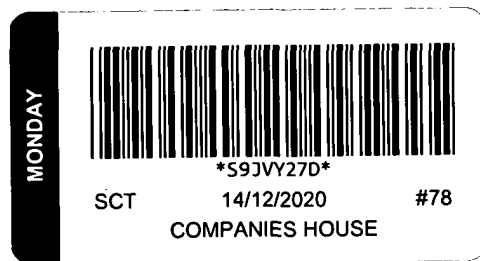


Company Registration No. SC175364 (Scotland)

**THE SCOTTISH PROFESSIONAL
FOOTBALL LEAGUE LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MAY 2020



COMPANIES HOUSE

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EDINBURGH MAILBOX

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

COMPANY INFORMATION

Directors	Murdoch MacLennan (Chairman)	
	Neil Doncaster (Chief Executive)	
	Karyn McCluskey	
	Kenneth Ferguson	(Appointed 22 July 2019)
	Ross McArthur	(Appointed 22 July 2019)
	Leslie Gray	(Appointed 22 July 2019)
	Steven Brown	(Appointed 20 July 2020)
	Ewen Cameron	(Appointed 20 January 2020)
	Gordon Thomson	(Appointed 20 May 2020)
	Peter Lawwell	(Appointed 20 July 2020)
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

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THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2020

The directors present the strategic report for the year ended 31 May 2020.

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 (the Tunnock's Caramel Wafer Challenge Cup).

Business review

During March 2020 and resulting from the COVID-19 pandemic, the Scottish Government put in place a prohibition on all football activity. As a result, the Scottish FA suspended football in Scotland at all levels, initially until at least 30 April 2020. Later this was extended until 10 June 2020, after which social distancing was required to be maintained. The effect of this was that full contact training by players could not recommence until 29 June 2020 and it was, therefore, not practically possible to complete Season 2019/20 and also meet the Company's contractual commitments to begin Season 2020/21 on 1 August 2020.

The board recommended to members that Season 2019/20 should be curtailed and sought their authority, by way of a Written Ordinary Resolution, to implement that recommendation. That Written Ordinary Resolution was passed on 15 April and the Championship, League 1 and League 2 divisions were immediately concluded with league positions being determined on a points per game basis. The Written Ordinary Resolution provided the directors with sole discretion to curtail Premiership Season 2019/20. Following consultation with Premiership clubs, when all 12 Premiership clubs expressed their view that Season 2019/20 should be brought to an end, the board so determined on 18 May 2020, with league positions being determined on a points per game basis. These decisions were subsequently challenged in the Court of Session. At an initial hearing, the Court of Session remitted the matter to Scottish FA Arbitration where an independent tribunal found in favour of the Company and the various decisions remained in place.

Curtailed Season 2019/20 in the Ladbrokes Premiership cast doubt on the security of revenues for the year from broadcast partners, principally Sky Sports and BT Sport. The former will become the Company's exclusive live UK & Ireland Scottish Premiership broadcast partner for the next 5 Seasons, whilst 2019/20 was the final Season of BT's partnership. Chief Executive Neil Doncaster adopted a cautious tone in his briefing of members in respect of the risks to 2019/20 revenues. Ultimately an agreement was reached with BT Sport which recognised a lower than expected reduction in revenue from them. Separately, the Company agreed with Sky Sports that neither had any claim against the other resulting from the curtailment. The fees anticipated from Sky Sports for 2019/20 were therefore received in full.

In respect of Season 2020/21 the Company has negotiated an amendment to its agreement with Sky Sports. This amendment will result in a lower fee being payable by Sky Sports during the period 2020/21 until 2024/25. In return for this lower fee Sky Sports has foregone its exclusivity in respect of 2020/21. This amendment to the agreement with Sky Sports will allow clubs to provide to their supporters who have purchased season tickets audio visual streams of their fixtures which these supporters are unable to attend due to COVID-19 restrictions. It will also permit clubs to sell audio visual streams to those supporters who do not have season tickets on a match by match basis; pay per view or PPV. As the benefit from this change in the agreement with Sky Sports accrues to clubs directly it is difficult for the Company to calculate an exact value, but we are of the view that it is significant. In the absence of such arrangements, clubs would have no match by match income from supporters (PPV) and would also face the requirement to refund season ticket purchasers due to their inability to attend matches.

