

# Financial Statements

## The Scottish Football Association Limited

---

---

**For the year ended 31 December 2014**

WEDNESDAY



\*S49QYIBL\*

SCT

17/06/2015

#65

COMPANIES HOUSE

**Registered number: SC005453**

## 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  
R J Topping (appointed 23 July 2014)

**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

Brechin Tindal Oatts  
48 St Vincent Street  
Glasgow  
G2 5HS

## Contents

---

	Page
<b>Group strategic report</b>	1 - 2
<b>Directors' report</b>	3 - 4
<b>Independent auditor's report</b>	5 - 6
<b>Consolidated profit and loss account</b>	7
<b>Consolidated statement of total recognised gains and losses</b>	8
<b>Consolidated balance sheet</b>	9
<b>Company balance sheet</b>	10
<b>Consolidated cash flow statement</b>	11
<b>Notes to the financial statements</b>	12 - 30

# **Group Strategic Report**

**For the year ended 31 December 2014**

---

## **Introduction**

The directors present their report together with the audited financial statements for the year ended 31 December 2014.

## **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 £38,859,406 (2013 - £32,915,264) and profit for the year after taxation of £1,033,577 (2013 - £333,474) which has been transferred to reserves.

Group turnover has increased by 18% due mainly to a change in the timing of recognition of income arising from the introduction of a new centralised UEFA agreement in respect of media rights for competitive "A" international matches. The friendly international match against England also yielded significant income from gate receipts and television rights. Furthermore, Hampden Park was the athletics venue for the 2014 Commonwealth Games and also the venue for the closing ceremony, resulting in additional income receivable from Glasgow 2014 during the year.

As a result of the significant increase in Turnover, the Scottish FA was able to distribute an enhanced level of payments to its members and to the Scottish Football Partnership during the year. An improvement in the funding position of the staff pension scheme also contributed to an increase in profit.

The group cash position remained at a high level, but requires to be viewed in the context of the overall net current assets position which remained stable at group level.

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

There have been no events since the balance sheet date which materially affect the position of the company.

## **Principal risks and uncertainties**

The Board considers that the principal risks and uncertainties affecting the business include the difficult overall financial position in the Scottish football industry, challenges to football regulatory processes, 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 take advantage of opportunities to market international television rights with other member countries through UEFA and enter into such other contracts with suitable commercial partners for appropriate durations.

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)

For the year ended 31 December 2014

### Strategic plan

The Scottish FA launches its strategy document "Scotland United – A 2020 Vision" in 2015. The strategy addresses four distinct elements as follows:

- Perform and Win (Elite performance)
- Strong Quality Growth (Grassroots football)
- Leading The Game (Football Governance, Equity and Staff Development)
- Improving Football's Finances (Sponsorship and Financial Management)

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.

### Audit and risk committee

The Audit and Risk Committee consists of Mr B M Jackson (Chairman), Mr R M Petrie and Mr P T Lawwell.

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 2 APRIL 2015 and signed on its behalf.

  
R C Ogilvie  
President

## Directors' Report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

### 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Results

The profit for the year, after taxation, amounted to £1,033,577 (2013 - £333,474).

### 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  
R J Topping (appointed 23 July 2014)

### 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 2014

### 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

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 APRIL 2015 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 2014, 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, 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, set out on page 3, 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 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/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2014 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

Statutory Auditor

Chartered Accountants

Glasgow

Date:

*2/4/15*

## Consolidated Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	<b>38,859,406</b>	32,915,264
Cost of sales		<u>(19,634,522)</u>	<u>(17,484,788)</u>
<b>Gross profit</b>		<b>19,224,884</b>	15,430,476
Administrative expenses		<u>(15,679,764)</u>	<u>(14,644,033)</u>
Grant to The Scottish Football Partnership		<u>(3,100,000)</u>	<u>(800,000)</u>
<b>Operating profit/(loss)</b>	3	<b>445,120</b>	(13,557)
Income from other fixed asset investments		<b>169,430</b>	182,850
Gain on realisation from the sale of fixed assets		<b>30,715</b>	39,096
Interest receivable		<b>39,412</b>	15,047
Release of fixed asset impairment provision		-	61,237
Pension scheme - FRS 17 related notional finance income	7	<u><b>509,000</b></u>	<u>270,000</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,193,677</b>	554,673
Tax on profit on ordinary activities	8	<u><b>(160,100)</b></u>	<u>(221,199)</u>
<b>Profit for the financial year</b>	15	<u><b>1,033,577</b></u>	<u>333,474</u>

All amounts relate to continuing operations.

