

**The Scottish Professional Football League Limited**  
**(formerly known as The Scottish Premier League**  
**Limited)**

Annual report and financial statements  
Registered Number SC175364  
31 May 2014



## Directors and advisors

Directors	Ralph Topping (Chairman) Neil Doncaster Eric Drysdale Ken Ferguson Duncan Fraser Michael Mulraney Eric Riley Stephen Thompson
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Secretary	Iain J Blair
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Auditors	KPMG LLP 191 West George Street Glasgow G2 2LJ
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Lawyers	Harper Macleod The Ca'd'oro Building 45 Gordon Street Glasgow G1 3PE
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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 2014.

### Principal activities

The principal activity of the company is to organise and manage the professional football league competition in Scotland together with the Scottish League Cup and the Scottish Challenge Cup (currently known as the Petrofac Training Challenge Cup).

### Business review

The Scottish Premiership Champions for 2013/14 were Celtic FC, who retained the Championship for the third successive Season and earned entry to the Champions Stream for the Qualifying Rounds of the UEFA Champions League for 2014/15. Ultimately, Celtic FC qualified for participation in the Group Stage of the UEFA Europa League competition for Season 2014/15. Heart of Midlothian FC were relegated whilst Hibernian FC, who ended the Season in 11<sup>th</sup> place, participated in the first Premiership Play-Off Competition.

Celtic FC were joined in UEFA competition by Motherwell FC, who finished 2<sup>nd</sup> in the Scottish Premiership and qualified for the UEFA Europa League Qualifying Rounds where they were joined by Aberdeen FC, who finished 3<sup>d</sup> and St Johnstone FC, winners of the Scottish Cup. Unfortunately these clubs could not emulate Celtic FC's success as all were eliminated from the Europa League before the Group Stage.

After a thrilling "helicopter Saturday" in the Scottish Championship Dundee FC returned to the top flight as Champions after only one year's absence. Hamilton Academical FC in 2<sup>nd</sup> place and Falkirk FC in 3<sup>rd</sup> place in the Scottish Championship joined Hibernian FC in the Premiership Play-Off Competition. The new end of Season competition saw Hamilton Academical FC prevail and join Dundee FC in being promoted to the Scottish Premiership for Season 2014/15 whilst Hibernian FC were relegated, joining Edinburgh rivals Heart of Midlothian FC in the Scottish Championship for 2014/15. Greenock Morton FC finished in 10<sup>th</sup> place in the Scottish Championship and were relegated to Scottish League 1 whilst Cowdenbeath FC who ended the Season in 9<sup>th</sup> place participated in the Championship Play-Off Competition.

Rangers FC were Champions of Scottish League 1 and gained promotion to the Scottish Championship for Season 2014/15. This was their second successive league championship and promotion. Dunfermline Athletic FC in 2<sup>nd</sup> place and Stranraer FC in 3<sup>rd</sup> place joined Cowdenbeath FC in the Championship Play-Off Competition in which Cowdenbeath prevailed to retain their Scottish Championship status for Season 2014/15. Arbroath FC, who finished 10<sup>th</sup>, were relegated to Scottish League 2 for Season 2014/15 whilst East Fife FC, the 9<sup>th</sup> placed club, entered the League 1 Play-Off Competition.

In Scottish League 2 Peterhead were crowned Champions and were promoted to Scottish League 1 for Season 2014/15. Annan Athletic FC in 2<sup>nd</sup> place and Stirling Albion in 3<sup>rd</sup> place joined East Fife FC in the League 1 Play-Off Competition. Ultimately Stirling Albion FC prevailed and won promotion to Scottish League 1 for 2014/15 whilst East Fife FC were relegated to Scottish League 2.

In the Scottish League Cup Aberdeen FC eventually defeated Inverness Caledonian Thistle FC after extra-time and penalties in a tense final in front of over 50,000 spectators at Celtic Park. This was the largest attendance for a final which did not involve either Celtic FC or Rangers FC for many years.

In the Ramsdens Cup Raith Rovers FC defeated Rangers FC in extra-time in front of a near full house at Easter Road Stadium to claim the trophy for the first time. The 19,983 crowd was more than 6,000 higher than the previous highest attendance for a Challenge Cup final. In Season 2014/15 the Challenge Cup will be known as the Petrofac Training Cup.

Revenues in the year have increased by almost 10% to £24.4 million. The increase is primarily due to the revenue generated by the Scottish League Cup and Ramsdens Cup, both of which are new to the Company, and to increased live broadcasting revenues and greater income received from licensing agreements. These increases in revenues were offset by reductions in the income received from title sponsorship and that received from licences and the exploitation of fixtures and match data.

