



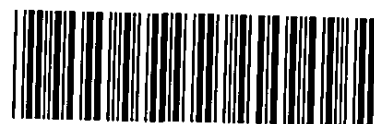
Grant Thornton

Financial Statements

The Scottish Football Association Limited

For the year ended 31 December 2013

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COMPANIES HOUSE

Registered number: SC005453

The Scottish Football Association Limited

Company Information

Directors	R C Ogilvie (President) A McRae (1st Vice President) R M Petrie (2nd Vice President) S M Regan (Chief Executive) B M Jackson T A Johnston P T Lawwell (appointed 2 September 2013) R J Topping (resigned 2 September 2013)
Company secretary	H A Barton
Registered number	SC005453
Registered office	Hampden Park Glasgow G42 9AY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 95 Bothwell Street Glasgow G2 7JZ
Solicitors	Burness Paull LLP 120 Bothwell Street Glasgow G2 7JL Levy & McRae 266 St Vincent Street Glasgow G2 5RL

The Scottish Football Association Limited

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Group Strategic Report

For the year ended 31 December 2013

Introduction

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

Business review

The principal activity of the company is the promotion, development and regulation of the game of football in Scotland. In addition a subsidiary undertaking operates the National Stadium.

The profit and loss account is set out on page 7 and shows turnover for the year of £32,915,264 (2012 - £33,268,611) and profit for the year after taxation of £333,474 (2012 - £608,155) which has been transferred to reserves.

Group turnover includes an increase in income from events held at Hampden Park during 2013. The 2012 turnover figure included external funding received to support the Scottish FA's Strategic Objectives.

Group Cash at Bank balances have increased this year due mainly to the timing of amounts receivable in respect of major broadcast contracts. There is also an increase in Deferred Income in Creditors, with the result that there is no significant effect on Net Current Assets.

The Scottish FA looks forward to welcoming the Commonwealth Games to Glasgow in 2014. Hampden Park will be the athletics venue for the 2014 Commonwealth Games and also the venue for the closing ceremony. Permanent improvements have been made to the Stadium for the Games which will remain as legacy after 2014. In addition, in order to accommodate a temporary athletics track there will be modifications required to the arena. Contractual negotiations with Glasgow 2014 regarding the North Stand improvements and the athletics track overlay have been completed and works on the athletics track will be completed in advance of the Games.

Further information on the group's activities is set out in the Financial Report section of the Annual Review.

Principal risks and uncertainties

The Board considers that the principal risks and uncertainties affecting the business include challenges to football regulatory processes, fluctuations in income from football matches, qualification for European Championship and World Cup Finals, and revenue streams from commercial and broadcasting contracts.

The company seeks to mitigate challenges to its regulatory processes through the recruitment and training of independent Judicial Panel members and through close liaison with World and European football governing bodies.

A significant proportion of company turnover arises from television and commercial sponsorship contracts. To secure future revenues the directors seek to enter into such contracts with suitable commercial partners for appropriate durations.

Credit risk is managed by running credit checks on customers and by monitoring payments against contractual agreements.

The Scottish FA is seeking to enhance the future performance of the National Teams through the continued development of its Performance Strategy.

The company monitors cash flow as part of its day to day control procedures. In addition the Board considers cash flow projections on a regular basis.

Group Strategic Report (continued)

Strategic plan

The Scottish FA launched its strategy document "Scotland United – A 2020 Vision" in April 2011. The strategy addresses four distinct elements as follows:

- Perform and Win (Elite performance)
- Strong Quality Growth (Grassroots football)
- Better Financial Returns (Sponsorship and Financial Management)
- Respected and Trusted to Lead (Football Governance, Equity and Staff Development)

The strategy includes a number of detailed objectives in each of these areas and progress against these objectives is monitored by the Board on an ongoing basis. Further information is available on the Scottish Football Association website.

Audit and risk committee

The Audit and Risk Committee consists of Mr B M Jackson (Chairman), Mr R C Ogilvie and Mr R M Petrie.

The external auditor and members of the Finance Department attend routinely. Business is also conducted without the presence of the external auditor and members of the Finance Department when appropriate.

