

Company Registration No. 1706358

Tottenham Hotspur Limited
("Tottenham Hotspur" or "the Group" or "the Company")

Annual Report and Consolidated Financial Statements
30 June 2020

Strategic report
to the members of Tottenham Hotspur Limited

The Directors present their Strategic Report on the affairs of Tottenham Hotspur Limited and its subsidiary companies ('Group') together with the Directors' Report, Financial Statements and Auditor's Report for the year ended 30 June 2020.

Principal activities and business review

The principal activities of the Group continue to be the operation of a professional football club in England together with related commercial activities. In addition, the Group continues to acquire, hold and develop properties associated with the Tottenham Hotspur Stadium ("THS") development to enhance the surrounding area of the stadium.

The 2019-20 season was disrupted by the global pandemic caused by COVID-19, and consequently the season was completed after the end of the financial year. This has resulted in the apportionment of revenues and costs across the two periods. A number of Home matches were also played behind closed doors due to the pandemic, resulting in lost matchday revenue. In addition retail stores were closed, stadium tours and conferences and events were halted for three months in the period, and none of the contracted summer concerts and events were able to take place. The Dare Skywalk opening was delayed and has subsequently opened in the new financial year. Much of the workforce adapted to remote working during the period of lockdown and in some cases beyond.

On 31 January 2020 the UK officially left the European Union, with the transition period coming to an end on 31 December 2020. The Directors do not expect there to be a material impact as it is expected that participation in European competitions and the status of current overseas players will be unaffected.

The Directors continue to monitor the potential risks to the UK economy and the impact these may have on the Club's revenues, commercial activities, cost base and foreign exchange exposure, but believe that the Club is sufficiently robust to react to change. They did however elect to take a remuneration cut at the start of the pandemic resulting in the reduction in remuneration compared to the prior year (note 5) and going forward have reduced their salaries by 20%, forgoing all bonuses during this period of uncertainty.

The men's team ultimately finished the season in 6th place in the Premier League, securing Europa League qualification. The women's team, in both their first full season as part of the group and their first season in the Women's Super League ("WSL"), finished 7th in a COVID-19 impacted curtailed season setting a WSL attendance record in the process when 38,262 fans watched the match against Arsenal at THS. Since the balance sheet date both teams have brought in global stars in Gareth Bale and Alex Morgan.

Financial highlights and key performance indicators

Revenue and profit from operations are considered to be the key performance indicators of the business. Revenue for the year before exceptional items (note 2) was £402.4m (2019: £460.7m), the decrease driven predominantly due to the impact of COVID-19 on matchdays and other key revenue streams, and revenue for the year after exceptional items was £391.9m (2019: £460.7m). Profit from operations, excluding football trading and before depreciation and exceptional items was £115.3m (2019: £172.7m).

Revenue

Premier League gate receipts were £30.9m (2019: £34.3m). Home matches in the 2019/20 season were played at THS. 14 of the 19 Home matches were played prior to the COVID-19 outbreak with unrestricted access with the remaining five Home matches being played behind closed doors. The Club had over 216,000 paying members during the period (2019: 182,000) and now has over 275 official supporters clubs around the world (2019: 200).

The Club reached the Round of 16 of the UEFA Champions League (2019: Final) resulting in gate receipts and prize money of £59.7m (2019: £108.4m).

Revenue from the FA Cup earned the Club £3.1m (2019: £1.2m) due to reaching the 5th Round (2019: 4th Round), whilst revenue from the EFL Cup earned the club £0.1m (2019: £1.9m) due to the club being eliminated in the 3rd Round (2019: Semi Final).

Television and media revenues decreased to £95.2m (2019: £149.9m). This is as a result of revenue deferred to the 2020/21 season in respect of those games played post year end. At 30th June the Club was in 7th position in the Premier League (2019: final position 4th).

Sponsorship and corporate hospitality revenue was £146.5m (2019: £120.3m) and merchandising revenue was £22.4m (2019: £20.6m).

Other revenue contributed £44.5m (2019: £24.1m). The increase was driven by an increase in catering operations due to the completion of THS, the hosting of two NFL games, stadium tours being in operation for a period and an increase in members.

Operating expenses (excluding football trading)

Operating expenses before football trading have increased to £358.1m (2019: £312.8m), driven by a full year of depreciation of THS.

Profit from operations

Profit from operations, excluding football trading and before depreciation and exceptional items, was £115.3m (2019: £172.7m).

Amortisation and impairment of intangible assets

Amortisation and impairment of intangible assets and other football trading-related expenditure (net of income) has increased to £73.7m (2019: £46.2m) as a result of further investment in the playing squad.

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to the members of Tottenham Hotspur Limited

Profit on disposal of intangible assets

Profit on the disposal of intangible assets was £15.4m for the financial year (2019: £10.9m) which included the sales of Kieran Trippier to Atletico Madrid, Christian Eriksen to Internazionale, Georges-Kevin Nkoudou to Besiktas, Josh Onomah to Fulham, Victor Wanyama to Montreal and the change in coaching staff as well as additional contractual contingent receipts relating to intangible assets previously disposed.

Net finance expenses

Net finance costs (excluding bank interest) have increased to £22.2m (2019: £12.3m) due to imputed IFRS notional interest on player purchases, commercial revenues and lease obligations as well as expensed arrangement fees due the refinancing (see note 7), whilst net bank interest costs have increased to £21.0m (2019: £12.8m) due to the capitalisation of interest prior to THS opening in the prior year.

Loss for the period

The Group made a loss after taxation of £63.9m (2019: profit of £68.6m).

Balance sheet

The opening of THS in the prior year has seen a significant investment in stadium construction.

Total assets were £1,873.0m (2019: £1,694.5m) whilst the Group has net debt of £604.6m (2019: £534.3m).

Cash flow

The Group had a net cash inflow from its operations of £91.0m for the year (2019: £277.7m).

Financial Fair Play

The Club continues to comply and support both UEFA and the Premier League Financial Fair Play criteria.

Five-year review

	June 2020 £'000	June 2019 £'000	June 2018 £'000	June 2017 £'000	June 2016 £'000
Revenue	402,386*	460,695	380,697	309,674	209,770
Profit from operations excluding football trading and before Exceptional Items and depreciation	115,284	172,732	162,547	120,916	63,303
Depreciation and Exceptional Items (note 2, 3)	(81,499)	(24,859)	(10,568)	(39,510)	(15,976)
Operating profit before football trading	33,785	147,873	151,979	81,406	47,327
Amortisation and impairment of registrations and other football-related income and expenditure	(73,675)	(46,217)	(67,960)	(48,436)	(31,785)
Profit on disposal of intangible fixed assets	15,397	10,885	73,058	39,964	27,109
(Loss)/profit before interest and taxation	(24,493)	112,541	157,077	72,934	42,651
Net interest payable	(43,231)	(25,185)	(18,168)	(21,251)	(4,201)
(Loss)/profit on ordinary activities before taxation	(67,724)	87,356	138,909	51,687	38,450
Taxation	3,808	(18,804)	(25,956)	(15,205)	(5,413)
Retained (loss)/profit	(63,916)	68,552	112,953	36,185	33,037
Net assets					
Property plant and equipment	1,398,544	1,414,002	974,310	475,608	287,969
Intangible assets	180,689	124,747	151,342	118,894	98,476
Net current (liabilities)/assets, including trade receivables due after one year	(258,006)	(245,628)	(108,586)	19,634	39,912
Total assets less current liabilities	1,321,227	1,293,121	1,017,066	614,136	426,357
Non-current liabilities – amounts falling due after more than one year	(981,419)	(889,397)	(681,894)	(391,917)	(220,307)
Net assets	339,808	403,724	335,172	222,219	206,050

*For explanation of reconciliation see Financial highlights and key performance indicators and note 2

Strategic report
to the members of Tottenham Hotspur Limited

Results and dividends

The audited consolidated income statement for the year ended 30 June 2020 is set out on page 10.

The Directors have not recommended the payment of a dividend (2019: £nil).

Financial risk management objectives and policies

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

The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group 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 exposure. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 17 to the financial statements.

Section 172(1) Statement

Section 172(1) of the Companies Act 2006 requires each director of the Company to act in a way in which he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between the Company's members.