The notes on pages 12 to 30 form part of these financial statements.

## Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Profit for the financial year</b>		<b>1,033,577</b>	333,474
Unrealised (deficit)/surplus on revaluation of tangible fixed assets	15	(10,000)	26,250
Unrealised actuarial (loss)/gain related to pension scheme		(667,000)	783,000
Deferred tax attributable to actuarial (loss)/gain		159,000	(180,000)
<b>Total recognised gains and losses relating to the year</b>		<b>515,577</b>	962,724

The notes on pages 12 to 30 form part of these financial statements.

## Consolidated Balance Sheet

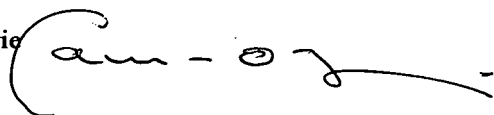
As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	9		5,429,469		6,264,556
Investments	10		2,394,323		2,384,322
			<u>7,823,792</u>		<u>8,648,878</u>
<b>Current assets</b>					
Debtors	11	7,230,894		10,793,736	
Cash at bank		16,188,363		15,595,102	
		<u>23,419,257</u>		<u>26,388,838</u>	
<b>Creditors: amounts falling due within one year</b>	12	(21,268,770)		(24,470,711)	
<b>Net current assets</b>			<u>2,150,487</u>		<u>1,918,127</u>
<b>Total assets less current liabilities</b>			<u>9,974,279</u>		<u>10,567,005</u>
<b>Provisions for liabilities</b>					
Deferred tax	13		(127,747)		(189,647)
<b>Deferred capital grants</b>	14		<u>(3,453,383)</u>		<u>(4,118,786)</u>
<b>Net assets excluding pension scheme</b>			<u>6,393,149</u>		<u>6,258,572</u>
Defined benefit pension scheme asset	21		<u>1,049,000</u>		<u>668,000</u>
<b>Net assets including pension scheme</b>			<u><u>7,442,149</u></u>		<u><u>6,926,572</u></u>
<b>Capital and reserves</b>					
General reserve	15		1,500,000		1,500,000
Other reserves	15		1,799,673		1,799,673
Investment property reserve	15		215,342		273,394
Profit and loss account	15		<u>3,927,134</u>		<u>3,353,505</u>
<b>Funds</b>	16		<u><u>7,442,149</u></u>		<u><u>6,926,572</u></u>

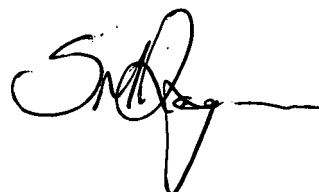
The financial statements were approved and authorised for issue by the board and were signed on its behalf on

2 APRIL 2015

R C Ogilvie  
President



S M Regan  
Director



The notes on pages 12 to 30 form part of these financial statements.

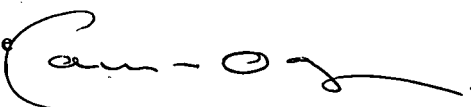
# Company Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	9		1,842,022		2,191,690
Investments	10		2,394,325		2,384,324
			<u>4,236,347</u>		<u>4,576,014</u>
<b>Current assets</b>					
Debtors	11	4,376,927		7,359,341	
Cash at bank		15,318,746		14,995,670	
		<u>19,695,673</u>		<u>22,355,011</u>	
<b>Creditors: amounts falling due within one year</b>	12	(20,578,317)		(22,518,196)	
<b>Net current liabilities</b>			(882,644)		(163,185)
<b>Total assets less current liabilities</b>			<u>3,353,703</u>		<u>4,412,829</u>
<b>Deferred capital grants</b>	14		(669,428)		(802,762)
<b>Net assets excluding pension scheme asset</b>			<u>2,684,275</u>		<u>3,610,067</u>
Defined benefit pension scheme asset	21		1,049,000		668,000
<b>Net assets including pension scheme asset</b>			<u>3,733,275</u>		<u>4,278,067</u>
<b>Capital and reserves</b>					
General reserve	15		1,500,000		1,500,000
Other reserves	15		1,799,673		1,799,673
Investment property reserve	15		215,342		273,394
Profit and loss account	15		218,260		705,000
<b>Funds</b>	16		<u>3,733,275</u>		<u>4,278,067</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
2 APRIL 2015