**Business review (continued)**

The cost of sales in the year has increased by 6 % to £21.9 million during 2013/14. The key increases in these costs included the costs of the League Cup and Ramsdens Cup, primarily prize money to clubs, payments to Match Officials as a result of more matches being played under the Company's control and the increase in fees paid to clubs of some 17% reflecting the addition of 30 clubs in the Scottish Championship, Scottish League 1 and Scottish League 2.

The administrative costs of the Company have increased by just over 57%. The main drivers of this increase were the professional fees relating to the creation of the SPFL, additional staff costs from the TUPE transfer in of former SFL staff and increased marketing and PR expenditure, primarily in relation to the new cup competitions.

As in previous years it is anticipated that the challenging economic climate within which the Company has operated looks likely to continue for some time. There is no reason to revise or alter that assessment at the current time. However, the Company does look forward with optimism based upon its long term domestic and international broadcast contracts and improved opportunities in the commercialisation of intellectual property rights which are exploited jointly with the English Premier League and the English Football League.

The fact that all 42 senior professional clubs in Scotland are now shareholders of the Company also presents greater opportunity to work together for the overall benefit of the game in Scotland.

In last year's report and accounts the Company noted that a third party had instigated legal proceedings against the Company for damages. No provision was made for any liability for damages resulting from that action. The Company can now confirm that those proceedings have now been withdrawn.

**Proposed dividend**

The directors do not recommend the payment of a dividend.

**Directors and directors' interests**

The directors who held office during the year and up to the date of this report were as follows:

Ralph Topping, Chairman  
Neil Doncaster, Chief Executive  
William Darroch (retired on 21 July 2014)  
Eric Drysdale (appointed on 21 July 2014)  
Ken Ferguson (appointed on 21 July 2014)  
Duncan Fraser  
Leslie Gray (retired on 21 July 2014)  
Michael Mulraney  
Eric Riley  
Stephen Thompson

There are no indemnifications in place for directors.

All directors retire at the AGM and then seek re-appointment.

## **Directors' report** *(continued)*

### **Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor 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

21 October 2014

## **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 LLP

191 West George Street

Glasgow

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United Kingdom

## **Independent auditor's report to the members of The Scottish Professional Football League Limited (formerly The Scottish Premier League Limited)**

We have audited the financial statements of The Scottish Professional Football League Limited for the year ended 31 May 2014 set out on pages 6 to 14. 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 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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, and express an opinion on, 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 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **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 2014 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Bruce Marks (Senior Statutory Officer)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

22 October 2014

**Profit and loss account**  
*for the year ended 31 May 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Turnover</b>		<b>24,427</b>	22,218
Cost of sales		<b>(21,924)</b>	(20,650)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>2,503</b>	1,568
Administrative expenses		<b>(2,583)</b>	(1,643)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(80)</b>	(75)
Interest receivable and similar income	5	<b>10</b>	10
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	2	<b>(70)</b>	(65)
Tax on loss on ordinary activities	6	<b>(3)</b>	-
		<hr/>	<hr/>
<b>Loss on ordinary activities after taxation and for the financial year</b>	11	<b>(73)</b>	(65)
		<hr/>	<hr/>

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 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Fixed assets</b>					
Tangible assets	7		27		26
<b>Current assets</b>					
Debtors	8	3,563		3,584	
Cash at bank and in hand		2,081		562	
		<u>5,644</u>		<u>4,146</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(6,012)</u>		<u>(4,440)</u>	
<b>Net current liabilities</b>			(368)		(294)
<b>Net liabilities</b>			<u>(341)</u>		<u>(268)</u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Profit and loss account	11		(341)		(268)
<b>Equity shareholders' funds – (deficit)</b>			<u>(341)</u>		<u>(268)</u>

These financial statements were approved by the board of directors on 21 October 2014 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 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Reconciliation of operating loss to net cash flow from operating activities</b>			
Operating loss		(80)	(75)
Depreciation		7	6
Decrease/(increase) in debtors		21	(1,539)
Increase in creditors		1,572	901
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,520</b>	<b>(707)</b>
		<hr/>	<hr/>

**Cash flow statement**

<b>Cash inflow/(outflow) from operating activities</b>		<b>1,520</b>	<b>(707)</b>
<b>Returns on investments and servicing of finance</b>	<i>14</i>	<b>10</b>	<b>10</b>
<b>Taxation</b>		<b>(3)</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>	<i>14</i>	<b>(8)</b>	<b>(7)</b>
		<hr/>	<hr/>
<b>Increase/(decrease) in cash in the period</b>		<b>1,519</b>	<b>(704)</b>
		<hr/>	<hr/>
<b>Reconciliation of net cash inflow/(outflow) to movement in cash</b>	<i>15</i>		
<b>Increase/(decrease) in cash in the period</b>		<b>1,519</b>	<b>(704)</b>
<b>Net cash at the start of the period</b>		<b>562</b>	<b>1,266</b>
		<hr/>	<hr/>
<b>Net cash at the end of the period</b>		<b>2,081</b>	<b>562</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.

