Other payables	**4,109**	5,101
Trade and other payables	**6,399**	15,085
Deferred grant income	**1,963**	2,045
Deferred tax liabilities (see note 17)	**11,642**	18,193
	79,636	91,592

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

Bank loans (in notes 14 and 15)
During the year a £20,000,000 short-term revolving loan which forms part of the Group's facility with HSBC Bank was drawn, which is secured against Club assets and was outstanding at the balance sheet date.

Bank loans of £1,312,000 are secured by a floating charge over the Group's assets and on certain freehold properties. These loans are being repaid over 23 years, in equal quarterly instalments which began in September 2004. Interest is charged quarterly on the outstanding amount of the loans, at a rate which tracks the Bank of England base rate. The bank loans are shown in the financial statements net of £15,000 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 £7,625,000 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 £28,651,000 had been drawn to facilitate property acquisitions and £17,602,000 of this loan was outstanding. The bank loans, which are at a floating rate, are shown in the financial statements net of £107,000 of associated loan arrangement costs which are being amortised over the term of the loans.

The Investec Bank facility of £16,000,000 which was used to fund the construction of the new Training Ground and secured against the new Training Ground site, was fully drawn at the balance sheet date and is repayable over five years. The interest on this amount is paid quarterly and tracks the London Inter Bank Offer Rate. The bank loan is shown in the financial statements net of £237,000 of associated loan arrangement costs which are being amortised over the term of the loan.

Other loans (in notes 14 and 15)
Other loans above relate to the issue, at par, of £10,000,000 7.29% secured loan notes by the Group in November 2002 and a further issue, at par, in November 2006 of £20,000,000 7.29% secured loan notes. The £10,000,000 loan notes were used to repay short-term debt and to fund the Group's general working capital requirements. These notes are repayable in equal annual instalments over 20 years from September 2003.

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

The loan notes are secured against White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £23,259,000 of the loan notes are outstanding. The loan notes are shown in the financial statements net of £232,000 of associated debt issue costs which are being amortised over the term of the loan notes.

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

	2012			2011		
	Principal	**Interest**	**Total**	Principal	Interest	Total
	£’000	**£’000**	**£’000**	£’000	£’000	£’000
Bank loans and overdraft						
In one year or less or on demand	**24,160**	**225**	**24,385**	19,148	179	19,327
In more than one year but not more than two years	**4,174**	**—**	**4,174**	4,171	—	4,171
In more than two years but not more than five years	**23,584**	**—**	**23,584**	12,639	—	12,639
In more than five years	**10,261**	**—**	**10,261**	16,432	—	16,432
	62,179	**225**	**62,404**	52,390	179	52,569
Other loans						
In one year or less or on demand	**1,414**	**1,413**	**2,827**	1,313	1,495	2,808
In more than one year but not more than two years	**1,522**	**—**	**1,522**	1,414	—	1,414
In more than two years but not more than five years	**5,298**	**—**	**5,298**	4,923	—	4,923
In more than five years	**14,793**	**—**	**14,793**	16,690	—	16,690
	23,027	**1,413**	**24,440**	24,340	1,495	25,835
Total borrowings						
In one year or less or on demand	**25,574**	**1,638**	**27,212**	20,461	1,674	22,135
In more than one year but not more than two years	**5,696**	**—**	**5,696**	5,585	—	5,585
In more than two years but not more than five years	**28,882**	**—**	**28,882**	17,562	—	17,562
In more than five years	**25,054**	**—**	**25,054**	33,122	—	33,122
	85,206	**1,638**	**86,844**	76,730	1,674	78,404

Interest rate profile

The Group has no financial assets excluding short-term receivables, other than the Sterling cash deposits of £15,702,000 (2011: £20,650,000) which are part of the financing arrangements of the Group. The Sterling cash deposits comprise deposits placed on the money market at call rates.

			Fixed rate borrowings		
Interest rate profile of financial liabilities (all Sterling)	Total £’000	Floating rate financial Liabilities £’000	Fixed rate financial liabilities £’000	Weighted average time for which rate is fixed Years	Weighted average interest rate at year end %
2012	**85,206**	**62,179**	**23,027**	**7**	**4.6**
2011	76,730	52,390	24,340	8	4.2

The floating rate borrowings are all denominated in Sterling and are referenced to London Inter Bank Offer Rate (LIBOR) and The Bank of England Base Rate.

