



**“AS THIS CLUB CELEBRATES ITS 125TH ANNIVERSARY AND WE LOOK BACK AT OUR GREAT PAST, WE MUST ALSO SEIZE THE OPPORTUNITY TO LOOK AHEAD WITH CONFIDENCE AND ENSURE THAT GLORY IS NOT A TERM USED ONLY TO RECALL EVENTS IN NOSTALGIC TERMS.”**

**Daniel Levy**

Chairman

Tottenham Hotspur plc

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# RECORD FINANCIAL RESULTS

Turnover

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**+39%** to £103m  
(2006: £74m)

Net assets

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**+62%** to £49m  
(2006: £30m)

Operating profit before football trading and depreciation

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£32m  
(2006: £5m)

Retained profit

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£19m  
(2006: loss of £2m)

BEHIND EVERY GOAL...



**1882**

Club formed by boys from Hotspur Cricket Club and from the local grammar school. The name of 'Hotspur FC' was adopted.

**1883**

Club reorganised under the presidency of Mr John Ripsher. Club colours – navy blue. Matches played on Tottenham marshes.

**1884**

Club re-named 'Tottenham Hotspur Football and Athletic Club'.

**1887**

First meeting with Arsenal – then Royal Arsenal. Match abandoned 15 minutes from time 'owing to darkness' with Spurs leading 2-1.

**...IS A PROUD AND  
STRONG HERITAGE**

**1882**

Established

**16**

Major honours

**1<sup>ST</sup>**

English team to be Double winners in modern era

**1<sup>ST</sup>**

English team to win a major European competition



BEHIND EVERY CELEBRATION...



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...ARE MILLIONS  
OF LOYAL FANS

1M

Fans through turnstiles

WHITE HART LANE



TOTTENHAMHOTSPUR.COM

1.4M

Fans in the UK

4.3M

Fans globally

UP TO 1M

Unique visitors per month – Club website



# BEHIND EVERY TACKLE...



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...IS A SQUAD OF  
ENVIABLE TALENT

24 YRS

Average age

34

Internationals

7

England full internationals

OVER £100M

Recently invested



# BEHIND EVERY SHIRT...



## 1882

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## 1883

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## 1882

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...IS A POWERFUL  
INTERNATIONAL BRAND

204

Territories that broadcast Premier League matches

ALMOST 3BN

Global Premier League audience



BEHIND OUR TEAM SPIRIT..



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...IS A DEDICATION  
TO OUR COMMUNITY

500,000

Sporting opportunities delivered  
to young people

OVER £5M

Charitable contributions in the  
last two years



BEHIND EVERY TALENT...



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...IS A THRIVING  
ACADEMY SYSTEM

OVER £2M

Invested in training and developing  
young players each year

OVER 100

Scouts worldwide



BEHIND EVERY RESULT...



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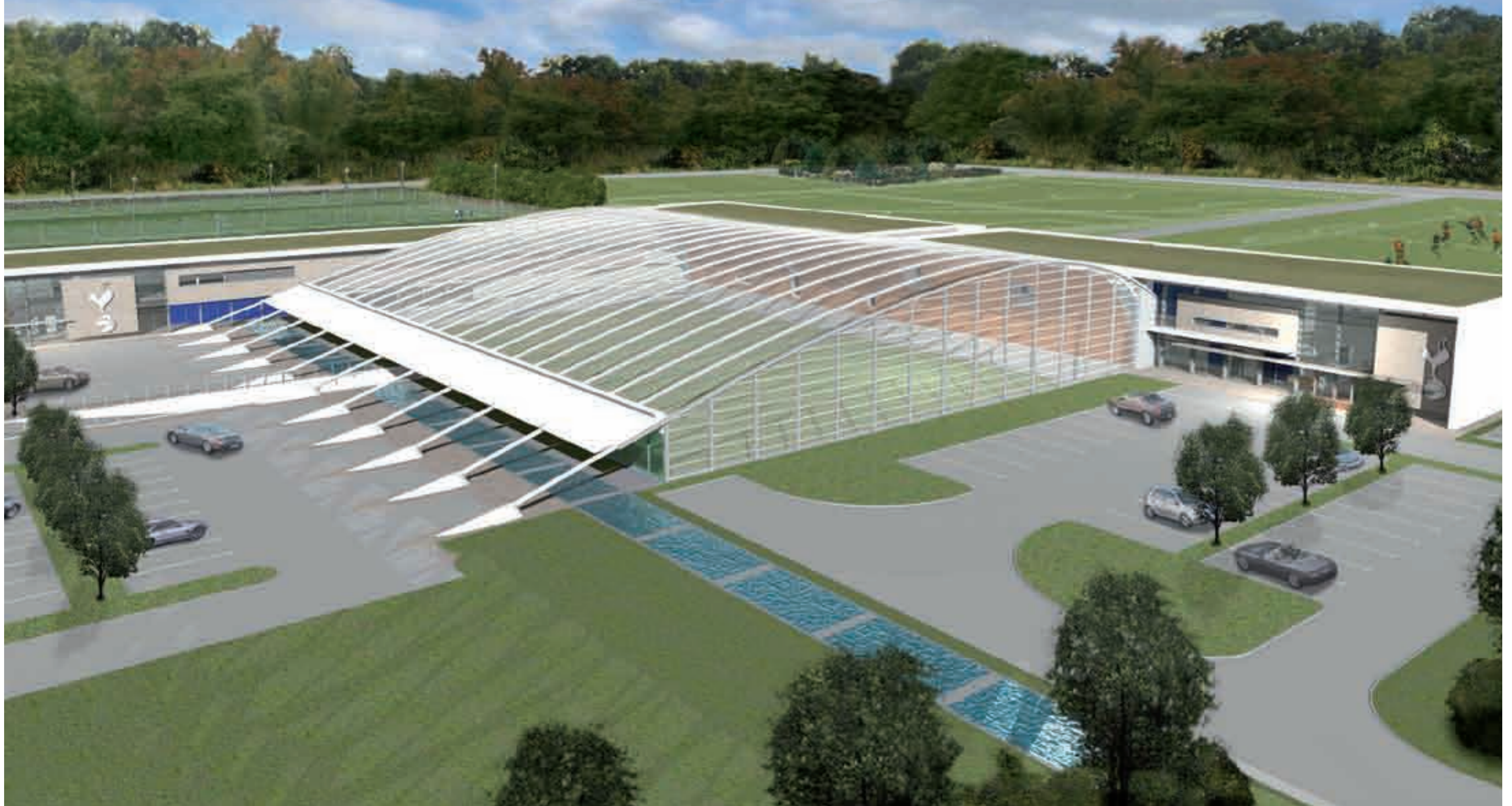
...IS THE AMBITION  
TO BUILD FOR  
FUTURE GLORY

2007

Planning application submitted for a state-of-the-art  
Football Training Centre in Enfield

2008

Commitment on stadium location



## Summary and outlook

- Record turnover and profit – strong performance from all parts of the business
- First full year contribution from the two main commercial partners: MANSION (shirt sponsor) and PUMA (technical sponsor)
- Strong TV revenues buoyed by increase in live FAPL games and 10 UEFA Cup matches. During the 2006/2007 season: the quarter-finals of UEFA Cup, the quarter-finals of The FA Cup, the semi-finals of the League Cup and fifth place in the FAPL
- New central FAPL TV deal comes into force in current season, basic fee for domestic television rights increasing by 51%, overseas television rights rises by 128%
- Submitted a new planning application for the Football Training Centre which will be heard by the Enfield planning committee in November 2007
- Review of stadium options is now substantially complete and a limited number of potential sites have been identified in the London Boroughs of Enfield and Haringey including the expansion possibilities of the existing stadium

All parts of the business have continued to perform well to produce record revenues and profits. Cash generation has been strong. Our priorities for the Club are focused on continued development of the First Team where we have built an exceptionally talented squad, progressing our state-of-the-art Training Centre and the development of an improved, larger stadium.

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**Turnover**

£103.1m (2006: £74.1m)

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**Operating profit before football trading and depreciation**

£32.0m (2006: £4.6m)

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**Operating profit before football trading**

£29.7m (2006: £2.4m)

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**Amortisation and impairment of registrations**

£(19.2)m (2006: £(12.5)m)

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**Profit on disposal of registrations**

£18.7m (2006: £12.3m)

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**Net interest payable**

£(1.6)m (2006: £(2.3)m)

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**Profit before tax**

£27.7m (2006: £0.6m)

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**Retained profit/(loss) for the financial year**

£18.9m (2006: £(1.6)m)

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**Earnings/(loss) per share – basic**

20.4p (2006: (1.7)p)

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## Chairman's statement

This year we celebrate the 125th anniversary of Tottenham Hotspur Football Club – a notable landmark for a great football club – and it comes at a time when, despite our current poor start, we should continue to view our future with optimism and ambition.

Year on year, I have been able to report achievements which have been part of a substantial turnaround of the Club's fortunes both on and off the pitch and this year sees us report record financial results.

The First Team reached the quarter-finals of the UEFA Cup, the quarter-finals of The FA Cup, the semi-finals of the League Cup and 5th place in the Premier League (FAPL) and re-qualification for the UEFA Cup 2007/2008 – a terrific achievement.

We have seen our supporter base increase measurably, both domestically and on an international basis, with 4.3 million fans around the world, and 1.4 million in the UK (Sport & Markt). Direct support for the Club during the year reached record levels with over a million fans coming through the gates at White Hart Lane.

We must also pay tribute to the continued success of the FAPL which continues to grow in stature. Almost 400 games are now broadcast live per season in over 204 territories. Over 600 million homes now receive channels that broadcast the FAPL, with an average of 75 million people watching on a weekly basis and an estimated global audience of almost 3 billion people (FAPL). On any measure that is an exceedingly strong commercial platform and Tottenham Hotspur remains one of the top five broadcasted clubs in the FAPL.

