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**THE SCOTTISH FOOTBALL
ASSOCIATION LIMITED**

**CONSOLIDATED
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 1998



THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

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THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

REPORT OF THE OFFICE BEARERS

Office Bearers: President: J C McGinn
 Vice Presidents: J F McBeth
 C P Robinson

 Treasurer: G W Peat

The Office Bearers have pleasure in presenting their report together with financial statements for the year ended 31 December 1998.

Principal Activities

The principal activity of the Association is the furtherance and control of the game of football in Scotland. In addition a travel agency is operated through a subsidiary undertaking.

Business Review

The surplus for the year after taxation amounted to £510,608 (1997 - £158,394) and has been transferred to reserves as noted on page 4.

Office Bearers and Council

On 2 June 1998, Mr D B Smith retired as 2nd Vice President and Mr C P Robinson was appointed as 2nd Vice President.

The Office Bearers with the exception of Mr C P Robinson, who is appointed by the Scottish Premier League, offer themselves for re-election at the Annual General Meeting.

In accordance with the Articles, the members of Council are due for election at the Annual General Meeting.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

REPORT OF THE OFFICE BEARERS (CONTINUED)

Office Bearers' responsibilities for the financial statements

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

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

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

Fixed Assets

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

Charitable donations

Donations to charitable organisations amounted to £262,600.

Year 2000 compliance

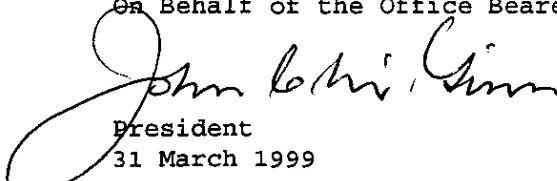
The Association has reviewed its computer systems for the impact of the Year 2000. The Association has almost completed the upgrade and replacement of all software or hardware that has been highlighted as not Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Association believes that its plans are appropriate and adequate to address the issue.

Auditors

Grant Thornton offer themselves for re-appointment as Auditors in accordance with Section 385 of the Companies Act 1985.

On Behalf of the Office Bearers


President
31 March 1999

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

We have audited the financial statements on pages 4 to 20 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of Office Bearers and Auditors

As described on page 2 the Office Bearers are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

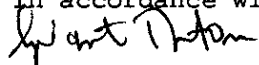
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1998 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
GLASGOW

31 March 1999

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £	1997 £
Turnover	1	14,308,568	10,897,973
Cost of sales		9,798,749	8,007,184
Gross profit		4,509,819	2,890,789
Other operating income			
Release from other reserves	11	482,720	464,516
		4,992,539	3,355,305
Grant to The Football Trust		1,000,000	500,000
Administrative expenses		4,394,534	3,450,873
Operating deficit		(401,995)	(595,568)
Income from fixed asset investments		139,076	145,130
Gain on realisation of fixed asset investments		412,893	149,707
Interest receivable		339,381	357,906
Surplus for the year before taxation	3	489,355	57,175
Taxation	4	21,253	101,219
Surplus for the year after taxation		510,608	158,394
Transfer to reserves:			
Community Officers Scheme	11	350,000	250,000
Development Projects Fund	11	200,000	200,000
Direct Training Grant Fund	11	175,000	45,000
Accumulated surplus	12	(214,392)	(336,606)
		510,608	158,394

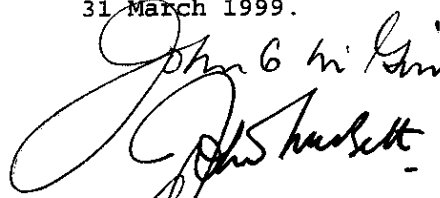
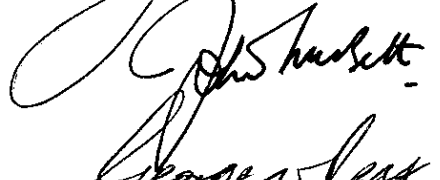