In addition, Sky Sports has returned to the Company the domestic live broadcast rights for the quarter-final and semi-final ties in the Premiership /Championship Play-Off competition for the duration of the agreement. During Season 2020/21 only, Sky Sports will also have the opportunity to broadcast live from a club on five occasions as opposed to four occasions each Season for the remainder of the agreement; the overall number of live broadcasts during Season 2020/21 will remain unchanged at 48.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

The Company considered the substance of the agreement to determine whether the fee reduction over the term represented a refund to Sky Sports for the early curtailment of Season 2019/20. In doing so, we assessed the amendments to the Sky contract, specifically the concession Sky Sports provided on exclusivity for 2020/21 which provides Premiership clubs with a valuable incremental revenue stream, along with the value associated with the matches obtained and given up by Sky Sports. Where possible, we considered external sources of information, such as incremental revenues obtained by clubs, prior standalone sales of play-off rights and historic viewing figures. Further, as noted above, the Company has signed a contract with Sky Sports which states that both parties agree that Season 19/20 was curtailed due to a force majeure event and, as a result, no claim could be raised against either party. As a result, no provision has been recognised in these accounts and the fee reduction will be recognised prospectively.

International football was also significantly impacted by the COVID-19 pandemic with Scotland's Nations League Play-Off Semi-Final against Israel postponed from March 2020. That match was played on 8 October 2020 and Scotland's victory saw them progress to the Nations League Play-Off Final against Serbia on 12 November which Scotland also won to qualify for the Euro 2020 Finals (now to be played in the summer of 2021). This will be the Scotland men's teams first participation in such a finals for 23 years. Scotland's First Minister, Nicola Sturgeon, commented on the qualification "What a lift for the country. Well done" and these sentiments are shared by the Company. Not only does this provide a boost to football in Scotland and indeed the country as a whole, but it also provides a significant and no doubt welcome financial boost to our colleagues at the Scottish FA.

Broadcast revenues during the year decreased by £2.11 million. The main reason for this decrease was payments made to BT Sport and overseas broadcasters as a result of the curtailment of Season 2019/20 due to restrictions imposed by the Scottish Government in response to the COVID-19 pandemic. These reductions in revenue were partly offset by improved revenues from Sky Sports and BBC Scotland.

This meant that revenues generated from normal trading were £31.3 million – a reduction of 13.3% from the previous year. The UEFA Solidarity payment, which was previously paid to qualifying clubs through the Company, is now paid to qualifying clubs by the Scottish FA.

The administrative costs of the Company increased by 8.3%. Insurance costs and legal fees grew in the period, but this was partially offset by savings in consultancy fees, wages and salaries and other staff costs. The reduction in staff costs resulted in part from remuneration reductions, no bonuses being paid and deferrals by SPFL staff. We are pleased to be able to report that SPFL staff have remained healthy in these difficult and challenging times.

During the period, fees paid to clubs, including Parachute Payments, fell by £4.4 million, 15.8% when compared to 2018/19. This was principally a result of the decrease in television revenues caused by the COVID-19 curtailment of the Season and the changes noted above to payment of UEFA Solidarity (approximately £2 million).

The winners of the Ladbrokes Premiership and Champions for the ninth successive time in 2019/20 were Celtic FC. Celtic FC qualified once again for the Champions Stream of the Qualifying Rounds of the UEFA Champions League and were Scotland's sole representatives in that competition for 2020/21. This Season, 2020/21, Scotland's Champions and Runners-Up will both qualify for entry to the UEFA Champions League in 2021/22, with the possibility that the Champions may qualify directly to the Group Stage of the competition. The Runners-Up will qualify for the qualifying rounds. In the UEFA Europa League Scotland are represented by Ladbrokes Premiership Runners-Up Rangers FC, Motherwell FC, who finished 3rd, and Aberdeen FC who finished 4th.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

