

The Scottish Football Association Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number SC005453



The Scottish Football Association Limited

Company Information

Directors	R M Petrie (President) M Mulraney (Vice President) I G Maxwell (Chief Executive) T McKeown A C Stewart N A Doncaster M A K Kpedekpo L Gray (appointed 10 August 2020)
Company secretary	H A Barton
Registered number	SC005453
Registered office	Hampden Park Glasgow G42 9AY
Independent auditor	BDO LLP 4 Atlantic Quay 70 York Street Glasgow G2 8JX
Solicitors	Burness Paull LLP 120 Bothwell Street Glasgow G2 7JL

The Scottish Football Association Limited

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The Scottish Football Association Limited

Group Strategic Report For the Year Ended 31 December 2020

Introduction

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Business review

The principal activity of the Group is the promotion, development and regulation of the game of association football in Scotland. These accounts relate to calendar year 2020 and the Group figures include the operations of the Scottish Football Association Limited (Scottish FA) and three wholly owned subsidiary companies Hampden Park Limited, Hampden Park Stadium Limited and The National Stadium plc.

Football at all levels has been severely impacted due to the global coronavirus pandemic. This led to the unprecedented step of the Scottish FA suspending all football in Scotland on 13 March 2020 and the postponement of the UEFA Euro 2020 finals and international match programmes.

Restrictions remained in place for some months before professional football was permitted to resume play behind closed doors in August 2020. Initially only the Scottish Professional Football League (SPFL) Premiership were permitted to play, with other divisions and leagues slowly returning thereafter. The William Hill Scottish Cup semi-final and final ties were postponed and finally able to be staged in late 2020.

The pandemic significantly affected grassroots and amateur football and whilst elements of the game were able to return under strict restrictions in July, activity was limited. A 'circuit breaker' early in October paused all grassroots football again for a short while until a further lockdown was imposed by the Scottish Government in January 2021.

Professional football continued under an exemption until early January 2021 when once again in conjunction with the Scottish Government the Scottish FA suspended all football other than the SPFL Premiership and Championship. Early March saw some release of these restrictions allowing other levels of the game to return across the men's and women's game. It is hoped that the continued roll out of the vaccination programme will lead to continued easing of restrictions and all football will return as soon as it is safe to do so.

From the outset of the pandemic, the Scottish FA established a Joint Response Group (JRG) in conjunction with the SPFL to ensure that Scottish football could be as effective as possible in addressing the many complex issues affecting football which have arisen due to the pandemic and properly support and advise its members. The JRG has worked closely with the Scottish and UK Governments and other stakeholders. The JRG continues to work towards the return of football at all levels in 2021.

The Scottish FA sought to mitigate the potential financial consequences of the pandemic on its members. This included negotiating grant and loan funding of over £30m for football clubs, Affiliated National Associations and grassroots organisations. In addition, funding was secured from FIFA to support the resumption of both men's and women's football. Payments to clubs were forward funded by the Scottish FA to assist with members' cash flow during the pandemic.

In considering the future prospects for the Scottish FA Group, it is impossible to ignore the potential longer-term effects of the global Coronavirus pandemic on the Scottish FA and its member clubs. Over the year the Board have considered the impact on the financial position of the Group and implemented measures to mitigate the impact including securing loan facilities and effective management of the Group's cost base. This included the Government-backed CBILS scheme and additional loan facilities provided to National Associations by FIFA. The Group has also secured Government support via the Coronavirus Job Retention Scheme and business rates relief.

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Group Strategic Report (continued) For the Year Ended 31 December 2020

National teams

Despite the pandemic, Steve Clarke led the Men's National Team to qualification for the UEFA Euro 2020 finals tournament, coming through play-off matches against Israel and Serbia. This is the first major tournament qualification in 23 years and the unprecedented national reaction which followed showed the power of football to unite and lift the spirits of the nation. The Scottish FA looks forward to participating in the finals of a major tournament and hosting four matches at Hampden Park when UEFA Euro 2020 commences in June 2021.

The Women's National Team narrowly missed out on qualification for the UEFA Women's Euros to be held in England in 2022, whereupon Shelley Kerr stood down as Head Coach. The Board thank Shelley for her dedication and commitment to advancing the women's game at all levels and the contribution in leading the team to historic success in qualifying for the FIFA Women's World Cup in 2019.

Hampden Park

The purchase of Hampden Park Stadium from Queen's Park Football Club was completed on 1 August 2020. The consideration payable was £5m in cash, together with the assumption of liabilities to Hampden debenture holders through the acquisition of the entire share capital of The National Stadium plc. The Board are grateful to all parties who provided financial and non-financial support to enable this historic agreement.

In order to improve the efficiency and effectiveness of operations and deliver cost savings going forward, stadium operations have been gradually moved from Hampden Park Limited and integrated within The Scottish Football Association Limited. The final group of employees were transferred under TUPE to the Scottish FA in February 2021.

Financial review

The directors consider the key financial performance indicators to be:

	2020 £'000	2019 £'000	Movement %
Group turnover	27,743	37,963	-27
Group gross profit	14,435	16,608	-13
Group loss for the year	(1,038)	(324)	-220
Group reserves	9,595	8,802	9
Group cash at bank and in hand	27,627	12,842	115

The Scottish Football Association Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Group turnover decreased by 27% during the year (2019 - 1% increase). Turnover was severely impacted by the loss of ticket, hospitality and catering revenue due to international matches being played behind closed doors. This was offset in part by funding relating to the Coronavirus pandemic. In particular, during 2020 the Scottish FA negotiated grants of £11.4m from the Scottish Government and Camelot UK Lotteries Limited which was distributed for the benefit of 260 clubs across the Scottish game. In addition, loans amounting to £20m for SPFL Premiership clubs were negotiated with the Scottish Government. These loans are being provided direct to clubs and do not form part of the income of the Scottish FA. COVID-19 funding was also secured from UEFA and FIFA. The directors gratefully acknowledge the valuable support provided by all of these bodies to help alleviate the financial impact of the pandemic across all levels of football. The grants receivable and payable are included within Other Operating Income and Other Operating Expenditure respectively.

Cost of sales decreased, which reflected reduced operating costs as a result of the reduced international match activity, with several tournaments being postponed or cancelled by UEFA. Nevertheless, the existing levels of Club Academy Scotland and Club Licensing payments to members were maintained, providing stability to members at a time of financial uncertainty.