### **Financial results**

Turning to the financial results for the year ended 30 June 2007, we have seen substantial growth in turnover, an increase of 39% to £103m and operating profit before football trading and depreciation at £32m. The Club is generating significant operating revenues from the core business. Notably, we generate operating profits at 31% of turnover, a position that highlights the impact that further European football and more live games can have on the current business model. It remains a priority of the management to ensure that it remains so, in order to continue to grow the business over the years as we embark on capital projects and continue to invest in the infrastructure of the Club and the team.

Turning to the balance sheet, net assets reflect player registrations at cost and as a result home grown players and the stream of young players who have been bought are not reflected at market value in these accounts. Player spending since 30 June 2006 was £81m and whilst it does reflect a significant expenditure, the sale of players and strong cash flows have meant that the Club has been well positioned to sustain continued investment in players and ensure it has moderate debt as a result.

All parts of the business have continued to perform strongly with notable increases in TV revenues on both a domestic and international basis and as a result of the Club's increased coverage in European competition. Going forward on a like for like basis, given the attraction of the Premier League brand and improving rights deals, we would expect continued excellent financial performance. These areas are covered in more detail in the Financial Review by your Finance Director.

The Board has proposed a dividend for the year to 30 June 2007 of 4p per ordinary share which amounts to £3.7m. We believe it is a mature approach to offer long-term investors and fans of the Club a return on their investment and note that the Club has not paid a dividend since 1998. The dividend, if approved, will be paid by 2 January 2008 to shareholders on the register at the close of business on 30 November 2007.

### Capital projects

There is no doubt that our two key capital projects, the Football Training Centre (First Team and Academy) and the Stadium are fundamental features of our future plans for the Club.

A new planning application has been submitted for the Football Training Centre at Bull's Cross, Enfield. The recent purchase of Whitewebbs Sports Club has provided the opportunity to significantly remodel the layout and design of the site, leading to a positive planning balance, a better proposal, one which will have less impact on the Green Belt land, with only 3% comprising of buildings. In light of this, we have withdrawn our appeal of the previous application and are currently seeking the support of all our stakeholders for the new proposal. The Centre will be important in sustaining the Club's position in domestic and European competition, developing home grown talent, which in turn benefits the national team, and in extending the benefits associated with professional football to the wider community through an extensive and innovative community outreach programme to be delivered by The Tottenham Hotspur Foundation. The Planning Committee of the London Borough of Enfield will meet to discuss this application in November 2007. Our hope is that we are able to achieve consent at local level for this facility, which is not only in the interest of the Club but addresses local and national agendas as well as providing a potential training facility for the Olympics.

Our review of Stadium options is now substantially complete. I can report that a limited number of potential sites have been identified in the London Boroughs of Enfield and Haringey including the expansion possibilities of the existing stadium. These obviously remain highly sensitive on commercial grounds, but we are now working to a timetable that will see us commit to one option during the first half of 2008. I am delighted to announce that Tony Winterbottom, who worked for the Mayor of London as the Executive Director of Regeneration and Development at the London Development Agency, joins a team which is headed by myself, supported by your Finance Director, along with a multi-disciplinary group of architects, transport consultants, heritage specialists, planning consultants and a host of other experts to bring this project to fruition. The team will work in conjunction with The Tottenham Hotspur Foundation with respect to community affairs. In addition we are in discussion with Council bodies, the LDA, Transport for London, the GLA, the Mayor's office and local and central government officials. There has been initial consultation with supporters and their representative groups and this will be an ongoing process.

### On the pitch

Player movements in the latter half of the year have been far less than in previous years, an indication that much of the rebuilding of the squad has been achieved. Last season saw us integrate a number of new players who have since settled well and now embark on a second season in European competition.

The following players have joined since we last reported: Darren Bent, Gareth Bale, Younes Kaboul and Kevin-Prince Boateng for the First Team; Adel Taarabt's loan became a permanent move; Hossam Ahmed Mido joined and departed. Exciting younger players to join our Academy included Yuri Berchiche, Danny Rose and Dean Parrett.

Danny Murphy, Reto Ziegler, Mark Yeates and Emil Hallfredsson left the Club and Rodrigo Defendi, Rob Burch and Charlie Lee were released. We wish them all well.

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

Tom Huddlestone and Jermaine Jenas were both offered and signed new, extended contracts. We very much hope Jermain Defoe will also extend his contract with the Club. We have progressively introduced an increased element of performance related remuneration into player contracts designed to reward success.

Our Academy re-structuring continues to produce excellent results. During last season five graduates from the Academy moved to professional contracts as third year, full-time players. A further seven moved to the Development Team under Clive Allen at the end of the season. The same period saw eight Academy scholars called up for international duty, along with six of our schoolboys. Most notably Thomas Pekhart who at 18 has played for the Czech Republic in the U20 World Cup in Canada.

The Academy participated in four international youth competitions and was successful in winning the prestigious Verona tournament. During the pre season our U18s won the Eurofoot tournament, this age group being a flagship group for the Academy with players showing potential for the First Team.

Our pre-season tour of South Africa was a great success. We enjoy strong historical support, enhanced by the previous tour in 2003 when we supported the South African bid to host the 2010 World Cup. The team returned from the tour victorious in the Vodacom Challenge. The players undertook several corporate social responsibility visits and were congratulated on their contribution throughout the tour. Their behaviour and conduct made them a credit to our Club.

An extended association was established with South Africa with the announcement of our partnership with SuperSport United, a Premier Soccer League (PSL) team owned by SuperSport, that will see the Clubs' academies working together. It represents an excellent opportunity for coaching exchanges and the development of talent both for ourselves and also for the benefit of the South African game. SuperSport is one of the largest broadcasters in Africa, broadcasting to 57 countries and the relationship will result in extensive coverage of both the Club and the joint academy throughout the continent.

## Chairman's statement continued

### Commercial operations

Our season ticket waiting list of 20,000 has been integrated into our new One Hotspur membership programme and will help us to establish a better view of the excess of demand for tickets. In turn, this information will be used to assist us with stadium modelling going forward.

These results include the first full year of our deals with the Club's two main commercial partners: MANSION, our shirt sponsor, with whom our agreement extends for a further three seasons; and PUMA, our technical sponsor, with whom we will work for at least four more seasons. The MANSION deal is unaffected by recent amendments to advertising legislation. The Club's progress on and off the pitch continues to attract interest from a range of internationally recognised and renowned companies looking to build an association with our brand. Three new official partners have joined the Club's commercial programme: Thomas Cook, as travel services supplier; BT, as broadband supplier; and Willow Water, as water provider. The Club will continue to look for new opportunities to expand the commercial programme further whilst ensuring our current partners receive the value, support and attention they deserve from existing agreements.

The Club's highly regarded corporate hospitality facilities were once again sold out for virtually every game. Our executive boxes and variety of executive lounge facilities were in great demand from a wide range of international, national and local businesses. After a summer of refurbishments in key lounge areas, including the Highlights area in the South East corner and the Bill Nicholson suite in the West Stand, we expect a similarly busy season and continued high levels of demand for all corporate hospitality areas.

The Merchandise Division has performed well against the same period last year, with turnover up 36% and we continue to expand our retail selling space through the introduction of mobile units, which can be used at various points in and around the Stadium. The Club's growing fan base and our increasingly popular website continues to drive traffic to our online shop and turnover continues to grow across this area. The value of our online retail sales operation grew by 28% on the prior year and represents 23% of retail turnover. As the Club's focus on developing its international fan base gathers pace, it is likely that our online sales will grow further.

Our Club membership area has now reached record numbers including Junior Members. The introduction of our new five tier One Hotspur membership scheme has proved to be popular with both UK and overseas-based supporters. By September 2007, the Club had processed more than 75,000 One Hotspur

applications – more than the total number for the whole of the previous season.

After a difficult 2006/2007 season, which involved significant staff upheaval and systems issues, the Ticket Office has been re-located to a new site in Paxton Road. It has been merged with the former Members department and has been appropriately re-staffed for the current season. Following an extensive summer tender process, involving the major ticketing service providers, the Club entered into an agreement with Ticketmaster for the use of one of the world's most-used and sophisticated integrated ticketing and membership systems. As this system continues to be fully integrated, fans will be able to purchase tickets online for away matches as well as home matches, access their personal One Hotspur account details, view loyalty points and access the Club's new Ticket Exchange system.

The Club has recently appointed a new Customer Service Manager with a view to improving the level of support and service to our fans across ticketing and membership areas.

This period also saw the consolidation of the Club's publications department, which re-launched the Club magazine – hotspur – which is now managed in-house. It outsells all previous Club magazine titles. Later this year will see the publication of the Tottenham Hotspur Opus – a comprehensive and elegant collector's item which represents the most definitive history of the Club ever produced.

The Club's website [tottenhamhotspur.com](http://tottenhamhotspur.com), which was re-launched in 2006 and updated again in September 2007, has been a resounding success and has received up to one million unique visitors a month making it one of the five most visited football club sites in the UK (Hitwise). Supporting our international development ambitions, the website also now hosts a Chinese language version of our website. Similarly, we re-launched our online TV service – Spurs TV Online. Once again we have seen subscription levels rise past previous figures in the first three months, with members joining us from more than 65 countries around the world, from Mongolia to Costa Rica and the United States to New Zealand – a further demonstration of our impressive international reach and growing overseas fan base.

Supported by our overseas TV agent, Pitch International, the Club concluded a number of deals for its new International Programming Block (IPB) broadcast product, a weekly three hour digest of news, views, footage and match action involving the Club. The IPB will support the Club's international brand development and will help to drive One Hotspur membership and subscriptions to both Spurs TV Online and to hotspur magazine.

### Tottenham Hotspur Foundation

Following eight highly successful years, our Football in the Community department was awarded charitable status and the independent Tottenham Hotspur Foundation was launched by the then Prime Minister the Rt Hon Tony Blair at 10 Downing Street in January 2007. The Tottenham Hotspur Foundation will create over 500,000 sporting opportunities in its first year and aims to engage and inspire children through the medium of football. It seeks to encourage physical activity, healthy lifestyles and improve educational attainment whilst also tackling crime and anti-social behaviour. Our players are committed to participating in a community event every week of the season and we have been credited with leading the field in several areas, notably our work with young people with disabilities. I am delighted that since its launch Les Ferdinand MBE and Lord Triesman of Tottenham have joined as Ambassadors of The Foundation.