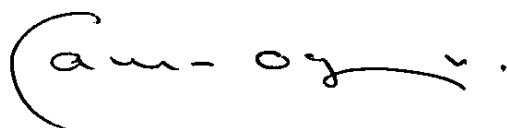
The main responsibilities of the Committee are:

- Review of the annual report and financial statements, and the significant financial reporting judgements and accounting policies;
- Review the internal financial control systems and risk management systems;
- Recommend to the Board the appointment, remuneration and terms of engagement of the external auditor and agree the nature and scope of the audit with the external auditor;
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process.

The role of the Committee is decided by the Board and the results of its work are reported to the Board.

This report was approved by the board on 3 April 2014 and signed on its behalf.

R C Ogilvie
President



Directors' Report

For the year ended 31 December 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, 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 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 group and of the profit or loss of the group 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 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results

The profit for the year, after taxation, amounted to £333,474 (2012 - £608,155).

Directors

The directors who served during the year were:

R C Ogilvie (President)
A McRae (1st Vice President)
R M Petrie (2nd Vice President)
S M Regan (Chief Executive)
B M Jackson
T A Johnston
P T Lawwell (appointed 2 September 2013)
R J Topping (resigned 2 September 2013)

Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all its directors.

Directors' Report

For the year ended 31 December 2013

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

Grant Thornton UK LLP were appointed as auditors during the period and offer themselves for reappointment as auditors in accordance with section 485(4) of the Companies Act 2006. A resolution to reappoint them will be proposed at the forthcoming annual general meeting.

This report was approved by the board on 3 April 2014 and signed on its behalf.


H A Barton
Secretary



Independent Auditor's Report 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 2013, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt, the consolidated Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of The Scottish Football Association Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Grant Thornton UK LLP

Robert K Hannah (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Glasgow

3 April 2014

Consolidated Profit and Loss Account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	1,2	32,915,264	33,268,611
Cost of sales		(17,484,788)	(17,772,033)
Gross profit		15,430,476	15,496,578
Administrative expenses		(14,644,033)	(14,782,252)
Grant to The Scottish Football Partnership		(800,000)	(500,000)
Operating (loss)/profit	3	(13,557)	214,326
Income from other fixed asset investments		182,850	182,292
Gain on realisation of fixed asset investments		39,096	31,677
Interest receivable		15,047	54,360
Release of fixed asset impairment provision		61,237	142,959
Other finance income	7	270,000	73,000
Profit on ordinary activities before taxation		554,673	698,614
Tax on profit on ordinary activities	8	(221,199)	(90,459)
Profit for the financial year	15	333,474	608,155

All amounts relate to continuing operations.

The notes on pages 12 to 29 form part of these financial statements.

The Scottish Football Association Limited

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2013

	Note	2013 £	2012 £
Profit for the financial year		333,474	608,155
Unrealised surplus on revaluation of tangible fixed assets	15	26,250	13,750
Unrealised actuarial gain related to pension scheme	22	783,000	36,000
Deferred tax attributable to actuarial gain	22	(180,000)	(8,000)
Total recognised gains and losses relating to the year		962,724	649,905

The notes on pages 12 to 29 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		6,264,556		4,108,384
Investments	10		2,384,322		2,307,371
			<u>8,648,878</u>		<u>6,415,755</u>
Current assets					
Debtors	11	10,793,735		7,483,496	
Cash at bank		15,595,102		13,662,420	
		<u>26,388,837</u>		<u>21,145,916</u>	
Creditors: amounts falling due within one year	12	<u>(24,470,710)</u>		<u>(19,158,208)</u>	
Net current assets			<u>1,918,127</u>		<u>1,987,708</u>
Total assets less current liabilities			<u>10,567,005</u>		<u>8,403,463</u>
Provisions for liabilities					
Deferred tax	13		(189,647)		(100,448)
Deferred capital grants	14		(4,118,786)		(1,961,167)
Net assets excluding pension scheme			<u>6,258,572</u>		<u>6,341,848</u>
Defined benefit pension scheme asset/(liability)	22		668,000		(378,000)
Net assets including pension scheme			<u><u>6,926,572</u></u>		<u><u>5,963,848</u></u>
Capital and reserves					
General reserve	15		1,500,000		1,500,000
Other reserves	15		1,799,673		1,799,673
Investment property revaluation reserve	15		273,394		247,144
Profit and loss account	15		3,353,505		2,417,031
Funds	16		<u><u>6,926,572</u></u>		<u><u>5,963,848</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2014.