In response to the pandemic, significant cost efficiency measures were implemented across the business, including salary reductions and staff being placed on furlough under the Coronavirus Job Retention Scheme. Regrettably a number of staff were made redundant as part of a comprehensive restructure in late 2020. Rates relief was also applied to Hampden Park, and the benefit of this will continue into 2021. These measures contributed to the reported overall loss of £1.04m (2019 – loss of £323k).

The Group cash position increased by £14.8m (2019 - decreased by £1.6m) during 2020, largely in line with expectations. The £27.6m of cash held at year end (2019 - £12.8m) includes cash received in advance for the initial UEFA Euro 2020 finals participation fee and reflects the advance receipts of broadcast rights fees and sponsorship income. The Scottish FA has agreements with UEFA for broadcast rights for international matches for the period to 2028. These agreements provide medium term security of the most significant income stream. It also included government grants received on 30 December 2020, of which £5.3m was distributed in January 2021.

The Defined Benefit Pension Scheme assets and liabilities showed a net surplus of £5.4m at 31 December 2020 compared to a surplus of £2.8m in the prior year. This increase in surplus was the result of a strong return on scheme assets during the year. The impact of this movement can be seen through the Consolidated Statement of Comprehensive Income on page 14. The directors continue to work closely with the scheme Trustee to manage the assets and liabilities of the scheme, which has been closed to new members for several years.

Going concern

The directors acknowledge that the Coronavirus pandemic has created a challenging economic environment for the Group and some revenue streams may be at risk for 2021 and possibly beyond. In response to this assessment, the Group has taken actions to address its cost base and access Government relief schemes. The directors note that the Group's principal revenue stream, being UEFA media rights, is secured until 2028.

The directors have considered a range of financial sensitivities in conjunction with senior management to reflect the potential impact of the current crisis. These sensitivities have been prepared for a period in excess of one year from the date of signing of these accounts.

The directors took steps to further increase the Group's liquidity during the year. The Group holds significant cash balances as advance receipts of future income. In addition, the Group owns an investment portfolio of readily accessible equities. Whilst the value of equities is subject to market volatility, the portfolio is still considered to be an important source of potential liquidity for the Group.

Taking all these factors into account the directors believe that the Group has adequate resources to continue to trade on a normal basis for the foreseeable future. Accordingly, the annual report and financial statements continue to be prepared on the going concern basis.

The Scottish Football Association Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the Group

The directors, in line with duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider would be most likely to promote the success of the Group for the benefit of its members, and in doing so, have regard amongst other matters to the:

- Likely consequences of any decision in the long term
- The need to foster relationships with employees, suppliers, customers and others
- Impact of the Group's operations on the community and the environment
- The need to act fairly as between members of the Group

The directors believe that engaging with the Group's stakeholders is important to the success of the business and have identified the main stakeholders as the members, employees, customers, football governing bodies, the football community and government. The directors recognise that they should take into account the interests of these stakeholders while prioritising the long term success of the Group.

The Group engages in formal and informal consultation with its members through routine business and the publication of the Annual Report. The Annual General Meeting gives members the opportunity to engage more directly with the Board. In addition, the Board regularly consults with members through their representation on the Professional and Non-professional Game Boards and other committees. During 2020 the Joint Response Group worked closely with members to address issues arising from the Covid-19 pandemic.

People remain fundamental to the success of the Group and there is engagement with all employees across the business on a regular basis. The Group continues to work closely with commercial sponsors through regular meetings and seeks to maintain good relations with Scottish football supporters through the extensive use of social media as a means of communication.

As a national association, the Scottish FA is accountable to UEFA and FIFA, the European and World governing bodies of football. Positive engagement with these bodies is crucial to promote and enhance the sport of football in Scotland and further afield, and the Scottish FA is represented by senior officials and staff across various forums.

In addition, there are ongoing relationships with Sportscotland and the Scottish Government, which were strengthened during the pandemic, with the confirmation of significant financial assistance including a package of loans and grants to clubs and affiliated members.

Streamlined Energy and Carbon Reporting

Alongside the purchase of Hampden Park Stadium, the Group is continuing its commitment to address the impact of its operations on the environment. The energy used in running the stadium is closely monitored and the Group's electricity supply is based on a green tariff, at a premium compared to the cost of non-renewable alternatives.

The table below shows energy consumption and total gross greenhouse gas emissions in tonnes of CO₂ ("tCO₂e") in the year ended 31 December 2020.

Scope 1 emissions from combustion of natural gas are calculated in kWh from energy supplier invoices.

Scope 2 indirect emissions from purchased electricity are calculated in kWh from energy supplier invoices.

Scope 3 emissions relate to business travel, consisting of fuel purchases for rental cars and mileage reimbursed to employees, which are converted to kWh using UK Government conversion factors.

The Scottish Football Association Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

The energy consumption used to calculate emissions was as follows:

Gas	kWh	4,484,000
Electricity	kWh	2,597,000
Transport fuel	kWh	153,000
Total	kWh	7,234,000

Emissions from combustion of gas (Scope 1) tCO ₂ e	824	
Emissions from purchased electricity (Scope 2)	tCO ₂ e	606
Emissions from business travel (Scope 3)	tCO ₂ e	37
Total gross CO ₂ e based on above	tCO ₂ e	1,467

Intensity ratios:

Per £1m of Turnover	tCO ₂ e	53
Per employee	tCO ₂ e	9

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a significant impact on the Group's long-term performance. There is an established risk management process in place which considers the risks to achieving strategic priorities and financial returns. The Group's senior management team and the Board review existing risks and identify potential new risks on a regular basis. Suitable controls are implemented and actions are established to mitigate these risks. The controls and plans are monitored by the Audit and Risk Committee.

The Board consider the principal risks and uncertainties to be:

The Global Coronavirus Pandemic

The global pandemic continues to impact the viability of football as a whole and there is a risk to the Group's match day income and other revenue streams as a result. The significant impacts to date and the assessment of the future effects is commented on above.

Revenue Streams from Commercial and Broadcasting Partners

The Scottish FA media rights for international matches are included in the centralised marketing of broadcast rights by UEFA for all its member associations. Agreements are in place with UEFA to 2028 which minimises the risk to the Group in this area. There is greater risk and uncertainty regarding domestic broadcasting rights and the value of future commercial income, particularly while matches continue to be played behind closed doors during the coronavirus pandemic.

Strategic plan

The Chief Executive, Ian Maxwell, led a review of the Group's strategy to refresh the vision and strategic objectives and an updated plan is due to be launched in 2021.