### Charitable donations

The Club is the largest charitable donor of any club in the FAPL. Over the past two years the Club has donated in excess of £5m in the form of direct financial support, gifts and contributions in kind.

The Club announced its first long-term international charitable partnership this year with SOS Children's Villages. Utilising players' fines money, which had been ring-fenced and set aside for a worthy cause, the Club funded the building of a home for orphans in the South African village of Rustenberg and will continue with its maintenance and further projects. It was a heart warming time for the players when they visited South Africa in the pre-season tour to be greeted by children from SOS.

### Management and staff

It goes without saying that our success is reliant on the dedication, hard work and enthusiasm of everyone at the Club, from the Board, our management and employees, coaching and playing staff and I should like to thank them all. In addition I should like to thank Sir Keith Mills, who joined the Board in December 2006, for his valuable contribution. He brings with him extensive experience in advertising and marketing in addition to his considerable knowledge in sports administration, including of course his highly successful duty as International President and CEO of London 2012, where he is now non-executive Deputy Chairman. Sir Keith joins Mervyn Davies, who is now Chairman of Standard Chartered PLC and is Chair of the Prime Minister's Business Council for Britain. We are extremely pleased to have two such excellent and supportive Non-Executive Directors.

It is with regret that I announce the resignation of Paul Kemsley as Non-Executive Vice Chairman of Tottenham Hotspur Football & Athletic Co Ltd with effect from this year's forthcoming General Meeting. Paul has recently expanded his property business interests in the United States and feels that inevitably his time spent overseas will impact upon his ability to fulfil his role with the Club. Paul has worked with me for the past six years at the Club and I thank him for his advice and counsel during this period.

### Outlook

We have spent the past few years committed to what I believe is a far-sighted policy of buying and developing young, highly talented players and, where possible, players who can adapt to the English game and culture bringing experience and style to the Club. It is no coincidence that our recent success comes at a time when the Club has an exceptionally talented squad. A key factor in building our squad is stability and the adoption of the current football management structure has been responsible for guaranteeing this. We will continue to identify players and pursue buying strategies that we consider to be in the best long-term interests of the Club.

We have always stated that we had three priorities for this Club, and in this order – investment in the First Team, a state-of-the-art training centre and an improved, larger stadium. With investment in the First Team, an assembled squad of enviable talent with inherent value and re-qualification for Europe, we have made measurable progress in the first of these. The training centre proposal has now been re-submitted and we are currently seeking the support of all stakeholders as we see it through the planning process. We all recognise not only the need for a larger capacity stadium, we also recognise the relevance and impact of being located in London, one of the greatest capital cities of the world. London is a bustling economic centre and a focal point for business. With the Olympics in 2012 and Crossrail being given the go ahead after 20 years, it is only right that we should take advantage of our location.

Football is a unique business and one which is more often than not conducted under intense public scrutiny. We, the management, have to make strategic, informed decisions and act in the long-term interest of the Club. Much has been achieved and there is still much to achieve. I shall continue to seek every possible advantage for Tottenham Hotspur.

I should like to thank our shareholders for their continued support; our staff for their huge contribution, often beyond the call of duty; and our supporters, who are the very foundation of our Club. The amazing scenes and atmosphere that preceded our 125th Anniversary Match shown live in over 100 countries, are testament to the pride we all have in our great Club.



**Daniel Levy**  
Chairman  
16 October 2007

## Financial review

### Turnover

Success both on and off the pitch during the year saw turnover break the £100 million mark for the first time in the Club's history, largely driven by the Club competing on four fronts both domestically and in Europe. Turnover rose by 39% on last year from £74m to £103m.

For the second successive season a final League position of fifth place in the Premier League (FAPL) ensured that the Club continued to earn significant TV revenues through the merit award payment and live TV match appearance fees. Including TV income and prize money from cup matches, the Club received £34m from media and broadcasting.

Due to the new central FAPL TV deal that comes into force this season, we can expect these income streams to rise even further. The basic fee for domestic television rights will increase by 51%, whilst overseas television rights rises by 128%. Improving upon our position in the League remains a top priority, even more so given the potential huge uplift in revenue under the new TV deal.

The Club's first European campaign in seven years in the UEFA Cup saw us play ten games before bowing out to the eventual (and defending) champions Sevilla in the quarter-finals. We also enjoyed good runs in both domestic cups, reaching the semi-finals and the quarter-finals of the Carling Cup and FA Cup respectively. All in all, these three cup competitions earned the Club £13m in gate receipts, compared to just £0.1m in total the previous year.

Premier League gate receipts increased by 4% and the Stadium was invariably at near full capacity for each game. The waiting list for season tickets has been monetised going forward, to establish a better view of the excess of demand for tickets which will assist with stadium modelling going forward.

2006/2007 was a year of change in our key sponsorship deals. MANSION became our main sponsors, commencing a four year deal, and PUMA signed a five year deal to be our new technical sponsors. These were the primary reasons for sponsorship income and corporate hospitality rising by 62% from the previous year, a net increase of £10m in operating cash annually.

Corporate hospitality income increased by 20% largely aided by the eleven extra home cup ties played during the season. Demand for our executive boxes and memberships and hospitality suites is at an all time high with most areas being sold out well in advance of the games.

Merchandising went from strength to strength as turnover increased by 36%. We hope for continued growth this season, aided by the launch of new kits, including a special kit to mark the Club's 125th anniversary.

### Operating profit (before football trading and depreciation)

Overall, our operating profit before football trading and depreciation, which is one of the key performance indicators for how the Club is performing as a cash-generating business, increased to £32m, which underlines the importance of Europe and ultimately the potential impact Champions League football would have on the operating line.

### Operating expenses (excluding football trading)

Operating expenses before football trading were kept under tight control, rising 2% from last year in spite of the additional matchday costs from the extra cup games.

Player salaries remain the Club's biggest cost. Whilst more and more money enters the game, primarily from the central FAPL TV deal, we endeavour to control our significant cost base. The Club continues to adopt its policy of rewarding the performances of both staff and players based on the continuing success of the Club and their respective departments.

The Club incurred development costs of £2m in the year on its two major capital projects as it continues to seek planning for the Tottenham Hotspur Academy and the First Team facilities and looks to move the stadium project forward.

### Football trading

Continuing on from last year, the Club increased profits on football trading by 52% to £19m. This was largely attributable to the sale of Michael Carrick to Manchester United in July 2006 for a net profit of £12m. Other significant sales in the year include Calum Davenport to West Ham United and Stephen Kelly to Birmingham City for net profits of £2m and £1m respectively. Performance related receipts on player registrations increased profits further.

The ambitions of the Club cannot, however, be doubted as the Club invested heavily in the playing squad during the year to the tune of £67m, including the signings of Dimitar Berbatov, Didier Zokora, Hossam Ahmed Mido, Pascal Chimbonda, Benoit Assou-Ekotto and Steed Malbranque in the summer of 2006, Ricardo Rocha in January 2007 and Darren Bent and Gareth Bale in the close season of 2007/2008. Further major additions were made post balance sheet date in acquiring the registrations of Younes Kaboul and Kevin-Prince Boateng for £14m in total.

### Profit before taxation

The overall result of the above is that profit before taxation has increased to £28m.



### Taxation

The Group has incurred a tax charge of £9m in the current year compared to £2m for the prior year. Therefore profit after tax is £19m, an effective tax rate of 30%.

### Balance sheet

The significant player trading activities during the year, as noted above, are responsible for the majority of the large movements in the balance sheet. Intangible assets, representing the cost of the acquired player registrations, increased by £44m. Player trading accounts for £12m of the increase in creditors falling due after more than one year.

Group net assets have increased from £30m to £49m (and would be £64m if all convertible preference shares were converted) illustrating the strong position that the Club is in to facilitate its long-term projects and ensure that the Club is able to compete at the highest level in an increasingly competitive industry. Whilst net assets continue to increase, it has to be noted that the player base consists of, inter alia, Academy talent and a raft of young players which, whilst included at cost, are insured for hundreds of millions of pounds against a net book value of some £74m.

### Cash flow

There were a number of cash flows that differed significantly from the prior year. We had a large cash outflow of £5m for the payment of UK corporation tax. We also had capital cash outflows from investing in the playing squad, over £53m (2006: £19m) to acquire players and to pay contingent sums arising from transfer agreements. However, this was partially offset by £28m (2006: £16m) of cash inflows from player sales and contingent receipts.

The other major cash movement in the year was the drawdown of £20m 7.29% secured loan notes. This amount has been set aside with other Club funds for the First Team and Academy Training Facility Project.

### Risks and opportunities

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

### On the pitch

The continued success of the First Team in the League, European and cup competitions is an important factor in securing the long-term stability of the Group. This is especially true given the significant increase in income generated from TV revenues from season 2007/2008 onwards.

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 the Academy.

Our supporters continue to demonstrate unwavering support for our team and Club. Attendances are consistently high with over 20,000 people on the waiting list for season tickets, similarly, demand for our corporate hospitality services and merchandise is high. We are continually seeking ways to increase our fan base overseas and add value for domestic fans. This continued support is of utmost importance in ensuring that the Club is able to prosper.

### Off the pitch

Last year the Group entered into two new deals in respect of its two main commercial sponsorships. MANSION became our new shirt sponsor and PUMA became our new technical sponsor. The terms of these deals are significantly improved on prior years and our relationships with MANSION and PUMA are important to the Group. We continue to explore new opportunities in order to broaden our range of income streams both nationally and internationally. This continued diversification of our income streams will help to ensure the Group is financially robust and increases our stability.

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



**M J Collecott**  
Finance Director  
16 October 2007

## Directors' report

The Directors present their Annual Report on the affairs of the Group together with the financial statements and Auditors' Report for the year ended 30 June 2007.