R C Ogilvie
President

S M Regan
Director

The notes on pages 12 to 29 form part of these financial statements.

Company Balance Sheet

As at 31 December 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	9		2,191,690		2,389,765
Investments	10		2,384,324		2,307,373
			<u>4,576,014</u>		<u>4,697,138</u>
Current assets					
Debtors	11	7,359,343		4,449,618	
Cash at bank		14,995,670		12,903,491	
		<u>22,355,013</u>		<u>17,353,109</u>	
Creditors: amounts falling due within one year	12	(22,518,196)		(17,173,121)	
Net current (liabilities)/assets			<u>(163,183)</u>		<u>179,988</u>
Total assets less current liabilities			<u>4,412,831</u>		<u>4,877,126</u>
Deferred capital grants	14		<u>(802,762)</u>		<u>(936,096)</u>
Net assets excluding pension scheme assets/(liabilities)			<u>3,610,069</u>		<u>3,941,030</u>
Defined benefit pension scheme asset/(liability)	22		<u>668,000</u>		<u>(378,000)</u>
Net assets including pension scheme assets/(liabilities)			<u><u>4,278,069</u></u>		<u><u>3,563,030</u></u>
Capital and Reserves					
General reserve	15		1,500,000		1,500,000
Other reserves	15		1,799,673		1,799,673
Investment property revaluation reserve	15		273,394		247,144
Profit and loss account	15		705,002		16,213
Funds	16		<u><u>4,278,069</u></u>		<u><u>3,563,030</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2014.

R C Ogilvie
President

S M Regan
Director

The notes on pages 12 to 29 form part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	17	1,999,234	3,757,376
Returns on investments and servicing of finance	18	197,897	235,275
Taxation		(15,976)	2,130
Capital expenditure and financial investment	18	(248,473)	(147,081)
Increase in cash in the year		1,932,682	3,847,700

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 December 2013

	2013 £	2012 £
Increase in cash in the year	1,932,682	3,847,700
Movement in net funds in the year	1,932,682	3,847,700
Net funds at 1 January 2013	13,662,420	9,814,720
Net funds at 31 December 2013	15,595,102	13,662,420

The notes on pages 12 to 29 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable accounting standards.

The directors have prepared cash flow forecasts for at least twelve months from the date of signing these accounts. The directors are satisfied that due to the existence of contracted income and cash reserves the company can operate within its available funds for the foreseeable future.

1.2 Basis of consolidation

The financial statements consolidate the accounts of The Scottish Football Association Limited and its subsidiary undertaking as at 31 December 2013.

1.3 Turnover

Turnover is the amount receivable by the group from its various activities during the accounting period. Revenue derived from contracts in respect of media rights is recognised as turnover in accordance with the proportion of matches covered in any accounting period against the total number of matches to be played in any season. Scottish Cup and International matches are weighted in line with the estimated media rights attached to each category of match. In-kind transactions are quantified and included within turnover.

Revenue derived from sponsorship is recognised evenly over the period to which the sponsorship relates. Revenue from catering and hospitality is recognised in the period when the event takes place.

Rental income is recognised as it is earned.

The group has entered into a Venue Use Agreement with Glasgow 2014 Ltd. The stadium is to be used as the venue for the athletics competition and the closing ceremony for the Commonwealth Games that are taking place in Glasgow in 2014. The Venue Use Agreement allows Glasgow 2014 Ltd access to the stadium from October 2013 until November 2014. Both revenues and costs relating to the Commonwealth Games are being recognised evenly over the period of the agreed occupation of Hampden Park by Glasgow 2014 Ltd.

1.4 Company structure

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

1.5 Tangible fixed assets and depreciation

A full year's level of depreciation is charged in the year of acquisition with no depreciation charged in the year of disposal. Depreciation is calculated at the following rates:

Leasehold improvements	-	Straight line over period of lease and 10-20 years
Equipment and fittings	-	25% and 10% straight line
Assets under construction	-	Not depreciated until complete

1.6 Investments

Investments are included at cost less any provisions for impairment and are classified as fixed assets.