The Scottish Football Association Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

Audit and Risk Committee

The Audit and Risk Committee consists of 4 members: Mr M Kpedekpo (Chair), Mr M Mulraney, Mr R Petrie and Mr N A Doncaster.

The external auditor and members of the finance department attend routinely. Business is also conducted without the presence of the external auditor and/or members of the finance department when appropriate.

The main responsibilities of the committee are:

- Review the internal financial control systems and the risk management process;
- Review of the annual report and financial statements, the significant financial reporting judgements and accounting policies adopted;
- Recommend to the Board the appointment, remuneration and terms of the engagement of 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 approved by the board and the results of its work are reported to the Board.

Brexit

Brexit has not had a significant impact on the operation of the national team at all levels. The Scottish FA continues to engage with key stakeholders including the SPFL and the other home nation football associations to ensure that the impact of Brexit on member clubs is limited.

New members

Immediately following the 2020 AGM, six clubs were welcomed as new associate members of the Association. Further applications are being progressed.

Independent review

The final report of the Independent Review into historic Sexual Abuse in Scottish Football was published in February 2021. The final report contains harrowing accounts of abuse suffered by survivors. The Scottish FA acknowledges the courage of survivors in providing their testimony to Martin Henry and his team so that Scottish football can be safer for young footballers in the future. Supported by an Independent Advisory Board the Scottish FA continues to implement the recommendations of the report in line with the Scottish FA Child Wellbeing and Protection Strategy "Getting it Right for Every Child in Scottish Football".

Board

The Board wishes to thank Duncan Fraser who stood down from the Board in July 2020. Les Gray was appointed as Director in August 2020.

Staff

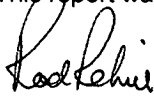
On behalf of Scottish football, the Board would like to thank all members of staff, whether full time or part time, furloughed or working from home. A number of employees were made redundant during the pandemic and left with thanks and everyone's best wishes. Salary reductions for both furloughed and working staff were recognised by everyone as essential for the business both in its own right and in the leadership provided to our industry at the onset of the pandemic. The sacrifices made by everyone are sincerely acknowledged.

The Scottish Football Association Limited

Group Strategic Report (continued) For the Year Ended 31 December 2020

This report was approved by the board on 26 April 2021

and signed on its behalf.



R M Petrie (President)
Director

The Scottish Football Association Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £1,037,831 (2019 - loss £323,809).

Directors

The directors who served during the year were:

R M Petrie (President)
M Mulraney (Vice President)
I G Maxwell (Chief Executive)
T McKeown
A C Stewart
N A Doncaster
M A K Kpedekpo
L Gray (appointed 10 August 2020)
D G Fraser (resigned 22 July 2020)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

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

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Directors' Report (continued) For the Year Ended 31 December 2020

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the 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, BDO LLP, who was appointed during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2021.

and signed on its behalf.



H A Barton
Secretary

The Scottish Football Association Limited

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2020 and of the Group's and the parent Company's loss 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.

We have audited the financial statements of The Scottish Football Association Limited ("the parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the directors' report.

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

- adequate accounting records have not been kept by the Group or the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Scottish Football Association Limited

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. A summary of the procedures we designed and executed to detect irregularities, including fraud is set out below:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud and tested accordingly;
- reading minutes of management meetings and of those charged with governance and reviewing correspondence with regulatory bodies, such as HMRC, and reviewing documentation for indications of non-compliance with laws and regulations.
- assessing whether the accounting policies, treatments and presentation adopted in the financial statements is in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and whether there are instances of potential bias in areas with significant degrees of judgement such as deferred tax assets being recognised;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- carrying tests of management control in certain areas or functions, such as the authorisation of business expenditure and the approval of payments to suppliers;
- vouching balances and reconciling items in management's key control account reconciliations to supporting documentation as at 31 December 2020; and
- carrying out detailed testing, on a sample basis, of material transactions, financial statement categories and balances to appropriate documentary evidence to verify the completeness, occurrence and accuracy of the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentation or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, or the greater the concealment of irregularities, including fraud, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The Scottish Football Association Limited

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent 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 parent Company and the parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Glasgow
United Kingdom
28 April 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Scottish Football Association Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	27,743,238	37,963,315
Cost of sales		(13,307,855)	(21,355,230)
Gross profit		14,435,383	16,608,085
Administrative expenses		(16,767,346)	(17,877,151)
Other operating income	4	11,432,617	-
Other operating charges	5	(10,594,850)	-
Operating loss	6	(1,494,196)	(1,269,066)
Income from fixed assets investments	10	89,704	118,235
(Loss)/gain on sale of fixed asset investments		(13,066)	182,428
Interest receivable and similar income	11	8,259	171,891
Fair value movement of fixed asset investments	16	186,002	393,016
Pension scheme - notional finance income	30	59,000	43,000
Loss before taxation		(1,164,297)	(360,496)
Tax on loss	13	126,466	36,687
Loss for the financial year		(1,037,831)	(323,809)
Actuarial gains on defined benefit pension scheme	30	2,379,000	1,137,000
Movement of deferred tax relating to pension surplus	30	(548,320)	(221,170)
Other comprehensive income for the year		1,830,680	915,830
Total comprehensive income for the year		792,849	592,021

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited
Registered number: SC005453

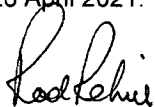
Consolidated Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	15		12,571,995		2,237,826
Investments	16		4,813,034		4,572,891
			<u>17,385,029</u>		<u>6,810,717</u>
Current assets					
Stocks	17	38,788		25,263	
Debtors: amounts falling due within one year	18	6,857,773		6,645,207	
Cash at bank and in hand	19	27,627,147		12,841,784	
		<u>34,523,708</u>		<u>19,512,254</u>	
Creditors: amounts falling due within one year	20	(30,641,165)		(18,712,749)	
Net current assets			<u>3,882,543</u>		<u>799,505</u>
Total assets less current liabilities			<u>21,267,572</u>		<u>7,610,222</u>
Creditors: amounts falling due after more than one year	21		(15,062,918)		-
Provisions for liabilities					
Deferred taxation	25		(1,057,994)		(636,150)
Deferred capital grants	26		(952,957)		(983,218)
Net assets excluding pension asset			<u>4,193,703</u>		<u>5,990,854</u>
Pension asset	30		5,401,000		2,811,000
Net assets			<u><u>9,594,703</u></u>		<u><u>8,801,854</u></u>
Capital and reserves					
General reserve	27		1,500,000		1,500,000
Other reserves	27		1,799,673		1,799,673
Profit and loss account	27		6,295,030		5,502,181
Total equity			<u><u>9,594,703</u></u>		<u><u>8,801,854</u></u>

The Scottish Football Association Limited
Registered number: SC005453

Consolidated Statement of Financial Position (continued)
As at 31 December 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2021.