Borrowing facilities

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

	2012	2011
	£'000	£'000
Expiring in one year or less or on demand	**10,000**	24,500
Expiring in more than one year but not more than two years	**—**	—
Expiring in more than five years	**15,099**	15,099
Total undrawn committed borrowing facilities	**25,099**	39,599

This is made up of undrawn bank borrowing facilities of £10,000,000 (2011: £24,500,000) and the remaining £15,099,000 (2011: £15,099,000) undrawn facility relating to future property acquisitions (see note 15 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:

	2012		2011	
	Book value	**Fair value**	Book value	Fair value
	£'000	**£'000**	£'000	£'000
Other loans	**23,027**	**22,275**	24,340	22,627

Short-term receivables and liabilities have been excluded from all disclosure.

Treasury policy

The Group's operations are currently funded through operating cash flow and loans. The Group hedges its interest rate exposure by using fixed interest rate facilities where deemed appropriate. The Group is exposed to foreign currency exchange risk through its player transactions but manages its working capital inflow and outflow to minimise any material foreign exchange risk. The Group does not enter into instruments for speculative purposes. All treasury transactions are reported to and approved by the Board.

16. Provisions for liabilities

For the year ended 30 June 2012

	£'000
Contingent transfer fees payable	
At 1 July 2011	1,087
Provided during the year	666
Released to income during the year	(30)
Utilised during the year	(1,255)
At 30 June 2012	**468**
Provisions on player contracts	
At 1 July 2011	1,478
Provided during the year	—
Utilised during the year	(1,478)
At 30 June 2012	**—**
Deferred taxation	
At 1 July 2011	18,193
Credited to the income statement	(6,160)
At 30 June 2012	**12,033**
Total	
At 30 June 2012	**12,501**

For the year ended 30 June 2011

	£'000
Contingent transfer fees payable	
At 1 July 2010	1,045
Provided during the year	1,317
Utilised during the year	(1,275)
At 30 June 2011	**1,087**
Provisions on player contracts	
At 1 July 2010	550
Provided during the year	1,478
Utilised during the year	(550)
At 30 June 2011	**1,478**
Deferred taxation	
At 1 July 2010	18,459
Credited to the income statement	(266)
At 30 June 2011	**18,193**
Total	
At 30 June 2011	**20,758**

The timing of the outflow of the contingent transfer fees and provisions on player contracts are dictated by the contractual provisions of the relevant agreements.

Deferred taxation has been provided as follows:

	2012	2011
	£'000	£'000
Accelerated capital allowances	**2,675**	3,203
Intangible fixed assets	**9,610**	15,359
Other timing differences	**(252)**	(369)
	12,033	18,193

17. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. Strong financial capital management is an integral part of the Directors' strategy to achieve the Group's stated objectives. The Directors review financial capital reports on a regular basis and the Group finance function do so on a daily basis ensuring that the Group has adequate liquidity. The Directors' consideration of going concern is detailed in the Directors' Report. The capital structure of the Group consists of debt, which includes the borrowings disclosed in notes 14 and 15, cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in note 19 and the statement of changes in equity.

Financial risk management objectives and policies

The Group's financial assets include cash and cash equivalents and other short-term deposits. The main purpose of these financial instruments is to finance the Group operations. The Group has other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations. 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 2012			Year ended 30 June 2011		
	Financial assets £'000	**Non-financial assets £'000**	**Total £'000**	Financial assets £'000	Non-financial assets £'000	Total £'000
Assets						
Non-current assets	**—**	**244,648**	**244,648**	—	251,514	251,514
Trade receivables and similar items	**16,023**	**—**	**16,023**	14,485	—	14,485
Cash and cash equivalents	**15,702**	**—**	**15,702**	20,650	—	20,650
Other current assets	**—**	**5,315**	**5,315**	—	5,319	5,319
Total assets	**31,725**	**249,963**	**281,688**	35,135	256,833	291,968

	Year ended 30 June 2012			Year ended 30 June 2011		
	Financial liabilities £'000	**Non-financial liabilities £'000**	**Total £'000**	Financial liabilities £'000	Non-financial liabilities £'000	Total £'000
Liabilities						
Borrowings:						
Current	**(25,574)**	**—**	**(25,574)**	(20,461)	—	(20,461)
Non-current	**(59,632)**	**—**	**(59,632)**	(56,269)	—	(56,269)
Trade and other payables	**(94,944)**	**—**	**(94,944)**	(108,885)	—	(108,885)
Other liabilities	**—**	**(24,641)**	**(24,641)**	—	(24,870)	(24,870)
Total liabilities	**(180,150)**	**(24,641)**	**(204,791)**	(185,615)	(24,870)	(210,485)
Net (liabilities)/assets	**(148,425)**	**225,322**	**76,897**	(150,480)	231,963	81,483

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

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

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

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

(i) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange and interest rates.

