

Company Registration No. SC175364 (Scotland)

**THE SCOTTISH PROFESSIONAL
FOOTBALL LEAGUE LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2019

**COMPANIES HOUSE
EDINBURGH**

08 NOV 2019

FRONT DESK



THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

COMPANY INFORMATION

Directors

Murdoch MacLennan (Chairman)
Neil Doncaster (Chief Executive)
Karyn McCluskey
Alan Burrows
Leslie Gray
Kenneth Ferguson
Ross McArthur
Graham Peterkin
Stewart Robertson

Secretary Iain Blair

Company number SC175364

Registered office Hampden Park
Glasgow
United Kingdom
G42 9DE

Auditor Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 21

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2019

The directors present the strategic report for the year ended 31 May 2019.

Principle activities

The principal activity of the Company is to organise, manage and commercially exploit the premier football league competition in Scotland (the Ladbrokes SPFL) together with the Scottish League Cup (the Betfred Cup) and the Scottish Challenge Cup (for 2019/20 the Tunnock's Caramel Wafer Challenge Cup).

Business review

During the year television and broadcast revenues increased by £1.1million (this despite the reduction in overseas broadcast revenues of £1.7million resulting from the liquidation of M P & Silva). Meantime revenues from UEFA Solidarity payments fell by £2.1million as Scotland did not have a representative in the UEFA Champions League Group Stage.

This meant that revenues generated from normal trading (i.e. excluding UEFA Solidarity payments) were £34.1million an increase of 2.4% over the previous year. However, due to the reduction in the UEFA Solidarity payment overall revenues fell by just over 3 % to £36.1million.

The administrative costs of the Company reduced by 9.7%. During the previous year a bad debt of £0.16 million was written off. Other movements included reductions in expenditure on IT, legal and consultancy fees and donations whilst there was an increase in payroll costs.

As a result of the above, fees paid to clubs fell by £2.1million, 7.1% in comparison with 2018. However, this was partly due to the increase in parachute payments to relegated clubs, which went up by £0.5million or 108% as 2 clubs were relegated as opposed to 1 relegated club the previous year.

Celtic FC were crowned Ladbrokes Premiership Champions for the eighth successive time in 2018/19. As a result Celtic FC qualified once again for the Champions Stream for the Qualifying Rounds of the UEFA Champions League for 2019/20. Also qualifying to represent Scotland in UEFA competition for 2019/20 in the UEFA Europa League, were Rangers FC, who finished 2nd in the Ladbrokes Premiership, Kilmarnock FC, who finished 3rd, and Aberdeen FC who finished 4th in the Ladbrokes Premiership.

Ultimately both Celtic FC and Rangers FC qualified for the Group Stage of the UEFA Europa League, ensuring each will have European football until at least Christmas. Unfortunately neither Aberdeen FC nor Kilmarnock FC were able to join them after losing in the qualifying rounds to NK Rijeka and Connah's Quay Nomads respectively.

Once again, for the third time in succession, Celtic FC were victorious in the Betfred Cup. They defeated Aberdeen FC 1-0 in the final at Hampden Park on 2 December 2018. The Group Stage Round 1 of the Betfred Cup is now well established and remains popular. For season 2019/20, SPFL clubs were joined by Cove Rangers FC and East Kilbride FC who were champions of the Scottish Highland Football League and Scottish Lowland Football League respectively during 2018/19. The Semi-Finals will be played on 2 and 3 November 2019 with the Final scheduled for Sunday 8 December 2019. As ever the Betfred Cup provides the first senior silverware of the Scottish football season.

Celtic FC returned to Hampden Park on 19 May as defending champions of the Scottish Cup and defeated Heart of Midlothian FC 2-1 in the final. This victory concluded Celtic FC's unprecedented third domestic clean sweep in succession, the treble treble.

Ross County FC made an immediate return to the Ladbrokes Premiership for 2019/20 having won the Ladbrokes Championship by 6 points. Dundee FC were relegated directly from the Ladbrokes Premiership whilst St Mirren retained their Ladbrokes Premiership status for 2019/20 by defeating Dundee United FC on penalties in the Ladbrokes Premiership Play-Off Final after the clubs were tied at 1-1 over two legs.