R M Petrie (President)
Director



I G Maxwell (Chief Executive)
Director

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited
Registered number: SC005453

Company Statement of Financial Position
As at 31 December 2020

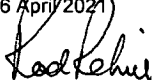
	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	15		555,299		687,310
Investments	16		13,013,943		4,572,894
			<u>13,569,242</u>		<u>5,260,204</u>
Current assets					
Stocks	17	38,788		25,263	
Debtors: amounts falling due within one year	18	6,637,147		5,173,474	
Cash at bank and in hand	19	27,504,753		12,067,294	
		<u>34,180,688</u>		<u>17,266,031</u>	
Creditors: amounts falling due within one year	20	(35,446,632)		(18,276,490)	
Net current liabilities			<u>(1,265,944)</u>		<u>(1,010,459)</u>
Total assets less current liabilities			<u>12,303,298</u>		<u>4,249,745</u>
Creditors: amounts falling due after more than one year	21		(8,659,518)		-
Provisions for liabilities					
Deferred taxation	25		(1,182,635)		(602,465)
Net assets excluding pension asset			<u>2,461,145</u>		<u>3,647,280</u>
Pension asset	30		5,401,000		2,811,000
Net assets			<u><u>7,862,145</u></u>		<u><u>6,458,280</u></u>
Capital and reserves					
General reserve	27		1,500,000		1,500,000
Other reserves	27		1,799,673		1,799,673
Profit and loss account	27		4,562,472		3,158,607
Total equity			<u><u>7,862,145</u></u>		<u><u>6,458,280</u></u>

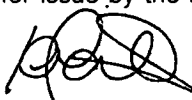
The Scottish Football Association Limited
Registered number: SC005453

Company Statement of Financial Position (continued)
As at 31 December 2020

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £426,815 (2019 - £70,790).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2021


R M Petrie (President)
Director


I G Maxwell (Chief Executive)
Director

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2020

	General reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	1,500,000	1,799,673	5,502,181	8,801,854
Comprehensive income for the year				
Loss for the year	-	-	(1,037,831)	(1,037,831)
Actuarial gains on pension scheme net of deferred tax	-	-	1,830,680	1,830,680
Total comprehensive income for the year	-	-	792,849	792,849
At 31 December 2020	1,500,000	1,799,673	6,295,030	9,594,703

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

	General reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2019	1,500,000	1,799,673	4,910,160	8,209,833
Comprehensive income for the year				
Loss for the year	-	-	(323,809)	(323,809)
Actuarial gains on pension scheme net of deferred tax	-	-	915,830	915,830
Total comprehensive income for the year	-	-	592,021	592,021
At 31 December 2019	1,500,000	1,799,673	5,502,181	8,801,854

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited

Company Statement of Changes in Equity For the Year Ended 31 December 2020

	General reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	1,500,000	1,799,673	3,158,607	6,458,280
Comprehensive income for the year				
Loss for the year	-	-	(426,815)	(426,815)
Actuarial gains on pension scheme net of deferred tax	-	-	1,830,680	1,830,680
	-	-	1,403,865	1,403,865
Total comprehensive income for the year				
At 31 December 2020	1,500,000	1,799,673	4,562,472	7,862,145

Company Statement of Changes in Equity For the Year Ended 31 December 2019

	General reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2019	1,500,000	1,799,673	2,313,567	5,613,240
Comprehensive income for the year				
Loss for the year	-	-	(70,790)	(70,790)
Actuarial gains on pension scheme net of deferred tax	-	-	915,830	915,830
	-	-	845,040	845,040
Total comprehensive income for the year				
At 31 December 2019	1,500,000	1,799,673	3,158,607	6,458,280

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited

Consolidated Statement of Cash Flows For the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(1,037,831)	(323,809)
Adjustments for:		
Amortisation of intangible assets	(91,029)	-
Income from investments	(89,704)	(118,235)
Interest received	(8,259)	(171,891)
Loss/(gain) on sale of investments	13,066	(182,428)
Depreciation of tangible assets	1,211,380	1,808,392
Amortisation of deferred capital grants	(630,262)	(1,373,091)
Taxation charge	(126,466)	(36,687)
(Increase)/decrease in stocks	(13,525)	3,422
(Increase) in debtors	(212,566)	(709,807)
Increase in creditors	5,574,066	140,036
Revaluation of fixed asset investments	(186,002)	(393,016)
Pension scheme notional finance income	(59,000)	(43,000)
Pension scheme payments	(152,000)	(121,000)
Government grants received	10,600,000	-
Grants distributed	(4,495,650)	-
Net cash generated from operating activities	10,296,218	(1,521,114)
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,801,128)	(1,087,054)
Sale of tangible fixed assets	-	255,000
Purchase of listed investments	(319,063)	(827,444)
Sale of listed investments	251,856	733,977
Purchase of fixed asset investments	(1)	-
Interest received	8,259	171,891
Income from investments	89,704	118,235
Net cash from investing activities	(4,770,373)	(635,395)
Cash flows from financing activities		
Loans received	8,659,518	-
Government grants received	600,000	507,238
Net cash used in financing activities	9,259,518	507,238

The Scottish Football Association Limited

Consolidated Statement of Cash Flows (continued) For the Year Ended 31 December 2020

	2020 £	2019 £
Net increase/(decrease) in cash and cash equivalents	14,785,363	(1,649,271)
Cash and cash equivalents at beginning of year	12,841,784	14,491,055
Cash and cash equivalents at the end of year	27,627,147	12,841,784
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	27,627,147	12,841,784

The notes on pages 23 to 52 form part of these financial statements.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The Company is incorporated in Scotland. It is limited by guarantee, not having share capital. Its registered office is Hampden Park, Glasgow, G42 9AY. The directors are of the view that there is no ultimate controlling party.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The consolidated financial statements consolidate the financial statements of The Scottish Football Association Limited and its subsidiary drawn up to 31 December each year.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement or net debt reconciliation has been presented for the parent Company; and
- Disclosures in respect of the parent Company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.4 Going concern

The directors have set out details of how the global Coronavirus pandemic has affected the Group in their strategic report on pages 1 to 7 of the financial statements. The directors acknowledge that the Coronavirus pandemic has created a challenging economic environment for the Company and a number of revenue streams may be at risk for 2021 and possibly beyond. In response to this assessment, the Group has taken actions to address its cost base and access Government relief schemes, primarily through the Coronavirus Job Retention Scheme, a CBILS loan and rates relief. The directors note that the Group's principal revenue stream is contracted until 2028.