The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	5a		1,602,904		1,536,969
Investments	6		1,500,527		1,080,593
			3,103,431		2,617,562
Current assets					
Debtors	7	1,672,900		906,392	
Cash at bank and in hand	14	4,669,008		4,371,312	
		6,341,908		5,277,704	
Creditors: amounts falling due within one year					
	8	4,202,283		2,679,700	
Net current assets			2,139,625		2,598,004
Total assets less current liabilities					
			5,243,056		5,215,566
Deferred taxation	9		-		398
			5,243,056		5,215,168
Reserves					
General reserve			1,500,000		1,500,000
Investment revaluation reserve	10		343,901		343,901
Other reserves	11		1,989,896		1,747,616
Accumulated surplus	12		1,409,259		1,623,651
			5,243,056		5,215,168

The financial statements were approved by the Office Bearers on 31 March 1999.

 President
 Vice-President
 Treasurer

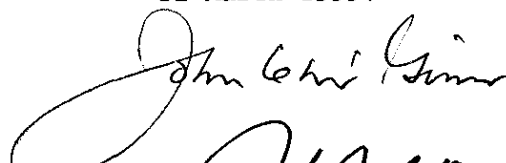

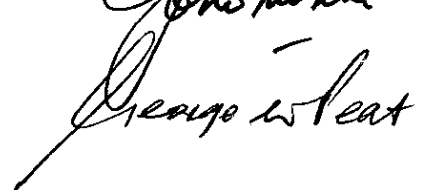
The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

COMPANY BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	5b	1,594,405	1,521,217
Investments	6	1,530,527	1,100,593
		<u>3,124,932</u>	<u>2,621,810</u>
Current assets			
Debtors	7	1,761,872	931,094
Cash at bank and in hand		4,027,776	3,904,318
		<u>5,789,648</u>	<u>4,835,412</u>
Creditors: amounts falling due within one year	8	4,158,041	2,619,013
		<u>1,631,607</u>	<u>2,216,399</u>
Net current assets		<u>4,756,539</u>	<u>4,838,209</u>
		<u>=====</u>	<u>=====</u>
Reserves			
General reserve		1,500,000	1,500,000
Investment revaluation reserve	10	343,901	343,901
Other reserves	11	1,989,896	1,747,616
Accumulated surplus		922,742	1,246,692
		<u>4,756,539</u>	<u>4,838,209</u>
		<u>=====</u>	<u>=====</u>

The financial statements were approved by the Office Bearers on 31 March 1999.

 President
 Vice-President
 Treasurer

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

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998	1997
		£	£
Net cash outflow from operating activities	13	(52,431)	(1,587,682)
Returns on investments and servicing of finance			
Interest received	339,381	357,906	
Income from investments	139,076	145,130	
Net cash inflow from returns on investments and servicing of finance		478,457	503,036
Taxation			
Tax paid		(26,138)	(197,986)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(95,151)	(31,685)	
Purchase of investments	(802,029)	(391,739)	
Proceeds of disposal of tangible fixed assets	-	101,600	
Proceeds of disposal of investments	794,988	389,669	
Net cash (outflow)/inflow from capital expenditure and financial investment		(102,192)	67,845
Net cash inflow/(outflow) before management of liquid resources		297,696	(1,214,787)
Management of liquid resources			
Placed on short-term deposit	-	(3,000,000)	
Withdrawn from short-term deposit	2,000,000	4,500,000	
Net cash inflow from management of liquid resources		2,000,000	1,500,000
Increase in cash	14	2,297,696	285,213

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

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £	1997 £
Surplus for the financial year		510,608	158,394
Other reserves:			
Release to income	11	(482,720)	(464,516)
		<hr/>	<hr/>
Total recognised gains and losses for the period		27,888	(306,122)
Opening reserves		5,215,168	5,521,290
		<hr/>	<hr/>
Closing reserves		5,243,056	5,215,168
		<hr/>	<hr/>

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

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 1998

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

Basis of consolidation

The group financial statements consolidate those of the company and of the subsidiary undertaking (see note 6). The financial statements of the subsidiary undertaking have been prepared to 31 December 1998.