R C Ogilvie  
President



S M Regan  
Director



The notes on pages 12 to 30 form part of these financial statements.

## Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	17	516,152	1,999,234
Returns on investments and servicing of finance	18	208,842	197,897
Taxation		-	(15,976)
Capital expenditure and financial investment	18	(131,733)	(248,473)
<b>Increase in cash in the year</b>		<b>593,261</b>	<b>1,932,682</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 December 2014

	2014 £	2013 £
Increase in cash in the year	593,261	1,932,682
<b>Movement in net funds in the year</b>	<b>593,261</b>	<b>1,932,682</b>
Net funds at 1 January 2014	15,595,102	13,662,420
<b>Net funds at 31 December 2014</b>	<b>16,188,363</b>	<b>15,595,102</b>

The notes on pages 12 to 30 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2014

---

## 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 2014.

### 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. 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.

### 1.4 Company structure

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

### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Straight line over period of lease and 10-20 years
Equipment and fittings	-	25% and 10% straight line

# Notes to the Financial Statements

For the year ended 31 December 2014

---

## **1. Accounting Policies (continued)**

### **1.6 Investments**

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

### **1.7 Deferred taxation**

Deferred tax is recognised on all timing 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.



# Notes to the Financial Statements

For the year ended 31 December 2014

---

## 1. Accounting Policies (continued)

### 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.

### 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 Scottish Football Association Limited entered into a lease for Hampden Park Stadium in April 2000 with Queen's Park Football Club. This lease was assigned to Hampden Park Limited in May 2008. The initial term of the lease is 20 years and Hampden Park Limited has the option to extend for a further 20 years.

The initial rental payments were set at a level to allow mandated payments to be made to the Royal Bank of Scotland to settle a loan that was taken out by QPFC to fund the stadium redevelopment. This loan was repaid in full in August 2014, and future rental payments have been reduced to reflect this.

The annual charge to the profit and loss account has been adjusted over the 20 years of the lease to reflect the possibility of future rental payments being reduced. The deferred expenditure is included within debtors on the balance sheet and will be released over the remaining years of the lease.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 2. Turnover

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

	2014 £	2013 £
Promotion of Football	33,590,711	28,548,907
Stadium Management	5,268,695	4,366,357
	<u>38,859,406</u>	<u>32,915,264</u>

All turnover arose from activities within the United Kingdom.

## 3. Operating profit/(loss)

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the group	977,534	956,128
Defined benefit pension cost	212,000	191,000
Amortisation of grants	(665,403)	(656,576)
Operating lease - Land and buildings	794,336	728,562
Operating lease - Other assets	20,044	20,044
	<u>20,044</u>	<u>20,044</u>

## 4. Auditors' remuneration

	2014 £	2013 £
Fees payable to the company's auditor and its associates in respect of:		
The audit of the Scottish Football Association Limited	18,000	18,000
The audit of Hampden Park Limited	4,500	4,500
Taxation compliance services	3,500	3,500
All taxation advisory services not included above	1,750	-
All other non-audit services not included above	2,100	-
	<u>2,100</u>	<u>-</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 5. Staff costs

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

	2014 £	2013 £
Wages and salaries	6,611,682	6,453,270
Social security costs	769,722	715,811
Other pension costs	638,778	557,372
	<u>8,020,182</u>	<u>7,726,453</u>

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

	2014 No.	2013 No.
Staff	<u>177</u>	<u>183</u>

## 6. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>343,878</u>	<u>329,103</u>
Company contributions to defined contribution pension schemes	<u>23,333</u>	<u>22,875</u>

The highest paid director received remuneration of £303,878 (2013 - £292,855).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,333 (2013 - £22,875) and were paid to a money purchase scheme.

