

The Scottish Premier League Limited

Directors' report and financial statements

Registered Number SC175364

31 May 2007

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07/09/2007
COMPANIES HOUSE

Directors and advisors

Directors Dr Campbell Christie CBE
 Alexander M Gold CBE (Chairman)
 Rod Petrie
 Eric Riley
 Edward Thompson OBE

Secretary Iain J Blair

Auditors KPMG LLP
 191 West George Street
 Glasgow
 G2 2LJ

Lawyers Harper Macleod
 The Ca'd'oro Building
 45 Gordon Street
 Glasgow
 G1 3PE

Bankers Clydesdale Bank Plc
 20 Waterloo Street
 Glasgow
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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2007

Principal activities

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

Business review

Once again nearly 3.7 million people attended SPL matches during Season 2006/07. This broadly maintains attendances at the record levels achieved in the previous Season.

Celtic FC were clear Champions of the SPL in Season 2006/07. This is the fifth time in seven Seasons that they have been Champions. Traditional rivals Rangers FC secured second place and with that qualification to the qualifying stages of the UEFA Champions League. Twelfth placed club Dunfermline Athletic FC were relegated but had the consolation of qualifying for the UEFA Cup qualifying round as Scottish Cup runners up. They will be replaced for Season 2007/08 by Gretna FC who have progressed from non league football to the top level of the game in Scotland in only five Seasons.

During the Season both Celtic FC and Rangers FC succeeded in reaching the latter stages of European club competitions, the knockout stages of the Champions League for Celtic FC and the similar stage of the UEFA Cup for Rangers FC. Looking towards next Season's European competitions Celtic FC and Rangers FC are Scotland's representatives in the UEFA Champions League. Aberdeen FC will participate in the UEFA Cup, entering in the first round, as will Scottish Cup runners up Dunfermline Athletic FC who will enter in the pre qualifying stage of the competition.

During the year the Company organised a highly successful Elite Coaching Conference moderated by Andy Roxburgh, Technical Director at UEFA. This provided the Head Coach of each Clydesdale Bank Premier League Club the opportunity to discuss the most up to date issues in player coaching with international colleagues such as Sir Alex Ferguson, Gérard Houllier and Arsène Wenger. It is likely that a similar event will be arranged during the coming year.

Revenues in the year have increased by almost 30%. This improvement was anticipated in last year's Business Review and principally reflects the impact of the expanded domestic broadcasting deal with Setanta. This deal continues until the end of the 2009/10 Season and provides a firm foundation for the Company and Clubs to develop further.

As the year ended so did the Company's nine year association with title sponsors Bank of Scotland. This was an excellent relationship for both and we wish Bank of Scotland continued success in the future.

We are delighted that our new title Sponsors are Clydesdale Bank. We have already worked closely on a number of initiatives and look forward to a long and successful partnership. In addition to becoming our main title sponsor for the Clydesdale Bank Premier League our new partners will also sponsor the Clydesdale Bank Under 19 League, the showcase for the Scotland's football talent of the future.

After the end of the year we have agreed to extend and expand our broadcast contract with BBC. This will now include television highlights in addition to the existing extensive live radio coverage. We have also reached agreement with Sportfive to market our international television rights for Seasons 2008/09 and 2009/10. The terms of these agreements significantly improve on our current arrangements.

These and other commercial deals place the Company on a very sound footing for at least the next three years and allow the Clydesdale Bank Premier League Clubs to plan on the basis of secure income streams.

In the summer of 2006 and again in the summer of 2007 senior executives from the Clubs attended a Strategic Conference. These provide an opportunity to consider strategic issues affecting the business and to engage with key business partners such as Setanta Sports. A similar event is planned for the summer of 2008.