Association structure

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

Turnover

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

Depreciation

Depreciation is calculated at the following rates:

Computer and office equipment	-	25% and 10% straight line
Printing equipment	-	10% straight line

No depreciation is provided on freehold property as it is the Association's policy to maintain this property in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly it is considered that the life of the property is sufficiently long and the residual value sufficiently high that its depreciation is insignificant.

Furniture and fittings of the Association are charged to revenue in the year of purchase.

Deferred taxation

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

Investments

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

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

Investment properties

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

Pension

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

Contributions payable for the year to defined contribution schemes are charged against surplus.

Operating leases

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

Other reserves

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

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1 Turnover

	1998	1997
	£	£
Turnover is analysed as follows:		
Gross match receipts	7,414,815	6,191,231
Other activities	6,893,753	4,706,742
	<u>14,308,568</u>	<u>10,897,973</u>
	<u>=====</u>	<u>=====</u>

2 Employment costs

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

	1998	1997
	£	£
Wages and salaries	1,813,702	1,569,041
Social security	189,687	164,057
Other pension costs (see note 18)	353,779	274,321
	<u>2,357,168</u>	<u>2,007,419</u>
	<u>=====</u>	<u>=====</u>
Average number of employees of the group during the year	66	60
	<u>==</u>	<u>==</u>

3 Surplus for the year before taxation

The surplus for the year before taxation is stated after:-

	1998	1997
	£	£
Auditors' remuneration:		
Audit services	16,825	16,125
Non-audit services	26,925	20,537
Depreciation	29,216	27,803
Hire of equipment	3,651	4,794
Loss on disposal of tangible fixed assets	-	15,298
	<u>=====</u>	<u>=====</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

4 Tax on surplus on ordinary activities

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

	1998 £	1997 £
United Kingdom corporation tax recoverable		
@ 31% - current year	-	108,499
- prior years	32,921	-
Tax on investment income	(12,066)	(7,968)
Transfer from deferred tax	398	688
	<u>21,253</u>	<u>101,219</u>

5 Tangible fixed assets

a) The Group

	Land and Buildings Investment Property £	Heritable Property £	Computer, Printing & Office Equipment £	Total £
Cost or valuation				
At 1 January 1998	935,000	516,077	291,861	1,742,938
Additions at cost	80,046	-	15,105	95,151
At 31 December 1998	<u>1,015,046</u>	<u>516,077</u>	<u>306,966</u>	<u>1,838,089</u>
Depreciation				
At 1 January 1998	-	-	205,969	205,969
Provided in the year	-	-	29,216	29,216
At 31 December 1998	<u>-</u>	<u>-</u>	<u>235,185</u>	<u>235,185</u>
Net book value at 31 December 1998	<u>1,015,046</u>	<u>516,077</u>	<u>71,781</u>	<u>1,602,904</u>
Net book value at 31 December 1997	<u>935,000</u>	<u>516,077</u>	<u>85,892</u>	<u>1,536,969</u>

Investment properties were revalued on 31 December 1998 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. This did not require any adjustment to the valuation previously included in the financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

5 Tangible fixed assets (contd)

b) The Company

	Land and buildings				
	Investment	Heritable	Computer	Printing	
	Property	Property	System	equipment	Total
	£	£	£	£	£
Cost or valuation					
at 1 January					
1998	935,000	516,077	153,935	89,256	1,694,268
Additions at cost	80,046	-	15,105	-	95,151
At 31 December					
1998	1,015,046	516,077	169,040	89,256	1,789,419
Depreciation					
At 1 January 1998	-	-	141,749	31,302	173,051
Provided in					
the year	-	-	13,037	8,926	21,963
At 31 December					
1998	-	-	154,786	40,228	195,014
Net book value					
at 31 December					
1998	1,015,046	516,077	14,254	49,028	1,594,405
Net book value					
at 31 December					
1997	935,000	516,077	12,186	57,954	1,521,217

Investment properties were revalued on 31 December 1998 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. This did not require any adjustment to the valuation previously included in the financial statements.

c) The Group and the Company

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

	Investment Property
	£
Cost	671,145
Accumulated depreciation	-
Net book value at 31 December 1998	671,145
Net book value at 31 December 1997	591,099

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

6 Investments

The Group	Quoted £
At cost 1 January 1998	1,080,593
Additions	802,029
Disposals	(382,095)
	<hr/>
At cost 31 December 1998	1,500,527
	<hr/>

The market value of quoted investments at 31 December 1998 was £2,269,627 (1997 - £1,970,038).