Falkirk FC were relegated to Ladbrokes League 1 having finished 2017/18 in tenth place on goal difference from Queen of the South FC. Queen of the South FC ultimately retained their Ladbrokes Championship status by overcoming Raith Rovers FC with an aggregate score of 3-1 in the Ladbrokes Championship Play-Off Final.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

Arbroath FC secured promotion to the Ladbrokes Championship for 2019/20 by winning Ladbrokes League 1. Brechin City FC were relegated from Ladbrokes League 1, their second relegation in successive seasons, after drawing with Stenhousemuir FC on the final day. However Stenhousemuir FC will face Brechin City FC again in Ladbrokes League 2 next season after they lost out in the Ladbrokes League 1 Play-Offs.

Ladbrokes League 2 Champions were Peterhead FC. They will be joined in Ladbrokes League 1 for 2019/20 by Clyde FC after their success in the Ladbrokes League 2 Play-Off Final against Annan Athletic FC. At the other end of the table Berwick Rangers FC, who finished the season in tenth place, were ultimately relegated to the Scottish Lowland Football League after losing the Pyramid Play-Off Final to Cove Rangers FC of the Scottish Highland Football League. We welcome Cove Rangers FC to the SPFL for the first time.

As with the previous season the IRN-BRU Cup included representation from the Scottish Professional Football League, Scottish Highland Football League, Scottish Lowland Football League, Irish Football League Premiership, Welsh Premier League, League of Ireland Premier Division. For the first time it also involved clubs from the National League in England. The IRN-BRU Cup Final took place at Caledonian Stadium in Inverness, home of last season's champions Inverness Caledonian Thistle FC, on 23 March 2019. In that final Ross County FC defeated Welsh Premier League side Connah's Quay Nomads FC, the first non-Scottish team to reach the final. With the expiry of our agreement with AG Barr, we welcome iconic Scottish firm Tunnock's who will sponsor the newly named Tunnock's Caramel Wafer Challenge Cup during 2019/20.

The SPFL continues to participate fully in the development of club football at European level. Chief Executive Neil Doncaster is a member of the European Professional Football Leagues (EPFL) Business, Legal and EU Strategic Committee whilst Company Secretary Iain Blair is a member of the EPFL Football Matters Strategic Committee. Neil also represents the League's interests at the World Leagues Forum and the Sports Rights Owners Coalition, an international cross sport trade association, as well as representing Scottish professional football on the Board of the Scottish FA along with Duncan Fraser (Aberdeen FC CEO). In addition, the SPFL and its clubs are well represented within UEFA; Neil is a member of the UEFA Legal Committee; Peter Lawwell (Celtic FC CEO) is a member of the UEFA Professional Football Committee and Anne McKeown (Arbroath FC director) is a member of the UEFA Women's Football Committee. Peter is also a member of the board of the European Club Association.

Going concern

After making appropriate enquiries, the directors have no reason to believe that any material uncertainty exists that may cast doubt on the ability of The Scottish Professional Football League Limited to continue as a going concern. The directors have a reasonable expectation that the company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

Principle risks and uncertainties

The principal risks and uncertainties faced the SPFL include:

- a) the general economic climate affecting the spending capacity of broadcast and commercial partners – the CEO maintains strong and regular contact with all broadcast and commercial partners and provides regular reports to the Board;
- b) Brexit – the likely impact of Brexit remains unknown as there is no agreement in place between the UK and EU. Concerns exist in relation to member clubs ability to recruit and retain players from outwith the UK which could impair the quality, and therefore value and marketability, of the Company's competitions. This will continue to be monitored and appropriate action will be taken when there is greater clarity regarding the likely outcome;
- c) insolvency of a member – the reputational and financial risk to the Company is well understood given previous similar events. The Company has enhanced its competition regulations in respect of club payments of payroll, payroll taxes and VAT to mitigate this risk and permit an early response to any such circumstance;

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

d) currency exposure – the UEFA Solidarity Payment is calculated in Euros with the cash flow several months after the year end. The Company recognises the uncertainty inherent in this delay and examines the mitigation against adverse currency movements which might be achieved through forward contracts;

e) financial risk – the Company's main financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Company's main financial assets are cash at the bank and trade debtors. The Company's Articles of Association require that no payment may be made to members unless and until provision has been made to meet all of the Company's liabilities to third parties. This risk is managed through regular management reporting and reforecasting to the Board at its monthly meetings or more frequently if required.