With respect to this, the board meets on a monthly basis and refers to ongoing strategic plans having regard to the following considerations:

Long term consequences

- Long term sustainability / viability of business model
 - Our business model going forward allows the Group to be less reliant on football revenues. While the operation of a professional football club remains our principal activity, the construction of THS has enabled our business model to focus on new and diversified revenue streams. Before the pandemic we had non-football events booked such as music concerts and non-football sporting events (including Premiership Rugby matches and international rugby league matches).
 - We have also increased our focus on utilising the stadium to its full potential, through our Conference & Events department and restaurants, as well as non-matchday visitor attractions like our Stadium Tours and The Dare SkyWalk.
 - The Group's adherence to UEFA and Premier League Financial Fair Play rules ensures sustainable, responsible, and transparent spending.
- Risk appetite and risk management
 - See note 17 for details on the Group's financial risk management objectives and policies

Interest of employees

- The health, safety and well-being of our employees is one of our primary considerations. We put a great emphasis on employee consultation, we actively promote equality and diversity, and we are committed to paying the London Living Wage. See the strategic report for more information on these areas
- We have launched SPURS Connect, a staff well-being initiative which has been set up to increase connectedness in the changing work environment caused by the pandemic
- We are committed to ensuring that male and female employees are paid equally for equivalent work and release an annual Gender Pay Gap Report to support this.
- We have designed and built Club facilities with sustainability and environmental impact a foremost consideration, and will continue to do so.

Interest of other stakeholders (suppliers, customers, others)

- Fans
 - Fans are the lifeblood of our club and are always foremost in our decision-making
 - We are proud to have an ever-increasing number of Supporters Clubs around the world
 - The Board meets regularly with the Tottenham Hotspur Supporters Trust, a representative of the fan base, to discuss the key issues affecting fans
- Partners
 - Our commercial partners remain as important to us as ever and we are pleased to have multi-year contracts with key partners across a variety of industries
- Suppliers
 - We value all our suppliers and have long-standing contracts with key suppliers who share our core values

Impact of community & environment

The Group places huge importance on being a pillar of our community, which we deliver through a variety of projects:

- The Club's independent charitable body, the Tottenham Hotspur Foundation, works to create opportunities that change the lives of those living in our local communities and around the world
- Our Community Outreach Programmes focus on tackling Tottenham youth unemployment and crime through sport
- During the COVID-19 pandemic the Group arranged for THS to be used to deliver vital NHS services, the relocation of the neonatal unit, and a food bank
- We have sought to source more environmentally sustainable alternatives to single-use plastic and will continue to do so as part of our commitment to phasing out single-use plastics from all our operations.

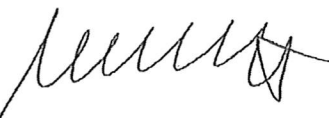
High standards of business conduct

- The Group and our staff live the values Dare, Respect, and Drive as outlined in "The Spurs Way". This is a clear, simple framework of behaviours needed to deliver future success for the Club. It is based on what our best performing people already do to produce outstanding results, and what's needed for the future.
- The Group is committed to ensuring there is openness in our own business and in our approach to tackling modern slavery both within our business and through our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015.
- The Group is committed to paying the right amount of tax, in the right place, on a timely basis in accordance with tax law and practice in the UK. The tax contribution paid by the Group and its players is both substantial and transparent.

Act fairly between shareholders

- The Group agreed on delisting in order to retain a public company based structure which ensures we retain non-executive directors and remuneration, nomination, and audit committees.

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



M J Collecott
Secretary

8/10/2020

Directors' report
to the members of Tottenham Hotspur Limited

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 2020. For a full list of Directors please refer to page 47.

Daniel Levy and certain members of his family are potential beneficiaries of discretionary trusts which ultimately own 29.41% of the share capital of ENIC International Limited ("ENIC"), a company incorporated in The Bahamas.

At the year end ENIC Sports Inc., a wholly owned subsidiary of ENIC, held 182,153,431 ordinary shares of Tottenham Hotspur Limited representing 85.56% of those in issue and therefore ENIC is the ultimate parent of Tottenham Hotspur Limited.

Matthew Collecott and Donna-Maria Cullen are trustees of the Tottenham Hotspur Foundation, unpaid positions to assist the direction and performance of the Charity.

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

Post balance sheet events

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

Financial risk management objectives and policies

Details of financial risk management objectives and policies are given in the Strategic report.

Charitable and political donations

The Group made cash donations of £64,677 to international, UK-based and local charities during the year (2019: £196,613). The Group made no political donations during the year (2019: Nil). The Group continues to make contributions with a value in excess of £0.5m per annum to the Tottenham Hotspur Foundation and continues to underwrite the ongoing good works of the charity. In addition, the Group makes many other contributions of Tottenham Hotspur Football Club memorabilia to local registered charities, especially in the Haringey and Enfield districts and adjacent catchment areas.

Disabled employees

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

Employees consultation

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

Equality and diversity

The Group's vision is to create an environment in which everyone – staff, supporters and the wider community – has equal, dignified ease of access to our Club, services and facilities. The Group's aim is to be inclusive, supportive, fair and free from discrimination. The Group aim to actively promote equality and diversity and ensure that the legislation and policy requirements within the nine protected characteristics of equality and diversity are implemented into all working practices.

London Living Wage

The Group is pleased to confirm that it is committed to paying all staff the London Living Wage, with any annual increases reflected in the salary review process. As we had the opportunity to tender on external contractors to THS we have ensured that all contracts endorse this position and any external contractors who work with the Group contractually have to pay their staff the London Living Wage. The Directors wanted to include this statement within its audited Annual Report to underline its compliance with best practice and verification by its auditors.

Risks and uncertainties

The key business risks and uncertainties affecting the Group are considered to relate to:

- the negotiation and pricing of broadcasting contracts;
- the recruitment and retention of key employees;
- the performance and popularity of the first team; and
- the renewal of key commercial agreements on similar or improved terms.

Directors' report
to the members of Tottenham Hotspur Limited

Directors' indemnities

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

Going concern

The Board of Directors continually monitors the Group's exposure to a range of risks and uncertainties, including the success of the First Team and our level of spending thereon, the current economic landscape and the funding requirements for capital projects. These risks and uncertainties, the Group's financial performance and position for the year and its cash flows and funding position, are detailed elsewhere in the Directors' Report. In addition, note 17 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risk. The Directors believe that these risks and uncertainties are mitigated by, inter alia, the robust nature of our business with long-term fixed revenues from the key business areas, notably the FA Premier League ("FAPL") TV deal that began from the 2019-20 season and key sponsors.

The Board of Directors have recently undertaken a thorough review of the Group's budgets and forecasts and have produced detailed cash flow projections, which include the expected impact of COVID-19 on the key matchday and media revenue streams. The base case scenario assumes that TV and media revenue will continue for the entirety of the 2020/21 season in line with Premier League forecasts and there are no material changes to existing financing arrangements, whilst prudent assumptions have been made in relation to on-pitch performance.

Various scenarios have been considered and stress-tested which include fixtures remaining behind closed doors for the entirety of the 2020/21 season and restrictions on future events, retail and venue related income streams. The Directors have identified a number of actions they could take in order to mitigate any potential cash flow or financing shortfalls that could reasonably arise. These mitigating actions could include, but are not limited to, advancement of future cash inflows and/or deferring future cash outflows, sale of assets and extension of financing arrangements. In addition to possible mitigating actions, the Directors have also considered a number of potential upsides which include the financial impact of better than forecast on-pitch performance, including advancement in domestic and UEFA cup competitions and successful insurance claims.

These cash flow projections which, when considered in conjunction with the Group's operational plans to deal with the impact of COVID-19, the refinancing performed in the period by the group as detailed in note 15, as well as existing loans, overdrafts and cash, and which include consideration of reasonably possible changes in trading performance, demonstrate that the Board will ensure there is sufficient working capital to continue to operate for the foreseeable future.

The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and, as such, the consolidated and separate financial statements have been prepared on the going concern basis.

Disclosure of information to the auditor

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

- so far as each of the Directors is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware;
- and each of the Directors has taken all of the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

Re-appointment of Auditor

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

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

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



M J Collecott
Secretary

8/10/2020

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with FRS 101 *Reduced Disclosure Framework*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

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

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

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

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

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

Independent auditor's report
to the members of Tottenham Hotspur Limited

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Tottenham Hotspur Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated Income statement;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 27 of the consolidated financial statements and related notes 1 to 10 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report
to the members of Tottenham Hotspur Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

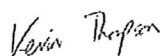
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



Kevin Thompson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
9 October 2020

Consolidated income statement
for the year ended 30 June 2020

	Notes	2020			2019		
		Operations, excluding football trading* £'000	Football trading* £'000	Total £'000	Operations, excluding football trading* £'000	Football trading* £'000	Total £'000
Revenue	2	391,862	-	391,862	460,695	-	460,695
Operating expenses	3	(358,077)	(73,675)	(431,752)	(312,822)	(46,217)	(359,039)
Operating (loss)/profit		33,785	(73,675)	(39,890)	147,873	(46,217)	101,656
Profit on disposal of intangible fixed assets	6	-	15,397	15,397	-	10,885	10,885
(Loss)/profit from operations	4	33,785	(58,278)	(24,493)	147,873	(35,332)	112,541
Finance income	7			3,171			427
Finance costs	7			(46,402)			(25,612)
(Loss)/profit on ordinary activities before taxation				(67,724)			87,356
Tax	8			3,808			(18,804)
(Loss)/profit for the year	19			(63,916)			68,552

* Football trading represents amortisation, impairment and profit on disposal of intangible fixed assets, and other football trading-related income and expenditure (see notes 3,6).