The Company

In addition to the above quoted investments, the company holds at cost an investment of £30,000 (1997 : £20,000) in the wholly owned subsidiary undertaking Scotball Travel and Leisure Limited. This company is registered in Scotland and has an issued share capital of 30,000 (1997 : 20,000) ordinary shares of £1.

7 Debtors

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Amounts owed by group undertakings	-	-	176,502	116,657
Other debtors	1,424,888	572,320	1,351,471	495,065
Prepayments and accrued income	125,806	231,584	111,693	216,884
Taxation recoverable	122,206	102,488	122,206	102,488
	<hr/>	<hr/>	<hr/>	<hr/>
	1,672,900	906,392	1,761,872	931,094
	<hr/>	<hr/>	<hr/>	<hr/>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

8 Creditors: amounts falling due within one year

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Accruals and deferred income	3,989,625	2,577,770	3,945,383	2,519,427
Social security and other taxes	212,658	101,930	212,658	99,586
	<u>4,202,283</u>	<u>2,679,700</u>	<u>4,158,041</u>	<u>2,619,013</u>
	=====	=====	=====	=====

9 Deferred taxation

Deferred taxation in respect of accelerated capital allowances is provided in the financial statements at 21% as follows:.

	1998	1997
	£	£
The Group	-	398
	=====	=====
The Company	-	-
	=====	=====

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

10 Investment property revaluation reserve

The Group and the Company		1998	1997
		£	£
At 1 January 1998		343,901	343,901
Arising on revaluation		-	-
		<u>343,901</u>	<u>343,901</u>
		=====	=====
At 31 December 1998		343,901	343,901
		=====	=====

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

11 Other reserves

The Group and the Company

	At 1 January 1998 £	Transfer from surplus for the year £	Release to income £	At 31 December 1998 £
Grants scheme	43,850	-	-	43,850
Approved projects of Affiliated National Associations	14,309	-	-	14,309
Community Officers Scheme	526,761	350,000	(376,858)	499,903
Development Projects Fund	933,666	200,000	(13,239)	1,120,427
Junior Goalposts Scheme	82,483	-	8,206	90,689
Scottish Football Association Museum Trust	33,875	-	(33,157)	718
UEFA "U16" Youth Championships 1998 Fund	67,672	-	(67,672)	-
Direct Training Grant Fund	45,000	175,000	-	220,000
	<u>1,747,616</u>	<u>725,000</u>	<u>(482,720)</u>	<u>1,989,896</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 1998

12 Accumulated surplus

	1998	1997
	£	£
Accumulated surplus at 1 January 1998	1,623,651	1,960,257
Deficit for the year	(214,392)	(336,606)
	<hr/>	<hr/>
Accumulated surplus at 31 December 1998	1,409,259	1,623,651
	<hr/>	<hr/>

The retained deficit for the year has arisen from the group companies as follows:

	1998	1997
	£	£
By the Association	(323,950)	(344,685)
By subsidiary undertaking	109,558	8,079
	<hr/>	<hr/>
	(214,392)	(336,606)
	<hr/>	<hr/>

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

13 Net cash outflow from operating activities

	1998	1997
	£	£
Operating deficit	(401,995)	(595,568)
Depreciation	29,216	27,803
Loss on disposal of tangible fixed assets	-	15,298
(Increase)/decrease in debtors	(746,790)	312,307
Increase/(decrease) in creditors	1,549,858	(883,006)
Release from other reserves	(482,720)	(464,516)
	<hr/>	<hr/>
Net cash outflow from operating activities	(52,431)	(1,587,682)
	<hr/>	<hr/>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 1998

