The Scottish Premier League Limited

Directors' report and financial statements
Registered Number SC175364
31 May 2009

Directors and advisors

Directors	Martin Bain Neil A Doncaster Duncan Fraser Stewart G Gilmour Alexander M Gold CBE (Chairman) Rod Petrie
Secretary	Iain J Blair
Auditors	KPMG LLP 191 West George Street Glasgow G2 2LJ
Lawyers	Harper Macleod The Ca'd'oro Building 45 Gordon Street Glasgow G1 3PE
Bankers	Clydesdale Bank Plc 20 Waterloo Street Glasgow G2 6DB

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2009.

Principal activities

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

Business review

Once again the Clydesdale Bank Premier League Championship was not decided until the final match of the Season. Rangers FC became Champions for the first time since 2004/05 beating fierce rivals Celtic FC by 4 points. This was the fourth occasion in the last six Seasons that the Championship was decided by the final day fixtures.

Inverness Caledonian Thistle FC were relegated and will be replaced by St Johnstone FC, one of the founding members of the SPL, returning to the top level for the first time since 2001/02.

Scottish clubs did not fare well in UEFA Competitions during the Season. Whilst Celtic FC qualified directly for the Group Stages of the Champions League, they did not progress beyond Christmas. By that time Hibernian FC, Motherwell FC and Rangers FC had already exited the Intertoto, UEFA Cup and Champions League respectively.

In the Season ahead Scotland has six representatives in UEFA Competitions. Rangers FC qualify directly into the Group Stages of the Champions League whilst Celtic FC will need to succeed in two qualifying rounds to join them. The UEFA Cup is replaced by the Europa League with Scottish representation coming from Aberdeen FC, Falkirk FC, Heart of Midlothian FC and Motherwell FC.

Revenues include all the rights fees for the year due from Setanta Sports, our domestic live television partner, including £3 million which has subsequently been provided for as a doubtful debt. Once this has been accounted for the increase in revenues is 4.6%. Much of this increase was generated from overseas television rights which are managed on our behalf by Sportfive. In the same period the administrative expenses of the Company rose from £1.2 million to £1.6 million, around 33%. The majority of the increase related to non-recurring costs including legal and other advisors costs in respect of negotiations surrounding the Setanta Sports contract and its termination and legal expenses incurred in redrafting the Articles of Association of the Company to meet the requirements of the Companies Act 2006.

As a result of Setanta Sports failing to meet its commitments to the Company we terminated our contract with them in June 2009. As a consequence we needed to enter agreements with replacement domestic live television broadcasting partners for the Season ahead and beyond. An exercise which would normally take several months was completed within a few weeks. Sky Sports and ESPN will broadcast 30 live matches each during Seasons 2009/10, 2010/11 and 2011/12. The Company also has an option to extend this agreement to include 2012/13 and 2013/14 on defined terms. The revenues provided from these contracts will be at a lower level than had been anticipated from Setanta Sports.

The Company has appointed Neil Doncaster as Chief Executive. Neil is a solicitor whose immediate previous role was as Chief Executive of Norwich City FC. Neil was also on the board of the English Football Association and the English Football League. On Neil's appointment Lex Gold's role changed from Executive Chairman to non-executive Chairman.

It is clear that the tough economic climate together with the reduction in revenues to be derived from domestic live television rights will present a challenging financial environment for the Company and its shareholders in the year ahead and beyond.

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:

Martin Bain
Dr Campbell Christie CBE (resigned 16 July 2009)
Duncan Fraser (appointed 29 January 2009)
Alexander M Gold CBE
Rod Petrie
Edward H Thompson OBE (deceased 16 October 2008)

Subsequent to the year end Neil A Doncaster and Stewart G Gilmour were appointed to the board on 6 July 2009 and 16 July 2009 respectively.

There are no indemnifications in place for directors.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

Iain J Blair
Secretary

The National Stadium
Hampden Park
Glasgow
G42 9DE

20 August 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

KPMG

KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditors' report to the members of The Scottish Premier League Limited

We have audited the financial statements of The Scottish Premier League Limited for the year ended 31 May 2009 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

BMarks.

B Marks (Senior Statutory Auditor) 1 October 2009
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Profit and loss account
for the year ended 31 May 2009

	Note	**2009 £000**	2008 £000
Turnover		**25,879**	21,859
Cost of sales		**(24,357)**	(20,758)
Gross profit		**1,522**	1,101
Administrative expenses		**(1,631)**	(1,246)
Operating loss		**(109)**	(145)
Interest receivable and similar income	*5*	**99**	142
Loss on ordinary activities before taxation	*2*	**(10)**	(3)
Tax on loss on ordinary activities	*6*	**-**	-
Loss on ordinary activities after taxation and for the financial year	*11*	**(10)**	(3)

All of the company's activities are continuing.