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

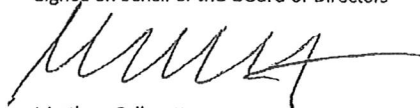
All activities in the year derive from continuing operations.

Consolidated balance sheet
as at 30 June 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	9	1,398,544	1,414,002
Intangible assets	10	180,689	124,747
Trade receivables due after one year	12	11,678	-
		1,590,911	1,538,749
Current assets			
Inventories	11	6,190	6,251
Tax and Social Security	12	15,471	3
Trade and other receivables	12	34,281	26,013
Cash and cash equivalents	13	226,176	123,484
		282,118	155,751
Total assets		1,873,029	1,694,500
Current liabilities			
Trade and other payables	14	(347,405)	(384,715)
Current tax liabilities	14	-	(944)
Interest-bearing loans and borrowings	14	(175,670)	(714)
Provisions	14/16	(28,727)	(15,006)
		(551,802)	(401,379)
Non-current liabilities			
Interest-bearing loans and borrowings	15	(655,111)	(657,047)
Trade and other payables	15	(268,684)	(183,928)
Deferred grant income	15	(5,022)	(5,044)
Deferred tax liabilities	15/16	(52,602)	(43,378)
		(981,419)	(889,397)
Total liabilities		(1,533,221)	(1,290,776)
Net assets		339,808	403,724
Equity			
Share capital	18	10,644	10,644
Share premium		34,788	34,788
Capital redemption reserve		644	644
Retained earnings		293,732	357,648
Total equity	19	339,808	403,724

These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on *8 October* 2020.

Signed on behalf of the Board of Directors



Matthew Collecott

Director

Consolidated statement of changes in equity
for the year ended 30 June 2020

For the year ended 30 June 2020

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2019	10,644	34,788	644	357,648	403,724
Loss for the year	-	-	-	(63,916)	(63,916)
At 30 June 2020	10,644	34,788	644	293,732	339,808

For the year ended 30 June 2019

	Share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2018	10,644	34,788	644	289,096	335,172
Profit for the year	-	-	-	68,552	68,552
At 30 June 2019	10,644	34,788	644	357,648	403,724

Consolidated statement of cash flows
for the year ended 30 June 2020

	2020	2019
Note	£'000	£'000
Cash flow from operating activities		
(Loss)/profit from operations	(24,493)	112,541
Adjustments for:		
Amortisation of intangible assets	75,350	47,506
Profit on disposal of intangible assets	(15,397)	(10,885)
Profit on disposal of property, plant and equipment	-	(5,713)
Depreciation of property, plant and equipment	70,975	24,859
Capital grants release	1,971	22
Foreign exchange (gain)/loss	(429)	306
(Increase)/decrease in trade and other receivables	(15,172)	6,360
Decrease/(increase) in inventories	61	(893)
(Decrease)/increase in trade and other payables	(1,861)	103,628
Cash flow from operations	91,005	277,731
Interest paid	(14,253)	(26,022)
Interest received	15	73
Income tax paid	(2,066)	(8,093)
Net cash flow from operating activities	74,701	243,689
Cash flows from investing activities		
Acquisitions of property, plant and equipment	(81,551)	(420,336)
Proceeds from sale of property, plant and equipment	-	7,113
Acquisitions of intangible assets	(83,524)	(49,166)
Proceeds from sale of intangible assets	24,687	46,437
Capital Grants received	-	-
Net cash flow used in investing activities	(140,388)	(415,952)
Cash flows from financing activities		
Proceeds of borrowings	170,994	195,111
Repayment of borrowings	(2,615)	-
Net cash flow from financing activities	168,379	195,111
Net increase in cash and cash equivalents	102,692	22,848
Cash and cash equivalents at start of the period	123,484	100,636
Cash and cash equivalents at end of year	13 226,176	123,484

1. Accounting policies and critical accounting judgements

The following accounting policies have been applied consistently by the Directors in both the current and preceding periods in dealing with items which are considered material in relation to the Group's accounts, with the exception of IFRS 16, which has been adopted in the period (see below and note 20).

Tottenham Hotspur Ltd is a company incorporated in the United Kingdom. The nature of the Group's operations and its principal activities is set out in the Strategic report on page 1.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on a historical cost basis.

Basis of consolidation

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

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

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 4.

Revenue

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

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

Gate receipts and other matchday revenue are recognised as the games are played. Prize money in respect of cup competitions is recognised when earned. 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 fee payments are accounted for on the basis of management's prudent best estimate of league position at year-end, to the extent that it is highly probable that there won't be a subsequent material reversal to revenue recognised.

The Group elected to early adopt IFRS 15: 'Revenue from contracts with customers' from 1 July 2017. IFRS 15 includes a requirement to estimate the impact of timing of receipts related to contracts with customers and whether there is a significant financing component. Such guidance was not present in IAS 18 and therefore treatment was open to interpretation. As a result of the specific guidance in IFRS 15, revenue on certain commercial contracts is higher under the new standard with an associated finance cost recognised over the period of each commercial contract.

IFRS 15 requires the Group to determine revenues recognised at a point in time from those recognised over time. All revenues are deemed to be recognised over time with the exception of revenues generated from merchandising which are deemed to be recognised at a point in time.

Exceptional items

Exceptional items relate to significant and unusual revenues or costs experienced by the group. They are identified on a case by case basis, and are recognised at contractual value, market value or best estimate depending on the nature of the item identified. In the current reporting period they relate to a broadcast rebate due as a result of the disrupted football season caused by the COVID-19 pandemic.

Capital grants

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

Foreign exchange

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

Player costs and transactions

(a) Initial capitalisation

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

1. Accounting policies and critical accounting judgements (continued)

(b) Amortisation

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

(c) Contingent consideration

Under the conditions of certain transfer agreements, further fees will be payable to the vendors in the event of the players concerned making a certain number of First Team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfers are accounted for, as provisions and as additions to intangible assets, when the specified amount of appearances has been reached or the specified future events occur.

(d) Impairment

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

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

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

In certain rare instances there may be an individual player whom the Group does not consider to be part of the First Team squad going forwards and who will therefore not contribute to the future cash flows earned by the cash-generating unit. This is normally due to a permanent career-threatening injury or where Group's senior football management and Directors have decided the player is not part of the Club's long-term plans.

As a consequence of such situations the Group consider it highly unlikely that the player will play for the First Team for a significant part of the remaining duration of the player's contract. In such situations, the carrying value of the player is removed from the carrying value of players assessed as part of the cash-generating unit referred to above and instead this player will be assessed for impairment in isolation by considering his carrying value with the Group's best estimate of his fair value (less costs to sell). The Group estimate this using one of the following sources:

- in the case of a player who has suffered a career-threatening injury, the value attributed to the player by the Group's insurers;
- In the case of a player who is not part of the Club's long-term plans, then either;
 - i) the agreed selling price in the event the player has been transferred subsequent to the year end; or
 - ii) if there have not been any bids for the player, management's best estimation of the disposal proceeds (less costs) of the player on an arm's length basis. This is determined by the Group's senior football management in conjunction with the Directors who will use their knowledge and experience and their view on the current transfer market as a basis for their estimation.

(e) Disposals

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

(f) Remuneration

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

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

Present obligations arising under onerous employment contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Finance costs

Finance costs of borrowings are recognised in the Income statement using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the borrowing.

1. Accounting policies and critical accounting judgements (continued)

Finance costs (continued)

In accordance with IFRS9 'Financial Instruments', any non-current assets acquired on deferred terms are recorded at the discounted present value at the date of acquisition. The associated payable is then increased to the settlement value over the period of deferral, with this value being charged as a notional finance cost through the income statement.

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

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

Tax

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

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

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

Deferred tax is charged or credited in the income statement.

Property, plant and equipment

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

THS and other buildings	2 - 20%
Motor vehicles	20%
General plant and equipment	2 - 33%
Lilywhite House leasehold improvements	Over the length of the lease

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

Inventories

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

Debt

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

Impact of initial application of IFRS 16 Leases

In the current year, the Group has applied IFRS 16 Leases (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019. The impact of the related changes is disclosed in note 20.

IFRS 16 Leases sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 completes the IASB's project to improve the financial reporting of leases and replaces the leases Standard, IAS 17 Leases, and related interpretations.