14 Reconciliation of net cash flow to movement in net funds

	1998 £	1997 £
Increase in cash in the year	2,297,696	285,213
Cash outflow from		
Decrease in liquid resources	(2,000,000)	(1,500,000)
	<hr/>	<hr/>
Movement in net funds in the year	297,696	(1,214,787)
Net funds at 1 January 1998	4,371,312	5,586,099
	<hr/>	<hr/>
Net funds at 31 December 1998	4,669,008	4,371,312
	=====	=====

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

15 Analysis of net funds

	At 1 January 1998 £	Cash Flow £	At 31 December 1998 £
Cash at bank and in hand	1,371,312	2,297,696	3,669,008
Short-term deposits	3,000,000	(2,000,000)	1,000,000
	<hr/>	<hr/>	<hr/>
	4,371,312	297,696	4,669,008
	=====	=====	=====

16 Capital commitments

There were no capital commitments at 31 December 1998 or 31 December 1997.

17 Contingent liabilities

There were no contingent liabilities at 31 December 1998 or 31 December 1997.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

18 Pension commitments

The Association operates a Pension Scheme of the Defined Benefit type, providing benefits to members based on final pensionable salary. The assets of the scheme are held separately from those of the Association, being invested with an insurance company. As stated on page 10 it is policy that contributions to the scheme are charged to the profit and loss account, to spread the cost of pensions over employees' working lives with the Association. In practice however, due to the relative immateriality of the figures involved, charges in the profit and loss account are on a cash basis in accordance with the contributions paid as set out below. The contributions are determined by a qualified actuary on the basis of regular (triennial) valuations using the projected unit method. The latest valuation available was carried out in May 1997. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investment and the rates of increase in salaries. It was assumed that investment returns would be 8% per annum and that salary increases would average 6.25% per annum.

The actuarial valuation showed that the market value of the scheme's assets was £3,598,000 and that the actuarial value of those assets represented 104% of the value of the liabilities accrued to the valuation date at 1 May 1997.

The association also contributes to defined contribution schemes.

The total pension charge for the year was £353,779 (1997 - £274,321).

19 Leasing commitments

Operating lease payments amounting to £69,102 (1997 £98,680) are due within the year. The leases to which these amounts relate expire as follows:

	1998		1997	
	Motor vehicles £	Other £	Motor vehicles £	Other £
In one year or less	62,258	4,848	-	-
Between one and five years	-	1,996	96,000	2,680
	<u>62,258</u>	<u>6,844</u>	<u>96,000</u>	<u>2,680</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1998

20 Future commitments

During 1998 the Association entered into Heads of Terms for the use of the National Stadium at Hampden Park broadly as follows:

	£
Rental of Stadium for Football Matches per annum	750,000
Office accommodation per annum	170,000
	<hr/>
	920,000
	<hr/> <hr/>

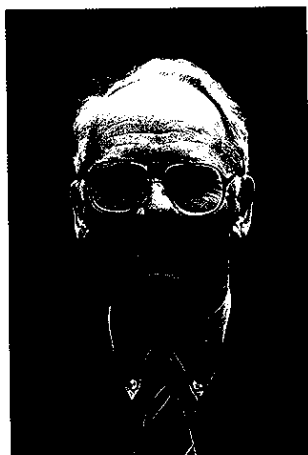
These rentals are subject to retail price index/rent review adjustments and are for a 20 year period.

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Introduction



For the first time, youth football will have a clear national focus, and the national competitions at these levels will be truly representative of the best talent in Scotland.

JACK MCGINN

It is my great pleasure to introduce the Scottish Football Association's Annual Report for 1998.

This has been an unforgettable year for many reasons. There are many happy memories of a World Cup, the hosting of a European tournament, a new professional league, the 125th anniversary celebrations and much more. Against that, the Association has to record the departure, in extraordinary circumstances, of its Chief Executive.

However, I would like to take this opportunity to look forward as we prepare for the new millennium. It is the Association's desire to ensure football continues to grow and develop in the 21st century, and I believe that means putting a greater emphasis than ever before on investment in youth.

By encouraging boys and girls to take part in football as their first choice sport, and coaching them to the best of their ability, the future of our national game can be secured. For that reason I would appeal for greater government resources to be directed towards football.