### 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 and there has been no significant change therein during the year. A detailed review of the Group's business, an indication of the likely future developments of its business and a description of the principal risks and uncertainties facing the Group are contained in the Chairman's Statement and the Financial Review set out on pages 18 to 23.

### Environmental matters and employee matters

The Group seeks to maintain its strong track record as a responsible employer. We seek to minimise the Group's impact on the environment and endeavour to achieve this through recycling and energy conservation wherever possible.

We are also committed to maintaining a workplace of the highest standard and seek to do so by ensuring that we provide training programmes, appropriate remuneration and a positive working environment.

### Financial risk management objectives and policies

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

The Group addresses cash flow risk 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 18 to the financial statements.

### Results and dividends

The audited consolidated profit and loss account for the year ended 30 June 2007 is set out on page 34.

The retained profit for the year which is transferred to reserves is shown in the consolidated profit and loss account.

The Directors have recommended the payment of a dividend of 4 pence per share (2006: £nil) to be paid subsequent to approval at the EGM on the Company's ordinary share capital.

### Post balance sheet events

Details of post balance sheet events are given in note 31 to the Accounts.

### Share capital

On 29 January 2007 the Directors were granted the authority, under a shareholders' resolution, to purchase through the market 13,927,044 of the Company's ordinary shares at prices ranging between 5p and a maximum of 105% of the average mid-market price quoted for the five business days prior to the purchase. A second resolution granted the authority to purchase through the market 8,814 of the Company's convertible redeemable preference shares ("CRPS") at prices ranging between £78.10 and a maximum of 105% of the average mid-market price quoted for the five business days prior to the purchase.

During the year the Company purchased, and subsequently cancelled, 290,775 ordinary shares with a nominal value of £14,539, representing 0.3% of the Company's called-up share capital, for a consideration of £290,713. The purchase of shares is an equitable way of returning value to shareholders proportionate to their holdings. The Company did not purchase any CRPS.

These authorities expire on 31 December 2007 and similar resolutions will be put to shareholders at an Extraordinary General Meeting of the Company to be held in November 2007 to ensure the Directors have the flexibility to enhance shareholders' value, and to enable the Board to reduce the long-term cost of servicing shareholders who have been prohibited from exiting their investments due to the comparatively high transaction cost of selling their shares.

## Directors

None of the Directors who served during the year held a beneficial interest in the ordinary share capital of the Company at 30 June 2007.

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

At the year end ENIC International Limited held 63,274,098 ordinary shares representing 68% of those in issue and 56,214 convertible redeemable preference shares, representing 96% of those in issue. Accordingly, ENIC International Limited has a fully diluted beneficial interest in Tottenham Hotspur plc of 82% (2006: 54%) at the time of signing these financial statements.

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

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

Details of the Directors' remuneration are given in the Report of the Remuneration Committee on pages 30 and 31. Directors' interests in contracts are disclosed in note 28.

## Disclosure of information to the auditors

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

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

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

## Substantial shareholdings

The Company has received the following notification of holdings of 3% or more of the share capital of the Company as at 15 October 2007:

	Ordinary shares		Convertible redeemable preference shares	
	%	Number	%	Number
ENIC International Limited	68	63,274,098	96	56,214

## Charitable and political donations

The Group made cash donations of £84,263 to international, UK-based and local charities during the year (2006: £4,545,889). The Group made no political donations during the year (2006: £nil). The Group makes many contributions of Tottenham Hotspur Football Club memorabilia to local registered charities, especially in the Haringey and Enfield districts and adjacent catchment areas.

## 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 2007 represented 33 days (2006: 28 days) of annual purchases. This figure excludes contracted creditors in respect of player purchases and capital costs which are paid on their contractual due dates.

## Fixed assets

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

## Going concern

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

## Directors' report continued

### Directors' indemnities

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

### Auditors

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

### Extraordinary General Meeting

The Company typically holds its Annual General Meeting in November or December each year. During 2006 no Annual General Meeting was held and so the meeting for 2007 was brought forward to January 2007. However, the Company proposes to resume holding Annual General Meetings in November or December. Because of an Annual General Meeting already having been held in January this year it is not possible to designate any further meeting this year as an Annual General Meeting. The Board proposes to hold an Extraordinary General Meeting of the Company on 26 November 2007 at the Company's Registered Offices.

A handwritten signature in black ink, appearing to read 'D P Levy', written in a cursive style.

**D P Levy**  
Chairman  
16 October 2007

## 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 2007, the Company has not been able to comply with the provisions set out in section 1 of the Code for part of the year primarily because until 13 December 2006 there was only one Non-Executive Director, Mervyn Davies. Sir Keith Mills was appointed a Non-Executive on 13 December 2006. As a result the Company has not been able to comply with Principles A.3, B.2 and C.3 for part of 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 of at least two independent Non-Executives.

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

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

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

Furthermore, Provision A.3 states that the Board should state its reasons if it determines that a Director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the Director has had a material business relationship with the Company as a senior employee of a body that has such a relationship with the Company. As outlined in note 28, the Group invoiced Standard Chartered PLC, of which Mervyn Davies was Chief Executive, a total of £101,078 during the year for corporate hospitality services. The Board consider that Mervyn Davies remains independent as the services provided were not of a material nature to Standard Chartered PLC as it was corporate hospitality sales with no ongoing obligations nor commitments and was negotiated at arm's length.

### The Board and its Directors

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

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

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

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

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

## Corporate governance continued

### **The Board and its Directors** continued

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

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

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

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

### **Audit Committee**

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

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

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

### **Remuneration Committee**

The Remuneration Committee (Chairman: E M Davies), which met twice 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 full report on Directors' Remuneration is set out on pages 30 and 31.

### **Internal control**

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

The Board is responsible for the Group's system of internal control. A process of identifying, evaluation 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 which 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 2007 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. Profit and loss account, balance sheet and cash flow information is prepared each month and reviewed by relevant Executives. The Board is furnished with regular financial information. The public release of the Annual and Interim Reports is not made until it has been reviewed by the Board.

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

### **Financial reporting**

Detailed reviews of the year are included in the Chairman's Statement and Financial Review on pages 18 to 23. The Board uses these and the Directors' Report to present a balanced and understandable assessment of the Company's position and future prospects. The Directors' responsibilities for the preparation of the financial statements are described on page 29.

### **Relationships with shareholders**

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

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

## **Statement of Directors' responsibilities** for preparing the financial statements

The Directors are responsible for preparing the Annual Report 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Group for that period. In preparing these financial statements, the Directors are required to:

- 1 select suitable accounting policies and then apply them consistently;
- 2 make judgements and estimates that are reasonable and prudent;
- 3 state whether applicable accounting standards have been followed; and
- 4 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## Remuneration report

### Introduction

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

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

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

### Unaudited information

#### Policy on the remuneration and incentivisation of employees

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

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

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

#### Remuneration package

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

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

#### Basic annual salary and benefits

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

#### Annual bonus payments

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

#### Share option incentives

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

#### Pension arrangements

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

#### Performance-based loyalty scheme

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

#### Notes

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



**Audited information**

**Directors' remuneration**

The aggregate emoluments of the Directors of the Company for the year were £1,314,710 (2006: £1,150,889). Contributions to pension schemes were £20,004 (2006: £16,500) 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 2007 Total £	Year to 30 June 2006 Total £
D P Levy*	950,000	—	—	—	950,000	—	950,000	775,000
P Z Kemsley (resigned 28 April 2006)	—	—	—	—	—	—	—	100,000
M J Collecott	—	200,000	150,000	7,210	357,210	20,004	377,214	287,389
E M Davies**	5,000	—	—	—	5,000	—	5,000	5,000
Sir K Mills** (appointed 13 December 2006)	2,500	—	—	—	2,500	—	2,500	—
	957,500	200,000	150,000	7,210	1,314,710	20,004	1,334,714	1,167,389

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

\*\* Non-Executive Directors.

Approved by the Remuneration Committee.



**E M Davies**

Chairman of the Remuneration Committee  
16 October 2007

## Independent auditors' report

to the members of Tottenham Hotspur plc

We have audited the Group and parent Company financial statements (the "financial statements") of Tottenham Hotspur plc for the year ended 30 June 2007 which comprise the consolidated profit and loss account, the consolidated and individual Company balance sheets, the consolidated cash flow statements, and the related notes 1 to 31. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the Report of the Remuneration Committee that is described as being audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. They are also responsible for the preparation of the other information contained in the Annual Report including the Report of the Remuneration Committee.

Our responsibility is to audit the financial statements and the part of the Report of the Remuneration Committee described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and whether the financial statements and the part of the Report of the Remuneration Committee described as having been audited have been properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and the other information contained in the Annual Report for the above year as described in the contents section including the unaudited part of the Report of the Remuneration Committee and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

The Directors have also asked us to review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the July 2003 FRC Combined Code specified for our review as if the Listing Rules of the Financial Services Authority applied, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

### Basis of audit opinion

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

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

### Opinion

In our opinion:

- 1 the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the individual Company's affairs as at 30 June 2007 and of the Group's profit for the year then ended;
- 2 the financial statements and the part of the Report of the Remuneration Committee described as having been audited have been properly prepared in accordance with the Companies Act 1985; and
- 3 the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, slightly stylized font.