## 7. Pension scheme - FRS 17 related notional finance income

	2014 £	2013 £
Expected return on pension scheme assets	1,421,000	1,120,000
Interest on pension scheme liabilities	(912,000)	(850,000)
	<u>509,000</u>	<u>270,000</u>

The above returns arise as a result of movements in the actuarial assumptions used to value the defined benefit pension scheme's assets and liabilities under FRS 17 and do not have any impact on cash held by the Group.

# Notes to the Financial Statements

For the year ended 31 December 2014

## 8. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Deferred tax</b> (see note 13)		
Origination and reversal of timing differences	160,100	221,199
<b>Tax on profit on ordinary activities</b>	160,100	221,199

### 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 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	1,193,677	554,673
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	256,521	128,942
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	39,634	17,546
Capital allowances for year in (excess)/deficit of depreciation	(25,488)	(119,887)
Income not subject to taxation	(6,564)	-
Other timing differences	(54,413)	(33,708)
Non qualifying depreciation	58,030	158,097
FRS 17 adjustment	(245,668)	(144,129)
Exempt dividend income	(22,052)	(26,848)
Unrelieved tax losses carried forward	-	19,987
<b>Current tax charge for the year</b> (see note above)	-	-

# Notes to the Financial Statements

For the year ended 31 December 2014

## 9. Tangible fixed assets

Group	Investment Properties £	Equipment and fittings £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	870,000	1,727,443	9,131,704	11,729,147
Additions	-	57,740	209,707	267,447
Disposals	(115,000)	-	-	(115,000)
Revaluation	(10,000)	-	-	(10,000)
At 31 December 2014	745,000	1,785,183	9,341,411	11,871,594
<b>Depreciation</b>				
At 1 January 2014	-	1,390,696	4,073,895	5,464,591
Charge for the year	-	129,874	847,660	977,534
At 31 December 2014	-	1,520,570	4,921,555	6,442,125
<b>Net book value</b>				
At 31 December 2014	745,000	264,613	4,419,856	5,429,469
At 31 December 2013	870,000	336,747	5,057,809	6,264,556

# Notes to the Financial Statements

For the year ended 31 December 2014

## 9. Tangible fixed assets (continued)

Company	Investment Properties £	Leaschold improvements £	Equipment and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	870,000	3,706,662	1,110,313	5,686,975
Additions	-	10,065	42,740	52,805
Disposals	(115,000)	-	-	(115,000)
Revaluation	(10,000)	-	-	(10,000)
At 31 December 2014	<u>745,000</u>	<u>3,716,727</u>	<u>1,153,053</u>	<u>5,614,780</u>
<b>Depreciation</b>				
At 1 January 2014	-	2,536,467	958,818	3,495,285
Charge for the year	-	193,661	83,812	277,473
At 31 December 2014	<u>-</u>	<u>2,730,128</u>	<u>1,042,630</u>	<u>3,772,758</u>
<b>Net book value</b>				
At 31 December 2014	<u>745,000</u>	<u>986,599</u>	<u>110,423</u>	<u>1,842,022</u>
At 31 December 2013	<u>870,000</u>	<u>1,170,195</u>	<u>151,495</u>	<u>2,191,690</u>

Properties within the Group's investment portfolio with a historical cost of £529,658 (2013 - £596,606) were revalued to market value as at 31 December 2014 by Messrs Griffin Webster, Chartered Surveyors, in accordance with the RICS Appraisal and Valuation Manual in the sum of £745,000 (2013 - £870,000). 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 2014

## 10. Fixed asset investments

Group	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2014	2,384,322
Additions	126,980
Disposals	(116,979)
At 31 December 2014	<u>2,394,323</u>
<b>Net book value</b>	
At 31 December 2014	<u>2,394,323</u>
At 31 December 2013	<u>2,384,322</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 £
<b>Cost or valuation</b>			
At 1 January 2014	2	2,384,322	2,384,324
Additions	-	126,980	126,980
Disposals	-	(116,979)	(116,979)
At 31 December 2014	<u>2</u>	<u>2,394,323</u>	<u>2,394,325</u>
<b>Net book value</b>			
At 31 December 2014	<u>2</u>	<u>2,394,323</u>	<u>2,394,325</u>
At 31 December 2013	<u>2</u>	<u>2,384,322</u>	<u>2,384,324</u>

The market value of listed investments for the group and the company at 31 December 2014 was £3,749,981 (2013 - £3,787,164).

