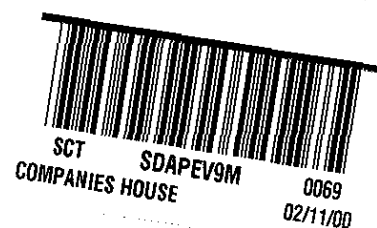


**The Scottish Premier League Limited**

**Directors' report and financial  
statements**

**Registered Number SC175364**

**31 May 2000**



## Directors and advisors

|           |                                                                                                                       |
|-----------|-----------------------------------------------------------------------------------------------------------------------|
| Directors | Alexander M Gold (Chairman)<br>Roger P Mitchell (Chief Executive)<br>William Costley<br>Stewart Milne<br>Eric J Riley |
| Secretary | Iain J Blair                                                                                                          |
| Auditors  | KPMG<br>24 Blythswood Square<br>Glasgow                                                                               |
| Lawyers   | Harper Macleod<br>The Ca'd'oro Building<br>45 Gordon Street<br>Glasgow                                                |
| Bankers   | Bank of Scotland<br>The Mound<br>Edinburgh                                                                            |

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2000.

### Principal activities

The principal activity of the company is to organise and manage the premier football league competition in Scotland.

### Business review

The second season of the SPL has seen the hopes and expectations expressed in last year's report being fulfilled and surpassed.

In addition to extending the experiment with internet broadcasting of SPL matches to include all SPL matches, there has been free to air live television broadcast of SPL matches by BBC Scotland. 1999/2000 also saw record receipts for Scottish football from overseas with the SPL generating well in excess of £1,000,000 in this way. We are confident that these developments will be enhanced during the coming year.

The SPL extends to 12 teams for next season with the promotion of St Mirren FC and Dunfermline Athletic FC and introduces an innovative fixture schedule that will see the SPL divide into two sections for the last five matches of the season. *The leading six Clubs will be challenging for the various UEFA qualification places whilst the next six Clubs will be competing to maintain their SPL status.* This should provide the most exciting end to the Scottish Premier season for many years.

During this year there has been speculation about a new European League. What such a move may mean to the SPL has been considered by all the Clubs and developments on this front are kept under constant review. Shareholders are apprised of developments immediately they occur.

As this report is being written, football throughout Europe faces one of its greatest challenges to date with the European Community (EC) expressing concerns about the workings of the player transfer system supervised by FIFA. The SPL, along with our colleagues at the FAPL in England is playing a leading role in the debate about how the system must be changed to alleviate EC concerns whilst ensuring that any potential negative impact upon Clubs is minimised. *It has long been our view that it is better to engage in and influence the debate than simply to observe and implement the outcome.* The outcome of this debate will, no doubt, form part of this report next year.

There is much going on in football. It was ever thus. The SPL remains committed to working with its shareholders *(the Clubs) to ensure that they are best prepared to modernise Scottish Football and face the new challenges that will undoubtedly arise.* We will retain the values that led to the SPL being established and continue to strengthen first class football in Scotland whilst providing support to the smaller clubs and the grass roots of the game.

### Proposed dividend

The directors do not recommend the payment of a dividend.

## Directors' report *(continued)*

### Directors and directors' interests

The directors who held office during the year were as follows:

Alexander M Gold (appointed 23 September 1999)  
Geoffrey S Brown (resigned 20 July 2000)  
William Costley (appointed 20 July 2000)  
Stewart Milne  
Eric J Riley  
Roger P Mitchell  
Robert Wilson (resigned 23 September 1999)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Iain J Blair  
*Secretary*

The National Stadium  
Hampden Park  
Glasgow  
G42 9BA

21 September 2000

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



24 Blythswood Square  
Glasgow  
G2 4QS  
United Kingdom

## Report of the auditors to the members of The Scottish Premier League Limited

We have audited the financial statements on pages 5 to 13.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### Basis of opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as 31 May 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to be 'XPMG' or similar, written over the printed KPMG logo.