These risks are included within the Company's Risk Register which is reviewed regularly by senior staff and the SPFL Audit Committee and updated as necessary. The Risk Register is placed before the SPFL Board for its approval at least twice each year and more often if necessary.

Key performance measures

The Company uses a number of key performance measures in its business including non-statutory measures. Non-financial KPIs for the year ended 31 May 2019 are:

	Y/e 31 May 2019	Y/e 31 May 2018
Attendance at League Matches	4,428,926 (+0.8%)	4,394,035
Average Live Match Viewing Sky Sports	377,000 (+44.4%)	261,000
Average Live Match Viewing BT Sport	203,000 (+8.6%)	187,000
UEFA Country Ranking	20 (+6)	26

Future developments

Scottish football has operated for some time within a challenging and uncertain economic climate. It appears likely that this difficult environment will persist for the foreseeable future. The key sponsorship contracts for the SPFL's competitions; Ladbrokes, Betfred and new Challenge Cup sponsor Tunnock's all expire at the end of season 2019/20. Work is already in train to extend or replace these agreements from which positive outcomes are expected.

However, the SPFL has now entered into a domestic live broadcast contract for Premiership and Play-Off matches with Sky Sports, a domestic live broadcast contract for League Cup matches with Premier Sports, and a multi-faceted television and radio deal with BBC Scotland, all for the period from 2020/21 until 2024/25. These, together with a shorter contract with MG ALBA and the expected conclusion of contracts in respect of international media exploitation from 2020/21 until 2024/25 provide a degree of long-term certainty of revenue to the Company upon which shareholders (clubs) can rely and plan.

These contracts, which will bring record revenues to the Company, will enable higher fee payments to clubs over the next six years, assisting them to budget and plan with a greater degree of confidence.

By order of the board



Iain Blair

Secretary

16 October 2019

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2019

The directors present their annual report and financial statements for the year ended 31 May 2019.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Murdoch MacLennan (Chairman)	
Neil Doncaster (Chief Executive)	
Iain Dougan	(Resigned 22 July 2019)
Karyn McCluskey	
William Ritchie	(Resigned 22 July 2019)
Alan Burrows	(Appointed 23 July 2018)
Peter Lawwell	(Resigned 22 July 2019)
John Nelms	(Resigned 22 July 2019)
Ann Budge	(Resigned 23 July 2018)
Warren Hawke	(Resigned 6 May 2019)
Leslie Gray	(Appointed 22 July 2019)
Kenneth Ferguson	(Appointed 22 July 2019)
Ross McArthur	(Appointed 22 July 2019)
Graham Peterkin	(Appointed 22 July 2019)
Stewart Robertson	(Appointed 22 July 2019)

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

Results and dividends

The results for the year are set out on page 9.

The directors do not recommend the payment of a dividend (2018: £nil).

Auditor

Johnston Carmichael LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The company has chosen in accordance with SI 2008/410L s. 7.1A, to set out in the company's strategic report information required in the director's report, specifically in respect of future developments of the business.

By order of the board



Iain Blair

Secretary

Date: 16 October 2019

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2019

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

Opinion

We have audited the financial statements of The Scottish Professional Football League Limited (the 'company') for the year ended 31 May 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Johnston Carmichael LLP

Irvine Spowart (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

16 October 2019

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2019

		2019 £000	2018 £000
Turnover	3	36,139	37,245
Cost of sales		(33,730)	(34,699)
Gross profit		2,409	2,546
Administrative expenses		(2,373)	(2,607)
Operating profit/(loss)	4	36	(61)
Interest receivable and similar income	7	37	13
Profit/(loss) before taxation		73	(48)
Tax on profit/(loss)	8	-	(5)
Profit/(loss) for the financial year		73	(53)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. The company has no other items of comprehensive income other than the results for the year as set out above.