Directors' report *(continued)*

It is heartening to know that the revenue projections are favourable but the Company will maintain its focus on cost control and high quality of service to its shareholders, the Clubs

Proposed dividend

The directors do not recommend the payment of a dividend

Directors and directors' interests

The directors who held office during the year were as follows

Dr Campbell Christie CBE (appointed 19 July 2007)
Alexander M Gold CBE
Rod Petrie
Eric Riley (appointed 20 July 2006)
Stewart Robertson (appointed 20 July 2006 and resigned 19 July 2007)
Edward H Thompson OBE

There are no indemnifications in place for directors

Disclosure of information to auditors

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

Auditors

In accordance with Section 384 of the Companies Act 1985 a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



Iain J Blair
Secretary

The National Stadium
Hampden Park
Glasgow
G42 9BA

23 August 2007

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

191 West George Street

Glasgow

G2 2LJ

United Kingdom

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

We have audited the financial statements of The Scottish Premier League Limited for the year ended 31 May 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

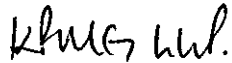
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of The Scottish Premier League Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG LLP
Chartered Accountants
Registered Auditor

5 September 2007

Profit and loss account
for the year ended 31 May 2007

	<i>Note</i>	2007 £000	2006 £000
Turnover		19,723	15,346
Cost of sales		(18,598)	(14,241)
		<hr/>	<hr/>
Gross profit		1,125	1,105
Administrative expenses		(1,240)	(1,179)
		<hr/>	<hr/>
Operating loss		(115)	(74)
Other interest receivable and similar income	<i>5</i>	102	79
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	<i>2</i>	(13)	5
Tax on (loss)/profit on ordinary activities	<i>6</i>		
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation and for the financial year	<i>11</i>	(13)	5
		<hr/>	<hr/>

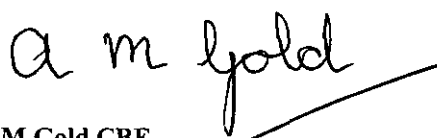
All of the company's activities are continuing

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

Balance sheet
at 31 May 2007

	<i>Note</i>	2007	2006
		£000	£000
Fixed assets			
Tangible assets	7	35	33
Current assets			
Debtors	8	7,243	1,828
Cash at bank and in hand		532	2,870
		<u>7,775</u>	<u>4,698</u>
Creditors amounts falling due within one year	9	(7,988)	(4,896)
Net current liabilities		<u>(213)</u>	<u>(198)</u>
Net liabilities		<u>(178)</u>	<u>(165)</u>
Capital and reserves			
Called up share capital	10		
Profit and loss account	11	(178)	(165)
Equity shareholders' funds deficit		<u>(178)</u>	<u>(165)</u>

These financial statements were approved by the board of directors on 23 August 2007 and were signed on its behalf by



AM Gold CBE
Executive Chairman

Cash flow statement
for the year ended 31 May 2007

	<i>Note</i>	2007 £000	2006 £000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		(115)	(74)
Depreciation charges		4	5
(Increase)/decrease in debtors		(5,415)	3,131
Increase/(decrease) in creditors		3,092	(120)
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(2,434)	2,942
		<hr/>	<hr/>

Cash flow statement

Cash flow from operating activities		(2,434)	2,942
Returns on investments and servicing of finance	14	102	78
Capital expenditure and financial investment	14	(6)	
		<hr/>	<hr/>
(Decrease)/increase in cash in the period		(2,338)	3,020
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in cash/net debt	15		
(Decrease)/increase in cash in the period		(2,338)	3,020
Net cash at the start of the period		2,870	(150)
		<hr/>	<hr/>
Net cash at the end of the period		532	2,870
		<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Notwithstanding the deficit on reserves at 31 May 2007 the financial statements have been prepared on the going concern basis as the directors are of the opinion that the existence of contracted income will allow the company to meet its liabilities as they fall due for the foreseeable future.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Office equipment	4 to 5 years
Leasehold improvements	19 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

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

Turnover

Turnover comprises the value of sales, excluding VAT, of goods and services in the normal course of business, sponsorship monies and revenue derived from television broadcasting contracts.

