The Scottish Premier League Limited

Directors' report and financial statements
Registered Number SC175364
31 May 2010

Directors and advisors

Directors	Ralph Topping (Chairman) Neil Doncaster Stewart Gilmour Rod Petrie Eric Riley Stewart Robertson
Secretary	Iain J Blair
Auditors	KPMG LLP 191 West George Street Glasgow G2 2LJ
Lawyers	Harper Macleod LLP 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 2010.

Principal activities

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

Business Review 2010

Season 2009/10 saw Rangers FC retain the Clydesdale Bank Premier League Championship with a 6 point advantage over Celtic FC.

Whilst the Championship had been settled there was a very close contest at the other end of the table which was only settled on the final round of fixtures. Kilmarnock FC survived and Falkirk FC were eventually relegated.

Falkirk FC will be replaced by Inverness Caledonian Thistle FC who became the first club to win the First Division Championship having been relegated from the Clydesdale Bank Premier League in the previous season..

For the second successive season Scottish clubs did not fare well in UEFA Competitions. Whilst Rangers FC qualified directly for the Group Stages of the Champions League, they did not progress to the knock out rounds beyond Christmas. By that time Falkirk FC, Motherwell FC, Aberdeen FC, Heart of Midlothian FC and Celtic FC had all completed their Europa League campaigns.

In the Season ahead Scotland has five representatives in UEFA Competitions. Rangers FC again qualify directly into the Group Stages of the Champions League whilst Celtic FC needed to succeed in two qualifying rounds to join them. Unfortunately they were defeated by a strong FC Braga team but they joined Motherwell FC, Dundee United FC and Hibernian FC in the Europa League. Motherwell FC won through two rounds of the competition but, along with Celtic FC and Dundee United FC, they were eliminated in the final qualification round prior the Group stages. Hibernian FC were eliminated in the previous round.

Revenues in the year have reduced by 18%. Excluding the bad debt by Setanta in the previous year, the fall in revenues is 6.5%. This reduction in revenues principally reflects the lower live domestic television rights fees obtained from SKY and ESPN.

In the same period the administrative expenses of the Company fell from £1.63 million to £1.38 million, a reduction of just over 15%. The majority of the reduction is accounted for by the absence of non-recurring costs including legal and other advisors costs incurred in the previous year.

We were pleased to welcome Sky and ESPN as our new broadcast partners with a five year deal to broadcast 60 live matches during each season. In difficult economic times it is also good to be able to report the extension of existing commercial arrangements with BBC (live radio and television highlights), Sportfive (international television broadcasting), Clydesdale Bank (title sponsors) and Sega (computer games). The Company has also agreed new contracts with STV, IMG, Thomas Cook, William Hill, Real Radio and Radio Clyde for the next two seasons. These new deals should generate additional revenues in the season ahead.

It is clear that the tough economic climate described in last year's report persists. The reduction in revenues from domestic live television rights presents a challenging financial environment for the Company and its shareholders in the year ahead and beyond. The challenge we face is little different from the challenges faced by member clubs and for supporters in their daily lives.

Longstanding SPL Chairman, Lex Gold CBE, retired at the October General Meeting of the Company. At that meeting Ralph Topping was elected non-executive Chairman as his successor.

Lex had served as SPL Chairman since 1999 and prior to that, as Chairman of Hibernian FC, was one of the architects of the SPL. Lex also served on the Boards of the Scottish Football Association and the Association of European Professional Football Leagues and was a member of the UEFA Strategy Council. The shareholders and staff at the SPL wish to place on record their grateful thanks to Lex for all his efforts on behalf of the SPL and Scottish football and to wish him a long and happy retirement.

Directors' report *(continued)*

Business Review 2010 *(continued)*

Ralph Topping is Chief Executive of William Hill plc. As Chairman of the SPL, Ralph also serves on the board of the Scottish Football Association.

Our commitment to the growth and development of the Company was evidenced by the appointment of Neil Doncaster as Chief Executive in July 2009. Neil is highly regarded from his time at Norwich City FC and in his work for the Football Association in England. Together, Ralph and Neil will lead the SPL through this period of challenge and change.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

Ralph Topping (appointed 15 October 2009)
Alexander M Gold CBE (retired 15 October 2009)
Martin Bain (resigned 15 July 2010)
Dr Campbell Christie CBE (resigned 16 July 2009)
Neil Doncaster (appointed 6 July 2009)
Duncan Fraser (resigned 15 July 2010)
Stewart Gilmour (appointed 16 July 2009)
Rod Petrie
Eric Riley (appointed 15 July 2010)
Stewart Robertson (appointed 15 July 2010)

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 September 2010

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 auditor's 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 2010 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 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 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 2010 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)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

19 October 2010

Profit and loss account
for the year ended 31 May 2010

	Note	2010 £000	2009 £000
Turnover		**21,219**	25,879
Cost of sales		**(19,853)**	(24,357)
Gross profit		**1,366**	1,522
Administrative expenses		**(1,379)**	(1,631)
Operating loss		**(13)**	(109)
Interest receivable and similar income	*5*	**12**	99
Loss on ordinary activities before taxation	*2*	**(1)**	(10)
Tax on loss on ordinary activities	*6*	**-**	-
Loss on ordinary activities after taxation and for the financial year	*11*	**(1)**	(10)