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.7 Deferred taxation

Deferred tax is recognised on all timings differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date.

Deferred tax assets and liabilities are not discounted.

1.8 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 of individual properties is transferred to the investment revaluation reserve.

Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy, which represents a departure from statutory accounting rules, is necessary to provide a true and fair view as required under SSAP 19. If this departure from the Act had not been made the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is one of the many factors reflected in the annual valuations and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.9 Foreign Currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

1.10 Pension costs

The company operates a defined benefit pension scheme. The assets of the scheme are administered by the Trustees in a fund independent from those of the company.

Scheme assets are measured at market values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the company.

The current service cost and costs from settlement and curtailment are charged against operating profit. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

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

Notes to the Financial Statements

For the year ended 31 December 2013

1. Accounting Policies (continued)

1.11 Grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Grant assistance of a revenue nature is credited to the profit and loss account in the same period as the related expenditure.

1.12 Operating leases

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

1.13 Deferred expenditure - rental

The group entered into a lease for The National Stadium in the year 2000 with the Queen's Park Football Club. The initial term of the lease is 20 years with the 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. Rent is being charged to the profit and account in equal annual instalments over 20 years assuming the reduction in rent takes place in lease year 15 being the most appropriate estimate at the time. The expenditure deferred is included within debtors in the balance sheet.

2. Turnover

An analysis of turnover by class of business is as follows:

	2013 £	2012 £
Promotion of Football	28,548,907	29,617,710
Stadium Management	4,366,357	3,650,901
	<u>32,915,264</u>	<u>33,268,611</u>

All turnover arose from activities within the United Kingdom.

Notes to the Financial Statements

For the year ended 31 December 2013

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the group	956,128	452,034
Defined benefit pension cost	(191,000)	(201,000)
Amortisation of grants	(656,576)	(153,890)
Operating lease - Land and buildings	728,562	719,422
Operating lease - Other assets	20,044	20,044
	<u>20,044</u>	<u>20,044</u>

4. Auditors' remuneration

	2013	2012
	£	£
Fees payable to the group's auditor and its associates for the audit of the group's annual accounts	22,500	23,000
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	3,500	3,500
	<u>3,500</u>	<u>3,500</u>

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013	2012
	£	£
Wages and salaries	6,453,270	6,105,259
Social security costs	715,811	688,970
Other pension costs	557,372	559,303
	<u>7,726,453</u>	<u>7,353,532</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
Staff	<u>183</u>	<u>178</u>

Notes to the Financial Statements

For the year ended 31 December 2013

6. Directors' remuneration

	2013 £	2012 £
Remuneration	<u>329,103</u>	<u>312,925</u>
Company contributions to defined contribution pension schemes	<u>22,875</u>	<u>21,833</u>

The total amount payable to the highest paid director in respect of emoluments was £292,855 (2012: £280,425). Company pension contributions of £22,875 (2012: £21,833) were made to a money purchase scheme on the highest paid director's behalf.

7. Other finance income

	2013 £	2012 £
Expected return on pension scheme assets	1,120,000	933,000
Interest on pension scheme liabilities	(850,000)	(860,000)
	<u>270,000</u>	<u>73,000</u>

8. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
Current tax on profits of the year	-	17,355
Deferred tax		
Origination and reversal of timing differences	221,199	98,216
Change in tax rate	-	(25,112)
Total deferred tax (see note 13)	<u>221,199</u>	<u>73,104</u>
Tax on profit on ordinary activities	<u>221,199</u>	<u>90,459</u>

Notes to the Financial Statements

For the year ended 31 December 2013

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	554,673	698,614
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)	128,942	171,160
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,546	25,302
Capital allowances for year in (excess)/deficit of depreciation	(119,887)	7,314
Utilisation of tax losses	-	(47,791)
Other timing differences	(33,708)	(73,837)
Non qualifying depreciation	158,097	52,165
FRS 17 adjustment	(144,129)	(86,730)
Exempt dividend income	(26,848)	(26,323)
Unrelieved tax losses carried forward	19,987	-
Impact of rate differences	-	(3,905)
Current tax charge for the year (see note above)	-	17,355