Aberdeen FC defeated NSÍ Runavík of Iceland in the first qualifying round of the Europa League and Viking Stavanger of Norway in the second but fell to Sporting Lisbon of Portugal in the third. In the same competition Motherwell FC defeated Glentoran of Republic of Ireland in the first qualifying round and Coleraine of Northern Ireland in the second before falling to Hapoel Beer-Sheva of Israel in the third. Rangers FC entered the Europa League at the second qualifying round and defeated Lincoln Red Imps of Gibraltar; Willem II Tilburg of the Netherlands and Galatasaray of Turkey to qualify for the Group Stage of the Europa League for the third successive Season. Celtic FC entered the Champions League qualifying and defeated KR Reykjavík of Iceland in the first round before losing to Ferencváros in the second. This result saw Celtic FC face FK Sarajevo of Bosnia and Herzegovina in the final qualifying round of the Europa League and a 1-0 away victory ensured that they progressed to the Group Stage of the Europa League; meaning Celtic FC have been involved in the Group Stage of UEFA club competitions for ten successive Seasons.

Success of Scottish clubs (principally Celtic FC and Rangers FC) in recent seasons has seen the UEFA coefficient improve from 26 at the end of 2017/18 to 14 at the end of season 2019/20. Indeed Scotland are currently provisionally ranked 11 for season 2022/23.

Celtic FC defeated Rangers FC 1-0 in the Betfred Cup Final at Hampden Park on Sunday 8 December 2019 to retain the trophy. Indeed, this was their fourth successive victory in this competition. The Group Stage of the 2020/21 Betfred Cup has been delayed from its usual July slot until October and November due to constraints resulting from the COVID-19 pandemic. Once again the Scottish Highland Football League Champions (Brora Rangers FC) and the Scottish Lowland Football League Champions (Kelty Hearts FC) joined the 38 SPFL clubs not involved in UEFA competitions to make up the eight groups of five teams competing for twelve of the sixteen places in Round 2 at the end of November. A further impact of COVID-19 is that the Semi-Final and Final will both take place, later than usual, in the New Year.

The Scottish Cup for 2019/20 remains to be concluded, with Heart of Midlothian FC due to face Celtic FC in the delayed Final of that competition which is scheduled for Sunday 20 December 2020.

After an absence of four seasons, Dundee United FC returned to the Scottish Premiership for 2020/21 as Champions of the Ladbrokes Championship for 2019/20. Heart of Midlothian FC were relegated from the Ladbrokes Premiership and are competing in the Scottish Championship during 2020/21.

Raith Rovers FC, who were Runners-Up in the Ladbrokes Championship Play Off Final in 2018/19, went one step further by achieving promotion directly from Ladbrokes League 1 to the Scottish Championship for Season 2020/21.

Cove Rangers FC marked their inaugural Season as an SPFL club by winning Ladbrokes League 2 at the first attempt to secure promotion to Scottish League 1 for 2020/21. They are joined in that competition by Partick Thistle FC who were relegated from the Ladbrokes Championship.

Stranraer FC were relegated from Ladbrokes League 1 and will compete in Scottish League 2 during 2020/21.

As a result of the Scottish Government restrictions referred to above, the Play-Off competitions between SPFL divisions could not take place at the end of 2019/20. This was also the case for the Pyramid Play-Off competition.

The Tunnock's Caramel Wafer Challenge Cup had reached the Final stage before football was suspended. That Final, between Inverness Caledonian Thistle FC and Raith Rovers FC, will be scheduled during Season 2020/21.

Due to the challenges presented by the COVID-19 pandemic, the Challenge Cup competition will not proceed during 2020/21. The Company has announced that the competition will return under new sponsorship from Season 2021/22.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

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 Les Gray (Hamilton Academical FC Vice Chairman and SPFL Limited director). In addition, the SPFL and its clubs are well represented within UEFA; Neil is a member of the UEFA's Control, Ethics and Disciplinary body; Peter Lawwell (Celtic FC CEO and SPFL Limited director) 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 facing the SPFL include:

- i. COVID-19 – the uncertainty created by the pandemic and the possibility of a second spike within Scotland could lead to an interruption of or require the curtailment of Season 2020/21. The Company is working closely with Scottish Government, The Scottish FA and others to mitigate this risk;
- ii. 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;
- iii. Brexit – the likely impact of Brexit remains unknown as there is no agreement yet in place between the UK and EU. Concerns continue to 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;
- iv. 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;
- v. 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 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.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

Key performance measures

The Company uses several key performance measures in its business including non-statutory measures. Clearly, given that fewer matches were played, the Attendance at League Matches has dropped significantly. To provide a more meaningful comparison with last year the Average Attendance at League Matches has been added below. Non-financial KPIs for the year ended 31 May 2020 are:

	Y/e 31 May 2020	Y/e 31 May 2019
Attendance at League Matches	3,380,957 (-23.7%)	4,428,926
Average Attendance at League Matches	5,711 (-1.0%)	5,767
Average Live Match Viewing Sky Sports	489,000 (+29.7%)	377,000
Average Live Match Viewing BT Sport	230,000 (+10.0%)	209,000
UEFA Country Ranking	14 (+6)	20

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 title sponsorship contracts for the SPFL's League and Challenge Cup competitions expired at the end of season 2019/20. As noted above, the SPFL Trust will sponsor the latter whilst work is already in train to replace the former, from which a positive outcome is 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, a multi-faceted television and radio deal with BBC Scotland, and overseas media exploitation contracts with Infront and IMG, all for the period from 2020/21 until 2024/25. These, together with a shorter contract with MG ALBA provide 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, most likely will enable higher fee payments to clubs over the next five years, assisting them to budget and plan with a greater degree of confidence.

Positive engagement with clubs is seen as a key factor in the long-term success of the Company. Traditionally this has been achieved through regular meetings of clubs either as a whole or in smaller groups, usually by attendance in person at the Company's base at Hampden Park. During the period when that has not been possible the Company has continued regular engagement albeit remotely using online systems. This will continue and be developed further whilst restrictions remain in place, but the objective remains to re-establish real meetings as quickly as permitted.

In a similar vein, the clubs' business models rely to a greater or lesser extent on attracting fans to their stadiums on match days. Scottish Government restrictions mean that this is not possible for most clubs at the moment. The Company has prioritised working to achieve the return of fans to stadiums, as soon as it is safe to do so. Success in this objective will significantly ease the economic pressure on clubs and assist the continuing success of the Company.

By order of the board



Iain Blair
Secretary
8 December 2020

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2020

The directors present their annual report and financial statements for the year ended 31 May 2020.

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	(Retired 22 July 2019)
Karyn McCluskey	
William Ritchie	(Retired 22 July 2019)
Alan Burrows	(Retired 20 July 2020)
John Nelms	(Retired 22 July 2019)
Kenneth Ferguson	(Appointed 22 July 2019)
Ross McArthur	(Appointed 22 July 2019)
Graham Peterkin	(Appointed 22 July 2019 and retired 8 November 2019)
Stewart Robertson	(Appointed 22 July 2019 and retired 20 July 2020)
Leslie Gray	(Appointed 22 July 2019)
Steven Brown	(Appointed 20 July 2020)
Ewen Cameron	(Appointed 20 January 2020)
Gordon Thomson	(Appointed 20 May 2020)
Peter Davidson	(Appointed 20 January 2020 and retired 20 July 2020)
Peter Lawwell	(Appointed 20 July 2020)

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 11.

The directors do not recommend the payment of a dividend (2019: £nil).

Auditor

In accordance with the company's articles, a resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company 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: 8 December 2020

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2020

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 2020 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 2020 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.