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

Balance sheet
at 31 May 2009

	Note	**2009**		2008	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*7*		**27**		31
Current assets					
Debtors	*8*	**2,390**		6,236	
Cash at bank and in hand		**3,592**		655	
		5,982		6,891	
Creditors: amounts falling due within one year	*9*	**(6,200)**		(7,103)	
Net current liabilities			**(218)**		(212)
Net liabilities			**(191)**		(181)
Capital and reserves					
Called up share capital	*10*		**-**		-
Profit and loss account	*11*		**(191)**		(181)
Equity shareholders' funds - deficit			**(191)**		(181)

These financial statements were approved by the board of directors on 20 August 2009 and were signed on its behalf by:

a. m. Gold

AM Gold CBE
Chairman

Cash flow statement
for the year ended 31 May 2009

	Note	2009 £000	2008 £000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		**(109)**	(145)
Depreciation charges		**4**	4
Decrease in debtors		**3,846**	1,007
Decrease in creditors		**(903)**	(885)
Net cash inflow/(outflow) from operating activities		**2,838**	(19)

Cash flow statement

	Note	2009 £000	2008 £000
Cash flow from operating activities		**2,838**	(19)
Returns on investments and servicing of finance	*14*	**99**	142
Increase in cash in the period		**2,937**	123
Reconciliation of net cash flow to movement in cash	*15*		
Increase in cash in the period		**2,937**	123
Net cash at the start of the period		**655**	532
Net cash at the end of the period		**3,592**	655

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. The financial statements have been prepared on the going concern basis as the company has entered into a number of longer term contracts with payment terms which mean that the directors can predict with reasonable certainty, cash receipts for future periods.

Payments to clubs are made after all other liabilities have been satisfied and therefore, 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:

Office equipment	4 to 5 years
Leasehold improvements	19 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 loss for the year and takes into account taxation deferred.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

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

	2009 £000	2008 £000
Loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration:		
Audit of these financial statements	**6**	6
Other services relating to taxation	**2**	2
Due diligence services	**86**	-
Depreciation and other amounts written off tangible fixed assets	**4**	4
Doubtful debt provision	**3,002**	-
Rentals payable under operating leases		
Land and buildings	**32**	32
Motor vehicles	**9**	11

The doubtful debt provision is in respect of a payment which was due to be received from Setanta Sports SARL on 1 June 2009 in respect of the 2008/09 season.

3 Remuneration of directors

	2009 £000	2008 £000
Directors' emoluments including benefits in kind	**60**	74

	Number of directors 2009	2008
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-

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 2009	2008
Administration	**7**	7

The aggregate payroll costs of these persons were as follows:

	2009	2008
Wages and salaries	**360**	333
Social security costs	**38**	43
Other pension costs	**21**	20
	419	396

Notes *(continued)*

5 Other interest receivable and similar income

	2009 £000	2008 £000
Receivable from bank deposits	99	138
Receivable from club loans	-	4
	99	142

6 Taxation

There is no current tax payable or receivable in respect of the loss for the year *(2008: £nil)*. The current tax position of £nil is different from the standard rate of corporation tax in the UK at 21% *(2008: 20%)* explained below:

	2009 £000	2008 £000
Loss on ordinary activities before taxation	**(10)**	(3)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK	**(2)**	(1)
Effects of:		
Expenses not deductible for tax purposes	**2**	1
Current tax	**-**	-

Notes *(continued)*

7 Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Total £000
Cost			
At beginning and end of year	46	74	120
Depreciation			
At beginning of year	19	70	89
Charge for year	3	1	4
At end of year	22	71	93
Net book value			
At 31 May 2009	**24**	**3**	**27**
At 31 May 2008	27	4	31

8 Debtors

	2009 £000	2008 £000
Trade debtors	**4**	3,833
Other debtors	**544**	624
Prepayments and accrued income	**1,842**	1,779
	2,390	6,236

In 2008/09 two loans *(2008: two)* were made to SPL clubs totalling £160,000 *(2008: £200,000)*. Interest was charged on the balance outstanding at the Bank of Scotland base rate. An amount of £14,000 (*2008: £nil*) remained outstanding at the year end, which has since been repaid.

9 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	**160**	86
Taxation and social security	**24**	41
Accruals and deferred income	**6,016**	6,976
	6,200	7,103

Notes *(continued)*

10 Called up share capital

	2009 £	2008 £
Authorised		
Equity: 12 ordinary shares of £1 each	**12**	12
Allotted, called up and fully paid		
Equity: 12 ordinary shares of £1 each	**12**	12

11 Profit and loss account

	£000
At beginning of year	(181)
Loss for the year	(10)
At end of year	**(191)**

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 £21,000 *(2008: £20,000)*.

Contributions amounting to £3,000 *(2008: £3,000)* were payable to the fund and are included in creditors.

13 Commitments

At 31 May 2009 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:	**2009 Buildings £000**	2008 Buildings £000	**2009 Other £000**	2008 Other £000
Within one year	**-**	-	**2**	1
Within two to five years	**-**	-	**4**	5
After five years	**32**	32	**-**	-
	32	32	**6**	6

Notes *(continued)*

14 Analysis of cash flows

	2009		2008	
	£000	**£000**	£000	£000
Returns on investment and servicing of finance				
Interest received	**99**		142	
		99		142

15 Analysis of net cash

	At beginning of year £000	Cash flow £000	**At end of year £000**
Cash at bank and in hand	655	2,937	**3,592**