This is particularly important to reflect the rapid growth in girls' and women's football. I am constantly amazed at the level of skill displayed by female footballers, and I am confident this will increase with the recent appointments to develop the girls' and women's game.

A highly significant development is the amalgamation later this year of the various bodies catering for youth football into a Scottish Youth FA, one of the principal

recommendations made by Scottish Football's Independent Review Commission. For the first time, youth football will have a clear national focus, and the national competitions at these levels will be truly representative of the best talent in Scotland.

In the long term, by investing in youth the Association hopes to counter the continuing influx of foreign players. Everyone would agree that some highly talented foreign players have brought a new dimension to our game, but it is a worrying trend that stifles opportunity for promising Scottish players.

I am encouraged at the way in which our member clubs are tackling this issue, and using the support of the Association. The way we can help is to channel our resources, both directly and indirectly, into the youth development programmes being run by the clubs, and top this up by working closely with local authorities and schools.

A number of other dramatic proposals by the Independent Review Commission come into effect in 1999. Among them, the Association's Council will be reduced to just over half its current size, one of several changes to Scottish football's policy-making body that will make it more responsive and more efficient.

This summer, the National Stadium, Hampden Park, completes its exciting redevelopment and I very much look forward to experiencing the atmosphere of a 'full house'. Later in the year, the Association is planning to move its headquarters to purpose-built offices there, bringing all of Scottish football's governing bodies under one roof.

Elsewhere, many other clubs have developed stadia to be proud of and are reaping the benefits, and I would like to congratulate those clubs in Scotland which have improved their facilities out of all recognition.

On this encouraging note, as we approach the millennium, I am confident that the standing of Scottish football will continue to be enhanced both on and off the pitch in the years to come.

Jack McGinn, President

The Scotland squad members greet the fans at the opening match of the World Cup.

Council 1998/99

Patron

Her Majesty the Queen

Office Bearers

President

John C McGinn

Vice Presidents

John F McBeth

Christopher P Robinson

Hon. Treasurer

George W Peat

Hon. Vice Presidents

David H Will

Peter Gardiner

William H Dickie

Divisional Representatives

Richard W Shaw, MBE

William J M Costley

Hugh Scott

William Omand

Andrew Dick

William McKie

James Innes

Andrew D Renwick

Morain Scott

James Anderson

Hugh A Campbell Adamson

R Alan Ripley

Alan McRae

Bruce Hay

Affiliated Association Representatives, etc

Andrew R McClymont

T Brown McMaster

John L Smith

John M Greenhorn

H Gus Stewart

Alexander E Stables

J Austin Macniven

Scottish Premier League Representatives

Geoffrey S Brown

Ian R Donald

William M Littlejohn

R Campbell Ogilvie

John J Riley

Scottish Football League Representatives

William J Barr, OBE

A Terry Bulloch

Stewart G Gilmour

Gordon McDougall

James Oliver

Roderick M Petrie

Affiliated National Association Representatives

George Wilson

Jack Keating

James Grant

Thomas A Johnston

Ian P Wilson

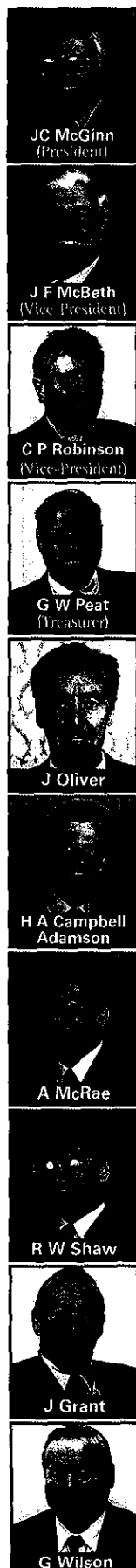
Robert M Docherty

John F Bryson

Ian Richardson

SFA Standing Committees 1998/99

Executive Committee



JC McGinn
(President)

J F McBeth
(Vice President)

C P Robinson
(Vice-President)

G W Peat
(Treasurer)