The Group has made an assessment of the impact of IFRS 16 based on the Group's leases in existence at 1 July 2019 and evaluated the available transition options under IFRS 16. Based on the evaluation conducted the Group has decided to apply the new accounting standard using the modified retrospective method, with the accumulative effect of initial application recognised at the date of transition, with the following recognition exemptions and practical expedients expected to be applied:

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

1. Accounting policies and critical accounting judgements (continued)

Impact of initial application of IFRS 16 Leases (continued)

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Pension costs

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

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

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

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, as defined by IAS 23 'Borrowing Costs' are included in the cost of the asset. Once the asset is brought into use additional borrowing costs are recognised as an expense. Other borrowing costs are recognised as an expense.

Capital redemption reserve

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

Financial assets and liabilities

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

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each balance sheet date. IFRS 9: Financial Instruments became effective during the prior year, however it does not have a financial impact in the year.

Derecognition of financial liabilities

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

Future accounting developments

The accounting policies applied by the Group in these consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2019, with the exception of IFRS 16 as discussed above.

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

At the date of authorisation of these financial statements, the group has not applied the following new and revised IFRS that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

– IFRS 11 (amended): Accounting for Acquisitions of Interests In Joint Operations

– IAS1 (amended): Disclosure Initiative

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group.

Critical accounting judgements and sources of estimation uncertainty

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

The Group has identified no areas of critical accounting judgements.

The Group has identified the following areas of estimation uncertainty within the financial statements which may have a material impact:

1. Accounting policies and critical accounting judgements (continued)
Critical accounting judgements and sources of estimation uncertainty (continued)

Revenue

Due to the impact of COVID-19 and the 2019-20 season subsequently remaining incomplete at the end of the financial period, some estimates have been made regarding the projected on pitch performance which have a material impact on revenue recognised in the period. A merit payment has been recognised in the accounts which reflects the most prudent best estimate merit payment that the club could have received given the number of points accumulated at the balance sheet date, to the extent that it is highly probable that there won't be a subsequent material reversal to revenue recognised.

Contingent liabilities

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

Property, plant and equipment and intangible assets

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

Assets under construction

The assets classified under 'in the course of construction' relate to incremental projects associated to intrinsic capital items. IAS 16, Property, Plant and Equipment requires that for an asset to be capitalised it must result in a probable economic benefit. Therefore, once this project begins its useful economic life, depreciation will begin.

The Northumberland Development Project (NDP) is now substantially complete with Lilywhite House and the opening of THS. There are a number of projects at the Southern end of the site (hotel, residential) which will be ultimately developed when appropriate. The NDP is closely monitored and any amounts capitalised, which would not be recoverable in the event that the remaining elements of the NDP were not completed would need to be written-off at that time.

Taxation

The complex nature of tax legislation under which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed. As such there are accounting judgements and estimates applied to the provision for Current Tax and Deferred Tax.

2. Revenue

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

	2020	2019
	£'000	£'000
Revenue comprises:		
Match receipts	94,526	81,675
UEFA prize money	51,181	93,963
TV and media (before exceptional items)	95,178	149,898
Commercial	161,501	135,159
Revenue before exceptional items	402,386	460,695
Exceptional item		
- Premier League rebate 2019/20	(10,524)	-
	391,862	460,695

All revenue except for £1,005,000 (2019: £1,355,000) derives from the Group's principal activity in the United Kingdom.

Notes to the accounts
for the year ended 30 June 2020

	2020 £'000	2019 £'000
Timing of revenue recognition:		
At a point in time	22,418	20,636
Over time	369,444	440,059
	391,862	460,695

All revenue is recognised over time except for £22,418,000 (2019: £20,636,000) deriving from merchandising.

3. Operating expenses

	2020 £'000	2019 £'000
Staff costs (see note 5)	181,280	178,602
Depreciation of property, plant and equipment	70,975	24,859
Profit on disposal of property, plant and equipment	-	(5,713)
Other operating costs	105,822	115,074
Operating expenses excluding football trading	358,077	312,822
Amortisation, impairments and other net football trading income and expenditure	73,675	46,217
Total operating expenses	431,752	359,029

4. (Loss)/profit from operations

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

	2020 £'000	2019 £'000
Depreciation of property, plant and equipment	70,975	24,859
Profit on disposal of property, plant and equipment	-	(5,713)
Amortisation of intangible fixed assets	75,350	47,506
Amortisation of grants	(1,971)	(22)
Impairment losses on trade receivables	-	19
Cost of inventories recognised as an expense	9,816	9,496
Charitable donations	65	197
Short-term lease rentals (see note 20):		
– land and buildings	1,924	1,334
– other	389	174
Foreign exchange (loss)/gain	(429)	278

Notes to the accounts
for the year ended 30 June 2020

4. (Loss)/profit from operations (continued)

The analysis of auditor's remuneration is as follows:

	2020 £'000	2019 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts:		
– audit of the Company's accounts	15	15
– audit of the accounts of the Company's subsidiaries	105	101
Total audit fees	120	116
Fees payable to the Company's auditor for other services to the Group:		
– taxation compliance services	349	171
– taxation advisory services	36	133
– other assurance services	5	5
– other services	67	-
Total non-audit fees	457	309

Fees for the audit of the Company's subsidiaries accounts represent the fees payable to Deloitte LLP in respect of the audit of the Company's Individual financial statements prepared in accordance with FRS 101 and the audit of the Company's accounts represents the audit of the Group's consolidated financial statements prepared in accordance with IFRS. No services were provided pursuant to a contingent fee arrangement.

5. Staff numbers and costs

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

	2020 Number	2019 Number
Players and football administration staff	271	244
Administration staff	292	217
Retail and distribution staff	84	100
	647	561

The aggregate payroll costs of these employees were as follows:

	2020 £'000	2019 £'000
Salaries and bonuses	159,312	156,135
Social security costs	21,317	21,663
Other pension costs (see note 23)	651	804
	181,280	178,602

In addition, the Group employs, on average 127 temporary staff on match days (2019: 162).

In addition to the above payroll costs, redundancy costs and costs of onerous employment contracts of £39,000 (2019: £79,000) were also charged to the income statement during the year.

The total aggregate remuneration of the Directors, who are deemed to represent Key Management Personnel, for the year was £5,972,000 (2019: £10,342,000) including pension costs of £2,000 (2019: £2,000). Included within that remuneration are emoluments totalling £nil (2019: £2,000) paid to non-executive Directors. The highest paid Director received total remuneration of £2,959,000 (2019: £7,014,000). The remuneration of all Directors was paid by the Company. The number of Directors for whom retirement benefits are accruing under a money purchase pension scheme is two (2019: two).

Notes to the accounts
for the year ended 30 June 2020

6. Profit on disposal of Intangible fixed assets

	2020	2019
	£'000	£'000
Consideration	20,122	11,605
Net book value of disposals	(4,725)	(720)
	<u>15,397</u>	<u>10,885</u>

7. Finance income and costs

	2020	2019
	£'000	£'000
Interest income	31	42
Notional interest income on deferred receipts for sales of players' registrations	3,140	385
	<u>3,171</u>	<u>427</u>

	2020	2019
	£'000	£'000
Interest expense	(21,065)	(12,879)
Notional interest expense on deferred payments for players' registrations	(9,741)	(3,912)
Notional interest expense on deferred income relating to commercial revenues	(11,003)	(8,821)
Notional interest expense on leases	(532)	-
Amortisation of debt issue costs	(4,061)	-
	<u>(46,402)</u>	<u>(25,612)</u>

8. Tax charge on ordinary activities

	2020	2019
	£'000	£'000
Current tax		
UK corporation tax (credit)/charge on profits for the year at 19% (2019: 19.00%)	(5,251)	11,479
Other prior year adjustments	(7,781)	(3,852)
Current tax (credit)/charge	<u>(13,032)</u>	<u>7,627</u>
Deferred tax		
Origination and reversal of timing differences in prior years	6,043	3,394
Origination and reversal of timing differences in current year	(2,633)	8,129
Rollover relief deferred in respect of players disposed of and purchased in current year	-	570
Difference in tax rates	5,814	(916)
Deferred tax charge (see note 16)	<u>9,224</u>	<u>11,177</u>
Total tax (credit)/charge on ordinary activities	<u>(3,808)</u>	<u>18,804</u>

Notes to the accounts
for the year ended 30 June 2020

8. Tax charge on ordinary activities (continued)

	2020 £'000	2019 £'000
(Loss)/Profit on ordinary activities before taxation	(67,724)	87,366
Tax (credit)/charge on loss/profit on ordinary activities before taxation at the UK statutory rate of 19% (2019: 19.00%)	(12,868)	16,600
Expenses not deductible	4,929	3,977
Income not taxable	-	(1,020)
Effect of restating deferred tax liability at 19% (2019: 17.00%)	5,814	(916)
Movement in Roll over relief	-	570
Amounts not recognised	55	50
Other prior year adjustments	(1,738)	(457)
Total tax (credit)/charge on ordinary activities	(3,808)	18,804

As per current UK corporate tax law, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017. The Finance (No. 2) Act 2016, which was substantively enacted on 6 September 2016 further reduces UK corporation tax rate to 17%, effective from 1 April 2020. Prior to the effective date the reduction was reversed, increasing the tax rate back to 19%. The reduction in tax rate included in the Finance (No. 2) Act 2016 was enacted at the balance sheet date and the effect thereof is reflected in these financial statements. This will reduce the future current tax charges accordingly.