Revenue is recognised in the year to which it relates and payments to clubs are recorded as cost of sales in the year in which the related revenue is recognised.

Notes (continued)

2 (Loss)/profit on ordinary activities before taxation

	2007 £000	2006 £000
<i>(Loss)/profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	6	6
Other services fees paid to the auditor and its associates	10	2
Depreciation and other amounts written off tangible fixed assets	4	5
Rentals payable under operating leases		
Land and buildings	32	32
Motor vehicles	10	9

3 Remuneration of directors

	2007 £000	2006 £000
Directors' emoluments including benefits in kind	72	76

Number of directors
 2007 2006

Retirement benefits are accruing to the following number of directors under

Money purchase schemes

4 Staff numbers and costs

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

	Number of employees	
	2007	2006
Administration	7	7

The aggregate payroll costs of these persons were as follows

	2007 £000	2006 £000
Wages and salaries	317	303
Social security costs	34	31
Other pension costs	19	19
	370	353

Notes (continued)

5 Other interest receivable and similar income

	2007 £000	2006 £000
Receivable from bank deposits	95	68
Receivable from club loans	7	11
	<u>102</u>	<u>79</u>

6 Taxation

	2007 £000	2006 £000
UK corporation tax at 19% (2006 0%) on the profit for the year on ordinary activities		

The tax charge for the year is higher than (2006 equal to) the standard rate of corporation tax in the UK at 19% (2006 0%). The differences are explained below

	2007 £000	2006 £000
(Loss)/profit on ordinary activities before taxation	(13)	5
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK	(2)	
<i>Effects of</i>		
Expenses not deductible for tax purposes	2	
Deferred tax not charged		1
Small companies relief		(1)

Notes (continued)

7 Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Total £000
<i>Cost</i>			
At beginning of year	46	68	114
Additions		6	6
At end of year	46	74	120
<i>Depreciation</i>			
At beginning of year	14	67	81
Charge for year	3	1	4
At end of year	17	68	85
<i>Net book value</i>			
At 31 May 2007	29	6	35
At 31 May 2006	32	1	33

8 Debtors

	2007 £000	2006 £000
Trade debtors	5,667	55
Other debtors	635	527
Prepayments and accrued income	941	1,246
	7,243	1,828

In 2007 three loans were made to SPL clubs totalling £300,000. Interest was charged on the balance outstanding at the Bank of Scotland base rate. These were repaid in full before the year end.

9 Creditors amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	81	34
Taxation and social security	28	28
Accruals and deferred income	7,879	4,834
	7,988	4,896

Notes (continued)

10 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
Equity 12 ordinary shares of £1 each	12	12
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity 12 ordinary shares of £1 each	12	12
	<hr/>	<hr/>

11 Profit and loss account

	£000
At beginning of year	(165)
Retained loss for the year	(13)
	<hr/>
At end of year	(178)
	<hr/>

12 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £19,000 (2006 £19,000).

Contributions amounting to £3,000 (2006 £4,000) were payable to the fund and are included in creditors.

13 Commitments

At 31 May 2007 the company had annual commitments under non cancellable operating leases as follows

	2007 Buildings £000	2006 Buildings £000	2007 Other £000	2006 Other £000
Operating leases which expire				
Within one year			5	1
Within two to five years				10
After five years	32	32		
	<hr/>	<hr/>	<hr/>	<hr/>
	32	32	5	11
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

14 Analysis of cash flows

	2007 £000	2007 £000	2006 £000	2006 £000
Returns on investment and servicing of finance				
Interest received	102		79	
Bank charges			(1)	
	<u> </u>	102	<u> </u>	78
		<u> </u>		<u> </u>
Capital expenditure and financial investment				
Purchase of tangible fixed assets		6		
		<u> </u>		<u> </u>

15 Analysis of net cash

	At beginning of year £000	Cash flow £000	At end of Year £000
Cash at bank and in hand	2,870	(2,338)	532
	<u> </u>	<u> </u>	<u> </u>