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

18 October 2000

**Profit and loss account**  
*for the year ended 31 May 2000*

|                                                                              | <i>Note</i> | <b>2000</b><br><b>£000</b> | <b>1999</b><br><b>£000</b> |
|------------------------------------------------------------------------------|-------------|----------------------------|----------------------------|
| <b>Turnover</b>                                                              |             | <b>18,188</b>              | <b>19,955</b>              |
| Cost of sales                                                                |             | (17,536)                   | (19,230)                   |
| <b>Gross profit</b>                                                          |             | <b>652</b>                 | <b>725</b>                 |
| Administrative expenses                                                      |             | (785)                      | (853)                      |
| <b>Operating loss</b>                                                        |             | <b>(133)</b>               | <b>(128)</b>               |
| Other interest receivable and similar income                                 | 5           | 89                         | 97                         |
| Interest payable and similar charges                                         | 6           | (8)                        | (2)                        |
| <b>Loss on ordinary activities before taxation</b>                           |             | <b>(52)</b>                | <b>(33)</b>                |
| Tax on loss on ordinary activities                                           |             | -                          | -                          |
| <b>Loss on ordinary activities after taxation and for the financial year</b> | 11          | <b>(52)</b>                | <b>(33)</b>                |


There were no recognised gains or losses other than those set out above.



**Balance sheet**  
*at 31 May 2000*

|                                                | Note | 2000<br>£000 | 1999<br>£000 |
|------------------------------------------------|------|--------------|--------------|
| <b>Fixed assets</b>                            |      |              |              |
| Tangible assets                                | 7    | 51           | 72           |
| <b>Current assets</b>                          |      |              |              |
| Debtors                                        | 8    | 5,511        | 6,952        |
| Cash at bank and in hand                       |      | 567          | 872          |
|                                                |      | <u>6,078</u> | <u>7,824</u> |
| Creditors: amounts falling due within one year | 9    | (6,214)      | (7,929)      |
| <b>Net current liabilities</b>                 |      | <u>(136)</u> | <u>(105)</u> |
| <b>Net liabilities</b>                         |      | <u>(85)</u>  | <u>(33)</u>  |
| <b>Capital and reserves</b>                    |      |              |              |
| Called up share capital                        | 10   | -            | -            |
| Profit and loss account                        | 11   | (85)         | (33)         |
| <b>Equity shareholders' funds</b>              |      | <u>(85)</u>  | <u>(33)</u>  |

These financial statements were approved by the board of directors on 21 September 2000 and were signed on its behalf by:

  
Roger P Mitchell  
Director

**Cash flow statement**  
*for the year ended 31 May 2000*

|                                                                                      | <i>Note</i> | <b>2000</b><br><b>£000</b> | <b>1999</b><br><b>£000</b> |
|--------------------------------------------------------------------------------------|-------------|----------------------------|----------------------------|
| <b>Reconciliation of operating profit to net cash flow from operating activities</b> |             |                            |                            |
| Operating loss                                                                       |             | (133)                      | (128)                      |
| Depreciation charges                                                                 |             | 24                         | 23                         |
| Decrease/(increase) in debtors                                                       |             | 1,441                      | (6,951)                    |
| (Decrease)/increase in creditors                                                     |             | (1,715)                    | 7,929                      |
|                                                                                      |             | <hr/>                      | <hr/>                      |
| <b>Net cash (outflow)/inflow from operating activities</b>                           |             | <b>(383)</b>               | <b>873</b>                 |
|                                                                                      |             | <hr/>                      | <hr/>                      |
| <b>Cash flow statement</b>                                                           |             |                            |                            |
| Cash flow from operating activities                                                  |             | (383)                      | 873                        |
| Returns on investments and servicing of finance                                      | 13          | 81                         | 94                         |
| Capital expenditure and financial investment                                         | 13          | (3)                        | (95)                       |
|                                                                                      |             | <hr/>                      | <hr/>                      |
| <b>Increase in cash in the period</b>                                                |             | <b>305</b>                 | <b>872</b>                 |
|                                                                                      |             | <hr/>                      | <hr/>                      |
| <b>Reconciliation of net cash flow to movement in cash/net debt</b>                  |             |                            |                            |
|                                                                                      | 14          |                            |                            |
| Increase in cash in the period                                                       |             | (305)                      | 872                        |
| Net cash at the start of the period                                                  |             | 872                        | -                          |
|                                                                                      |             | <hr/>                      | <hr/>                      |
| <b>Net cash at the end of the period</b>                                             |             | <b>567</b>                 | <b>872</b>                 |
|                                                                                      |             | <hr/>                      | <hr/>                      |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Notwithstanding the deficit on reserves at 31 May 2000 the financial statements have been prepared on the going concern basis as the directors are of the opinion that the existence of contracted income will allow the company to meet its liabilities as they fall due for the foreseeable future.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                  |   |              |
|------------------|---|--------------|
| Motor vehicles   | - | 4 years      |
| Office equipment | - | 4 to 5 years |

