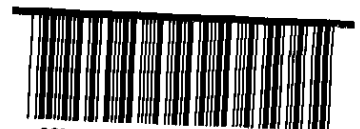


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**THE SCOTTISH FOOTBALL
ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2001**



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THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2001

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THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

REPORT OF THE OFFICE BEARERS

Office Bearers:	President:	J C McGinn
	Vice Presidents:	J F McBeth
		J Oliver
	Treasurer:	G W Peat

The Office Bearers have pleasure in presenting their report together with financial statements for the year ended 31 December 2001.

Principal activities

The principal activity of the Association is the furtherance and control of the game of football in Scotland. In addition a travel agency and a stadium management company are operated through subsidiary undertakings.

Business review

The surplus for the year after taxation amounted to £1,053,840 (2001: £566,946) and has been transferred to reserves as noted on the consolidated profit and loss account.

During the year, a decision was taken to transfer the trading assets of Scotball Travel and Leisure Limited, a subsidiary undertaking, to the Association. The subsidiary will then cease to trade. The residual business of the subsidiary will continue as a travel operation within the Association.

Office Bearers and Council

The Office Bearers with the exception of Mr J Oliver, who is appointed by the Scottish Football League, are elected every two years at the Annual General Meeting and are due for re-election in 2003.

In accordance with the Articles, the members of Council are elected every two years at the Annual General Meeting and are due for re-election in 2003.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

REPORT OF THE OFFICE BEARERS (CONTINUED)

Office Bearers' responsibilities for the financial statements

Company law requires the Office Bearers to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the office bearers are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Office Bearers are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

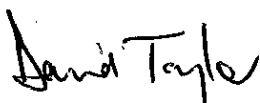
Fixed Assets

All movements in fixed assets are shown in notes 5 and 6 to the financial statements.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of the Office Bearers



Secretary
4 April 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
THE SCOTTISH FOOTBALL ASSOCIATION LIMITED**

We have audited the financial statements of The Scottish Football Association Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Office Bearers and auditors

The Office Bearers' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of Office Bearers' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 if, in our opinion, the Office Bearers' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

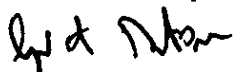
Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements made by the Office Bearers in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and the group at 31 December 2001 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**GLASGOW
4 April 2002**

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2001

	Note	2001 £	2000 £
Turnover	1	17,875,855	14,005,771
Cost of sales		<u>9,553,159</u>	<u>8,297,972</u>
Gross profit		8,322,696	5,707,799
Other operating income			
Release from other reserves	10	<u>871,031</u>	<u>615,422</u>
		9,193,727	6,323,221
Grant to The Football Partnership		400,000	-
Administrative expenses		<u>8,288,611</u>	<u>6,299,085</u>
Operating profit		505,116	24,136
Income from fixed asset investments		154,251	147,763
Gain on realisation of fixed asset investments		17,105	14,544
Interest receivable		<u>367,115</u>	<u>384,868</u>
Surplus for the year before taxation	3	1,043,587	571,311
Taxation	4	<u>10,253</u>	<u>(4,365)</u>
Surplus for the year after taxation		<u>1,053,840</u>	<u>566,946</u>
Transfer to reserves:			
Community Officers Scheme	10	350,000	350,000
Development Projects Fund	10	245,000	220,000
Scottish Football Association Museum Trust	10	70,000	65,000
National Stadium Sports Medicine Centre	10	60,000	55,000
Accumulated surplus/(deficit)	11	<u>328,840</u>	<u>(123,054)</u>
		<u>1,053,840</u>	<u>566,946</u>