### Deloitte & Touche LLP

Chartered Accountants and Registered Auditors  
London  
16 October 2007

## Consolidated profit and loss account for the year ended 30 June 2007

	Note	Year ended 30 June 2007			Year ended
		Operations, excluding football trading* £'000	Football trading* £'000	Total £'000	30 June 2006 Total (note 2) £'000
Turnover	3	103,091	—	103,091	74,141
Operating expenses	4	(73,359)	(19,089)	(92,448)	(83,561)
Operating profit/(loss)	5	29,732	(19,089)	10,643	(9,420)
Profit on disposal of intangible fixed assets	7	—	18,721	18,721	12,299
<b>Profit/(loss) on ordinary activities before interest and taxation</b>		<b>29,732</b>	<b>(368)</b>	<b>29,364</b>	<b>2,879</b>
Net interest payable	8			(1,648)	(2,261)
<b>Profit on ordinary activities before taxation</b>				<b>27,716</b>	<b>618</b>
Tax charge on profit on ordinary activities	9			(8,821)	(2,193)
<b>Profit/(loss) on ordinary activities after taxation and retained for the financial year</b>	22			<b>18,895</b>	<b>(1,575)</b>
Earnings/(loss) per share – basic	11			20.4p	(1.7p)
Earnings/(loss) per share – diluted	11			10.8p	(1.7p)

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

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

There were no other gains or losses in either the current or prior year, accordingly no statement of total recognised gains and losses is presented.

## Balance sheets as at 30 June 2007

	Note	Group		Company	
		30 June 2007 £'000	30 June 2006 £'000	30 June 2007 £'000	30 June 2006 £'000
<b>Fixed assets</b>					
Intangible assets	12	73,815	30,264	—	—
Tangible assets	13	51,057	49,762	7,608	6,567
Investments	14	—	—	2,490	2,490
		124,872	80,026	10,098	9,057
<b>Current assets</b>					
Stocks	15	1,219	775	1,219	775
Debtors	16	29,990	20,034	57,565	36,326
Cash at bank and in hand		28,283	34,581	—	12,833
		59,492	55,390	58,784	49,934
Creditors: amounts falling due within one year	17	(72,703)	(73,114)	(16,984)	(10,106)
<b>Net current (liabilities)/assets</b>		<b>(13,211)</b>	<b>(17,724)</b>	<b>41,800</b>	<b>39,828</b>
<b>Total assets less current liabilities</b>		<b>111,661</b>	<b>62,302</b>	<b>51,898</b>	<b>48,885</b>
Creditors: amounts falling due after more than one year	18	(60,636)	(28,026)	(10,215)	(9,212)
		51,025	34,276	41,683	39,673
Provisions for liabilities	19	(2,465)	(4,320)	(283)	(500)
<b>Net assets</b>		<b>48,560</b>	<b>29,956</b>	<b>41,400</b>	<b>39,173</b>
<b>Capital and reserves</b>					
Called-up share capital	20	4,631	4,646	4,631	4,646
Equity component of CRPS	21	3,838	3,838	3,838	3,838
Share premium account	22	11,556	11,556	11,556	11,556
Revaluation reserve	22	2,336	2,384	2,216	2,216
Capital redemption reserve	22	565	550	565	550
Profit and loss account	22	25,634	6,982	18,594	16,367
<b>Shareholders' funds</b>	23	<b>48,560</b>	<b>29,956</b>	<b>41,400</b>	<b>39,173</b>

These financial statements were approved by the Board of Directors on 16 October 2007.

Signed on behalf of the Board of Directors



**D P Levy**  
Chairman  
16 October 2007

## Consolidated cash flow statement for the year ended 30 June 2007

	Note	Year ended 30 June 2007		Year ended 30 June 2006	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	24		8,523		33,650
<b>Returns on investments and servicing of finance</b>					
Interest received		1,150		498	
Interest paid		(826)		(836)	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>			324		(338)
<b>Taxation</b>					
UK corporation tax paid		(5,176)		(100)	
Overseas withholding tax paid		—		(259)	
UK corporation tax received		—		132	
<b>Net cash outflow from taxation</b>			(5,176)		(227)
<b>Capital expenditure and financial investment</b>					
Payments to acquire subsidiary undertaking		—		(1,145)	
Payments to acquire intangible fixed assets		(53,473)		(18,761)	
Receipts from sales of intangible fixed assets		27,848		15,615	
Payments to acquire tangible fixed assets		(3,817)		(1,477)	
Receipts from sale of tangible fixed assets		305		—	
<b>Net cash outflow from capital expenditure and financial investment</b>			(29,137)		(5,768)
<b>Cash (outflow)/inflow before use of liquid resources and financing</b>			(25,466)		27,317
<b>Financing</b>					
Redemption of ordinary shares	23	(291)		(1,702)	
Redemption of CRPS	21	—		(690)	
Bank loan repayments		(299)		(278)	
Loan notes issued		20,000		—	
Loan issue costs		(200)		—	
Loan notes repayments		(42)		(42)	
<b>Net cash inflow/(outflow) from financing</b>			19,168		(2,712)
<b>(Decrease)/increase in cash</b>	26		(6,298)		24,605

## Notes to the accounts

### 1. Accounting policies

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

#### Basis of consolidation

The consolidated accounts incorporate the accounts of Tottenham Hotspur plc and its subsidiaries for the year ended 30 June 2007. Entities acquired during the year have been consolidated using the acquisition method of accounting, from the date on which control passed. A separate profit and loss account dealing with the results of the Company only has not been presented as permitted by section 230 of the Companies Act 1985.

#### Turnover

Turnover represents income receivable from football and related commercial activities, exclusive of Value Added Tax.

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

#### 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.

#### Player costs

The costs associated with the acquisition of player and key football management staff registrations are capitalised as intangible fixed assets. These costs are fully amortised over their useful economic lives, in equal annual instalments over the period of the respective contracts. Where a contract life is renegotiated the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Provision is made for any impairment of the carrying value of the playing squad should the carrying value of the squad as a whole exceed the amount recoverable from the squad as a whole through use or sale, and where the reduction in value is considered permanent.

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

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

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

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

Signing on fees are charged evenly, as part of operating expenses, to the profit and loss account 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 profit and loss account for the period to which they relate.

## Notes to the accounts continued

### 1. Accounting policies continued

#### 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% – 4%
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.

#### Finance costs

Finance costs of debt and non-equity shares are recognised in the profit and loss account over the term of such instruments.

#### 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 assets and liabilities are discounted using the post tax yields to maturity that could be obtained at the balance sheet date on Government bonds with maturity dates similar to those of the deferred taxation assets and liabilities. Consistent rates of discount are applied on the basis that there is no material effect on the tax charge.

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.

#### Leases

Rental costs under operating leases are charged to the profit and loss account 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 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. Analysis of comparative profit and loss account

	Operations excluding football trading £'000	Football trading £'000	Total £'000
Turnover	74,141	—	74,141
Operating expenses	(71,780)	(11,781)	(83,561)
Operating profit/(loss)	2,361	(11,781)	(9,420)
Profit on disposal of intangible fixed assets	—	12,299	12,299
Profit on ordinary activities before interest and taxation	2,361	518	2,879

## 3. Turnover

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

	2007 £'000	2006 £'000
<b>Turnover comprises:</b>		
Gate receipts – Premier League	18,069	17,428
Gate receipts – Cup competitions	12,770	146
Sponsorship and corporate hospitality	25,427	15,730
Media and broadcasting	33,734	28,687
Merchandising	7,051	5,182
Other	6,040	6,968
	<b>103,091</b>	<b>74,141</b>

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

## 4. Operating expenses

	2007 £'000	2006 £'000
Staff costs	43,804	40,656
Amortisation, impairments and other net football trading income and expenditure	19,089	11,781
Depreciation of tangible fixed assets	2,231	2,226
Other operating costs	27,324	28,898
	<b>92,448</b>	<b>83,561</b>

## 5. Operating profit/(loss)

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

	2007 £'000	2006 £'000
Depreciation of tangible fixed assets:		
– owned	2,231	2,226
Amortisation and impairment of intangible fixed assets	19,199	12,499
Amortisation of grants	(69)	(66)
Property project costs	365	2,444
Charitable donations	84	4,546
Operating lease rentals:		
– land and buildings	143	143
– other	197	205

## Notes to the accounts continued

### 5. Operating profit/(loss) continued

The analysis of auditors' remuneration is as follows:

	2007 £'000	2006 £'000
Fees payable to the Company's auditors for statutory services:		
– audit of the Company's accounts	14	14
– audit of the accounts of the Company's subsidiaries	56	56
<b>Total audit fees</b>	<b>70</b>	<b>70</b>
Other services:		
– tax services	40	156
– other services pursuant to legislation	11	20
<b>Total non-audit fees</b>	<b>51</b>	<b>176</b>
<b>Total fees</b>	<b>121</b>	<b>246</b>

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

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:

	2007 Number	2006 Number
Players and football administration staff	123	110
Tottenham Hotspur Community staff (now Tottenham Hotspur Foundation)	6	11
Administration staff	79	72
Retail and distribution staff	33	29
	<b>241</b>	<b>222</b>

The aggregate payroll costs of these employees was as follows:

	£'000	£'000
Salaries and bonuses	39,138	36,226
Social security costs	4,590	4,258
Other pension costs	76	172
	<b>43,804</b>	<b>40,656</b>

In addition the Group employs on average 586 temporary staff on match days (2006: 588).

In addition to the above payroll costs, redundancy costs of £116,000 (2006: £221,000) were also charged to the profit and loss account during the year.

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

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

	2007 £'000	2006 £'000
Proceeds	23,075	23,719
Net book value of disposals	(4,354)	(11,420)
	<b>18,721</b>	<b>12,299</b>

## 8. Net interest payable

	2007 £'000	2006 £'000
Interest receivable	1,152	498
Interest payable on bank overdrafts and loans	(1,669)	(819)
Amortisation of debt issue costs	(40)	(30)
Interest charge on CRPS liability	(1,091)	(1,479)
Charge due to redemption of 1,200 CRPS	—	(431)
	<b>(1,648)</b>	<b>(2,261)</b>

## 9. Tax charge on ordinary activities

	2007 £'000	2006 £'000
UK corporation tax at 30% (2006: 30%)	9,075	1,800
Overseas tax	—	259
Current tax	<b>9,075</b>	<b>2,059</b>
Origination and reversal of timing differences	(281)	27
Adjustment in respect of prior years	(126)	73
Increase in discount	153	34
Deferred tax	(254)	134
Total tax charge on ordinary activities	<b>8,821</b>	<b>2,193</b>

## Reconciliation of the current tax charge

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation	27,716	618
Tax on profit on ordinary activities before taxation at the UK statutory rate of 30% (2006: 30%)	8,315	186
Adjustment in respect of prior years	(229)	(42)
Other permanent differences	642	1,285
Depreciation for which no tax relief is available	350	334
Depreciation in excess of capital allowances	38	37
Utilisation of tax losses	(41)	—
Total current tax charge	<b>9,075</b>	<b>1,800</b>

Other permanent differences above principally relate to fees and finance costs that had been assumed to be non-deductible for the purpose of calculating the current tax charge.