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

9. Property, plant and equipment

For the year ended 30 June 2020

Group	Freehold and long leasehold £'000	Right of use Assets £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Capitalised Interest £'000	Total £'000
Cost							
At 1 July 2019	1,291,672	-	697	135,306	31,203	27,665	1,486,543
Additions	14,215	-	50	10,667	8,907	-	33,839
Transition Adjustment	-	21,678	-	-	-	-	21,678
Transfer from AUC	4,528	-	-	391	(4,919)	-	-
At 30 June 2020	1,310,415	21,678	747	146,364	35,191	27,665	1,542,060
Depreciation and impairment							
At 1 July 2019	34,285	-	316	32,601	5,201	138	72,541
Charged in the year	44,336	1,021	145	24,920	-	553	70,975
At 30 June 2020	78,621	1,021	461	57,521	5,201	691	143,516
Net book value							
At 30 June 2020	1,231,794	20,657	286	88,843	29,990	26,974	1,398,544

Notes to the accounts
for the year ended 30 June 2020

9. Property, plant and equipment (continued)

For the year ended 30 June 2019

Group	Freehold and long leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the	Capitalised Interest £'000	Total £'000
				course of construction £'000		
Cost						
At 1 July 2018	191,496	697	40,759	779,520	12,871	1,025,343
Additions	38,944	-	6,566	408,716	14,794	469,020
Disposals	(3,273)	-	(4,547)	-	-	(7,820)
Transfer from AUC	1,064,505	-	92,528	(1,157,033)	-	-
At 30 June 2019	1,291,672	697	135,306	31,203	27,665	1,486,543
Depreciation and Impairment						
At 1 July 2018	21,831	177	23,824	5,201	-	51,033
Eliminated on disposal	(204)	-	(3,147)	-	-	(3,351)
Charged in the year	12,658	139	11,924	-	138	24,859
At 30 June 2019	34,285	316	32,601	5,201	138	72,541
Net book value						
At 30 June 2019	1,257,387	381	102,705	26,002	27,527	1,414,002

10. Intangible fixed assets

For the year ended 30 June 2020

	£'000
Cost of registrations	
At 1 July 2019	332,082
Additions	136,084
Disposals	(71,062)
At 30 June 2020	397,104
Amortisation and Impairment of registrations	
At 1 July 2019	207,336
Charged in year – amortisation	75,350
Disposals	(66,271)
At 30 June 2020	216,415
Net book value of registrations	
At 30 June 2020	180,689

Notes to the accounts
for the year ended 30 June 2020

10. Intangible fixed assets (continued)

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

In the period, capitalised player registrations relating to zero individuals (2019: nil) were impaired by Enil (2019: Enil). Impairment losses were incurred where there was evidence that the carrying value of the player may not be recoverable in accordance with the Group's accounting policy. Recoverable amounts have been estimated as fair values less costs of disposal, in accordance with the Group's accounting policy.

For the year ended 30 June 2019

	£'000
Cost of registrations	
At 1 July 2018	326,867
Additions	21,631
Disposals	(16,416)
At 30 June 2019	332,082
Amortisation and Impairment of registrations	
At 1 July 2018	175,525
Charged in year – amortisation	47,506
Disposals	(15,696)
At 30 June 2019	207,335
Net book value of registrations	
At 30 June 2019	124,747

Notes to the accounts
for the year ended 30 June 2020

11. Inventories

	2020	2019
	£'000	£'000
Inventories	6,190	6,251

Inventories comprise merchandising goods held for resale.

12. Trade and other receivables

	2020	2019
	£'000	£'000
Trade receivables due in more than one year	11,678	-
Non-current assets		-
Trade receivables due in less than one year	22,139	12,965
Corporation Tax	14,169	-
Other tax and social security	1,302	3
Other receivables	1,382	871
Prepayments and accrued income	10,760	12,174
Current assets	49,752	26,013
	61,430	26,013

Trade receivables above include £25,729,000 (2019: £4,473,000) in respect of the disposal of players' registrations, of which £11,678,000 is due in more than one year (2019: £nil).

The Directors consider the carrying amount of trade and other receivables approximates their fair value. Refer to note 17 for disclosures relating to receivables' ageing and other credit risk considerations.

13. Cash and cash equivalents

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

	2020	2019
	£'000	£'000
Bank balances	226,132	123,447
Cash in hand	44	37
Cash and cash equivalents	226,176	123,484

The carrying amount of these assets approximates their fair value.

Notes to the accounts
for the year ended 30 June 2020

14. Current liabilities

	2020 £'000	2019 £'000
Bank loans (secured)	175,670	714
Interest-bearing loans and borrowings	175,670	714
Trade payables due in less than one year	53,832	44,556
Other tax and social security	43,199	28,811
Lease Liabilities	691	
Other payables	81,116	63,744
Accruals	54,046	20,904
Deferred income	114,521	226,700
Trade and other payables	347,405	384,715
Corporation tax liabilities	-	944
Provisions (see note 16)	28,727	15,006
	551,802	401,379

Trade payables above include £44,724,000 in respect of the acquisition of players' registrations (2019: £32,969,000).
Deferred income includes income in respect of season tickets and commercial sponsorships relating to future years.
The Directors consider that the carrying amount of trade payables approximates their fair value.

15. Non-current liabilities

	2020 £'000	2019 £'000
Bank loans (secured)	655,111	657,047
Interest-bearing loans and borrowings	655,111	657,047
Trade payables due in more than one year	94,904	54,919
Deferred income	153,634	117,585
Lease Liabilities	20,146	
Other payables	-	11,424
Trade and other payables	268,684	183,928
Deferred grant income	5,022	5,044
Deferred tax liabilities (see note 16)	52,602	43,378
	981,419	889,397

Trade payables above are all in respect of the acquisition of players' registrations. Deferred income relates to payments received in advance for periods commencing more than a year from the balance sheet date.

15. Non-current liabilities (continued)

Bank loans (in notes 14 and 15)

The Investec Bank facility of £16,000,000 used to fund the construction of the new Training Ground and secured against the new Training Ground site was amended and extended to £25,000,000 in February 2019. £1,500,000 was repaid in December 2019, resulting in £23,500,000 being drawn at the balance sheet date and the repayable period has been extended to December 2025. The interest on this amount is paid quarterly and tracks the London Inter-Bank Offer Rate. The bank loan is shown in the financial statements net of £132,000 of associated loan arrangement costs which are being amortised over the term of the loan.

In September 2019 the Group closed its refinancing of the pre-existing £637,000,000 loans put in place to support the construction of THS. The £637,000,000 stadium refinancing package includes £525,000,000 from the issue of long-term bonds to U.S. investors through a private placement, and another £112,000,000 from a loan from Bank of America Merrill Lynch, who also managed the bond issue. The earliest maturity date within the refinancing package is September 2029, the latest is January 2050 and the package has an average maturity of 23 years with a weighted average coupon of 2.67%. The refinancing package is shown in the financial statements net of £3,891,000 of associated loan arrangement costs which are being amortised over the term of the loan.

In May 2017 a £25,000,000 short-term revolving loan was entered into with HSBC Bank plc, which is secured against Group assets and was to expire in May 2022. In September 2019 this short term revolving loan was extended to £50,000,000 expiring in September 2024. At the balance sheet date £nil was drawn. This loan is shown in the financial statements net of £96,000 of associated loan arrangement costs which are being amortised over the term of the loan.

In May 2020 the group issued Commercial Paper which was purchased by the Bank of England as part of its Covid Corporate Financing Facility ("CCFF") scheme for £175,000,000. The Commercial Paper matures in March 2021. The liability is shown in the financial statements net of £73,000 of associated loan arrangement costs which are being amortised over the term of the loan.

Notes to the accounts
for the year ended 30 June 2020

15. Non-current liabilities (continued)

The maturity profile of the Group's total borrowings at the balance sheet date which do not include interest payments are as follows:

	2020			2019		
	Principal £'000	Interest £'000	Total £'000	Principal £'000	Interest £'000	Total £'000
Bank loans and overdraft						
In one year or less or on demand	1,283	-	1,283	69	-	69
In more than one year but not more than two years	1,289	-	1,289	74	-	74
In more than two years but not more than five years	4,016	-	4,016	640,147	-	640,147
In more than five years	652,992	-	652,992	17,471	-	17,471
	659,580	-	659,580	657,761	-	657,761
Total borrowings						
In one year or less or on demand	1,283	-	1,283	69	-	69
In more than one year but not more than two years	1,289	-	1,289	74	-	74
In more than two years but not more than five years	4,016	-	4,016	640,147	-	640,147
In more than five years	652,992	-	652,992	17,471	-	17,471
	659,580	-	659,580	657,761	-	657,761

15. Non-current liabilities (continued)

Interest rate profile

The Group has no financial assets excluding short-term receivables, other than the Sterling cash deposits of £226,176,000 (2019: £123,472,000) which are part of the financing arrangements of the Group. The Sterling cash deposits comprise deposits placed on the money market at call rates.