The directors have considered a range of financial sensitivities in conjunction with senior management to reflect the potential impact of the current crisis. These sensitivities have been prepared for a period in excess of one year from the signing of these accounts.

The Group holds significant cash balances as advance receipts of future income. In addition, the Group owns an investment portfolio of readily accessible equities. Whilst the value of equities is subject to market volatility, the portfolio is still considered to be an important source of potential liquidity for the Group. The directors have taken steps to further increase the Group's liquidity during the year.

Taking all these factors into account, the directors believe that the Group has adequate resources to continue to trade on a normal basis for the foreseeable future. Accordingly, the annual report and financial statements continue to be prepared on the going concern basis.

1.5 Revenue

Revenue is the amount receivable by the Group from its various activities during the accounting period.

Revenue derived from centralised media rights is recognised on a straight line basis over the term of the agreement. Revenue from other media, rights is recognised in the period in which the event takes place.

Revenue derived from sponsorship is recognised evenly over the period to which the sponsorship relates. In-kind transactions are quantified and included within turnover.

Revenue from ticketing is recognised in the period when the event takes place.

Revenue from catering and hospitality is recognised in the period when the event takes place.

Rental income is recognised as it is earned.

1.6 Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the parent Company's individual financial statements.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the consolidated statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Assets under construction	- No depreciation charged
Leasehold improvements	- Straight line over period of lease and 10-20 years
Equipment and fittings	- 25% and 10% straight line
Heritable property	- 3.33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

1.9 Investment properties

Investment properties are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period.

1.10 Valuation of investments

Investments in listed company shares are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the actual cost of purchase.

1.12 Debtors

Long and short term debtors are measured at transaction price, less any impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.15 Debentures

The Group has determined the entity and the debentures meet the criteria set out in Section 34 FRS 102 to be classified as public benefit entity concessionary loans. Initially these are recorded on the statement of financial position at the value received. Subsequently, these values are adjusted for any interest receivable or payable on the balance. It is not anticipated that there will be any change in value.

1.16 Creditors

Short term creditors are measured at the transaction price.

1.17 Grants

Grants relating to expenditure on tangible fixed assets are credited to the consolidated statement of comprehensive income at the same rate as the depreciation on these assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised as income in the period in which the related expenditure is incurred.

The Scottish FA has benefited from substantial funding being received from FIFA (\$5m) and under the Coronavirus Business Interruption Loan Scheme (£5m), to contribute towards losses incurred as a result of the Coronavirus pandemic.

The Company also received £10m from the Scottish Government to distribute to relevant member football clubs.

1.18 Deferred expenditure - rental

The Company 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 was 20 years and Hampden Park Limited had the option to extend for a further 20 years.

The lease had been extended to 31 July 2020 and was subsequently extended to 1 December 2020. The Scottish FA acquired Hampden Park Stadium on 1 August 2020.

As a result, no rental charge has been incurred since acquisition, and neither do any deferred rental amounts exist at year end.

1.19 Leases

Rentals payable under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Group recognises annual rent expense equal to amounts owed to the lessor.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.20 Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at the average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in the consolidated statement of comprehensive income in the period in which they arise.

1.21 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.22 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Defined benefit pension plan

The Group operates a defined benefit plan. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. The assets of the scheme are administered by the Trustees in a fund independent from those of the Company.

The surplus recognised on the statement of financial position in respect of the defined benefit plan is the fair value of plan assets at the statement of financial position date out of which the obligations are to be settled less the present value of the defined benefit obligation at the statement of financial position date. A net surplus is recognised only to the extent that it is recoverable by the company.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in the consolidated statement of comprehensive income as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the consolidated statement of comprehensive income as 'notional finance income/expense'.

1.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. The Group continually reviews its obligations as a result of the stadium lease to assess such a charge arising.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Accounting policies (continued)

1.24 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Judgements:

Income Recognition

All income derived from UEFA Centralised Media Rights is recognised on a straight-line basis over the duration of the agreement as it is considered that the obligations of the Group are significant throughout the entire period.

Staff Pension Scheme

The directors have recognised the pension scheme asset on the basis that the group can alter or reduce future contributions, and that any surplus on the scheme on wind-up would be repaid to the SFA.

Estimates:

Staff Pension Scheme

The surplus on the defined benefit pension scheme is included in the statement of financial position in line with Financial Reporting Standard 102. The surplus is arrived at by obtaining a valuation from the Scheme Actuary. More information is contained in note 30.

3. Turnover

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

	2020 £	2019 £
Promotion of football	27,281,687	33,910,463
Stadium operations	461,551	4,052,852
	<u>27,743,238</u>	<u>37,963,315</u>

All turnover arose within the United Kingdom.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Other operating income

	2020 £	2019 £
Coronavirus job retention scheme income	832,617	-
Grants receivable	10,600,000	-
	<u>11,432,617</u>	<u>-</u>

Grants receivable of £10,600,000 (2019 - £Nil) represents funding for football received from the Scottish Government (£10m, of which £0.75m is deferred at the year end) and Camelot UK Lotteries Limited (£1.35m) following the outbreak of COVID-19.

5. Other operating charges

	2020 £	2019 £
Grants distributable	10,594,850	-
	<u>10,594,850</u>	<u>-</u>

Other operating charges of £10,594,850 (2019 - £Nil) represent the distribution of Government grants following COVID-19 to football clubs, Affiliated National Associations and grassroots organisations in Scotland.

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets (Note 15)	1,211,380	1,808,392
Defined benefit pension cost	219,000	201,000
Amortisation of grants (Note 26)	630,261	(1,373,091)
Operating lease rentals - land and buildings	<u>373,592</u>	<u>943,314</u>

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

7. Auditor's remuneration

Fees payable to the Group's auditor and its associates in respect of:

	2020 £	2019 £
The audit of The Scottish Football Association Limited	<u>19,250</u>	<u>24,000</u>
 The audit of Hampden Park Limited	 4,675	 7,000
The audit of Hampden Park Stadium Limited	1,925	-
The audit of The National Stadium PLC	1,650	-
Taxation compliance services	6,900	4,800
All other non-audit services not included above	4,700	32,030
	<u>19,850</u>	<u>43,830</u>

8. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	8,286,047	8,142,471	7,768,271	7,226,534
Social security costs	924,506	941,453	875,063	842,927
Cost of defined contribution scheme	907,835	1,043,026	888,055	983,955
	<u>10,118,388</u>	<u>10,126,950</u>	<u>9,531,389</u>	<u>9,053,416</u>

The average monthly number of employees for the Group (including the directors) during the year was 187 (2019 - 203). During the year the parent Company had 171 average monthly employees (2019 - 177).