9. Tangible fixed assets

Group	Investment Properties £	Equipment and fittings £	Leasehold improvements £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2013	843,750	1,652,376	5,380,722	739,999	8,616,847
Additions	-	75,067	106,507	2,904,476	3,086,050
Transfer	-	-	3,644,475	(3,644,475)	-
Revaluation surplus	26,250	-	-	-	26,250
At 31 December 2013	870,000	1,727,443	9,131,704	-	11,729,147
Depreciation					
At 1 January 2013	-	1,249,279	3,259,184	-	4,508,463
Charge for the year	-	141,417	814,711	-	956,128
At 31 December 2013	-	1,390,696	4,073,895	-	5,464,591
Net book value					
At 31 December 2013	870,000	336,747	5,057,809	-	6,264,556
At 31 December 2012	843,750	403,097	2,121,538	739,999	4,108,384

Notes to the Financial Statements

For the year ended 31 December 2013

9. Tangible fixed assets (continued)

Company	Investment Properties £	Leasehold improvements £	Equipment and fittings £	Total £
Cost or valuation				
At 1 January 2013	843,750	3,674,035	1,079,480	5,597,265
Additions	-	32,627	30,833	63,460
Revaluation surplus	26,250	-	-	26,250
At 31 December 2013	870,000	3,706,662	1,110,313	5,686,975
Depreciation				
At 1 January 2013	-	2,343,812	863,688	3,207,500
Charge for the year	-	192,655	95,130	287,785
At 31 December 2013	-	2,536,467	958,818	3,495,285
Net book value				
At 31 December 2013	870,000	1,170,195	151,495	2,191,690
At 31 December 2012	843,750	1,330,223	215,792	2,389,765

Properties within the Group's investment portfolio with a historical cost of £596,606 (2012: £596,606) were revalued to market value as at 31 December 2013 by Messrs Griffin Webster, Chartered Surveyors, in accordance with the RICS Appraisal and Valuation Manual in the sum of £870,000 (2012: £843,750). The valuer's opinion of market value of each of the properties has been primarily derived using comparable recent market transactions on arm's length terms. The net revaluation surplus on the properties is included in the investment property revaluation reserve.

Notes to the Financial Statements

For the year ended 31 December 2013

10. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2013	2,307,371
Additions	245,681
Disposals	(229,967)
Revaluations	61,237
At 31 December 2013	<u>2,384,322</u>
Net book value	
At 31 December 2013	<u>2,384,322</u>
At 31 December 2012	<u>2,307,371</u>

Subsidiary undertakings

Hampden Park Limited is a subsidiary undertaking of The Scottish Football Association Limited, which holds 100% of their ordinary share capital. Hampden Park Limited's business is stadium management and the registered office is situated in Scotland.

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2013	2	2,307,371	2,307,373
Additions	-	245,681	245,681
Disposals	-	(229,967)	(229,967)
Revaluations	-	61,237	61,237
At 31 December 2013	<u>2</u>	<u>2,384,322</u>	<u>2,384,324</u>
Net book value			
At 31 December 2013	<u>2</u>	<u>2,384,322</u>	<u>2,384,324</u>
At 31 December 2012	<u>2</u>	<u>2,307,371</u>	<u>2,307,373</u>

The market value of listed investments for the group and the company at 31 December 2013 was £3,787,164 (2012: £3,329,316).

Notes to the Financial Statements

For the year ended 31 December 2013

11. Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Due after more than one year				
Deferred rental	2,261,324	2,096,864	-	-
Due within one year				
Trade debtors	5,318,653	1,841,740	4,528,982	1,567,341
Amounts owed by group undertakings	-	-	112,700	-
Amounts owed by related parties	222,998	48,727	188,893	-
Other debtors	652,263	915,866	652,263	915,866
Prepayments and accrued income	2,337,126	2,577,549	1,875,134	1,963,661
Tax recoverable	1,371	2,750	1,371	2,750
	<u>10,793,735</u>	<u>7,483,496</u>	<u>7,359,343</u>	<u>4,449,618</u>