# Notes to the Financial Statements

For the year ended 31 December 2014

## 11. Debtors

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
<b>Due after more than one year</b>				
Deferred rental	1,838,933	2,261,324	-	-
<b>Due within one year</b>				
Trade debtors	2,273,890	5,318,654	2,005,155	4,528,980
Amounts owed by group undertakings	-	-	-	112,700
Amounts owed by related parties	215,876	222,998	152,845	188,893
Other debtors	532,628	652,263	526,549	652,263
Prepayments and accrued income	2,360,221	2,337,126	1,683,032	1,875,134
Tax recoverable	9,346	1,371	9,346	1,371
	<u>7,230,894</u>	<u>10,793,736</u>	<u>4,376,927</u>	<u>7,359,341</u>

## 12. Creditors:

### Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	433,205	619,261	236,549	260,012
Amounts owed to group undertakings	-	-	671,355	-
Other taxation and social security	604,616	1,049,174	583,904	870,761
Other creditors	35,758	6,436	35,741	6,436
Accruals and deferred income	20,195,191	22,795,840	19,050,768	21,380,987
	<u>21,268,770</u>	<u>24,470,711</u>	<u>20,578,317</u>	<u>22,518,196</u>

## 13. Deferred taxation

	<u>Group</u>	
	2014	2013
	£	£
At beginning of year	189,647	100,448
(Released during)/charge for the year (P&L)	(61,900)	89,199
At end of year	<u>127,747</u>	<u>189,647</u>



# Notes to the Financial Statements

For the year ended 31 December 2014

## 13. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	<b>Group</b>	
	2014	2013
	£	£
Accelerated capital allowances	189,647	204,389
Other short term timing differences	9,240	(14,742)
Prior year adjustment	(71,140)	-
	<b>127,747</b>	<b>189,647</b>

## 14. Deferred capital grants

	<b>Group</b>		<b>Company</b>	
	2014	2013	2014	2013
	£	£	£	£
Balance at 1 January 2013	4,118,786	1,961,167	802,762	936,096
Grants received during the year	-	2,814,195	-	-
Amortisation for the year	(665,403)	(656,576)	(133,334)	(133,334)
	<b>3,453,383</b>	<b>4,118,786</b>	<b>669,428</b>	<b>802,762</b>

## 15. Reserves

	General reserve	Other reserves	Investment property revaluation reserve	Profit and loss account
<b>Group</b>	£	£	£	£
At 1 January 2014	1,500,000	1,799,673	273,394	3,353,505
Profit for the financial year	-	-	-	1,033,577
Pension reserve movement	-	-	-	(508,000)
Movement on investment property	-	-	(10,000)	-
Transfer between reserves	-	-	(48,052)	48,052
At 31 December 2014	<b>1,500,000</b>	<b>1,799,673</b>	<b>215,342</b>	<b>3,927,134</b>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 15. Reserves (continued)

Company	General reserve £	Other reserves £	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2014	1,500,000	1,799,673	273,394	705,000
Loss for the financial year	-	-	-	(26,792)
Pension reserve movement	-	-	-	(508,000)
Movement on investment property	-	-	(10,000)	-
Transfer between reserves	-	-	(48,052)	48,052
At 31 December 2014	<u>1,500,000</u>	<u>1,799,673</u>	<u>215,342</u>	<u>218,260</u>

## 16. Reconciliation of movement in funds

Group	2014 £	2013 £
Opening funds	6,926,572	5,963,848
Profit for the financial year	1,033,577	333,474
Other recognised gains and losses during the year	(518,000)	629,250
Closing funds	<u>7,442,149</u>	<u>6,926,572</u>

Company	2014 £	2013 £
Opening funds	4,278,067	3,563,030
(Loss)/profit for the financial year	(26,792)	85,787
Other recognised gains and losses during the year	(518,000)	629,250
Closing funds	<u>3,733,275</u>	<u>4,278,067</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 loss for the year dealt with in the accounts of the company was £26,792 (2013 profit - £85,787).