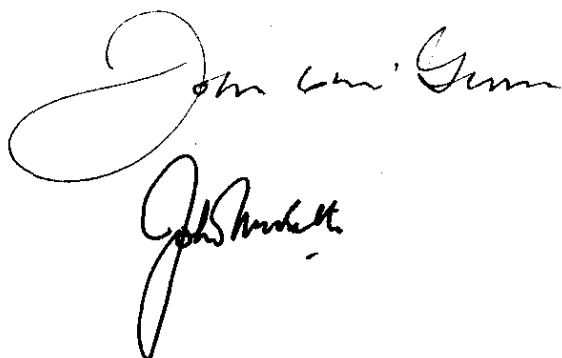
The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	5a		4,297,900		2,279,607
Investments	6		<u>2,620,201</u>		<u>2,609,908</u>
			6,918,101		4,889,515
Current assets					
Debtors	7	3,606,959		2,169,643	
Cash at bank and in hand	14	<u>4,011,765</u>		<u>5,633,616</u>	
		7,618,724		7,803,259	
Creditors: amounts falling due within one year	8	<u>9,124,946</u>		<u>7,463,704</u>	
Net current (liabilities)/assets			<u>(1,506,222)</u>		<u>339,555</u>
Total assets less current liabilities			<u>5,411,879</u>		<u>5,229,070</u>
Reserves					
General reserve			1,500,000		1,500,000
Investment revaluation reserve	9		418,901		418,901
Other reserves	10		1,825,484		1,971,515
Accumulated surplus	11		<u>1,667,494</u>		<u>1,338,654</u>
			<u>5,411,879</u>		<u>5,229,070</u>

The financial statements were approved by the Office Bearers on 4 April 2002



The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

COMPANY BALANCE SHEET AT 31 DECEMBER 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	5b		3,808,695		2,151,201
Investments	6		<u>2,650,203</u>		<u>2,639,910</u>
			6,458,898		4,791,111
Current assets					
Debtors	7	4,050,219		1,978,886	
Cash at bank and in hand		<u>3,184,427</u>		<u>4,645,591</u>	
		7,234,646		6,624,477	
Creditors: amounts falling due within one year	8	<u>8,684,011</u>		<u>6,596,881</u>	
Net current (liabilities)/assets			<u>(1,449,365)</u>		<u>27,596</u>
			<u>5,009,533</u>		<u>4,818,707</u>
Reserves					
General reserve			1,500,000		1,500,000
Investment revaluation reserve	9		418,901		418,901
Other reserves	10		1,825,484		1,971,515
Accumulated surplus			<u>1,265,148</u>		<u>928,291</u>
			<u>5,009,533</u>		<u>4,818,707</u>

The financial statements were approved by the Office Bearers on 4 April 2002.

John McInnes
John McInnes

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
Net cash inflow from operating activities	12		43,339		1,303,509
Returns on investments					
Interest received		367,115		384,868	
Income from investments		<u>154,251</u>		<u>147,763</u>	
Net cash inflow from returns on investments			521,366		532,631
Taxation					
Taxation recovered/(paid)			4,907		(18,912)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(2,198,275)		(395,775)	
Purchase of investments		(93,782)		(1,129,207)	
Proceeds on disposal of tangible fixed assets		-		1,494	
Proceeds on disposal of investments		<u>100,594</u>		<u>125,061</u>	
Net cash outflow from capital expenditure and financial investment			(2,191,463)		(1,398,427)
Management of liquid resources					
Purchase of short term deposits			<u>(2,000,000)</u>		<u>-</u>
(Decrease)/increase in cash in the year	13		<u>(3,621,851)</u>		<u>418,801</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2001

	Note	2001 £	2000 £
Surplus for the financial year		1,053,840	566,946
Other reserves			
Release to income	10	(871,031)	(615,422)
Surplus arising on revaluation	9	-	60,000
Total recognised gains and losses for the period		182,809	11,524
Opening reserves		5,229,070	5,217,546
Closing reserves		5,411,879	5,229,070

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2001

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of certain assets. The principal accounting policies have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 6). The financial statements of its subsidiary undertakings have been prepared to 31 December 2001.

Association structure

The Association is a company limited by guarantee not having a share capital.