12. Creditors:

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade creditors	619,261	840,666	260,012	141,209
Amounts owed to group undertakings	-	-	-	61,867
Corporation tax	-	17,355	-	-
Other taxation and social security	1,049,174	680,676	870,761	565,472
Other creditors	6,436	-	6,436	-
Accruals and deferred income	22,795,839	17,619,511	21,380,987	16,404,573
	<u>24,470,710</u>	<u>19,158,208</u>	<u>22,518,196</u>	<u>17,173,121</u>

13. Deferred taxation

	Group	
	2013	2012
	£	£
At beginning of year	100,448	117,523
Charge for/(released during) the year (P&L)	89,199	(17,075)
At end of year	<u>189,647</u>	<u>100,448</u>

Notes to the Financial Statements

For the year ended 31 December 2013

13. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2013 £	Group 2012 £
Accelerated capital allowances	204,389	126,344
Other short term timing differences	(14,742)	(25,896)
	<u>189,647</u>	<u>100,448</u>

14. Deferred capital grants

	2013 £	Group 2012 £	2013 £	Company 2012 £
Balance at 1 January 2013	1,961,167	1,229,607	936,096	1,069,430
Grants received during the year	2,814,195	814,988	-	-
Transfer from creditors due within one year	-	70,462	-	-
Amortisation for the year	(656,576)	(153,890)	(133,334)	(133,334)
	<u>4,118,786</u>	<u>1,961,167</u>	<u>802,762</u>	<u>936,096</u>

15. Reserves

	Investment property revaluation reserve £	General reserve £	Other reserves £	Profit and loss account £
Group				
At 1 January 2013	247,144	1,500,000	1,799,673	2,417,031
Profit for the financial year	-	-	-	333,474
Pension reserve movement	-	-	-	603,000
Movement on investment property	26,250	-	-	-
	<u>273,394</u>	<u>1,500,000</u>	<u>1,799,673</u>	<u>3,353,505</u>
At 31 December 2013				

Notes to the Financial Statements

For the year ended 31 December 2013

15. Reserves (continued)

Company	Investment property revaluation reserve £	General reserve £	Other reserves £	Profit and loss account £
At 1 January 2013	247,144	1,500,000	1,799,673	16,213
Profit for the financial year	-	-	-	85,789
Pension reserve movement	-	-	-	603,000
Movement on investment property	26,250	-	-	-
At 31 December 2013	<u>273,394</u>	<u>1,500,000</u>	<u>1,799,673</u>	<u>705,002</u>

General reserves and Other reserves relate to items of a revenue nature.

16. Reconciliation of movement in funds

Group	2013 £	2012 £
Opening funds	5,963,848	5,313,943
Profit for the financial year	333,474	608,155
Other recognised gains and losses during the year	629,250	41,750
Closing funds	<u>6,926,572</u>	<u>5,963,848</u>

Company	2013 £	2012 £
Opening funds	3,563,030	2,951,686
Profit for the financial year	85,789	569,594
Other recognised gains and losses during the year	629,250	41,750
Closing funds	<u>4,278,069</u>	<u>3,563,030</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

The profit for the year dealt with in the accounts of the company was £85,789 (2012 - £569,594).

Notes to the Financial Statements

For the year ended 31 December 2013

17. Net cash flow from operating activities

	2013 £	2012 £
Operating (loss)/profit	(13,557)	214,326
Depreciation of intangible fixed assets	956,128	452,034
Pension scheme payments	(305,000)	(281,000)
Release of deferred capital grants	(656,576)	(153,890)
(Increase)/decrease in debtors	(3,311,618)	230,261
Increase in creditors	5,329,857	3,295,645
Net cash inflow from operating activities	1,999,234	3,757,376

18. Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	15,047	54,360
Income from investments	182,850	180,915
Net cash inflow from returns on investments and servicing of finance	197,897	235,275
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,086,050)	(966,378)
Purchase of fixed asset investments	(245,681)	(87,745)
Sale of fixed asset investments	269,063	92,054
Government grants received	2,814,195	814,988
Net cash outflow from capital expenditure	(248,473)	(147,081)

19. Analysis of changes in net funds

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	13,662,420	1,932,682	-	15,595,102
Net funds	13,662,420	1,932,682	-	15,595,102

Notes to the Financial Statements

For the year ended 31 December 2013

20. Contingent liabilities

The company has provided a guarantee in respect of a third party loan which may be provided to The Scottish Football Partnership up to a maximum of £1.2m. In the opinion of the directors, any risk of liability to the company is remote.