# Notes to the Financial Statements

For the year ended 31 December 2014

## 17. Net cash flow from operating activities

	2014 £	2013 £
Operating profit/(loss)	445,120	(13,557)
Depreciation of tangible fixed assets	977,534	956,128
Pension scheme payments	(602,000)	(305,000)
Release of deferred capital grants	(665,403)	(656,576)
Decrease/(increase) in debtors	3,562,839	(3,311,618)
(Decrease)/increase in creditors	(3,201,938)	5,329,857
<b>Net cash inflow from operating activities</b>	<b>516,152</b>	<b>1,999,234</b>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	39,412	15,047
Income from investments	169,430	182,850
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>208,842</b>	<b>197,897</b>

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(267,447)	(3,086,050)
Sale of investment properties	115,000	-
Purchase of fixed asset investments	(126,980)	(245,681)
Sale of fixed asset investments	147,694	269,063
Government grants received	-	2,814,195
<b>Net cash outflow from capital expenditure</b>	<b>(131,733)</b>	<b>(248,473)</b>

## 19. Analysis of changes in net funds

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	15,595,102	593,261	-	16,188,363
<b>Net funds</b>	<b>15,595,102</b>	<b>593,261</b>	<b>-</b>	<b>16,188,363</b>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 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 entered into an agreement with the Scottish Professional Football League to underwrite the cost of parachute payments to clubs relegated after playoffs from the Premiership and League 2 for a fixed period. The maximum potential liability is £1,120,000.

## 21. 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.

	2014 £	2013 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	(21,229,000)	(19,775,000)
Current service cost	(263,000)	(241,000)
Interest cost	(912,000)	(850,000)
Experience gain/(loss) on liabilities	228,000	(81,000)
Loss on changes in assumptions	(1,010,000)	(772,000)
Benefits paid	427,000	336,000
Change in secured pensioners value due to scheme experience	128,000	154,000
At the end of the year	<u>(22,631,000)</u>	<u>(21,229,000)</u>

	2014 £	2013 £
<b>Composition of plan liabilities</b>		
Schemes wholly or partly funded	<u>(22,631,000)</u>	<u>(21,229,000)</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 21. Pensions (continued)

	2014 £	2013 £
<b>Reconciliation of fair value of plan assets</b>		
At the beginning of the year	22,096,000	19,284,000
Expected rate of return on plan assets	1,421,000	1,120,000
Actuarial gains	115,000	1,636,000
Contributions by group	846,000	541,000
Contributions by participants	51,000	50,000
Expenses paid by scheme	(32,000)	(45,000)
Benefits paid	(427,000)	(336,000)
Change in secured pensioners value due to scheme experience	(128,000)	(154,000)
At the end of the year	<u>23,942,000</u>	<u>22,096,000</u>

	2014 £	2013 £
<b>Reconciliation to balance sheet</b>		
Present value of funded obligations	(22,631,000)	(21,229,000)
Fair value of plan assets	23,942,000	22,096,000
Plan surplus	1,311,000	867,000
Related deferred tax (liability)	(262,000)	(199,000)
Net surplus	<u>1,049,000</u>	<u>668,000</u>

	2014 £	2013 £
<b>Recognised in profit and loss</b>		
Included in administrative expenses:		
Current service cost	(212,000)	(191,000)
Included in other finance income		
Interest cost	(912,000)	(850,000)
Expected return of plan assets	1,421,000	1,120,000
	<u>297,000</u>	<u>79,000</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 21. Pensions (continued)