Termination payments of £140,352 (2019 - £Nil) were made across the Group.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	142,578	224,521
Company contributions to defined contribution pension schemes	9,522	10,573
	<u>152,100</u>	<u>235,094</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,522 (2019 - £10,573).

The highest paid director received remuneration of £127,430 (2019 - £171,752).

10. Income from investments

	2020 £	2019 £
Income from fixed asset investments	<u>89,704</u>	<u>118,235</u>

11. Interest receivable and similar income

	2020 £	2019 £
Other interest receivable	<u>8,259</u>	<u>171,891</u>

12. Pension scheme - notional finance income

	2020 £	2019 £
Expected return on pension scheme assets	586,000	721,000
Interest on pension scheme liabilities	(527,000)	(678,000)
	<u>59,000</u>	<u>43,000</u>

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

13. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(195,464)	(86,159)
Adjustment in respect of prior year	45,075	49,472
Effect of tax rate change on opening balance	23,923	-
Total deferred tax	(126,466)	(36,687)
Taxation on loss on ordinary activities	(126,466)	(36,687)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(1,164,297)	(360,496)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(221,216)	(68,494)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(17,296)	-
Expenses not deductible for tax purposes	8,975	160,299
Fixed asset differences	53,461	-
Income not subject to taxation	(94,261)	(263,010)
Underprovided tax in relation to prior period	45,075	49,472
Other timing differences	63,737	34,340
Rate differences	23,923	(24,203)
Chargeable gain	26,753	74,909
Exempt ABGH distributions	(15,617)	-
Total tax charge for the year	(126,466)	(36,687)

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

13. Taxation (continued)

Factors that may affect future tax charges

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £548,320 (2019 - £221,170).

In the March 2021 UK Budget, an announcement was made to increase the main rate of UK corporation tax to 25% from 1 April 2023. This will impact on the measurement of the Group's deferred tax liabilities/(assets) in the future. However, the substantively enacted rate at 31 December 2020 was 19% and therefore the tax liabilities/(assets) of the Group have been measured at this rate in the current period.

14. Intangible assets

Group and Company

	Negative goodwill £
Additions	(91,029)
At 31 December 2020	(91,029)
Charge for the year on owned assets	(91,029)
At 31 December 2020	(91,029)
Net book value	
At 31 December 2020	-
At 31 December 2019	-

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Tangible fixed assets

Group

	Investment property £	Leasehold improvements £	Plant and machinery £	Equipment and fittings £	Heritable property £	Assets under construction £	Total £
Cost or valuation							
At 1 January 2020	150,000	11,777,307	-	3,035,992	-	641,885	15,605,184
Additions	-	1,689	-	113,348	10,305,143	1,125,369	11,545,549
Transfers between classes	-	-	1,767,254	-	-	(1,767,254)	-
At 31 December 2020	150,000	11,778,996	1,767,254	3,149,340	10,305,143	-	27,150,733
Depreciation							
At 1 January 2020	-	11,059,628	-	2,307,730	-	-	13,367,358
Charge for the year	-	695,990	150,955	260,197	104,238	-	1,211,380
At 31 December 2020	-	11,755,618	150,955	2,567,927	104,238	-	14,578,738
Net book value							
At 31 December 2020	150,000	23,378	1,616,299	581,413	10,200,905	-	12,571,995
At 31 December 2019	150,000	717,679	-	728,262	-	641,885	2,237,826

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Tangible fixed assets (continued)

Additions to Heritable Property consist of the £5 million cash consideration for Hampden Park stadium plus the assumption of the debenture liability in The National Stadium plc and associated costs.

Company

	Investment property £	Leasehold improvements £	Equipment and fittings £	Total £
Cost or valuation				
At 1 January 2020	150,000	3,733,371	2,137,666	6,021,037
Additions	-	1,689	95,502	97,191
At 31 December 2020	150,000	3,735,060	2,233,168	6,118,228
Depreciation				
At 1 January 2020	-	3,697,485	1,636,242	5,333,727
Charge for the year	-	14,196	215,006	229,202
At 31 December 2020	-	3,711,681	1,851,248	5,562,929
Net book value				
At 31 December 2020	150,000	23,379	381,920	555,299
At 31 December 2019	150,000	35,886	501,424	687,310

As at year end the Company holds one investment property. The market value of this property is considered by the directors to be unchanged from the prior year at £150,000. The historical cost of this investment property is £80,646 (2019 - £80,646).

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Fixed asset investments

Group

	Listed investments £
Cost or valuation	
At 1 January 2020	4,572,891
Additions	319,063
Disposals	(264,922)
Revaluations	186,002
At 31 December 2020	<u>4,813,034</u>

Company

	Investments in subsidiary companies £	Listed investments £	Loans to subsidiaries £	Total £
Cost or valuation				
At 1 January 2020	3	4,572,891	-	4,572,894
Additions	1	319,063	8,200,905	8,519,969
Disposals	-	(264,922)	-	(264,922)
Revaluations	-	186,002	-	186,002
At 31 December 2020	<u>4</u>	<u>4,813,034</u>	<u>8,200,905</u>	<u>13,013,943</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company at the year-end:

Name	Principal activity	Class of shares	Holding
Hampden Park Limited	Stadium management	Ordinary	100%
Hampden Park Stadium Limited	Stadium holding	Ordinary	100%
The National Stadium plc	Debenture holding	Ordinary	100%

The registered office address of the above subsidiaries is the same as that of The Scottish Football Association Limited.