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow at both fixed and floating interest rates. Having borrowings at both fixed and floating rates spreads the risk of significant movements in the interest rate. The Group does not consider this risk as significant.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date. For floating rate cash deposits, the analysis is prepared assuming the amount of deposits outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of reasonable possible changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2012 would decrease/increase by £211,782 (2010: decrease/increase by £173,290). 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 currency risk due to movements in foreign currencies relative to Sterling affecting the Group's foreign currency transactions and balances.

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

	Liabilities		Assets	
	2012	2011	**2012**	2011
	€'000	€'000	**€'000**	€'000
Euro	**12,098**	22,854	**20,424**	16,211

These amounts principally relate to player transfer liabilities and receivables.

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	
	2012	2011
	£'000	£'000
Impact on profit and other equity	**746**	666

(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 £14.7m, £7.5m relates to amounts receivable from various other football clubs in relation to player trading. The maximum credit exposure relates to the total of cash and cash equivalents, and trade receivables and is £31.1m.

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 2012 £'000	**Provision 2012 £'000**	Gross receivables 2011 £'000	Provision 2011 £'000
Non-football				
Not past due	**2,173**	—	2,975	—
Past due 0 – 30 days	**3,065**	—	4,404	—
Past due 31 – 90 days	**1,171**	—	1,039	—
More than 90 days	**1,597**	**(65)**	602	(59)
	8,006	**(65)**	9,020	(59)
Football				
Not past due	**7,327**	—	478	—
Past due 0 – 30 days	—	—	2,768	—
Past due 31 – 90 days	—	—	—	—
More than 90 days	**148**	—	181	—
	7,475	—	3,427	—
Total				
Not past due	**9,500**	—	3,453	—
Past due 0 – 30 days	**3,065**	—	7,172	—
Past due 31 – 90 days	**1,171**	—	1,039	—
More than 90 days	**1,745**	**(65)**	783	(59)
	15,481	**(65)**	12,447	(59)

	2012 £'000	2011 £'000
Movements in the allowance for doubtful debts		
At 1 July 2011	**59**	86
Provided during the year	**45**	70
Recovered during the year	**—**	(1)
Utilised during the year	**(39)**	(96)
At 30 June 2012	**65**	59

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

18. Called up share capital

	Number	£'000
Allotted, called up and fully paid:		
At 30 June 2012 – ordinary shares of 5p each	**213,102,209**	**10,655**
At 30 June 2011 – ordinary shares of 5p each	213,858,987	10,693

During the year, 756,778 ordinary shares were bought back and cancelled by the company.

19. Reconciliation of movements in Group shareholders' funds

	2012	2011
	£'000	£'000
Opening shareholders' funds	**81,483**	70,501
(Loss)/profit for the year	**(4,283)**	669
Ordinary 5p shares redeemed during the year	**(303)**	—
Conversion of CRPS to ordinary shares	—	10,313
Net (reduction)/addition to shareholders' funds	**(4,586)**	10,982
Closing shareholders' funds	**76,897**	81,483

During the year to 30 June 2011, following election by a majority of the convertible redeemable preference shareholders, all the remaining CRPS were converted to ordinary shares or redeemed

20. Commitments

At the balance sheet date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2012	2011
	£'000	£'000
Minimum lease payments:		
Within one year	**285**	285
Within two to five years	**234**	455
After five years	**107**	166
	626	906
Capital commitments were as follows:		
Contracted – normal course of business	**293**	392
Contracted – new Training Ground	**5,528**	20,925

21. Net debt

	2012 £'000	2011 £'000
Cash and cash equivalents	**15,702**	20,650
Bank loans	**(21,312)**	(16,623)
Securitisation funds	**(23,259)**	(24,612)
Bank loans – property	**(41,227)**	(36,230)
Net debt	**(70,096)**	(56,815)

22. Related party transactions

The following paragraphs give details of all related party transactions involving the Company and any of its subsidiary undertakings.

ENIC Group companies

Amounts totalling £8,430 (2011: £3,757) 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 (2011: £nil) was due to the Group from ENIC Group.

Amounts totalling £nil (2011: £5,287) including VAT were incurred during the year by ENIC Group on behalf of the Group.

During the year, ENIC Group invoiced the Group for £75,330 (2011: £130,600). At the balance sheet date, £nil (2011: £94,000) 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 £45,801 (2011: £25,299). At the balance sheet date, £3,788 (2011: £4,178) was due to the Group from Tottenham Hotspur Foundation.