	Fixed rate borrowings				Weighted average Interest rate at year end %
	Total £'000	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Weighted average time for which rate is fixed Years	
Interest rate profile of financial liabilities (all Sterling)					
2020	659,580	659,580	-	-	2.67
2019	657,761	657,761	-	-	3.04

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

Borrowing facilities

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

	2020 £'000	2019 £'000
Expiring in one year or less or on demand	5,000	5,000
Expiring in more than one year but less than two years	-	-
Expiring in more than two years but not more than five years	50,000	25,000
Total undrawn committed borrowing facilities	55,000	30,000

This is made up of undrawn bank borrowing facilities of £50,000,000 (2019: £25,000,000) and an overdraft of £5,000,000 (2019: £5,000,000).

Treasury policy

The Group's operations are currently funded through operating cash flow, cash balances and loans. 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 exposure. The Group does not enter into instruments for speculative purposes. All treasury transactions are reported to and approved by the Board.

Notes to the accounts
for the year ended 30 June 2020

16. Provisions for liabilities

For the year ended 30 June 2020

	£'000
Provisions on employment contracts – due in less than one year	
At 1 July 2019	15,006
Provided during the year	28,727
Utilised during the year	(15,006)
Released during the year	-
At 30 June 2020 – due in less than one year	28,727
Deferred taxation – due in more than one year	
At 1 July 2019	43,378
Charged to the income statement (see note 8)	9,224
At 30 June 2020 – due in more than one year	52,602
Total	
At 30 June 2020	81,329

For the year ended 30 June 2019

	£'000
Provisions on employment contracts – due in less than one year	
At 1 July 2018	6,220
Provided during the year	15,006
Utilised during the year	(6,220)
Released during the year	-
At 30 June 2019 – due in less than one year	15,006
Deferred taxation – due in more than one year	
At 1 July 2018	32,200
Charged to the income statement (see note 8)	11,178
At 30 June 2019 – due in more than one year	43,378
Total	
At 30 June 2019	58,384

The timing of the outflow of the contingent transfer fees and provisions on players and management contracts are dictated by the contractual provisions of the relevant agreements. These provisions are classified as current liabilities.

Deferred taxation has been provided as follows and is classified as a non-current liability:

	2020	2019
	£'000	£'000
Accelerated capital allowances	25,254	12,392
Intangible fixed assets	26,829	26,799
Other timing differences	519	4,187
	52,602	43,378

17. Financial instruments

Capital risk management

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

Financial risk management objectives and policies

The Group's financial assets include cash and cash equivalents, trade receivables and other short-term deposits. The main purpose of these financial instruments is to finance the Group operations. The Group has other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations. The Group's receivables and payables from player trading are contractually structured in order to minimise financial risk. Surplus cash within the Group is put on deposit, the objective being to maximise returns on such funds whilst ensuring that the short-term cash flow requirements of the Group are met.

The carrying value of the financial assets and liabilities (with non-financial assets and liabilities shown for reconciling purposes) are analysed as follows:

	2020			2019		
	Financial assets	Non-financial assets	Total	Financial assets	Non-financial assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets	11,678	1,579,233	1,590,911	-	1,538,748	1,538,748
Loans and receivables	48,358	-	48,358	25,213	-	25,213
Cash and bank balances	226,176	-	226,176	123,484	-	123,484
Other current assets	-	7,584	7,584	-	7,070	7,070
Total assets	286,212	1,586,817	1,873,029	148,697	1,545,818	1,694,515

	2020			2019		
	Financial liabilities	Non-financial liabilities	Total	Financial liabilities	Non-financial liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities						
Borrowings at amortised cost:						
Current	(175,670)	-	(175,670)	(714)	-	(714)
Non-current	(655,111)	-	(655,111)	(657,047)	-	(657,047)
Trade and other payables	(614,340)	(10,616)	(624,956)	(554,547)	(12,889)	(567,436)
Other liabilities	-	(77,484)	(77,484)	-	(46,780)	(46,780)
Total liabilities	(1,445,121)	(88,100)	(1,533,221)	(1,212,308)	(59,669)	(1,271,977)
Net (liabilities)/assets	(1,158,909)	1,498,717	339,808	(1,063,611)	1,486,149	422,538

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

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

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

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

17. Financial Instruments (continued)

(i) Market risk

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

Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrows at floating interest rates. The Group continually reviews the exposure in light of local and global influences.

Interest rate sensitivity analysis

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

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2020 would decrease/increase by £3,421,284 (2019: decrease/increase by £3,027,493). This is mainly attributable to the Group's exposure to interest rates on its floating rate loans.

Foreign currency management

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

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

	Liabilities		Assets	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Euro	123,970	70,341	45,924	84,828
US Dollar	-	-	5,116	4,263
Australian Dollar	-	-	607	1,099

These amounts principally relate to player transfer liabilities and receivables, which are matched wherever possible over the life of the liability by Euro denominated receipts from European competitions.

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro, US Dollar and Australian Dollar. The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the Euro, US Dollar and Australian Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The negative number below indicates an increase in profit and retained earnings where Sterling strengthens against the Euro, US Dollar or Australian Dollar. For a 10% weakening of Sterling against the Euro, US Dollar or Australian Dollar, there would be an equal and opposite impact on profit and retained earnings.

	2020 £'000	2019 £'000
Euro	8,672	(1,610)
US Dollar	(568)	(474)
Australian Dollar	(67)	(122)

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Of the total trade receivable balance of £37,327,000 (2019: £12,965,000), £25,729,000 (2019: £4,473,000) relates to amounts receivable from various other football clubs in relation to player trading. The maximum credit exposure relates to the total of cash and cash equivalents, and trade receivables and is £263,503,000 (2019: £136,449,000).

17. Financial Instruments (continued)

(ii) Credit risk (continued)

There are no other significant concentrations of credit risk within the Group. Cash is deposited with one financial institution however the Directors are satisfied this does not create a significant credit risk. The maximum risk exposure relates to creditors from football trading but this is mitigated by the governing bodies of international and national football associations.

Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum credit risk exposure of the Group comprises the amounts presented in the balance sheet which are stated net of provisions for expected credit losses.

The ageing of trade receivables at the reporting date was:

	2020		2019	
	Gross receivables £'000	Provision £'000	Gross receivables £'000	Provision £'000
Non-football				
Not past due	6,686	-	1,443	-
Past due 0 – 30 days	818	-	4,216	-
Past due 31 – 90 days	-	-	821	-
More than 90 days	2,620	(95)	1,979	(107)
	10,124	(95)	8,459	(107)
Football				
Not past due	23,693	-	4,509	-
Past due 0 – 30 days	-	-	-	-
Past due 31 – 90 days	-	-	-	-
More than 90 days	-	-	-	-
	23,693	-	4,509	-
Total				
Not past due	30,379	-	5,952	-
Past due 0 – 30 days	818	-	4,216	-
Past due 31 – 90 days	-	-	821	-
More than 90 days	2,620	(95)	1,979	(107)
	33,817	(95)	12,968	(107)

	2020 £'000	2019 £'000
Movements in the allowance for expected credit losses		
At 1 July 2019		107
Provided during the year		19
Recovered during the year		(12)
Utilised during the year		-
At 30 June 2020	95	107

(iii) Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and finance leases as applicable. The annual Group cash flow is cyclical in nature with the majority of cash inflows being received prior to the start of the playing season.

Ultimate responsibility for liquidity risk management rests with the Directors. The Directors use management information tools including budgets and cash flow forecasts to be able to constantly monitor and manage current and future liquidity.

The maturity profile of the Group's borrowings is shown on pages 27 and 28 along with the Group's borrowing facilities as at the balance sheet date.

Notes to the accounts
for the year ended 30 June 2020

18. Called up share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid:		
(2019: 212,886,618) ordinary shares of 5p each	10,644	10,644

During the year no (2019: none) ordinary shares were bought back and cancelled by the company.

19. Reconciliation of movements in Group shareholders' funds

	2020 £'000	2019 £'000
Opening shareholders' funds	403,724	335,172
(Loss)/profit for the year	(63,916)	68,552
Closing shareholders' funds	339,808	403,724

20. Lease Liabilities

	£'000
1 July 2019	-
Additions	21,678
Interest expense related to lease liabilities	541
Repayment of lease liabilities	(1,382)
30 June 2020	(20,837)
Current lease liabilities	(691)
Non-current lease liabilities	(20,146)
	(20,837)

All of the above lease liabilities relate to Land and Buildings.