The company has provided a guarantee in respect of the Venue Use Agreement between Hampden Park Limited and Glasgow 2014 Limited. The company has guaranteed the performance of all obligations of Hampden Park Limited arising under or in connection with the Venue Use Agreement.

21. Capital commitments

The group and company had capital commitments as follows:

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Contracted for but not provided in these financial statements	-	2,304,493	-	-

The group entered into a contract with ISG Construction Limited in November 2012 to build a permanent extension to the North Stand and to make improvements to the West and East Stands. These contracted works are being funded by Glasgow 2014 Limited.

22. Pensions

The company operates a defined benefit pension scheme for the benefit of certain employees. The assets of the scheme are administered by the Trustees in a fund independent from those of the company. The scheme is closed to new entrants.

	2013	2012
	£	£
Reconciliation of present value of plan liabilities		
At the beginning of the year	(19,775,000)	(17,831,000)
Current service cost	(241,000)	(251,000)
Interest cost	(850,000)	(860,000)
Experience loss on liabilities	(81,000)	-
Loss on changes in assumptions	(772,000)	(1,061,000)
Benefits paid	336,000	219,000
Change in secured pensioners value due to scheme experience	154,000	9,000
At the end of the year	(21,229,000)	(19,775,000)

Notes to the Financial Statements

For the year ended 31 December 2013

22. Pensions (continued)

	2013 £	2012 £
Composition of plan liabilities		
Schemes wholly or partly funded	<u>(21,229,000)</u>	<u>(19,775,000)</u>
	2013 £	2012 £
Reconciliation of fair value of plan assets		
At the beginning of the year	19,284,000	16,950,000
Expected rate of return on plan assets	1,120,000	933,000
Actuarial gains	1,636,000	1,097,000
Contributions by group	541,000	482,000
Contributions by participants	50,000	50,000
Expenses paid by scheme	(45,000)	-
Benefits paid	(336,000)	(219,000)
Change in secured pensioners value due to scheme experience	(154,000)	(9,000)
At the end of the year	<u>22,096,000</u>	<u>19,284,000</u>
	2013 £	2012 £
Reconciliation to balance sheet		
Present value of funded obligations	(21,229,000)	(19,775,000)
Fair value of plan assets	22,096,000	19,284,000
Plan surplus/(deficit)	867,000	(491,000)
Related deferred tax (liability)/asset	(199,000)	113,000
Net surplus/(liability)	<u>668,000</u>	<u>(378,000)</u>
	2013 £	2012 £
Recognised in profit and loss		
Included in administrative expenses:		
Current service cost	(191,000)	(201,000)
Included in other finance (income)/expense:		
Interest cost	(850,000)	(860,000)
Expected return of plan assets	1,120,000	933,000
	<u>79,000</u>	<u>(128,000)</u>

Notes to the Financial Statements

For the year ended 31 December 2013

22. Pensions (continued)

	2013 £	2012 £
Recognised in statement of total recognised gains and losses		
Actual return less expected return on pension plan assets	1,636,000	1,097,000
Changes in assumptions underlying the present value of the scheme liabilities	(772,000)	(1,061,000)
Experience loss on liabilities	(81,000)	-
	<hr/>	<hr/>
Actuarial gains recognised in the statement of total recognised gains and losses	783,000	36,000
	<hr/>	<hr/>
	2013 £	2012 £
Cumulative amounts of gains/(losses) recognised in the statement of total recognised gains and losses	(2,223,000)	(2,826,000)
	<hr/>	<hr/>
	2013 £	2012 £
Composition of plan assets		
Equities	14,116,000	11,620,000
Bonds	5,311,000	4,963,000
Secured pensioners	2,659,000	2,701,000
Cash	10,000	-
	<hr/>	<hr/>
Total plan assets	22,096,000	19,284,000
	<hr/>	<hr/>

Overall expected return on net assets is based upon expectations of future long term returns by asset class.