During the year, Tottenham Hotspur Foundation invoiced the Group for £60,249 (2011: £72,756). At the balance sheet date, £nil (2011: £296) 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 2012 or 2011. All of these transactions were at arm's length.

23. Pensions

Defined contribution schemes

Certain staff of the Group are members of the Football League Limited Pension and Life Assurance Scheme. Others are members of a self administered Group money purchase scheme. 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 £106,505 (2011: £295,000).

During the year the Group made payments of £nil (2012: £3,014,000) 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 2011 and indicated that the contribution required from the Group towards making good this deficit was £642,000 at 1 September 2012. The pension cost charged during the year relating to this deficit was £486,000 (2011: £45,000). At the balance sheet date the Group's share of this deficit was £649,000 (2011: £208,000).

24. Contingent liabilities and assets

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

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £14,830,000 (2011: £24,158,000).

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 £12,446,000 (2011: £11,433,000), none of which has been recognised.

The Group are currently in discussions with HM Revenue and Customs ('HMRC') relating to the HMRC's investigation into image right payments made by football clubs generally; and HMRC's enquiries across the football industry as to whether VAT is recoverable on agents' fees.

The Group is satisfied that no unprovided liability will arise.

25. Post balance sheet events

Since the balance sheet date the following events have occurred:

G Sigurdsson was bought from Hoffenheim
J Vertonghen was bought from Ajax
E Adebayor was bought from Manchester City
M Dembele was bought from Fulham
H Lloris was bought from Olympique Lyonnais
C Dempsey was bought from Fulham
N Kranjcar was sold to Dynamo Kiev
S Pienaar was sold to Everton
S Bassong was sold to Norwich City
L Modric was sold to Real Madrid
D Button was sold to Charlton Athletic
R van der Vaart was sold to Hamburg
G Dos Santos was sold to Real Mallorca
H Kane was loaned to Norwich City
D Rose was loaned to Sunderland

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £9,917,000.

The contingent liability from these transactions amounts to approximately £10,555,000 and the contingent asset amounts to approximately £7,430,000.

Company balance sheet
as at 30 June 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	2	**41,771**	**29,958**
Investments	3	**2,490**	**2,490**
		44,261	**32,448**
Current assets			
Stocks	4	**2,234**	**1,774**
Debtors	5	**130,892**	**123,988**
		133,126	**125,762**
Creditors: amounts falling due within one year	6	**(100,928)**	**(80,539)**
Net current assets		**32,198**	**45,223**
Total assets less current liabilities		**76,459**	**77,671**
Creditors: amounts falling due after more than one year	7	**(24)**	**(57)**
		76,435	**77,614**
Provisions for liabilities	8	**(338)**	**(588)**
Net assets		**76,097**	**77,026**
Capital and reserves			
Called up share capital	9	**10,655**	**10,693**
Share premium account	9	**34,788**	**34,788**
Capital redemption reserve	9	**633**	**595**
Profit and loss account	9	**30,021**	**30,950**
Shareholders' funds	9	**76,097**	**77,026**

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 28 December 2012.

Signed on behalf of the Board of Directors

Matthew Collecott
28 December 2012

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.

Capital grants

Capital grants relate to amounts receivable from public bodies and football authorities and are treated as deferred income and released to the profit and loss account over the estimated useful life of the asset concerned.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling and recorded at the rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the exchange rates ruling on the balance sheet dates. Translation differences are dealt with in the profit and loss account.

Tangible fixed assets

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

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

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

Fixed asset investments

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

Stocks

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

Debt

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

Leases

Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred taxation is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief.

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 2012

Group	Land and buildings short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost or valuation					
At 1 July 2011	1	294	19,744	26,937	46,976
Additions	781	30	1,077	13,758	15,646
Disposals	—	(78)	—	—	(78)
Transfer	—	—	4,346	(4,346)	—
At 30 June 2012	**782**	**246**	**25,167**	**36,349**	**62,544**
Depreciation and impairment					
At 1 July 2011	1	110	16,907	—	17,018
Charged in the year	14	57	3,736	—	3,807
Eliminated on disposal	—	(52)	—	—	(52)
At 30 June 2012	**15**	**115**	**20,643**	—	**20,773**
Net book value					
At 30 June 2012	**767**	**131**	**4,524**	**36,349**	**41,771**

For the year ended 30 June 2011

Group	Land and buildings short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost or valuation					
At 1 July 2010	1	314	15,050	29,657	45,022
Additions	—	101	4,694	5,983	10,778
Disposals	—	(121)	—	—	(121)
Transfer	—	—	—	(8,703)	(8,703)
At 30 June 2011	**1**	**294**	**19,744**	**26,937**	**46,976**
Depreciation and impairment					
At 1 July 2010	1	141	13,342	—	13,484
Eliminated on disposal	—	(91)	—	—	(91)
Charged in the year	—	60	3,565	—	3,625
At 30 June 2011	**1**	**110**	**16,907**	**—**	**17,018**
Net book value					
At 30 June 2011	**—**	**184**	**2,837**	**26,937**	**29,958**

All assets shown are held at historical cost.