The maturity of lease liabilities at 30 June 2020 were as follows:

	Lease payments £'000
Year to 2021	1,382
Year to 2022	1,375
Year to 2023	1,367
Year to 2024	1,236
Later years	27,250
Effect of discounting	(11,773)
Lease liability at 30 June 2020	(20,837)

Notes to the accounts
for the year ended 30 June 2020

21. Net debt

	2020 £'000	2019 £'000
Cash and cash equivalents	226,176	123,472
Bank loans	(830,780)	(657,761)
Net debt	(604,604)	(534,289)

22. Related party transactions

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

ENIC Group companies

Amounts totalling £3,115 (2019: £91) including VAT were incurred during the year by the Group on behalf of ENIC Group and subsequently reimbursed by ENIC Group during the year. At the balance sheet date, £nil (2019: £nil) was due to the Group from ENIC Group.

During the year, ENIC Group invoiced the Group for financing costs and tax losses to the value of £nil (2019: £700,000). At the balance sheet date, £nil (2019: £nil) was due to ENIC Group from the Group.

During the year, Raz Air Limited invoiced the Group for services to the value of £209,622 (2019: £32,250). At the balance sheet date, £nil (2019: £nil) was due to Raz Air Limited from the Group.

During the year the Group invoiced TH Property Ltd for expenses paid on their behalf of £171,720 (2019: £23,089). At the balance sheet date, £71,949 (2019: £nil) was due to the Group from TH Property Ltd.

During the year, TH Property Ltd invoiced the Group for rent to the value of £655,443 (2019: £709,631). At the balance sheet date, £nil (2019: £nil) was due to TH Property Ltd from the Group.

Other

Tottenham Hotspur Foundation was established on 1 November 2006. During the year the Group invoiced the Foundation for expenses paid on their behalf of £333,039 (2019: £139,368). At the balance sheet date, £5,628 (2019: £13,514) was due to the Group from Tottenham Hotspur Foundation.

During the year, Tottenham Hotspur Foundation invoiced the Group for £170,580 (2019: £203,533). At the balance sheet date, £nil (2019: £10,000) was due to Tottenham Hotspur Foundation from the Group.

Tottenham University Technical College ("Tottenham UTC") was opened on 1 September 2014 and changed to London Academy of Excellence Tottenham ("LAET") for the 2017/18 academic year. Donna-Maria Cullen is a governor of LAET. During the year the Group paid costs on behalf of LAET totalling £94,112 (2019: £391,906) of which £nil (2019: £nil) was invoiced to LAET. At the balance sheet date £nil (2019: £nil) was due to the Group from LAET.

Except for the balances disclosed above, there were no other balances outstanding at the balance sheet date in 2019 or 2020. All of these transactions were at arm's length.

23. Pensions

Defined contribution schemes

Certain staff of the Group are members of the Football League Limited Pension and Life Assurance Scheme. Others are members of a self administered Group money purchase scheme offered to all employees as a result of the Automatic Enrolment 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 £634,000 (2019: £425,000). At the balance sheet date the total pension accrual was £138,000 (2019: £110,000).

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 2017 and indicated that the contribution required from the Group towards making good this deficit was £551,000 at 1 September 2018. The pension cost charged during the year relating to this deficit was £nil (2019: £379,000). At the balance sheet date the Group's share of this deficit was £272,000 (2019: £375,000).

24. Contingent liabilities and assets

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

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due to third parties, dependent on the success of the team and/or individual players. At the balance sheet date the maximum contingent liability which has not been provided for was £25,095,000 (2019: £21,047,000).

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 £25,945,000 (2019: £20,770,000), none of which has been recognised.

25. Post balance sheet events

Since the balance sheet date the following events have occurred:

- G Lo Celso joined permanently from Real Betis;
- P Hojbjerg was purchased from Southampton;
- K Walker-Peters was sold to Southampton;
- J Hart joined from Burnley;
- M Doherty was purchased from Wolverhampton Wanderers;
- S Reguilón was purchased from Real Madrid;
- G Bale was loaned from Real Madrid
- C Vinicius was loaned from Benfica
- J Foyth was loaned to Villarreal
- R Sessegnon was loaned to Hoffenheim

Including Football League levies, the uncontingent net expenditure from these transactions amounted to approximately £97,626,000.

The contingent liability from the above player transactions amounts to approximately £19,047,000 and the contingent asset amounts to £3,000,000.

The 2019/20 Premier League season concluded on 26 July 2020. The Club finished the season in sixth place and consequently qualified for the following season's Europa League.

26. Full Listing of Subsidiaries

A full listing of subsidiaries can be located in note 3 of the financial statements of the Company.

27. Ultimate Parent Company

The immediate controlling party is ENIC Sports Inc., a company incorporated and registered in the Bahamas. The ultimate controlling party is ENIC International Limited, a company incorporated and registered in the Bahamas.

Company balance sheet
as at 30 June 2020

	Notes	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	2	98,596	98,906
Investments	3	232,990	232,989
		331,586	331,895
Current assets			
Inventory	4	5,553	5,569
Trade and other receivables	5	281,375	272,042
Cash and cash equivalents		17,984	5,925
		304,912	283,536
Current liabilities	6	(339,102)	(353,896)
Net current liabilities		(34,190)	(70,360)
Total assets less current liabilities		297,396	261,535
Non-current liabilities	7	(15,599)	(13,962)
Net assets		281,797	247,573
Equity			
Share capital	9	10,644	10,644
Share premium	9	34,788	34,788
Capital redemption reserve	9	644	644
Retained earnings	9	235,721	201,497
Equity		281,797	247,573

The retained profit for the year, within the financial statements of the parent company, was £34,224,000 2019: £27,067,000). These financial statements (Company number 1706358) were approved by the Board of Directors and authorised for issue on 8 October 2020.

Signed on behalf of the Board of Directors



Matthew Collecott

Director

Statement of Changes in Equity
as at 30 June 2020

For the year ended 30 June 2020

	Share capital	Share premium	Preference shares	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2019	10,644	34,788	-	644	201,497	247,573
Profit for the year	-	-	-	-	34,224	34,224
At 30 June 2020	10,644	34,788	-	644	235,721	281,797

For the year ended 30 June 2019

	Share capital	Share premium	Preference shares	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 July 2018	10,644	34,788	-	644	174,430	220,506
Profit for the year	-	-	-	-	27,067	27,067
At 30 June 2019	10,644	34,788	-	644	201,497	247,573

1. Accounting policies and critical judgements

Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of the Company for the year ended 30 June 2020 were authorised for issue by the Board of Directors on 6 October 2020 and the balance sheet was signed on the board's behalf by Matthew Collecott. Tottenham Hotspur Limited is incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Pound Sterling and all values are rounded to the nearest thousand pounds except when otherwise indicated. The principal accounting policies adopted by the Company are set out in this note. The accounting standards applied were FRS 101: "Reduced Disclosure Framework".

The principal accounting policies which have been applied in preparing the financial statements for both the current and preceding periods are the same as those set out in Note 1 of the consolidated Financial Statements with those most relevant to the Company repeated below.

The Group adopted IFRS 16: Leases in the period. The impact of the adoption of IFRS 16 has a material impact on the results of the company. Right of use assets have been capitalised as PPE and the lease commitments have been recognised as a liability within other creditors. The assets shall be depreciated over the term of the lease agreements and the liabilities will reduce as rent is paid and finance costs are expensed.

Basis of accounting

The measurement basis used in the preparation of these financial statements is the historical cost convention.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial instruments: Disclosures
- The following paragraphs of IAS 1 Presentation of financial statements:
 - 10(d) statement of cash flows
 - 16 statement of compliance with all IFRS
 - 134-136 capital management disclosures,
- Paragraph 30 and 31 of IAS 8, disclosure and impact of new IFRSs that has been issued but not yet effective, and
- The requirements in IAS 24 of Related party disclosures, to disclose related party transactions entered between two or more members of a group.

Where relevant equivalent disclosures have been given in the consolidated financial statements of Tottenham Hotspur Limited. The consolidated financial statements of Tottenham Hotspur Limited will be available to the public and can be obtained from Lilywhite House, 782 High Road, Tottenham, London N17 0BX.

Cash flow statement

Under the provisions of FRS 101 the Company has not presented a cash flow statement, as the results of the Company are included within the consolidated financial statements.

Capital grants

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

Foreign exchange

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

Property, plant and equipment

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

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

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

Fixed asset investments

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

1. Accounting policies and critical judgements (continued)

Inventory

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

Debt

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

Leases

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

Deferred taxation

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

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

Critical accounting judgements and estimates

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

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

Recoverable amount of non-current assets

Property, plant and equipment

All non-current assets, including property, plant and equipment is reviewed for potential impairment using estimates of the future economic benefits attributable to them. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect, the recoverable value of the asset.