Jeffrey Marjoribanks (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

10 December 2020

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 2020

		2020	2019
		£000	£000
Turnover	3	31,325	36,139
Cost of sales		(28,769)	(33,730)
Gross profit		<u>2,556</u>	<u>2,409</u>
Administrative expenses		(2,571)	(2,373)
Other operating income		12	-
Operating (loss)/profit	4	<u>(3)</u>	<u>36</u>
Interest receivable and similar income	7	29	37
Profit before taxation		<u>26</u>	<u>73</u>
Tax on profit	8	-	-
Profit for the financial year		<u><u>26</u></u>	<u><u>73</u></u>

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

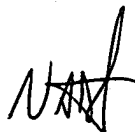
AS AT 31 MAY 2020

	Notes	2020 £000	£000	2019 £000	£000
Fixed assets					
Tangible assets	9		158		131
Current assets					
Debtors	10	2,997		4,323	
Cash at bank and in hand		2,098		2,748	
		<u>5,095</u>		<u>7,071</u>	
Creditors: amounts falling due within one year	11	<u>(5,223)</u>		<u>(6,284)</u>	
Net current (liabilities)/assets			(128)		787
Total assets less current liabilities			<u>30</u>		<u>918</u>
Creditors: amounts falling due after more than one year	12		(336)		(1,250)
Net liabilities			<u>(306)</u>		<u>(332)</u>
Capital and reserves					
Revaluation reserve			124		127
Profit and loss reserves			(430)		(459)
Total equity			<u>(306)</u>		<u>(332)</u>

The financial statements were approved by the board of directors and authorised for issue on 8 December 2020 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 2020

	Revaluation reserve	Profit and loss reserves	Total
	£000	£000	£000
Balance at 1 June 2018	135	(540)	(405)
Year ended 31 May 2019:			
Profit and total comprehensive loss for the year	-	73	73
Revaluation of tangible fixed assets	(8)	8	-
Balance at 31 May 2019	127	(459)	(332)
Year ended 31 May 2020:			
Profit for the year	-	26	26
Transfer to reserves	(3)	3	-
Balance at 31 May 2020	124	(430)	(306)

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £000	£000	2019 £000	£000
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(638)		379
Investing activities					
Purchase of tangible fixed assets		(41)		-	
Interest received		29		37	
Net cash (used in)/generated from investing activities			(12)		37
Net (decrease)/increase in cash and cash equivalents			(650)		416
Cash and cash equivalents at beginning of year			2,748		2,332
Cash and cash equivalents at end of year			2,098		2,748

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

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 2020 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 2020

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 2020

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 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.

1.8 Retirement benefits

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

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

1 Accounting policies

(Continued)

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.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

2 Judgements and key sources of estimation uncertainty

(Continued)

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. This includes fees receivable from Football DataCo Limited for the sale of certain of the company's match data during season 2019/20. Football DataCo Limited's year-end is subsequent to the company's therefore these have to be estimated. The directors estimate these to the best of their knowledge based upon historical receipts and upon management accounts during the period in question provided by Football DataCo Limited.

Assessment of provisions

In respect of Season 2020/21 the Company has negotiated an amendment to its agreement with Sky Sports. This amendment will result in a lower fee being payable by Sky Sports during the period 2020/21 until 2024/25. In return for this lower fee Sky Sports has foregone its exclusivity in respect of 2020/21. This amendment to the agreement with Sky Sports will allow clubs to provide to their supporters who have purchased season tickets audio visual streams of their fixtures which these supporters are unable to attend due to COVID-19 restrictions. It will also permit clubs to sell audio visual streams to those supporters who do not have season tickets on a match by match basis; pay per view or PPV. As the benefit from this change in the agreement with Sky Sports accrues to clubs directly it is difficult for the Company to calculate an exact value, but we are of the view that it is significant. In the absence of such arrangements, clubs would have no match by match income from supporters (PPV) and would also face the requirement to refund season ticket purchasers due to their inability to attend matches.

In addition, Sky Sports has returned to the Company the domestic live broadcast rights for the quarter-final and semi-final ties in the Premiership /Championship Play-Off competition for the duration of the agreement. During Season 2020/21 only, Sky Sports will also have the opportunity to broadcast live from a club on five occasions as opposed to four occasions each Season for the remainder of the agreement; the overall number of live broadcasts during Season 2020/21 will remain unchanged at 48.