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 2010

	Note	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Tangible assets	*7*		**26**		27
Current assets					
Debtors	*8*	**2,744**		2,390	
Cash at bank and in hand		**3,155**		3,592	
		5,899		5,982	
Creditors: amounts falling due within one year	*9*	**(6,117)**		(6,200)	
Net current liabilities			**(218)**		(218)
Net liabilities			**(192)**		(191)
Capital and reserves					
Called up share capital	*10*		**-**		-
Profit and loss account	*11*		**(192)**		(191)
Equity shareholders' funds - deficit			**(192)**		(191)

These financial statements were approved by the board of directors on 20 September 2010 and were signed on its behalf by:

R Topping *Chairman*

N Doncaster *Chief Executive*

Company registered number: SC175364

Cash flow statement
for the year ended 31 May 2010

	Note	**2010** **£000**	2009 £000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		**(13)**	(109)
Depreciation charges		**4**	4
(Increase)/decrease in debtors		**(354)**	3,846
Decrease in creditors		**(83)**	(903)
Net cash (outflow)/inflow from operating activities		**(446)**	2,838

Cash flow statement

Cash flow from operating activities		**(446)**	2,838
Returns on investments and servicing of finance	*14*	**12**	99
Capital expenditure and financial investment	*14*	**(3)**	-
(Decrease)/increase in cash in the period		**(437)**	2,937
Reconciliation of net cash flow to movement in cash/net debt	*15*		
(Decrease)/increase in cash in the period		**(437)**	2,937
Net cash at the start of the period		**3,592**	655
Net cash at the end of the period		**3,155**	3,592

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 2010 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:

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

	2010 £000	2009 £000
Loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration:		
Audit of these financial statements	**7**	7
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	**11**	9

3 Remuneration of directors

	2010 £000	2009 £000
Directors' emoluments including benefits in kind	**212**	60

The emoluments of the highest paid director were £138,000 and company pension contributions of £14,000 were made to a money purchase scheme on his behalf. Mr RJ Topping waived any remuneration associated with his post during the year.

	Number of directors 2010	2009
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**1**	-

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 2010	2009
Administration	**8**	7

The aggregate payroll costs of these persons were as follows:

	2010 £000	2009 £000
Wages and salaries	**477**	360
Social security costs	**51**	38
Other pension costs	**33**	21
	561	419

Notes *(continued)*

5 Interest receivable and similar income

	2010	2009
	£000	£000
Receivable from bank deposits	**12**	99

6 Taxation

	2010	2009
	£000	£000
UK corporation tax at 21% *(2009: 21%)* on the loss for the year on ordinary activities	**-**	-

The tax charge for the year is higher than *(2009: higher)* the standard rate of corporation tax in the UK at 21% *(2009: 21%)*. The differences are explained below:

	2010	2009
	£000	£000
Loss on ordinary activities before taxation	**(1)**	(10)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK	**(1)**	(2)
Effects of:		
Expenses not deductible for tax purposes	**1**	2
	-	-

Notes *(continued)*

7 Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Total £000
Cost			
At beginning of year	46	74	120
Additions	-	3	3
At end of year	46	77	123
Depreciation			
At beginning of year	22	71	93
Charge for year	2	2	4
At end of year	24	73	97
Net book value			
At 31 May 2010	**22**	**4**	**26**
At 31 May 2009	24	3	27

8 Debtors

	2010 £000	2009 £000
Trade debtors	**6**	4
Other debtors	**694**	544
Prepayments and accrued income	**2,044**	1,842
	2,744	2,390

In 2009/10 one loan *(2009: two)* was made to an SPL club for £100,000 *(2009: £160,000)*. Interest was charged on the balance outstanding at the Bank of Scotland base rate. An amount of £100,000 *(2009: £14,000)* remained outstanding at the year end and this was received post year end.

9 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	**166**	160
Taxation and social security	**19**	24
Accruals and deferred income	**5,932**	6,016
	6,117	6,200

Notes *(continued)*

10 Called up share capital

	2010 £	2009 £
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	(191)
Loss for the year	(1)
At end of year	**(192)**

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 £33,000 *(2009: £21,000)*.

At the year-end, contributions amounting to £4,000 *(2009: £3,000)* were payable to the fund and are included in creditors.

13 Commitments

At 31 May 2010 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:	**2010 Buildings £000**	2009 Buildings £000	**2010 Other £000**	2009 Other £000
Within one year	**-**	-	**-**	2
Within two to five years	**-**	-	**9**	4
After five years	**32**	32	**-**	-
	32	32	**9**	6

Notes *(continued)*

14 Analysis of cash flows

	2010		2009	
	£000	**£000**	£000	£000
Returns on investment and servicing of finance				
Interest received	**12**		99	
		12		99
Capital expenditure and financial investment				
Purchase of tangible fixed assets		**3**		-

15 Analysis of net cash

	At beginning of year £000	Cash flow £000	**At end of year £000**
Cash at bank and in hand	3,592	(437)	**3,155**