The National Stadium plc was acquired in the year from Queen's Park Football Club. An investment of £1 was made, and negative goodwill of £91,029 recorded on the consolidated statement of financial position. See note 29.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

17. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods and goods for resale	38,788	25,263	38,788	25,263

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	2,965,709	2,432,085	2,932,798	2,106,466
Amounts owed by related parties	222,582	126,458	222,582	101,840
Other debtors	296,941	427,369	256,658	427,368
Prepayments and accrued income	3,372,541	3,649,949	3,225,109	2,528,454
Tax recoverable	-	9,346	-	9,346
	6,857,773	6,645,207	6,637,147	5,173,474

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

19. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	27,627,147	5,841,784	27,504,753	5,067,294
Short term deposits	-	7,000,000	-	7,000,000
	<u>27,627,147</u>	<u>12,841,784</u>	<u>27,504,753</u>	<u>12,067,294</u>

20. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	918,776	1,571,361	918,776	795,917
Amounts owed to group undertakings	-	-	5,410,179	1,217,411
Deferred consideration	250,000	-	-	-
Amounts owed to related parties	16,589	-	-	-
Other taxation and social security	534,408	691,875	522,539	562,287
Other creditors	-	38,947	-	38,947
Accruals	7,776,370	995,390	7,674,982	614,143
Deferred income	21,145,022	15,415,176	20,920,156	15,047,785
	<u>30,641,165</u>	<u>18,712,749</u>	<u>35,446,632</u>	<u>18,276,490</u>

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

21. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Debentures loans	4,653,400	-	-	-
Bank loans	5,000,000	-	5,000,000	-
Other loans	3,659,518	-	3,659,518	-
Deferred consideration	1,750,000	-	-	-
	<u>15,062,918</u>	<u>-</u>	<u>8,659,518</u>	<u>-</u>

Debenture loans

Class of debenture	Value £	Number authorised	Number issued	Total proceeds £
Gold	£3,500	969	216	£756,000
Silver	£1,750	1,842	1,340	£2,345,000
Bronze adult	£650	2,263	2,263	£1,470,950
Bronze child	£450	181	181	<u>£81,450</u>
				<u>£4,653,400</u>

The debenture loans were raised by The National Stadium plc in 1999 to part fund the redevelopment of Hampden Park stadium. Each of the debentures ranks pari passu with respect to voting and repayment and, save with respect to their designated seats and related benefits, without any preference or priority of one over another. The National Stadium plc now has the right to redeem the debentures at par and otherwise the debenture holder can request repayment on or after 20 May 2099. They are also repayable in the event of The National Stadium plc ceasing to trade or suffering an insolvency event. The debentures are unsecured and no interest is payable thereon.

Debenture holder benefits include the right to buy certain hospitality packages together with a ticket for a relevant match played at Hampden Park Stadium.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

22. Deferred consideration

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred consideration on stadium purchase falling due within one year	250,000	-	-	-
Deferred consideration on stadium purchase falling due between one and five years	1,000,000	-	-	-
Deferred consideration on stadium purchase falling due after more than five years	750,000	-	-	-
	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

23. Loans

The maturity of debt finance is as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due 2-5 years				
Bank loans (note 21)	4,000,000	-	4,000,000	-
Other loans (note 21)	1,464,851	-	1,464,851	-
Amounts falling due after more than five years				
Bank loans (note 21)	1,000,000	-	1,000,000	-
Other loans (note 21)	2,194,667	-	2,194,667	-
Debenture loans (note 20 & 21)	4,653,400	-	-	-
	<u>13,312,918</u>	<u>-</u>	<u>8,659,518</u>	<u>-</u>

Other loans represent an unsecured, interest free loan from FIFA received in the year.

Bank loans represent the £5m Coronavirus Business Interruption Scheme loan received in the year. Following an interest free period of 12 months, interest is charged at 3.8% above base rate. Santander UK plc holds fixed charge over future UEFA broadcast income and floating charge over the assets of the Company.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

24. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss: Investments (Note 16)	4,813,034	4,572,891	4,813,034	4,572,891
Financial assets measured at amortised cost:				
Included in debtors due within 1 year	3,632,664	3,005,218	3,412,038	2,645,021
Bank and cash balances (Note 19)	27,627,147	12,841,784	27,504,753	12,067,294
	<u>36,072,845</u>	<u>20,419,893</u>	<u>35,729,825</u>	<u>19,285,206</u>
Financial liabilities at amortised cost				
Trade creditors (Note 20)	(918,776)	(1,571,361)	(918,776)	(795,917)
Amounts owed to group companies (Note 20)	-	-	(5,410,179)	(1,217,411)
Accruals (Note 20)	(7,776,370)	(995,390)	(7,674,982)	(614,143)
Other creditors (Note 20)	(16,589)	(38,947)	-	(38,947)
Loans and deferred consideration (Note 20 & 21)	(15,312,918)	-	(8,659,518)	-
	<u>(24,024,653)</u>	<u>(2,605,698)</u>	<u>(22,663,455)</u>	<u>(2,666,418)</u>

Financial assets measured at fair value through profit or loss comprise of a trading portfolio of listed investments. These are valued with reference to quoted prices on active markets for identical securities. Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, amounts owed by related parties, accrued income and tax recoverable. Financial assets and liabilities measured at amortised cost represents the historical cost of the assets and liabilities adjusted for depreciation or impairment.

Financial Risk Management

The Group monitors cash flow as part of its day to day control procedures. In addition the board considers cash flow projections on a regular basis. The Group has exposure to three main areas of financial risk - foreign exchange currency risk, liquidity risk and customer credit risk.

The Group is exposed to foreign exchange currency risk due to some of its receivables and payables being denominated in non-Sterling currencies. Where possible, on an annual basis, foreign currency expenditure is matched against foreign currency receipts. The net exposure to foreign exchange currency risk is managed by converting all significant sums received in currency into Sterling on receipt.

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group expects to meet its financial obligations through operating cash flows.

The Group may offer credit terms to its customers which allow payment of the debt after the delivery of the service. The Group is at risk to the extent that a customer may not be able to pay the debt on the specified due date. Customer credit risk is managed by running credit checks on significant customers and by monitoring payments against contractual agreements.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

25. Deferred taxation

Group

	2020 £
At beginning of year	(636,150)
Charged to profit or loss	126,476
Charged to other comprehensive income	(548,320)
At end of year	(1,057,994)

Company

	2020 £
At beginning of year	(602,465)
Charged to profit or loss	(31,850)
Charged to other comprehensive income	(548,320)
At end of year	(1,182,635)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(122,024)	(53,848)	(6,213)	(12,511)
Short term timing differences	14,006	(4,298)	14,006	22,941
Deferred tax on pension	(1,026,190)	(477,870)	(1,026,190)	(477,870)
Tax losses carried forward	423,380	202,111	182,928	167,220
Unrealised gains on investment assets	(347,166)	(302,245)	(347,166)	(302,245)
	(1,057,994)	(636,150)	(1,182,635)	(602,465)