In the March 2007 budget the Chancellor announced his intention to reduce the rate of corporation tax from the current rate of 30% to a rate of 28% with effect from 1 April 2008. The Directors do not consider the effect of that to be material.

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

## 10. Parent company profit

The retained profit for the year, dealt with in the financial statements of the parent company, was £2,518,000 (2006 loss: £1,401,000).

As permitted by section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

## Notes to the accounts continued

### 11. Earnings/(loss) per share

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

	2007 £'000	2006 £'000
Retained profit/(loss)	18,895	(1,575)
Accretion of CRPS liability	1,091	—
Diluted earnings/(loss)	19,986	(1,575)
	Number	Number
Weighted average number of shares in issue	92,843,042	94,262,771
Convertible redeemable preference shares	91,845,600	—
	184,688,642	94,262,771
Basic earnings/(loss) per share	20.4p	(1.7p)
Diluted earnings/(loss) per share	10.8p	(1.7p)

There are no ordinary share options outstanding at the year end (2006: nil). The convertible redeemable preference shares were not diluted in the prior year as they would have turned the loss per share into earnings per share. On conversion the fully diluted share capital at year end would be 184,463,721 shares.

### 12. Intangible fixed assets

Group	£'000
<b>Cost of registrations</b>	
At 1 July 2006	51,325
Additions	67,104
Disposals	(8,986)
At 30 June 2007	109,443
<b>Amortisation and impairment of registrations</b>	
At 1 July 2006	21,061
Charged in year – amortisation	19,199
Disposals	(4,632)
At 30 June 2007	35,628
<b>Net book value of registrations</b>	
At 30 June 2007	73,815
At 30 June 2006	30,264

### 13. Tangible fixed assets

Group	Land and buildings			General plant and equipment £'000	Total £'000
	Freehold £'000	Short leasehold £'000	Motor vehicles £'000		
<b>Cost or valuation</b>					
At 1 July 2006	53,273	1	116	14,375	67,765
Additions	1,790	212	78	1,737	3,817
Disposals	(300)	—	—	—	(300)
At 30 June 2007	54,763	213	194	16,112	71,282
<b>Depreciation</b>					
At 1 July 2006	6,870	—	58	11,075	18,003
Eliminated on disposal	(9)	—	—	—	(9)
Charged in the year	896	1	29	1,305	2,231
At 30 June 2007	7,757	1	87	12,380	20,225
<b>Net book value</b>					
At 30 June 2007	47,006	212	107	3,732	51,057
At 30 June 2006	46,403	1	58	3,300	49,762

**13. Tangible fixed assets** continued

Group	Land and buildings		Motor vehicles £'000	General plant and equipment £'000	Total £'000
	Freehold £'000	Short leasehold £'000			
<b>Cost or valuation comprises:</b>					
At cost	12,743	212	194	16,112	29,261
At 1998 valuation	42,020	1	—	—	42,021
<b>At 30 June 2007</b>	<b>54,763</b>	<b>213</b>	<b>194</b>	<b>16,112</b>	<b>71,282</b>

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

The net book value in the accounts of the properties, prior to the valuation, was £42,261,000. No adjustment to the net book value was made at 31 July 1998 because the difference was immaterial. Since 31 July 1998, £240,000 of the valued properties have been disposed of.

The Group has adopted the transitional rules under FRS 15 "Tangible Fixed Assets" and these assets have not been revalued since the last valuation.

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

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

Company	Land and buildings		Motor vehicles £'000	General plant and equipment £'000	Total £'000
	Freehold £'000	Short leasehold £'000			
<b>Cost or valuation</b>					
At 1 July 2006	5,713	1	116	12,454	18,284
Additions	789	—	78	1,200	2,067
<b>At 30 June 2007</b>	<b>6,502</b>	<b>1</b>	<b>194</b>	<b>13,654</b>	<b>20,351</b>
<b>Depreciation</b>					
At 1 July 2006	919	—	58	10,740	11,717
Charged in the year	136	1	29	860	1,026
<b>At 30 June 2007</b>	<b>1,055</b>	<b>1</b>	<b>87</b>	<b>11,600</b>	<b>12,743</b>
<b>Net book value</b>					
<b>At 30 June 2007</b>	<b>5,447</b>	<b>—</b>	<b>107</b>	<b>2,054</b>	<b>7,608</b>
At 30 June 2006	4,794	1	58	1,714	6,567
<b>Cost or valuation comprises:</b>					
At cost	4,703	—	194	13,654	18,551
At 1998 valuation	1,799	1	—	—	1,800
<b>At 30 June 2007</b>	<b>6,502</b>	<b>1</b>	<b>194</b>	<b>13,654</b>	<b>20,351</b>

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

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Cost	57,153	55,451	11,103	10,314
Depreciation	(13,069)	(12,182)	(6,211)	(6,075)
	<b>44,084</b>	<b>43,269</b>	<b>4,892</b>	<b>4,239</b>

## Notes to the accounts continued

### 14. Investments held as fixed assets

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

Shares	Cost and net book value £'000
At 1 July 2006 and at 30 June 2007	2,490

At 30 June 2007, the Company had the following direct 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%

### 15. Stocks

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Stocks	1,219	775	1,219	775

Stocks comprise merchandising goods held for resale.

### 16. Debtors

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Trade debtors	21,916	17,628	65	116
Amounts owed by Group undertakings	—	—	56,541	35,993
Other taxation	546	—	622	—
Other debtors	2,111	113	258	135
Prepayments and accrued income	5,417	2,293	79	82
	29,990	20,034	57,565	36,326

Trade debtors above include £8,525,000 (2006: £12,747,000) in respect of the disposal of players' registrations.

Trade debtors receivable after one year are £750,000 (2006: £4,882,000).

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

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank loans (secured)	40	42	—	—
Other loans (secured)	976	272	—	—
Bank overdraft	—	—	6,016	—
CRPS liability	4,682	4,600	4,682	4,600
Trade creditors	11,229	7,290	918	1,317
Corporation tax	5,747	1,840	1,907	1,025
Other tax and social security	2,460	5,869	—	—
Other creditors	3,200	3,119	245	404
Accruals and deferred income	44,369	50,082	1,347	2,383
Amounts due to Group undertakings	—	—	1,869	377
	72,703	73,114	16,984	10,106

Trade creditors above include £7,959,466 in respect of the acquisition of players' registrations (2006: £5,226,000).

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

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

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Bank loans (secured)	1,814	1,852	—	—
Other loans (secured)	27,734	8,898	—	—
CRPS liability	10,208	9,200	10,208	9,200
Trade creditors	15,444	3,846	—	—
Other creditors	3,231	1,966	—	—
Grants (deferred credits)	2,205	2,264	7	12
	<b>60,636</b>	<b>28,026</b>	<b>10,215</b>	<b>9,212</b>

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

Bank loans are secured by a floating charge over the Group's assets and on certain freehold properties. The bank loans are being repaid over 23 years, in equal quarterly instalments from September 2004. Interest will be charged quarterly on the outstanding amount of the loans, at a rate which tracks the Bank of England base rate. The bank loans are shown in the financial statements net of £30,000 of associated loan arrangement costs which are being amortised over the term of the loans.

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

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

The loan notes are secured against the White Hart Lane Stadium, and future gate and corporate hospitality receipts generated at the Stadium. At the balance sheet date £29,163,000 of the loan notes are outstanding. The loan notes are shown in the financial statements net of £453,000 of associated debt issue costs which are being amortised over the term of the loan notes.

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

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>Bank loans and overdraft</b>				
In one year or less or on demand	40	42	—	—
In more than one year but not more than two years	43	45	—	—
In more than two years but not more than five years	150	154	—	—
In more than five years	1,621	1,653	—	—
	<b>1,854</b>	<b>1,894</b>	<b>—</b>	<b>—</b>
<b>Other loans</b>				
In one year or less or on demand	976	272	—	—
In more than one year but not more than two years	1,052	294	—	—
In more than two years but not more than five years	3,668	1,036	—	—
In more than five years	23,014	7,568	—	—
	<b>28,710</b>	<b>9,170</b>	<b>—</b>	<b>—</b>
<b>CRPS liability</b>				
In one year or less or on demand	4,682	4,600	4,682	4,600
In more than one year but not more than two years	5,063	4,600	5,063	4,600
In more than two years but not more than five years	5,145	4,600	5,145	4,600
In more than five years	—	—	—	—
	<b>14,890</b>	<b>13,800</b>	<b>14,890</b>	<b>13,800</b>
<b>Total borrowings</b>				
In one year or less or on demand	5,698	4,914	4,682	4,600
In more than one year but not more than two years	6,158	4,939	5,063	4,600
In more than two years but not more than five years	8,963	5,790	5,145	4,600
In more than five years	24,635	9,221	—	—
	<b>45,454</b>	<b>24,864</b>	<b>14,890</b>	<b>13,800</b>

## Notes to the accounts continued

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

#### Interest rate profile

The Group has no financial assets excluding short-term debtors, other than the sterling cash deposits of £28,283,000 (2006: £34,581,000) which are part of the financing arrangements of the Group. The sterling cash deposits comprise deposits placed on money market at call rates.

Interest rate profile of financial liabilities (all sterling)	Total £'000	Floating rate financial liabilities £'000	Fixed rate borrowings		
			Fixed rate financial liabilities £'000	Weighted average interest rate at year end %	Weighted average time for which rate is fixed Years
2007	45,454	16,744	28,710	7	16
2006	24,864	1,894	22,970	10	17

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:

	2007 £'000	2006 £'000
Expiring in one year or less or on demand	15,000	15,000

Subsequent to the year end the Group has extended its committed bank borrowing facilities to £30,000,000.