	2014 £	2013 £
<b>Recognised in statement of total recognised gains and losses</b>		
Actual return less expected return on pension plan assets	115,000	1,636,000
Changes in assumptions underlying the present value of the scheme liabilities	(1,010,000)	(772,000)
Experience gain/(loss) on liabilities	228,000	(81,000)
	<u>          </u>	<u>          </u>
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	<u>(667,000)</u>	<u>783,000</u>
	2014 £	2013 £
Cumulative amounts of gains/(losses) recognised in the statement of total recognised gains and losses	<u>(2,731,000)</u>	<u>(2,223,000)</u>
	2014 £	2013 £
<b>Composition of plan assets</b>		
Equities	15,029,000	14,116,000
Bonds	5,952,000	5,311,000
Annuities	2,642,000	2,659,000
Cash	319,000	10,000
	<u>          </u>	<u>          </u>
Total plan assets	<u>23,942,000</u>	<u>22,096,000</u>

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

	2014 £	2013 £
Actual return on plan assets	<u>1,536,000</u>	<u>2,756,000</u>

# Notes to the Financial Statements

For the year ended 31 December 2014

## 21. Pensions (continued)

	2014 £	2013 £	2012 £	2011 £	2010 £
<b>Five year history</b>					
Present value of the plan liabilities	(22,631,000)	(21,229,000)	(19,775,000)	(17,831,000)	(17,383,000)
Fair value of the plan assets	23,942,000	22,096,000	19,284,000	16,950,000	16,736,000
Surplus/(deficit) on the pension plan	1,311,000	867,000	(491,000)	(881,000)	(647,000)
<b>Experience adjustments arising on:</b>					
Plan liabilities	228,000	(81,000)	-	186,000	555,000
Plan assets	115,000	1,636,000	1,097,000	(787,000)	680,000

	2014 %	2013 %
<b>Principal actuarial assumptions used at the balance sheet date</b>		
Discount rates	3.70	4.30
Expected rates of return on plan assets		
Equities	7.60	7.60
Bonds	4.40	4.40
Annuities	4.30	4.30
Cash	0.50	0.50
Future salary increase	2.90	3.90
Future pension increase	2.40	2.40
Inflation assumption	3.40	3.60

The group's best estimate of the contributions expected to be paid in the year beginning 1 January 2015 is £507,000.

The group also contributes to defined contribution schemes. Contributions to these schemes for the year amounted to £425,355 (2013 - £333,519).

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 26.6 years, females 28.4 years  
Future pensioners - male 28.9 years, females 30 years

# Notes to the Financial Statements

For the year ended 31 December 2014

## 22. Operating lease commitments

At 31 December 2014 the group had annual commitments under non-cancelable operating leases as follows:

	Land and buildings		2014	Other 2013
	2014	2013		
Group	£	£	£	£
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	20,044	20,044
After more than 5 years	302,612	895,368	-	-

At 31 December 2014 the company had annual commitments under non-cancelable operating leases as follows:

	Land and buildings		2014	Other 2013
	2014	2013		
Company	£	£	£	£
<b>Expiry date:</b>				
Between 2 and 5 years	-	-	20,044	20,044
After more than 5 years	920,000	920,000	-	-

## 23. 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 as 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 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 £3,100,000 (2013 - £800,000) to assist the Scottish Football Partnership in meeting its objectives. Included within creditors is a balance of £nil (2013 - £nil) due to the Scottish Football Partnership.

The group made a donation to the Scottish Football Association Museum Trust, a charitable trust and related to the Group by virtue of common directors, of £320,000 (2013 - £298,868) in the year. The group charged the Scottish Football Association Museum Trust an amount of £200,000 (2013 - £200,000) in the year in respect of rent and common charges. Included within Debtors is an amount of £88,374 (2013 - £109,731) due from the Scottish Football Association 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, a charitable company and related to the Group by virtue of common directors, an amount of £42,050 (2013 - £41,800) in the year in respect of rent and common charges. Included within Debtors is an amount of £127,502 (2013 - £113,267) 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 2014

---

**24. Big Lottery/Sportscotland**

During the year a total of £1,266,894 has been credited to the profit and loss account from Big Lottery and Sportscotland (2013: £1,136,123).