Turnover

Turnover is the amount receivable by the group from its various activities during the accounting period.

Depreciation

Depreciation is calculated at the following rates:

Leasehold Improvements	Straight line over period of lease and 10-20 years
Computer and office equipment	25% and 10% straight line
Printing equipment	10% straight line
Heritable property	2% straight line

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between results computed for tax purposes and results as stated in the financial statements, and is provided for where there is a reasonable probability of the tax falling due in the foreseeable future.

Investments

Investments are included at cost, and are classified as fixed assets.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, investment properties are included in the balance sheet at their open market values. The unrealised surplus on revaluation on individual properties is transferred to the investment revaluation reserve. Depreciation is not provided in respect of freehold investment properties as any charge would be considered insignificant.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2001

Pension costs

The Association operates a defined benefit pension scheme. The pension costs charged to the profit and loss account are designed to provide the anticipated pension costs over the service life of the employees in the scheme. This is based upon an actuarial method and actuarial assumptions which seek to ensure that the pension cost represents a substantially level percentage of the current and expected future pensionable payroll.

Contributions payable for the year to defined contribution schemes are charged to the profit and loss account.

Operating leases

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Deferred Expenditure - Rental

The group has entered into a lease for Hampden Stadium. The initial term of the lease is 20 years with an option to extend for a further 20 years.

The lease payments are capable of being reduced depending on circumstances outwith the control of the group. The reduction may take place any time between 10 to 17 years from inception. The rent is being charged to the profit and loss account in equal annual instalments over 20 years assuming the reduction in rent takes place in year 17. The expenditure deferred is included within prepayments and accrued income in the balance sheet.

Other reserves

Other reserves represent individual schemes and projects managed and funded by the Association. Transfers to the reserves are made from the surplus for the year. All expenditure is charged to the profit and loss account in the year in which it is incurred and a corresponding amount is released from the reserve and credited to the profit and loss account.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2001

1 TURNOVER

	2001 £	2000 £
Turnover is analysed as follows:		
Gross match receipts	8,231,344	6,122,984
Other activities	9,644,511	7,882,787
	<u>17,875,855</u>	<u>14,005,771</u>

2 EMPLOYMENT COSTS

The average number of employees of the group during the year and their aggregate emoluments are shown below:

	2001 £	2000 £
Wages and salaries	2,575,785	2,114,852
Social security	259,658	227,322
Other pension costs (see note 17)	595,280	427,041
	<u>3,430,723</u>	<u>2,769,215</u>
Average number of employees of the group during the year	<u>95</u>	<u>88</u>

3 SURPLUS FOR THE YEAR BEFORE TAXATION

The surplus for the year before taxation is stated after:

	2001 £	2000 £
Auditors remuneration:		
Audit services	26,250	24,450
Non-audit services	20,970	22,525
Depreciation	179,982	53,103
Hire of equipment	2,776	18,252
Other operating leases	<u>741,669</u>	<u>544,395</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

4 TAX ON SURPLUS ON ORDINARY ACTIVITIES

The taxation credit/(charge) is based on the result for the year and is made up as follows:

	2001 £	2000 £
United Kingdom corporation tax at 20% - current year	(1,562)	(11,949)
- prior years	11,815	11,656
Tax on investment income	-	(4,072)
	<u>10,253</u>	<u>(4,365)</u>

No provision has been made for taxation which would accrue if the investment properties were disposed of at their revalued amounts.