	2013 £	2012 £
Actual return on plan assets	2,756,000	2,030,000
	<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 31 December 2013

22. Pensions (continued)

	2013 £	2012 £	2011 £	2010 £	2009 £
Five year history					
Present value of the plan liabilities	(21,229,000)	(19,775,000)	(17,831,000)	(17,383,000)	(16,741,000)
Fair value of the plan assets	22,096,000	19,284,000	16,950,000	16,736,000	14,794,000
	<u>867,000</u>	<u>(491,000)</u>	<u>(881,000)</u>	<u>(647,000)</u>	<u>(1,947,000)</u>
Surplus/(deficit) on the pension plans					
Experience adjustments arising on:					
Plan liabilities	(81,000)	-	186,000	555,000	106,000
Plan assets	1,636,000	1,097,000	(787,000)	680,000	1,491,000

	2013 %	2012 %
Principal actuarial assumptions used at the balance sheet date		
Discount rates	4.30	4.30
Expected rates of return on plan assets		
Equities	7.60	6.90
Bonds	4.40	4.00
Secured pensioners	4.30	4.30
Cash	0.50	0.50
Future salary increase	3.90	3.60
Future pension increase	2.40	2.10
Inflation assumption	3.60	3.30

The group's best estimate of the contributions expected to be paid in the year beginning 1 January 2014 is £503,000.

The group also contributes to defined contribution schemes. Contributions to these schemes for the year amounted to £333,519 (2012: £194,534).

Post-retirement mortality is based on the mortality tables known as S1NMA for males and S1NFA for females with reference to members' years of birth. Under these assumptions, the expected future life expectancies at age 60 are as follows:

Current pensioners - male 27.5 years, females 29.2 years
 Future pensioners - male 29.9 years, females 30.9 years

Notes to the Financial Statements

For the year ended 31 December 2013

23. Operating lease commitments

At 31 December 2013 the group had annual commitments under non-cancelable operating leases as follows:

Group	Land and buildings		2013	Other 2012
	2013	2012		
	£	£	£	£
Expiry date:				
Between 2 and 5 years	895,368	891,924	20,044	20,044

At 31 December 2013 the company had annual commitments under non-cancelable operating leases as follows:

Company	Land and buildings		2013	Other 2012
	2013	2012		
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	20,044	20,044
After more than 5 years	920,000	920,000	-	-

24. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries.

In the furtherance of the objectives of the Scottish Football Association, which are the promotion, development and regulation of the game of football in Scotland, the group makes payments to and contracts with members of the company in the normal course of business. These transactions are entered into on an arm's length basis.

The company received income during the prior year in respect of a sponsorship contract with William Hill Plc for the Scottish Cup. There were also amounts included within deferred income at 31 December 2012 and 2013. R J Topping is a director of William Hill Plc.

The company is a member of the Scottish Football Partnership, a company limited by guarantee and set up to disburse funds for development of football in Scotland. During the year the company made a contribution of £800,000 (2012: £500,000) to assist the Scottish Football Partnership in meeting its objectives.

The group made a donation to the Scottish Football Association Museum Trust of £298,868 (2012: £275,000) in the year. The group charged the Scottish Football Museum Trust an amount of £200,000 (2012: £180,000) in the year in respect of rent and common charges. Included within Debtors is an amount of £109,731 (2012: £252,954) due from the Scottish Football Museum Trust. Group companies have certain directors in common with the Scottish Football Association Museum Trust.

The group charged the National Stadium Sports Medicine Centre Limited an amount of £41,800 (2012: £46,800) in the year in respect of rent and common charges. Included within Debtors is an amount of £113,267 (2012: £304,013) due from the National Stadium Sports Medicine Centre Limited. Group companies have certain directors in common with the National Stadium Sports Medicine Centre Limited.

The Scottish Football Association Limited

Notes to the Financial Statements

For the year ended 31 December 2013

25. Big Lottery/Sportscotland

During the year a total of £1,136,123 has been credited to the profit and loss account from Big Lottery and Sportscotland (2012: £1,202,130).