#### 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:

	2007		2006	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Other loans	28,710	28,992	9,170	9,417

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, an overdraft 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.

### 19. Provisions for liabilities

	Group £'000	Company £'000
<b>Contingent transfer fees payable</b>		
At 1 July 2006	2,284	—
Provided during the year	1,155	—
Reversed to income during the year	(1,024)	—
Utilised during the year	(1,732)	—
<b>At 30 June 2007</b>	<b>683</b>	<b>—</b>
<b>Deferred taxation</b>		
At 1 July 2006	2,036	500
Credited to the profit and loss account	(254)	(217)
<b>At 30 June 2007</b>	<b>1,782</b>	<b>283</b>
<b>Total</b>		
<b>At 30 June 2007</b>	<b>2,465</b>	<b>283</b>
<b>At 30 June 2006</b>	<b>4,320</b>	<b>500</b>



## 19. Provisions for liabilities continued

Deferred taxation has been provided as follows:

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Accelerated capital allowances	3,385	3,792	416	696
Discount on timing differences	(1,603)	(1,756)	(133)	(196)
	1,782	2,036	283	500

## 20. Called-up share capital

	Number	£'000
<b>Authorised:</b>		
At 30 June 2007 – ordinary shares of 5p each	200,000,000	10,000
At 30 June 2007 – CRPS of £78.10 each	60,000	4,686
At 30 June 2006 – ordinary shares of 5p each	200,000,000	10,000
At 30 June 2006 – CRPS of £78.10 each	60,000	4,686
<b>Allotted and fully paid:</b>		
At 30 June 2007 – ordinary shares of 5p each	92,618,121	4,631
At 30 June 2007 – CRPS of £78.10 each	58,800	4,592
At 30 June 2006 – ordinary shares of 5p each	92,908,896	4,646
At 30 June 2006 – CRPS of £78.10 each	58,800	4,592

During the year 290,775 ordinary shares, with a nominal value of £14,539, were purchased by the Company and subsequently cancelled.

The equity component of the CRPS at 30 June 2007 is £3,838,000 (2006: £3,838,000).

## 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:

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

## Notes to the accounts continued

### 22. Reserves

Group	Share capital account £'000	Equity component of CRPS £'000	Share premium account £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 30 June 2006	4,646	3,838	11,556	2,384	550	6,982	29,956
Profit for the financial year	—	—	—	—	—	18,895	18,895
Amortisation of revaluation reserve	—	—	—	(48)	—	48	—
Ordinary 5p shares redeemed during the year	(15)	—	—	—	15	(291)	(291)
<b>At 30 June 2007</b>	<b>4,631</b>	<b>3,838</b>	<b>11,556</b>	<b>2,336</b>	<b>565</b>	<b>25,634</b>	<b>48,560</b>
<b>Company</b>							
At 30 June 2006	4,646	3,838	11,556	2,216	550	16,367	39,173
Profit for the financial year	—	—	—	—	—	2,518	2,518
Ordinary 5p shares redeemed during the year	(15)	—	—	—	15	(291)	(291)
<b>At 30 June 2007</b>	<b>4,631</b>	<b>3,838</b>	<b>11,556</b>	<b>2,216</b>	<b>565</b>	<b>18,594</b>	<b>41,400</b>

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

	2007 £'000	2006 £'000
Opening shareholders' funds	29,956	33,233
Profit/(loss) for the year	18,895	(1,575)
Ordinary 5p shares redeemed during the year	(291)	(1,702)
<b>Net addition/(reduction) to shareholders' funds</b>	<b>18,604</b>	<b>(3,277)</b>
Closing shareholders' funds	48,560	29,956

### 24. Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2007 £'000	2006 £'000
Operating profit/(loss)	10,643	(9,420)
Depreciation of tangible fixed assets	2,231	2,226
Amortisation of intangible fixed assets	19,089	12,499
(Profit)/loss on disposal of tangible fixed assets	(14)	—
Increase in stocks	(444)	(380)
(Increase)/decrease in debtors	(14,138)	204
(Decrease)/increase in creditors	(8,699)	28,488
Currency translation differences	(145)	33
<b>Net cash inflow from operating activities</b>	<b>8,523</b>	<b>33,650</b>

### 25. Reconciliation of net cash flow to movement in net debt

	2007 £'000	2006 £'000
Opening net funds/(debt)	9,717	(13,958)
(Decrease)/increase in cash in the year	(6,298)	24,605
Cash (inflow)/outflow from (increase)/decrease in debt	(19,459)	320
<b>Cash related (increase)/decrease in net debt in the year</b>	<b>(25,757)</b>	<b>24,925</b>
Accretion of CRPS liability in the year	(1,091)	(1,220)
Other non-cash related increase in net debt in the year	(40)	(30)
<b>(Increase)/decrease in net debt in the year</b>	<b>(26,888)</b>	<b>23,675</b>
<b>Closing net (debt)/funds</b>	<b>(17,171)</b>	<b>9,717</b>

## 26. Analysis of movement in net funds/(debt)

	At 1 July 2006 £'000	Cash flow £'000	Non-cash movement £'000	At 30 June 2007 £'000
Cash as shown on balance sheet	34,581	(6,298)	—	28,283
Debt due within one year	(4,942)	42	(1,063)	(5,963)
Debt due after more than one year	(19,026)	(19,701)	1,063	(37,664)
Loan issue costs	324	200	(40)	484
Accretion of CRPS liability in the year	(1,220)	—	(1,091)	(2,311)
	(24,864)	(19,459)	(1,131)	(45,454)
<b>Net funds/(debt)</b>	<b>9,717</b>	<b>(25,757)</b>	<b>(1,131)</b>	<b>(17,171)</b>

## 27. Commitments

The annual commitments under non-cancellable operating leases are:

	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>Land and buildings:</b>				
Leases expiring within one year	—	25	—	25
Leases expiring within two to five years	143	75	143	75
Leases expiring in more than five years	—	—	150	150
	143	100	293	250

Capital commitments were as follows:

Contracted	3,028	—	1,228	—
Authorised but not contracted	69	214	69	—
	3,097	214	1,297	—

## 28. 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 £1,720 (2006: £19,709) including VAT were incurred during the year by the Group on behalf of ENIC Limited and subsequently reimbursed by ENIC Limited during the year. At the balance sheet date £nil (2006: £15,710) was due to the Group from ENIC Limited.

Amounts totalling £2,214 (2006: £8,377) including VAT were incurred during the year by ENIC Limited on behalf of the Group and subsequently reimbursed by the Group during the year. At the balance sheet date £nil (2006: £nil) was due from the Group to ENIC Limited.

### Other

E M Davies is currently chairman of Standard Chartered PLC although during the Group's financial year he served as chief executive officer of Standard Chartered PLC. During the year, the Group invoiced Standard Chartered PLC £101,078, (2006: £425,892) including VAT for sponsorship and corporate hospitality services. At the balance sheet date £44,650 (2006: £nil) was due to the Group from Standard Chartered PLC, this has subsequently been paid in full.

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

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2007 or 2006. All of these transactions were at arm's length.

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

## Notes to the accounts continued

### 29. 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 £75,000 (2006: £173,000).

#### Defined benefit scheme

The Group is advised only of its share of the deficit in the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). The most recent actuarial valuation of the Scheme was as at 31 August 2005 and indicated that the contribution required from the Group towards making good this deficit was £190,000 at 1 April 2006. The pension cost charged during the year relating to this deficit was £nil (2006: £111,000). At the balance sheet date the Group's share of this deficit was £155,000 (2006: £183,000).

### 30. Contingent liabilities and assets

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

Under the terms of certain contracts for the purchase of players' registrations future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £13,609,000 (2006: £10,162,000).

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 £8,151,000 (2006: £2,446,000).

### 31. Post balance sheet events

Since the balance sheet date the following events have occurred:

Y Berchiche joined from Athletic Bilbao  
Y Kaboul was bought from Auxerre  
D Rose joined from Leeds United  
K-P Boateng was bought from Hertha BSC  
M Yeates was sold to Colchester United  
R Zielger was sold to Sampdoria  
E Hallfredsson was sold to Lyn Oslo  
Hossam Ahmed Mido was sold to Middlesbrough  
D Murphy was transferred to Fulham

Including Football League levies, the uncontingent net costs of these transactions amounted to approximately £7,334,000.

The contingent liability from these transactions amounts to approximately £500,000 and the contingent asset amounts to approximately £903,000.

Subsequent to the year end the Directors have proposed a final dividend of 4p per share totalling £3,704,725 (2006: £nil). This is subject to shareholder approval at the Extraordinary General Meeting and hence has not yet been included as a liability in these financial statements.

Subsequent to the year end ENIC International Limited, a company registered in the Bahamas, increased their shareholding to 68% of the ordinary share capital and 96% of the CRPS resulting in a potential fully diluted interest of 82%.