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post-retirement benefits*

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover comprises the value of sales, excluding VAT, of goods and services in the normal course of business, sponsorship monies and revenue derived from television broadcasting contracts.

Revenue is recognised in the year to which it relates and payments to clubs are recorded as cost of sales in the year in which the related revenue is recognised.

**Notes (continued)**

**2 Loss on ordinary activities before taxation**

|                                                                             | 2000<br>£000 | 1999<br>£000 |
|-----------------------------------------------------------------------------|--------------|--------------|
| <i>Loss on ordinary activities before taxation is stated after charging</i> |              |              |
| Auditors' remuneration:                                                     |              |              |
| Audit                                                                       | 5            | 5            |
| Other services - fees paid to the auditor and its associates                | 2            | 2            |
| Depreciation and other amounts written off tangible fixed assets            | 24           | 23           |
| Rentals payable under operating leases                                      |              |              |
| Land and buildings                                                          | 14           | 11           |

**3 Remuneration of directors**

|                                                                 | 2000<br>£000 | 1999<br>£000 |
|-----------------------------------------------------------------|--------------|--------------|
| Directors' emoluments including benefits in kind                | 125          | 96           |
| Company contributions to money purchase pension schemes         | 8            | 10           |
| Amounts paid to third parties in respect of directors' services | 7            | 44           |

**Number of directors**  
 2000 1999

Retirement benefits are accruing to the following number of directors under:

|                        |   |   |
|------------------------|---|---|
| Money purchase schemes | 1 | 1 |
|------------------------|---|---|

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

|                | Number of employees |      |
|----------------|---------------------|------|
|                | 2000                | 1999 |
| Administration | 10                  | 8    |

The aggregate payroll costs of these persons were as follows:

|                       | 2000<br>£000 | 1999<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 240          | 169          |
| Social security costs | 24           | 17           |
| Other pension costs   | 18           | 18           |
|                       | <u>282</u>   | <u>204</u>   |

### 5 Other interest receivable and similar income

|                               | 2000<br>£000 | 1999<br>£000 |
|-------------------------------|--------------|--------------|
| Receivable from bank deposits | 89           | 97           |

### 6 Interest payable and similar charges

|                              | 2000<br>£000 | 1999<br>£000 |
|------------------------------|--------------|--------------|
| On bank loans and overdrafts | 8            | 2            |