5 TANGIBLE FIXED ASSETS

a) The Group

	Land and Buildings			Computer, Printing & Office Equipment	Total
	Leasehold Improvements £	Investment Property £	Heritable Property £	£	£
Cost or valuation					
At 1 January 2001	344,100	1,090,646	516,077	643,305	2,594,128
Additions at cost	1,891,832	-	-	306,443	2,198,275
Disposals	-	-	-	(153,935)	(153,935)
At 31 December 2001	<u>2,235,932</u>	<u>1,090,646</u>	<u>516,077</u>	<u>795,813</u>	<u>4,638,468</u>
Depreciation					
At 1 January 2001	2,404	-	10,322	301,795	314,521
Provided in the year	48,861	-	-	131,121	179,982
Disposals	-	-	-	(153,935)	(153,935)
At 31 December 2001	<u>51,265</u>	<u>-</u>	<u>10,322</u>	<u>278,981</u>	<u>340,568</u>
Net book value at					
31 December 2001	<u>2,184,667</u>	<u>1,090,646</u>	<u>505,755</u>	<u>516,832</u>	<u>4,297,900</u>
Net book value at					
31 December 2000	<u>341,696</u>	<u>1,090,646</u>	<u>505,755</u>	<u>341,510</u>	<u>2,279,607</u>

Investment properties were revalued on 31 December 2001 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. There was no change in the valuation as a result.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

TANGIBLE FIXED ASSETS (CONTD)

b) The Company

	Land and buildings					Fixtures & Fittings	Total
	Tenants Improvements £	Investment Property £	Heritable Property £	Computer System £	Printing Equipment £	£	£
Cost or valuation							
At 1 January 2001	280,000	1,090,646	516,077	383,670	108,806	18,084	2,397,283
Additions at cost	1,538,751	-	-	74,920	11,145	167,988	1,792,804
Disposals	-	-	-	(153,935)	-	-	(153,935)
At 31 December 2001	<u>1,818,751</u>	<u>1,090,646</u>	<u>516,077</u>	<u>304,655</u>	<u>119,951</u>	<u>186,072</u>	<u>4,036,152</u>
Depreciation							
At 1 January 2001	-	-	10,322	173,917	60,035	1,808	246,082
Disposals	-	-	-	(153,935)	-	-	(153,935)
Provided in the year	28,000	-	-	76,165	11,995	19,150	135,310
At 31 December 2001	<u>28,000</u>	<u>-</u>	<u>10,322</u>	<u>96,147</u>	<u>72,030</u>	<u>20,958</u>	<u>227,457</u>
Net book value at 31 December 2001	<u>1,790,751</u>	<u>1,090,646</u>	<u>505,755</u>	<u>208,508</u>	<u>47,921</u>	<u>165,114</u>	<u>3,808,695</u>
Net book value at 31 December 2000	<u>280,000</u>	<u>1,090,646</u>	<u>505,755</u>	<u>209,753</u>	<u>48,771</u>	<u>16,276</u>	<u>2,151,201</u>

Investment properties were revalued on 31 December 2001 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. There was no change in the valuation as a result.

c) The Group and the Company

If the investment properties had not been revalued, they would have been included on the historical cost basis at the following amounts:

	Investment Property £
Cost	671,745
Accumulated depreciation	-
Net book value at 31 December 2001	<u>671,745</u>
Net book value at 31 December 2000	<u>671,745</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

6 INVESTMENTS

	Quoted £
The Group	
At cost 1 January 2001	2,609,908
Additions	93,782
Disposals	(83,489)
At cost 31 December 2001	<u>2,620,201</u>

The market value of quoted investments at 31 December 2001 was £2,909,431 (2000 - £3,602,171).

The Company

In addition to the above quoted investments, the company holds the following investments:

	Investment in subsidiary undertakings £
Cost	
At 1 January 2001	30,002
Additions	-
At 31 December 2001	<u>30,002</u>

Subsidiary Undertakings	Country of Registration	Holding	Proportion held	Nature of Business
Scotball Travel and Leisure Limited	Scotland	Ordinary Shares	100%	Travel Agency
Hampden Park Limited	Scotland	Ordinary Shares	100%	Stadium Management