Assets under construction

The assets classified under 'in the course of construction' relate to incremental projects associated to intrinsic capital items. IAS 16, Property, Plant and Equipment requires that for an asset to be capitalised it must result in a probable economic benefit. Therefore, once these projects begin their useful economic lives, depreciation will begin.

The NDP is now substantially complete with Lilywhite House and the opening of THS. There are a number of projects at the Southern end of the site (hotel, residential) which will be ultimately developed when appropriate. The NDP is closely monitored and any amounts capitalised, which would not be recoverable in the event that the remaining elements of the NDP were not completed would need to be written-off at that time.

Taxation

The complex nature of tax legislation under which the Group operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed. As such there are accounting judgements and estimates applied to the provision for Current Tax and Deferred Tax.

2. Property, plant and equipment

For the year ended 30 June 2020

	Land and buildings short leasehold £'000	Right Of Use Assets £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost						
At 1 July 2019	56,527	-	480	26,359	27,704	111,070
Additions	746	-	50	498	1,064	2,358
Transition Adjustment	-	4,252	-	-	-	4,252
Transfer from assets under construction	-	-	-	43	(43)	-
At 30 June 2020	57,273	4,252	530	26,900	28,725	117,680
Depreciation and impairment						
At 1 July 2019	465	-	234	6,264	5,201	12,164
Charged in the year	1,162	565	102	5,091	-	6,920
At 30 June 2020	1,627	565	336	11,355	5,201	19,084
Net book value						
At 30 June 2020	55,646	3,687	194	15,545	23,524	98,596

For the year ended 30 June 2019

	Land and buildings short leasehold £'000	Motor vehicles £'000	General plant and equipment £'000	Assets under the course of construction £'000	Total £'000
Cost					
At 1 July 2018	782	480	9,812	90,343	101,417
Additions	-	-	967	13,231	14,198
Disposals	-	-	(4,545)	-	(4,545)
Transfer from assets under construction	55,745	-	20,125	(75,870)	-
At 30 June 2019	56,527	480	26,359	27,704	111,070
Depreciation and Impairment					
At 1 July 2018	110	138	5,903	5,201	11,352
Charged in the year	355	96	3,506	-	3,957
Eliminated on disposal	-	-	(3,145)	-	(3,145)
At 30 June 2019	465	234	6,264	5,201	12,164
Net book value					
At 30 June 2019	56,062	246	20,095	22,503	98,906

All assets shown are held at historical cost.

Notes to the Company accounts
for the year ended 30 June 2020

3. Investments held as fixed assets

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

	Investment in subsidiary undertakings £'000
At 1 July 2019	232,989
Investments acquired in the year	1
Investments dissolved in the year	-
At 30 June 2020	232,990

At 1 July 2019, the company purchased 100 \$1 Ordinary shares in Tottenham Hotspur Inc. As the acquisition was immaterial to the company and group, no additional acquisition disclosures have been made.

At 30 June 2020, the Company had the following interests in the subsidiary undertakings noted below, all of which are registered at Lilywhite House, 782 High Road, Tottenham, London N17 0BX and operate in England and Wales:

	Shares 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%
Stardare Limited – holds certain properties on behalf of the Group	Ordinary	100%
Star Furnishing Company Limited – holds certain properties on behalf of the Group	Ordinary	100%
Canvax Limited – holds certain properties on behalf of the Group	Ordinary	100%
Greenbay Property Limited – holds certain properties on behalf of the Group	Ordinary	100%
Northumberland Development Limited – holds certain properties on behalf of the Group	Ordinary	100%
Meldene Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Chigwell) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Academy (Enfield) Limited – holds certain properties on behalf of the Group	Ordinary	100%
Tottenham Hotspur Property Company Limited – intermediary holding company for other companies that hold property on behalf of the Group	Ordinary	100%
Tottenham Hotspur Stadium Limited – provider of football entertainment	Ordinary	100%
Tottenham Hotspur Stadium Development Limited – intermediary holding company	Ordinary	100%
Tottenham Hotspur Women Football Club Limited – professional football club	Ordinary	100%
Tottenham Hotspur Inc. – US trading subsidiary (acquired on 1 July 2019)	Ordinary	100%

4. Inventories

	2020 £'000	2019 £'000
Inventory	5,553	5,569

Inventories comprises merchandising goods held for resale.

Notes to the Company accounts
for the year ended 30 June 2020

5. Current assets

	2020	2019
	£'000	£'000
Trade receivables	1,969	1,237
Amounts owed by Group undertakings	261,177	260,508
Other receivables	430	279
Prepayments and accrued income	1,378	1,836
Taxation	15,140	7,913
Other taxation	460	-
Deferred tax asset (see note 8)	821	269
	281,375	272,042

No interest is charged on amounts owed by group undertakings.

6. Current liabilities

	2020	2019
	£'000	£'000
Bank overdraft	-	-
Trade payables	1,021	2,540
Short term revolving loan	(50)	(50)
Lease Liabilities	521	-
Other payables	156	191
Accruals and deferred income	2,578	2,839
Other taxation	1,096	161
Amounts due to Group undertakings	333,780	348,215
	339,102	353,896

No interest is charged on amounts owed to group undertakings.

The Company's bank overdraft forms part of the Group's cash management arrangement.

7. Non-current liabilities

	2020	2019
	£'000	£'000
Bank loans	(46)	(96)
Accruals and deferred income	12,449	14,058
Lease Liabilities	3,196	-
Other Creditors	-	-
	15,599	13,962

In May 2017 a £25,000,000 short-term revolving loan was entered into with HSBC Bank plc, which is secured against Group assets and was to expire in May 2022. In September 2019 this short term revolving loan was extended to £50,000,000 expiring September 2024. At the balance sheet date £nil (2019: £nil) was drawn. This loan is shown in the financial statements net of £96,000 (2019: £146,000) of associated loan arrangement costs which are being amortised over the term of the loan.

7. Non-current liabilities (continued)

The maturity profile of the company's financial liabilities at the balance sheet date:

	2020 £'000	2019 £'000
Expiring in more than two years but less than five years	-	-

Borrowing facilities

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

	2020 £'000	2019 £'000
Expiring in one year or less or on demand	5,000	5,000
Expiring in more than one year but less than two years	-	-
Expiring in more than two years but less than five years	50,000	25,000

8. Deferred tax asset

	£'000
Deferred taxation	
At 1 July 2019	(269)
Credited to the profit and loss account	(552)
At 30 June 2020 - Deferred tax asset	(821)

Deferred taxation has been provided as follows and is classified as a current asset:

	2020 £'000	2019 £'000
Accelerated capital allowances	(821)	(269)
	(821)	(269)

9. Reconciliation of movements in equity

For the year ended 30 June 2020	Share capital account £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 July 2019	10,644	34,788	644	201,497	247,573
Profit for the period	-	-	-	34,224	34,224
At 30 June 2020	10,644	34,788	644	235,721	281,797

The retained profit for the year, within the financial statements of the parent company, was £34,224,000 profit (2019: £27,067,000 profit). As permitted by the Companies Act 2006 Section 408, no separate profit and loss account is presented. The audit fee of £3,000 (2019: £3,000) is borne by another Group company in the current and prior year. No fees were paid to the Company's auditor or affiliated entities, relating to other services during the year. Refer to the Group financial statements for full disclosure of fees payable to the auditor.

During the year the Company received dividends of £nil from its subsidiaries (2019: £19,498).

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

Notes to the Company accounts
for the year ended 30 June 2020

10. Lease Liabilities

	£'000
1 July 2019	-
Additions	4,252
Interest expense related to lease liabilities	90
Repayment of lease liabilities (including interest)	(625)
30 June 2020	(3,717)
Current lease liabilities	(521)
Non-current lease liabilities	(3,196)
	(3,717)

All of the above lease liabilities relate to Land and Buildings.

The maturity of lease liabilities at 30 June 2020 were as follows:

	Lease payments £'000
Year to 2021	625
Year to 2022	625
Year to 2023	625
Year to 2024	493
Later years	1,751
Effect of discounting	(402)
Lease liability at 30 June 2020	(3,717)

Directors, officers and advisers

Executive Chairman

D P Levy

Executive Directors

M J Collecott

D Cullen

R Caplehorn

Non-Executive Directors

Mr R Robson (Chairman of the Audit Committee)

Mr J Turner (Chairman of the Remuneration Committee) – (Appointed 11 June 2020)

Company Secretary

M J Collecott

Registered office

Lilywhite House
782 High Road
Tottenham
London N17 0BX

Registered number

1706358

Auditor

Deloitte LLP
Statutory Auditor
London

Bankers

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70 Pall Mall
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Registrars

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