#### ***Going concern***

Notwithstanding the deficit on reserves at 31 May 2014 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

	2014 £000	2013 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit of these financial statements	8	7
Other services relating to taxation	7	2
Depreciation and other amounts written off tangible fixed assets	7	6
Rentals payable under operating leases:		
Land and buildings	32	32
Motor vehicles	-	2
	<u>          </u>	<u>          </u>

### 3 Remuneration of directors

	2014 £000	2013 £000
Directors' emoluments including benefits in kind	235	246
	<u>          </u>	<u>          </u>

#### Number of directors 2014                      2013

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

Money purchase schemes	1	1
	<u>          </u>	<u>          </u>

Mr RJ Topping waived his right to remuneration associated with his post during the year.

### 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 2014	2013
Administration	16	8
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	700	438
Social security costs	99	57
Other pension costs	50	36
	<u>          </u>	<u>          </u>
	849	531
	<u>          </u>	<u>          </u>

## Notes (continued)

### 5 Interest receivable and similar income

	2014 £000	2013 £000
Receivable from bank deposits	10	10

### 6 Taxation

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Current corporation tax at 20% (2013: 20%) on the loss for the year	-	-
Adjustments in respect of prior periods	3	-
	3	-

The tax charge for the year is higher than (2013: higher) the standard rate of corporation tax in the UK at 20% (2013: 20%). The differences are explained below:

	2014 £000	2013 £000
Loss on ordinary activities before taxation	(70)	(65)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013: 20%)	(14)	(13)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	14	13
Prior year tax adjustment	3	-
	3	-

### 7 Tangible fixed assets

	Leasehold Improvements £000	Office equipment £000	Total £000
<i>Cost</i>			
At beginning of year	46	93	139
Additions	-	8	8
At end of year	46	101	147
<i>Depreciation</i>			
At beginning of year	31	82	113
Charge for year	2	5	7
At end of year	33	87	120
<i>Net book value</i>			
At 31 May 2014	13	14	27
At 31 May 2013	15	11	26

## Notes (continued)

### 8 Debtors

	2014 £000	2013 £000
Trade debtors	240	839
Other debtors	903	595
Prepayments and accrued income	2,420	2,150
	<u>3,563</u>	<u>3,584</u>

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

	2014 £000	2013 £000
Trade creditors	665	330
Taxation and social security	36	19
Accruals and deferred income	5,311	4,091
	<u>6,012</u>	<u>4,440</u>

### 10 Called up share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
Equity: 42 ordinary shares of £1 each	42	12
	<u>42</u>	<u>12</u>

On 27 June 2013 30 new shares, of £1 each, in the Company were issued to the 30 then members of the Scottish Football League.

### 11 Profit and loss account

	£000
At beginning of year	(268)
Loss for the year	(73)
	<u>(341)</u>
At end of year	<u>(341)</u>

## Notes (continued)

### 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 £50,000 (2013: £36,000).

At the year-end, contributions amounting to £7,525 (2013: £4,000) were payable to the fund and are included in creditors.

### 13 Commitments

At 31 May 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 Buildings £000	2013 Buildings £000
Operating leases which expire:		
Within one year	-	-
Within two to five years	-	-
After five years	32	32
	<hr/>	<hr/>
	32	32
	<hr/>	<hr/>

### 14 Analysis of cash flows

	2014 £000	2013 £000
<b>Returns on investment and servicing of finance</b>		
Interest received	10	10
	<hr/>	<hr/>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	8	7
	<hr/>	<hr/>

### 15 Analysis of net cash

	At beginning of year £000	Cash Flow £000	At end of year £000
Cash at bank and in hand	562	1,519	2,081
	<hr/>	<hr/>	<hr/>

## **Notes** *(continued)*

### **16 Related party transactions and directors' interests**

By the Company's nature and in accordance with its rules, The Scottish Professional Football League Limited enters into a number of transactions in the normal course of business with its member clubs during the course of the year.

During the year the Company entered into an arm's length commercial agreement with William Hill PLC to be the official betting partner of the Company. Ralph Topping is a director of the Scottish Professional Football League Limited and retired as the Chief Executive of William Hill PLC on 1 September 2014.

### **17 Contingent liability**

In last year's report and accounts, the Company noted that a third party had instigated legal proceedings against the Company for damages. No provision was made for any liability for damages resulting from that action. The Company can now confirm that those proceedings have now been withdrawn.