The Company considered the substance of the agreement to determine whether the fee reduction over the term represented a refund to Sky Sports for the early curtailment of Season 2019/20. In doing so, we assessed the amendments to the Sky contract, specifically the concession Sky Sports provided on exclusivity for 2020/21 which provides Premiership clubs with a valuable incremental revenue stream, along with the value associated with the matches obtained and given up by Sky Sports. Where possible, we considered external sources of information, such as incremental revenues obtained by clubs, prior standalone sales of play-off rights and historic viewing figures. Further, as noted above, the Company has signed a contract with Sky Sports which states that both parties agree that Season 19/20 was curtailed due to a force majeure event and, as a result, no claim could be raised against either party.

3 Turnover and other revenue

	2020	2019
	£000	£000
Other significant revenue		
Interest income	29	37
Grants received	12	-
	<u> </u>	<u> </u>

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

3 Turnover and other revenue (Continued)

	2020 £000	2019 £000
Turnover analysed by geographical market		
UK	30,387	32,822
Overseas	938	3,317
	<u>31,325</u>	<u>36,139</u>

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

4 Operating (loss)/profit

	2020 £000	2019 £000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(12)	-
Audit of these financial statements	10	10
Other services relating to taxation	4	4
Depreciation and other amounts written off tangible assets	14	9
Operating lease charges relating to land and buildings	53	53
	<u></u>	<u></u>

5 Employees

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

	2020 Number	2019 Number
Administration	17	17
	<u></u>	<u></u>

Their aggregate remuneration comprised:

	2020 £000	2019 £000
Wages and salaries	1,071	1,117
Social security costs	130	133
Pension costs	34	32
	<u>1,235</u>	<u>1,282</u>

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

6 Directors' remuneration

	2020 £000	2019 £000
Remuneration for qualifying services	387	437

The number of directors to whom benefits were accruing under money purchase schemes during the year was 1 (2019 - 1).

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

	2020 £000	2019 £000
Remuneration for qualifying services	339	388

7 Interest receivable and similar income

	2020 £000	2019 £000
Interest income		
Interest on bank deposits	29	37

8 Taxation

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

	2020 £000	2019 £000
Profit before taxation	26	73
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	5	14
Tax effect of expenses that are not deductible in determining taxable profit	3	8
Unrecognised deferred tax	(10)	(24)
Fixed asset differences	2	2
Taxation charge for the year	-	-

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

9 Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Trophies £000	Total £000
Cost or valuation				
At 1 June 2019	46	113	127	286
Additions	-	31	10	41
At 31 May 2020	46	144	137	327
Depreciation and impairment				
At 1 June 2019	46	109	-	155
Depreciation charged in the year	-	11	3	14
At 31 May 2020	46	120	3	169
Carrying amount				
At 31 May 2020	-	24	134	158
At 31 May 2019	-	4	127	131

10 Debtors

	2020 £000	2019 £000
Amounts falling due within one year:		
Trade debtors	155	260
Other debtors	1,272	1,523
Prepayments and accrued income	1,570	2,540
	2,997	4,323

11 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	60	142
Taxation and social security	46	42
Accruals and deferred income	5,117	6,100
	5,223	6,284

12 Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Accruals and deferred income	336	1,250

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

13 Retirement benefit schemes

	2020	2019
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	34	32

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.

14 Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
42 Ordinary shares of £1 each	42	42

15 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.

16 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:

	2020	2019
	£000	£000
Within one year	31	52

17 Related party transactions

Remuneration of key management personnel

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. Cost of sales, as reported in the profit and loss account, includes amounts paid to the members clubs of the Scottish Professional Football League totalling £23,345,000 (2019: £27,759,000), of which £1,048,000 (2019: £2,916,000) was outstanding at year end.

THE SCOTTISH PROFESSIONAL FOOTBALL LEAGUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2020

18 Cash (absorbed by)/generated from operations

	2020 £000	2019 £000
Profit for the year after tax	26	73
Adjustments for:		
Investment income	(29)	(37)
Depreciation and impairment of tangible fixed assets	14	9
Movements in working capital:		
Decrease in debtors	1,326	2,126
Decrease in creditors	(1,975)	(1,792)
Cash (absorbed by)/generated from operations	(638)	379

19 Analysis of changes in net funds

	1 June 2019 £000	Cash flows £000	31 May 2020 £000
Cash at bank and in hand	2,748	(650)	2,098