## Five-year review

	June 2007 £'000	June 2006 £'000	June 2005 £'000	June 2004 £'000	June 2003 £'000
<b>Turnover</b>	<b>103,091</b>	<b>74,141</b>	<b>70,550</b>	<b>66,324</b>	<b>66,506</b>
Operating profit before football trading and depreciation	31,963	4,587	14,619	11,453	13,686
Depreciation	(2,231)	(2,226)	(1,807)	(1,718)	(2,658)
Operating profit before football trading	29,732	2,361	12,812	9,735	11,028
Amortisation of registrations and other football related income and expenditure	(19,089)	(11,781)	(12,741)	(10,924)	(18,692)
Profit/(loss) on disposal of intangible fixed assets	18,721	12,299	5,632	(381)	1,329
<b>Profit/(loss) before interest and taxation</b>	<b>29,364</b>	<b>2,879</b>	<b>5,703</b>	<b>(1,570)</b>	<b>(6,335)</b>
Net interest payable	(1,648)	(2,261)	(793)	(894)	(783)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>27,716</b>	<b>618</b>	<b>4,910</b>	<b>(2,464)</b>	<b>(7,118)</b>
Taxation	(8,821)	(2,193)	(707)	(178)	693
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>18,895</b>	<b>(1,575)</b>	<b>4,203</b>	<b>(2,642)</b>	<b>(6,425)</b>
Other finance costs in respect of non-equity shares	—	—	(99)	(50)	—
<b>Retained (loss)/profit</b>	<b>18,895</b>	<b>(1,575)</b>	<b>4,104</b>	<b>(2,692)</b>	<b>(6,425)</b>
<b>Net assets</b>					
Intangible fixed assets	73,815	30,264	31,348	25,053	17,019
Tangible fixed assets	51,057	49,762	49,105	48,219	46,845
Net current liabilities*	(13,894)	(20,008)	(17,423)	(12,730)	(14,611)
<b>Total assets less net current liabilities*</b>	<b>110,978</b>	<b>60,018</b>	<b>63,030</b>	<b>60,542</b>	<b>49,253</b>
Provisions and creditors – amounts falling due after more than one year	(62,418)	(30,062)	(17,217)	(18,278)	(18,015)
<b>Net assets</b>	<b>48,560</b>	<b>29,956</b>	<b>45,813</b>	<b>42,264</b>	<b>31,238</b>
<b>Basic (loss)/earnings per share</b>	<b>20.4p</b>	<b>(1.7p)</b>	<b>4.2p</b>	<b>(2.6p)</b>	<b>(6.3p)</b>

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

## Notice of extraordinary general meeting

Notice is hereby given that an Extraordinary General Meeting of Tottenham Hotspur plc will be held at Bill Nicholson Way, 748 High Road, Tottenham, London N17 0AP at 2.00pm on 26 November 2007 to transact the following business:

### As ordinary business:

To consider and, if thought fit, pass resolutions 1 to 3 below as ordinary resolutions:

1. To receive the report of the Directors and the audited accounts of the Company for the year ended 30 June 2007, 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 2007.
3. To reappoint Deloitte & Touche LLP as auditors of the Company until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to determine their remuneration.

### As special business:

To consider and, if thought fit, pass resolutions 4 and 5 below as ordinary resolutions and resolutions 6, 7 and 8 below as special resolutions:

#### Ordinary resolutions

4. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act"), to exercise all the powers of the Company to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal amount of £5,369,094 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 15 months from the date on which this resolution is passed, whichever is the earlier, and provided further that the Company may before such expiry make an offer or agreement which would or might require relevant securities of the Company to be allotted after such expiry and the Directors of the Company may allot such relevant securities pursuant to such offer or agreement as if the authority conferred hereby had not expired. This authority shall replace all existing authorities granted to the Directors for the purposes of section 80 of the Act which are hereby revoked with immediate effect.
5. To declare and approve a final dividend for the year ended 30 June 2007 of 4p per ordinary share.

#### Special resolutions

6. THAT, subject to the passing of resolution 4 above, the Directors be and are hereby empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) for cash pursuant to the general authority conferred by resolution 4 up to an aggregate nominal amount of £5,369,094 as if section 89(1) of the Act did not apply to any such allotment provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the date falling 15 months from the date on which this resolution is passed, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company 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 163 of the Act) of ordinary shares of 5p each in the capital of the Company ("ordinary shares") provided that:
  - (A) the maximum number of ordinary shares hereby authorised to be purchased is 13,883,456 (representing 14.99% of the issued ordinary share capital of the Company);
  - (B) the minimum price which may be paid for each ordinary share is 5p (nominal value);
  - (C) the maximum price which may be paid for each ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the ordinary shares are contracted to be purchased;
  - (D) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on the date falling 15 months from the date on which this resolution is passed, whichever is earlier, unless such authority is renewed prior to such time; and
  - (E) the Company may make a contract 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.

**As special business** continued

**Special resolutions** continued

8. THAT the Company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Act) of convertible redeemable preference shares of £78.10 each in the capital of the Company ("preference shares") provided that:
- (A) the maximum number of preference shares hereby authorised to be purchased is 8,814 (representing 14.99% of the issued preference share capital of the Company);
  - (B) the minimum price which may be paid for each preference share is £78.10 (nominal value);
  - (C) the maximum price which may be paid for each preference share is an amount equal to 105% of the average of the middle market quotations for a preference share as derived from the AIM Appendix to the Daily Official List of The London Stock Exchange for the five business days immediately preceding the day on which the preference shares are contracted to be purchased;
  - (D) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or on the date falling 15 months from the date on which this resolution is passed, whichever is earlier, unless such authority is renewed prior to such time; and
  - (E) the Company may make a contract 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.

By Order of the Board



**M J Collecott**

Company Secretary

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

Registered in England and Wales  
with Company number 1706358

16 October 2007

**Explanatory notes on resolutions 4, 6, 7 and 8**

**Resolution 4**

The Companies Act 1985 provides that the authority of the Directors to allot relevant securities is subject to the approval of shareholders in general meeting. Accordingly, an ordinary resolution, resolution 4, as set out in the Notice of Extraordinary General Meeting, will be proposed to authorise the Directors to allot 107,381,879 of the authorised but unissued ordinary shares of the Company. This resolution, if passed, will mean that the Directors would have authority to allot up to 107,381,879 ordinary shares (representing approximately 116% of the current issued ordinary share capital of the Company). Your Directors believe that the ability 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**

The Companies Act 1985 also provides that any equity shares issued wholly for cash must be offered to existing shareholders in proportion to their existing holdings. This requirement may be modified by a special resolution of the shareholders. A special resolution, resolution 6, as set out in the Notice of Extraordinary General Meeting, will be proposed to give the Directors authority to allot equity shares for cash other than on a pro rata basis. If this resolution is passed, your Directors will be authorised to issue up to 107,381,879 ordinary shares (representing approximately 116% of the current issued ordinary share capital of the Company) without being obliged to offer existing shareholders the opportunity to subscribe for all or some of those ordinary shares. In particular, your Directors would 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.

## Notice of extraordinary general meeting continued

### Explanatory notes on resolutions 4, 6, 7 and 8 continued

#### Resolution 6 continued

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

The Companies Act 1985 provides that the authority of the Company to purchase its own shares is subject to the approval of shareholders in a general meeting by a special resolution. The Company is seeking to renew its authority to purchase its own ordinary shares and preference shares because the Directors believe it is in the best interests of the Company to retain the flexibility to return cash to shareholders. It is important to note that the Directors have no immediate intention of exercising this authority and would only do so if they consider that the effect of doing so would be likely to increase net assets and/or earnings per ordinary share and would be in the best 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 13,883,456 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 8,814 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 on the next Annual General Meeting of the Company or, if earlier, 15 months from the date of the passing of the relevant resolution.

### Information for shareholders

#### How to vote

Only those shareholders on the Company's Register of Members 48 hours before the time of the Extraordinary General Meeting (the "Meeting") or any adjourned meeting are entitled to attend and vote at the Extraordinary General Meeting. A shareholder will be entitled to cast votes in respect of those shares registered in his or her name at such 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 Extraordinary General Meeting.

#### Appointment of a proxy

Any such shareholder is entitled to appoint a proxy to attend instead of him or her, who shall have the right to speak. A proxy need not be a shareholder of the Company. A proxy can vote on a poll only and not on a show of hands.

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

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

A proxy voting form for the Extraordinary General Meeting is enclosed with the Annual Report and Accounts. To be valid, a duly completed proxy voting form must reach Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the Extraordinary General Meeting or any adjourned meeting or in the case of a poll taken more than 48 hours after it was demanded, 24 hours before the time appointed for the taking of the poll.

Shareholders who return completed proxy voting forms may still attend the Extraordinary General Meeting instead of their proxy and vote in person if they wish. In the event of a poll in which the shareholder votes in person, his/her proxy votes will be excluded.



### **Information for shareholders** continued

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment(s) thereof 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 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.

### **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) and will also be available for inspection at the registered office of the Company from 11.00am on the day of the Extraordinary General Meeting until the conclusion of the Extraordinary General Meeting:

- (i) copies of the Executive Directors' service agreements;
- (ii) copies of the Non-Executive Directors' letters of appointment; and
- (iii) the memorandum and Articles of Association of the Company.

### **Who may attend?**

Only shareholders or their proxies or corporate representatives are entitled to attend the Extraordinary General Meeting. No-one else will be admitted.

Please bring to the Extraordinary 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.

On admission you will receive a voting card in exchange for your attendance card.

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

### **Security**

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

### **Asking questions at the Extraordinary General Meeting**

During the Extraordinary General Meeting, the Chairman will give shareholders, corporate representatives or proxies the opportunity to ask questions on the resolutions proposed which are set out in the Notice of Meeting.

### **About the Extraordinary General Meeting**

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

### **Smoking**

Smoking will not be permitted in the auditorium.

## Directors, officers and advisers

### Executive Chairman

D P Levy

### Executive Director

M J Collecott

### Non-Executive Directors

E M Davies\*

Sir K E Mills\*\* (appointed 13 December 2006)

### Company Secretary

M J Collecott

### Registered office

Bill Nicholson Way  
748 High Road  
Tottenham  
London N17 0AP

### Registered number

1706358

### Auditors

Deloitte & Touche LLP  
Chartered Accountants  
London

### Bankers

HSBC Bank plc  
70 Pall Mall  
London SW1Y 5EZ

### AIM nominated broker and adviser

Seymour Pierce Limited  
20 Old Bailey  
London EC4M 7EN

### Registrars

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

\* Chairman of the Audit and Remuneration Committees.

\*\* Member of the Audit and Remuneration Committees.



# CELEBRATING 125 GLORIOUS YEARS

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Bill Nicholson Way  
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Tottenham  
London N17 0AP  
[tottenhamhotspur.com](http://tottenhamhotspur.com)