7 DEBTORS

	The Group		The Company	
	2001 £	2000 £	2001 £	2000 £
Amounts owed by group undertakings		-	1,402,622	663,705
Other debtors	2,846,234	1,734,250	2,304,824	1,216,916
Prepayments and accrued income	751,142	421,492	333,190	84,364
Taxation recoverable	9,583	13,901	9,583	13,901
	<u>3,606,959</u>	<u>2,169,643</u>	<u>4,050,219</u>	<u>1,978,886</u>

Prepayments and accrued income for the group includes an amount of £143,010 in relation to deferred rental. This amount will be written off in accordance with the accounting policy as discussed on page 10 and is not recoverable within one year.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2001	2000	2001	2000
	£	£	£	£
Accruals and deferred income	8,925,802	7,365,188	8,516,700	6,511,612
Social security and other taxes	196,859	86,567	167,311	74,043
Corporation tax payable	2,285	11,949	-	11,226
	<u>9,124,946</u>	<u>7,463,704</u>	<u>8,684,011</u>	<u>6,596,881</u>

9 INVESTMENT PROPERTY REVALUATION RESERVE

The Group and the Company

	2001	2000
	£	£
At 1 January 2001	418,901	358,901
Arising on revaluation (Note 5)	-	60,000
At 31 December 2001	<u>418,901</u>	<u>418,901</u>

10 OTHER RESERVES

	At 1 January 2001 £	Transfer from surplus for the year £	Release to income £	At 31 December 2001 £
Grants scheme	42,534	-		42,534
Approved projects of Affiliated National Associations	13,145	-	(5,788)	7,357
Community Officers Scheme	342,481	350,000	(439,632)	252,849
Development Projects Fund	1,380,541	245,000	(102,797)	1,522,744
Scottish Football Association Museum Trust	87,814	70,000	(157,814)	-
National Stadium Sports Medicine Centre	105,000	60,000	(165,000)	-
	<u>1,971,515</u>	<u>725,000</u>	<u>(871,031)</u>	<u>1,825,484</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

11 ACCUMULATED SURPLUS

	2001 £	2000 £
Accumulated surplus at 1 January 2001	1,338,654	1,461,708
Surplus/(deficit) for the year	<u>328,840</u>	<u>(123,054)</u>
Accumulated surplus at 31 December 2001	<u>1,667,494</u>	<u>1,338,654</u>

The retained surplus/(deficit) for the year has arisen from the group companies as follows:

	2001 £	2000 £
By the Association	336,857	(3,323)
By subsidiary undertakings	<u>(8,017)</u>	<u>(119,731)</u>
	<u>328,840</u>	<u>(123,054)</u>

In accordance with S230 of the Companies Act 1985, the company has not included its own profit and loss account in these financial statements.

12 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating surplus	505,116	24,136
Depreciation	179,982	53,103
Loss on disposal of fixed assets	-	32
Increase in debtors	(1,441,634)	(1,286,618)
Increase in creditors	1,670,906	3,128,278
Release from other reserves	<u>(871,031)</u>	<u>(615,422)</u>
Net cash inflow from operating activities	<u>43,339</u>	<u>1,303,509</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

13 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
(Decrease)/increase in cash in the year	(3,621,851)	418,801
Cash outflow from increase in liquid resources	<u>2,000,000</u>	<u>-</u>
Movement in net funds in the year	<u>(1,621,851)</u>	<u>418,801</u>
Net funds at 1 January 2001	<u>5,633,616</u>	<u>5,214,815</u>
Net funds at 31 December 2001	<u>4,011,765</u>	<u>5,633,616</u>

The Association manages its liquid resources through the use of overnight and 7 day deposits with Bank of Scotland. Overnight deposits are treated as cash, and 7 days deposits are treated as liquid resources for the purposes of the cash flow statement.