3. Investments held as fixed assets

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

	Investment in subsidiary undertakings £'000
At 1 July 2011	2,490
Disposals during the year	—
At 30 June 2012	**2,490**

At 30 June 2012, 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%
Canvax Limited – holds certain properties on behalf of the Group	Ordinary	100%
Greenbay Property Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northumberland Development Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northwise Limited – holds certain properties on behalf of the Group	Ordinary	100%
Redbury Limited – holds certain properties on behalf of the Group	Ordinary	100%
Meldene Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Chigwell) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Enfield) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Property Company Limited – intermediary holding company for other companies that hold property on behalf of the Group	Ordinary	100%

4. Stocks

	2012 £’000	2011 £’000
Stocks	**2,234**	1,774

Stock comprises merchandising goods held for resale.

5. Debtors

	2012 £’000	2011 £’000
Trade debtors	**141**	748
Amounts owed by Group undertakings	**130,302**	122,861
Other debtors	**211**	196
Prepayments and accrued income	**238**	183
	130,892	123,988

6. Creditors – amounts falling due within one year

	2012	2011
	£'000	£'000
Bank overdraft	**31,858**	21,134
Bank loan	**20,000**	15,000
Trade creditors	**6,240**	3,640
Corporation tax	**1,774**	1,774
Other taxation	**32**	10
Other creditors	**910**	2,954
Accruals and deferred income	**5,334**	5,079
Amounts due to Group undertakings	**34,780**	30,948
	100,928	80,539

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

	2012	2011
	£'000	£'000
Deferred grant income	**24**	57

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

	2012	2011
	£'000	£'000
Bank loan		
In one year or less or on demand	**20,000**	15,000
In more than one year but not more than two years	**—**	—
In more than two years but not more than five years	**—**	—
	20,000	15,000
Total borrowings		
In one year or less or on demand	**20,000**	15,000
In more than one year but not more than two years	**—**	—
In more than two years but not more than five years	**—**	—
	20,000	15,000

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

Borrowing facilities

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

	2012 £'000	2011 £'000
Expiring in one year or less or on demand	**10,000**	15,000

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
Deferred taxation	
At 1 July 2011	588
Charge to the profit and loss account	(250)
At 30 June 2012	**338**
At 30 June 2011	588

Deferred taxation has been provided as follows:

	2012 £'000	2011 £'000
Accelerated capital allowances	**338**	588

9. Reserves

For the year ended 30 June 2012

	Share capital account £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2011	10,693	34,788	595	30,950	77,026
Profit for the period	—	—	—	(626)	(626)
Ordinary shares redeemed during the period	(38)	—	38	(303)	(303)
At 30 June 2012	**10,655**	**34,788**	**633**	**30,021**	**76,097**

The retained loss for the year, within the financial statements of the parent company, was £626,000 (2011: £9,122,000 profit). As permitted by the Companies Act 2006 Section 408, no separate profit and loss account is presented. The audit fee of £3,000 (2011: £3,000) is borne by another Group company in the current and prior year. No fees were paid to the Company's auditor or affiliated entities, relating to other services during the year. Refer to the Group financial statements for full disclosure of fees payable to the auditor.

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

10. Reconciliation of movements in the Company shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	**77,026**	76,016
(Loss) / profit for the year	**(626)**	9,122
Ordinary 5p shares redeemed during the year	**(303)**	—
Disposal of investments in Group companies	**—**	(18,425)
Conversion of CRPS to ordinary shares	**—**	10,313
Net (reduction)/addition to shareholders' funds	**(929)**	1,010
Closing shareholders' funds	**76,097**	77,026

11. Commitments

The annual commitments under non-cancellable operating leases are:

	2012 £'000	2011 £'000
Land and buildings:		
Leases expiring within one year	**221**	—
Leases expiring within two to five years	**—**	226
Leases expiring in more than five years	**44**	44
	265	270

Executive Chairman
D P Levy

Executive Director
M J Collecott

Non-Executive Directors
Sir K E Mills (Chairman of the Audit Committee)
Mr K V Watts (Chairman of the Remuneration Committee)

Company Secretary
M J Collecott

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