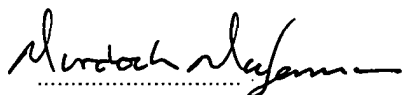
THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

BALANCE SHEET

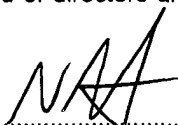
AS AT 31 MAY 2019

	Notes	2019 £000	2018 £000	2018 £000
Fixed assets				
Tangible assets	9		131	140
Current assets				
Debtors	11	4,323	6,449	
Cash at bank and in hand		2,748	2,332	
		<u>7,071</u>	<u>8,781</u>	
Creditors: amounts falling due within one year	12	<u>(6,284)</u>	<u>(9,326)</u>	
Net current assets/(liabilities)			787	(545)
Total assets less current liabilities			<u>918</u>	<u>(405)</u>
Creditors: amounts falling due after more than one year	13		(1,250)	-
Net liabilities			<u>(332)</u>	<u>(405)</u>
Capital and reserves				
Revaluation reserve			127	135
Profit and loss reserves			(459)	(540)
Total equity			<u>(332)</u>	<u>(405)</u>

The financial statements were approved by the board of directors and authorised for issue on 16 October 2019 and are signed on its behalf by:



Murdoch MacLennan (Chairman)
Director



Neil Doncaster (Chief Executive)
Director

Company Registration No. SC175364

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2019

	Revaluation reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 June 2017	135	(487)	(352)
Year ended 31 May 2018:			
Loss and total comprehensive loss for the year	-	(53)	(53)
Balance at 31 May 2018	135	(540)	(405)
Year ended 31 May 2019:			
Profit for the year	-	73	73
Revaluation of tangible fixed assets	(8)	8	-
Total comprehensive income for the year	(8)	81	73
Balance at 31 May 2019	127	(459)	(332)

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Cash generated from operations	19	379	110
Income taxes paid		-	(5)
Net cash inflow from operating activities		<u>379</u>	<u>105</u>
Investing activities			
Purchase of tangible fixed assets		-	(2)
Interest received		<u>37</u>	<u>13</u>
Net cash generated from investing activities		37	11
Net increase in cash and cash equivalents		<u>416</u>	<u>116</u>
Cash and cash equivalents at beginning of year		2,332	2,216
Cash and cash equivalents at end of year		<u><u>2,748</u></u>	<u><u>2,332</u></u>

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

Company information

The Scottish Professional Football League Limited is a private company limited by shares incorporated in Scotland. The registered office is Hampden Park, Glasgow, United Kingdom, G42 9DE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of trophies. The principal accounting policies adopted are set out below.

1.2 Going concern

Notwithstanding the deficit on reserves at 31 May 2019 the financial statements have been prepared on a 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.

The company makes payments to its member clubs after accounting for all known future costs and as a result is able to successfully manage its day to day obligations and cash resources.

1.3 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.

Turnover is recognised in the year to which it relates and where payments are received in advance of the services provided the amounts are recorded as deferred income. Payments to clubs are recorded as cost of sales in the year in which the related turnover is recognised.

1.4 Tangible fixed assets

Tangible fixed assets, except for trophies, are stated at cost less accumulated depreciation and accumulated impairment losses.

Trophies are stated at depreciated replacement cost as at 31 May 2019. The trophies were independently valued by Robert Horn Jewellers Ltd.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	19 years
Office equipment	4-5 years
Trophies	50 years

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Depreciation methods, useful lives and residual values are reviewed if there is an indication of significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accrued income

The company is required to estimate its accrued income at the year end, including a UEFA solidarity payment in relation to season 18/19 which is based on the member clubs' performance in European competition. UEFA do not announce these payments in advance, and therefore these have to be estimated. The directors estimate these amounts to the best of their knowledge based on historical receipts and other factors.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

3 Turnover and other revenue

	2019 £000	2018 £000
Turnover analysed by geographical market		
UK	32,822	30,357
Overseas	3,317	6,888
	<u>36,139</u>	<u>37,245</u>

The majority of the League's turnover is generated in the UK, with turnover generated outside the UK principally from international broadcast providers and income from UEFA.