**Notes (continued)**

**7 Tangible fixed assets**

|                       | Office<br>equipment<br>£000 | Motor<br>vehicles<br>£000 | Total<br>£000 |
|-----------------------|-----------------------------|---------------------------|---------------|
| <i>Cost</i>           |                             |                           |               |
| At beginning of year  | 22                          | 73                        | 95            |
| Additions             | 3                           | -                         | 3             |
|                       | <hr/>                       | <hr/>                     | <hr/>         |
| At end of year        | 25                          | 73                        | 98            |
|                       | <hr/>                       | <hr/>                     | <hr/>         |
| <i>Depreciation</i>   |                             |                           |               |
| At beginning of year  | 5                           | 18                        | 23            |
| Charge for year       | 6                           | 18                        | 24            |
|                       | <hr/>                       | <hr/>                     | <hr/>         |
| At end of year        | 11                          | 36                        | 47            |
|                       | <hr/>                       | <hr/>                     | <hr/>         |
| <i>Net book value</i> |                             |                           |               |
| At 31 May 2000        | 14                          | 37                        | 51            |
|                       | <hr/>                       | <hr/>                     | <hr/>         |
| At 31 May 1999        | 17                          | 55                        | 72            |
|                       | <hr/>                       | <hr/>                     | <hr/>         |

**8 Debtors**

|                                | 2000<br>£000 | 1999<br>£000 |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 394          | 702          |
| Other debtors                  | 30           | 509          |
| Prepayments and accrued income | 5,087        | 5,741        |
|                                | <hr/>        | <hr/>        |
|                                | 5,511        | 6,952        |
|                                | <hr/>        | <hr/>        |

**9 Creditors: amounts falling due within one year**

|                              | 2000<br>£000 | 1999<br>£000 |
|------------------------------|--------------|--------------|
| Trade creditors              | 26           | 70           |
| Taxation and social security | 11           | 6            |
| Accruals and deferred income | 6,177        | 7,853        |
|                              | <hr/>        | <hr/>        |
|                              | 6,214        | 7,929        |
|                              | <hr/>        | <hr/>        |

**Notes (continued)**

**10 Called up share capital**

|                                           | 2000<br>£ | 1999<br>£ |
|-------------------------------------------|-----------|-----------|
| <i>Authorised</i>                         |           |           |
| Equity: Ordinary shares of £1 each        | 16        | 16        |
|                                           | <hr/>     | <hr/>     |
| <i>Allotted, called up and fully paid</i> |           |           |
| Equity: Ordinary shares of £1 each        | 10        | 10        |
|                                           | <hr/>     | <hr/>     |

**11 Profit and loss account**

|                            | £000  |
|----------------------------|-------|
| At beginning of year       | (33)  |
| Retained loss for the year | (52)  |
|                            | <hr/> |
| At end of year             | (85)  |
|                            | <hr/> |

**12 Pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £18,000 (1999: £18,000).

Contributions amounting to £nil (1999: £3,000) were payable to the fund and are included in creditors.

**13 Analysis of cash flows**

|                                                       | 2000<br>£000 | 2000<br>£000 | 1999<br>£000 | 1999<br>£000 |
|-------------------------------------------------------|--------------|--------------|--------------|--------------|
| <b>Returns on investment and servicing of finance</b> |              |              |              |              |
| Interest received                                     | 89           |              | 96           |              |
| Interest paid                                         | (8)          |              | (2)          |              |
|                                                       | <hr/>        |              | <hr/>        |              |
|                                                       |              | 81           |              | 94           |
|                                                       |              | <hr/>        |              | <hr/>        |
| <b>Capital expenditure and financial investment</b>   |              |              |              |              |
| Purchase of tangible fixed assets                     |              | 3            |              | 95           |
|                                                       |              | <hr/>        |              | <hr/>        |

**Notes (continued)**

**14 Analysis of net debt**

|                       | At beginning of<br>year<br>£000 | Cash flow<br>£000 | At end of year<br>£000 |
|-----------------------|---------------------------------|-------------------|------------------------|
| Cash in hand, at bank | 872                             | (305)             | 567                    |

**15 Related party disclosures**

For part of the financial year Robert Wilson was chairman of the company. During that period he was also a partner of Deloitte & Touche, Chartered Accountants and fees paid to the firm, including those for his services as chairman set out in note 3 amounted to £19,000 (1999: £175,000).

**16 Post balance sheet event**

On 20 July 2000 the share capital of the company was increased to £12 following the issue of two new shares at par value to St Mirren Football Club and Dunfermline Athletic Football Club.