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

26. Deferred capital grants

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Balance at beginning of year	983,218	1,849,071	-	-
Amortisation for the year	(630,261)	(1,373,091)	-	-
Grants received	600,000	507,238	-	-
	<u>952,957</u>	<u>983,218</u>	<u>-</u>	<u>-</u>
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Ageing of deferred capital grants				
Less than one year	502,687	630,261	-	-
Between two and five years	<u>450,270</u>	<u>352,957</u>	<u>-</u>	<u>-</u>

27. Reserves

The Group and Company's capital and reserves are as follows:

General reserve and Other reserve

General reserve and Other reserve are unrestricted funds and are distributable

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses and all unrealised profits/losses on investments.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

28. Analysis of net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	12,841,784	14,785,363	27,627,147
Debt due after 1 year	-	(15,062,918)	(15,062,918)
Debt due within 1 year	-	(250,000)	(250,000)
	<u>12,841,784</u>	<u>(527,555)</u>	<u>12,314,229</u>

29. Business combinations

Acquisition of The National Stadium plc

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Debtors	4,745,680	4,745,680
Total assets	<u>4,745,680</u>	<u>4,745,680</u>
Creditors	(1,250)	(1,250)
Debentures	(4,653,400)	(4,653,400)
Total identifiable net assets	<u>91,030</u>	<u>91,030</u>
Goodwill		(91,029)
Total purchase consideration		<u>1</u>
Consideration		
		£
Cash		1
Total purchase consideration		<u>1</u>

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

29. Business combinations (continued) Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	1
Net cash outflow on acquisition	1

The results of The National Stadium plc since its acquisition are as follows:

	Current period since acquisition £
Turnover	-
Result for the year	-

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

30. Pension commitments

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Defined benefit pension scheme

The Group 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 the Company. The scheme is closed to new entrants. An actuarial valuation was carried out as at 31 December 2020.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
Movement in defined benefit obligations		
Defined benefit obligations at start of year	27,179,000	24,447,000
Current service cost	248,000	234,000
Interest expense	527,000	678,000
Experience gain on liabilities	(984,000)	(576,000)
Loss on changes in assumptions	2,527,000	3,117,000
Benefits paid	(3,188,000)	(721,000)
Defined benefit obligations at 31 December 2020	26,309,000	27,179,000

Reconciliation of present value of plan assets:

	2020 £	2019 £
Movements in the fair value of plan assets		
Fair value of plan assets at the start of year	29,990,000	25,957,000
Interest income	586,000	721,000
Actuarial gain	3,922,000	3,678,000
Employer contributions (gross)	478,000	322,000
Employee contributions	29,000	33,000
Benefits paid	(3,188,000)	(721,000)
Expenses	(107,000)	-
Fair value of plan assets at 31 December 2020	31,710,000	29,990,000

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

30. Pension commitments (continued)

	2020 £	2019 £
Fair value of plan assets	31,710,000	29,990,000
Present value of plan liabilities	(26,309,000)	(27,179,000)
Net pension scheme asset	5,401,000	2,811,000

The amounts recognised in profit or loss are as follows:

	2020 £	2019 £
Interest on obligation	(527,000)	(678,000)
Interest income on plan assets	586,000	721,000
Total	59,000	43,000

All of the plan assets are held outwith the Group. None of the fair values of the assets shown above include any of the Group's own financial instruments or any property occupied by the Group or other assets used by the Group.

The total return on plan assets, comprising interest income and actuarial gains, over the period ending 31 December 2020 was a gain of £2,590,000 (2019 - gain of £4,398,000).

	2020	2019
Assumptions		
Discount rate	1.35%	2.05%
Salary growth rate	2.9%	2.65%
Average life expectancies after age 60: male	26.2 years	26.1 years
Average life expectancies after age 60: female	28.4 years	28.2 years

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

30. Pensions (continued)

The mix of plan assets held was:

	2020 %	2019 %
Equities	22	21
Bonds	49	45
Targeted returns fund	17	20
Annuities	7	8
Cash	5	6
	<u>100</u>	<u>100</u>

31. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	176,076	375,932	176,076	176,076
Later than 1 year and not later than 5 years	278,345	454,421	278,345	454,421
	<u>454,421</u>	<u>830,353</u>	<u>454,421</u>	<u>630,497</u>

32. Operating lease receivables

	2020 £	2019 £
Group		
Not later than 1 year	-	135,567

The above represents the minimum contractual payments receivable under the operating leases in place at the year end. There were no contingent rentals or special terms attached to the leases.

33. Contingent liabilities

In 2017 HMRC opened an enquiry into the Scottish FA's tax submission for the year ended 31 December 2015, as they did not agree with the change in accounting treatment adopted in relation to revenue recognition on UEFA media rights agreement. The case was closed in the year and no action taken. No contingent liability remains.

The Scottish Football Association Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

34. Related party transactions

The Group made a donation to the Scottish Football Association Museum Trust, a charitable trust and related to the company by virtue of common directors, of £321,861 (2019 - £295,000) in the year. The Group charged the Scottish Football Association Museum Trust an amount of £187,500 (2019 - £203,446) in the year in respect of rent and common charges. The balance due from Scottish Museum Football Association Trust at 31 December 2020 was £19,557 (2019 - £45,335).

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 £28,854 (2019 - £59,167) in the year in respect of rent and common charges. The balance due from National Stadium Sports Medicine Centre Limited at 31 December 2020 was £106,905 (2019 - £47,190).

The Scottish FA paid £20,000 this year and £40,000 in the previous year to the Scottish Professional Football League Limited in respect of parachute payments made to Berwick Rangers Football Club following its relegation. The Scottish Professional Football League is a league recognised by the Scottish FA and has a director in common. The balance due from Scottish Professional Football League Limited at 31 December 2020 was £54,374 (2019 - £96,381).

35. Capital commitments

The Group had capital commitments for stadium enhancements of £Nil as at 31 December 2020 (2019 - £1,020,000) in respect of stadium access control and new floodlights. The Group and Company have a capital commitment of £Nil (2019 - £4,500,000) in relation to the acquisition of Hampden Park stadium which reflects that a deposit of £Nil (2019 - £500,000) has already been paid.

36. Post balance sheet events

On 28 February 2021 the TUPE of remaining staff from Hampden Park Limited to the parent Company, The Scottish Football Association Limited, was completed.

37. Ultimate controlling party

The directors are of the view that there is no ultimate controlling party.