14 ANALYSIS OF NET FUNDS

	At 1 January 2001 £	Cash flow £	At 31 December 2001 £
Cash at bank and in hand	4,633,616	(3,621,851)	1,011,765
Short-term deposits	<u>1,000,000</u>	<u>2,000,000</u>	<u>3,000,000</u>
	<u>5,633,616</u>	<u>(1,621,851)</u>	<u>4,011,765</u>

15 CAPITAL COMMITMENTS

The group and the company

	2001 £	2000 £
Contracted for but not provided in these financial statements	<u>1,470,000</u>	<u>130,166</u>

The amount disclosed in relation to 2001 relates to the outstanding expenditure on a £3 million contract for safety improvements to the East Stand at Hampden Park. A grant offer of £1.2 million towards this project has been made by Sportscotland Lottery Fund. An application has also been made to the Scottish Football Partnership for a further £1 million grant.

16 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2001 and 31 December 2000.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

17 PENSION COMMITMENTS

The Association operates a Pension Scheme of the Defined Benefit type, providing benefits to members based on final pensionable salary. The assets of the scheme are held separately from those of the Association, being invested in a deposit administration contract with an insurance company. As stated in the principal accounting policies contributions to the scheme are charged to the income and expenditure account, to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of regular triennial valuations using the project unit method. The latest valuation available was carried out as at 1 May 2000. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries. It was assumed that investment returns would be 7.5% per annum and that the salary increases would average 5.5% per annum.

The actuarial valuation showed that the market value of the schemes assets was £5,434,000 and that the actuarial value of those assets represented 87% of the value of the liabilities accrued to the valuation date at 1 May 2000. The Association has adopted an enhanced contribution rate to address this deficit.

The total charge for the year was £565,742 (2000: £413,144).

Financial Reporting Standard 17, issued in November 2000, will become fully effective for the company's year ending 31 December 2003.

The transitional provisions of the Standard require the disclosure of certain information in relation to the valuation of the Scheme's assets and liabilities at 31 December 2001, together with related assumptions.

In relation to the financial statements for the year ended 31 December 2001 this information is illustrative only and does not impact on the balance sheet at 31 December 2001.

The Office Bearers have obtained the information required under FRS17 from the scheme's actuary based on an update of the most recent actuarial valuation completed as at 1 May 2000.

On this basis the financial status of the Scheme at 31 December 2001 was as follows:

	£
Market value of assets	6,736,000
Present value of Scheme liabilities	<u>8,038,000</u>
Net pension deficit	<u>1,302,000</u>

This deficit makes no allowances for deferred taxation.

The assets of the Scheme and the expected rates of return were:

	Value £	Rate of Return %
Deposit administration contract	5,178,000	6.5
Annuities	<u>1,558,000</u>	5.8
	<u>6,736,000</u>	

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2001

PENSION COMMITMENTS (CONTINUED)

The main assumptions used by the actuary were:

	%
Rate of increase in Retail Price Index	2.6
Rate of increase in Pensions in Payment	5.0
Rate of increase in Pensionable Salaries	4.25
Discount Rate	5.8

The Association also contributes to defined contribution schemes. Contributions to these schemes for the year amounted to £29,538 (2000 - £13,897).

18 LEASING COMMITMENTS

Operating lease payments amounting to £820,000 (2000 - £880,414) are due within one year. The leases to which these amounts relate expire as follows:

	2001 Land and buildings £	Other £	2000 Land and buildings £	Other £
In one year or less	-	-	-	60,414
In five years or more	800,000	20,000	800,000	20,000
	<u>800,000</u>	<u>20,000</u>	<u>800,000</u>	<u>80,414</u>

19 OTHER MATTERS

The group made a donation to the Scottish Football Association Museum Trust of £357,814 in the year. In addition it paid salaries amounting to £30,926 by way of payment in kind to the Scottish Football Association Museum Trust. The group charged the Scottish Football Association Museum Trust an amount of £180,000 in the year in respect of rent and common charges. Included within Other Debtors is an amount of £374,809 due from the Scottish Football Association Museum Trust. The group has certain directors in common with the Scottish Football Association Museum Trust.