4 Operating profit/(loss)

	2019 £000	2018 £000
Operating profit/(loss) for the year is stated after charging:		
Audit of these financial statements	10	8
Other services relating to taxation	4	6
Depreciation and other amounts written off tangible assets	9	11
Operating lease charges relating to land and buildings	53	53
	<u>76</u>	<u>78</u>

Audit remuneration is payable to Johnston Carmichael LLP (2018: KPMG LLP).

5 Employees

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

	2019 Number	2018 Number
Administration	<u>17</u>	<u>15</u>

Their aggregate remuneration comprised:

	2019 £000	2018 £000
Wages and salaries	1,117	889
Social security costs	133	125
Pension costs	32	31
	<u>1,282</u>	<u>1,045</u>

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

6 Directors' remuneration

	2019 £000	2018 £000
Remuneration for qualifying services	437	322

The number of directors to whom benefits were accruing under money purchase schemes during the year was 1 (2018 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £000	2018 £000
Remuneration for qualifying services	388	297

7 Interest receivable and similar income

	2019 £000	2018 £000
Interest income		
Interest on bank deposits	37	13

8 Taxation

	2019 £000	2018 £000
Current tax		
Adjustments in respect of prior periods	-	5

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £000	2018 £000
Profit/(loss) before taxation	73	(48)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	14	(9)
Tax effect of expenses that are not deductible in determining taxable profit	8	9
Under/(over) provided in prior years	-	5
Prior year unrecognised deferred tax	(24)	-
Fixed asset differences	2	-
Taxation charge for the year	-	5

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

9 Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Trophies £000	Total £000
Cost or valuation				
At 1 June 2018	46	113	135	294
Revaluation	-	-	(8)	(8)
At 31 May 2019	46	113	127	286
Depreciation and impairment				
At 1 June 2018	43	106	5	154
Depreciation charged in the year	3	3	3	9
Revaluation	-	-	(8)	(8)
At 31 May 2019	46	109	-	155
Carrying amount				
At 31 May 2019	-	4	127	131
At 31 May 2018	3	7	130	140

10 Financial instruments

	2019 £000	2018 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,264	4,873
Other instruments measured at amortised cost	2,748	2,332
Carrying amount of financial liabilities		
Measured at amortised cost	7,492	9,040

11 Debtors

	2019 £000	2018 £000
Amounts falling due within one year:		
Trade debtors	260	66
Other debtors	1,523	1,495
Prepayments and accrued income	2,540	4,888
	4,323	6,449

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

12 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	142	143
Other taxation and social security	42	286
Accruals and deferred income	6,100	8,897
	<u>6,284</u>	<u>9,326</u>

13 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Accruals and deferred income	<u>1,250</u>	<u>-</u>

14 Retirement benefit schemes

	2019 £000	2018 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>32</u>	<u>31</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2019 £	2018 £
Alloted, called up and fully paid		
42 Ordinary shares of £1 each	<u>42</u>	<u>42</u>

16 Reserves

Revaluation reserve

This reserve reflects the movements resulting from the revaluations of the trophies.

Profit and loss reserves

The profit and loss reserves represents the cumulative net profits in the statement of comprehensive income.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2019

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £000	2018 £000
Within one year	52	53
Between two and five years	-	44
	<u>52</u>	<u>97</u>

18 Related party transactions

Key management are considered to be the statutory directors. Refer to note 6 for statutory directors remuneration disclosure.

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.

19 Cash generated from operations

	2019 £000	2018 £000
Profit/(loss) for the year after tax	73	(53)
Adjustments for:		
Taxation charged	-	5
Investment income	(37)	(13)
Depreciation and impairment of tangible fixed assets	9	11
Movements in working capital:		
Decrease/(increase) in debtors	2,126	(338)
(Decrease)/increase in creditors	(1,792)	498
Cash generated from operations	<u>379</u>	<u>110</u>