J Oliver

H A Campbell
Adamson

A McRae

R W Shaw

J Grant

G Wilson

International Committee



I R Donald



J F McBeth



R C Ogilvie



J Oliver



G W Peat



C P Robinson

General Purposes Committee



W J M Costley



S Gilmour



I A Johnston



J Keating



P Gardiner



W H Scott

Disciplinary Committee



J M Greenhorn



G McDougall



E J Riley



H Scott



R W Shaw



A E Stables

Finance Committee



W J M Costley



J A Macniven



G McDougall



W Omand



E J Riley



J L Smith

Referee Committee



W J M Costley



A Dick



S G Gilmour



J Hay



A G Hancock



J L Smith

Coaching Committee



W J M Costley



A Dick



S G Gilmour



J Hay



A G Hancock



J L Smith

Appeals Committee



W J M Costley



A Dick



S G Gilmour



J Hay



A G Hancock

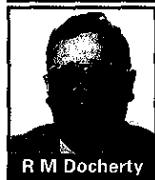


J L Smith

Youth Football Committee



J F Bryson



R M Docherty



J Keating



I Richardson



H G Stewart



I Wilson

Hon Vice-Presidents



D H Will



P Gardiner



W H Dickie

Council Attendance Register for Year Ending December 1998

	Council	Executive	General Purposes	International	Disciplinary	Referee	Coaching	Appeals	Finance	Youth Football	Emergency	Special
J C McGinn	7	7	-	7	1	1	1	1	-	1	10	14
J F McBeth	7	6	6	7	-	-	-	-	-	-	9	10
C P Robinson*	2	3	-	4	4	-	-	-	-	-	3	2
D B Smith♦	4	3	-	3	3	-	-	-	-	-	6	-
G W Peat	7	6	-	6	-	-	-	-	8	-	10	8
D H Will	2	-	-	-	-	-	-	-	-	-	-	-
P Gardiner	7	-	-	-	-	-	-	-	-	-	-	1
W H Dickie	7	-	-	-	-	-	-	-	-	-	-	-
R W Shaw	7	5	-	-	4	2	-	-	-	3	-	4
W J M Costley	6	-	-	-	-	-	3	-	1	-	-	-
H Scott	6	-	-	-	2	-	-	4	-	-	-	-
W Omand	5	1	-	-	-	-	-	-	3	2	-	-
I B Skelly	4	-	-	-	-	-	-	-	3	-	-	-
A Dick♦ (Reappointed 1/12/98)	3	-	-	-	-	-	2	-	-	-	-	-
A C Dick* (Resigned 11/11/98)	3	-	-	-	-	-	2	-	-	-	-	-
G J Fulston♦	1	-	-	-	-	-	-	-	-	1	-	-
W McKie*	3	-	-	-	-	-	-	6	-	-	-	-
J Innes	7	-	-	-	-	-	-	10	-	-	-	-
A D Renwick	7	-	-	-	-	2	5	-	-	-	-	-
M Scott	7	-	5	-	-	-	-	-	-	-	-	-
J S Danskin♦	1	-	-	-	-	2	-	-	-	-	-	-
N W F Ford* (Resigned 1/12/98)	2	-	-	-	-	-	-	2	-	-	-	-
H A Campbell Adamson	7	4	-	-	-	-	4	-	-	-	-	1
R A Ripley	7	-	-	-	-	-	-	10	-	-	-	-
A McRae	7	6	-	-	-	-	-	10	-	-	-	-
B Hay	4	-	-	-	-	-	3	3	-	-	-	-
E Houston (Died 14/7/98)	5	-	-	-	-	3	2	-	-	-	-	-
A R McClymont (Appointed 21/8/98)	1	-	-	-	-	2	2	-	-	-	-	-
T B McMaster*	3	-	4	-	-	-	-	-	-	-	-	-
R G S McCamley♦ (Resigned 17/3/98)	-	-	-	-	-	1	-	-	-	-	-	-
J L Smith	7	-	-	-	-	-	5	-	8	-	-	-
J M Greenhorn	7	-	-	-	7	-	-	-	-	-	-	-
G McDougall	7	-	-	-	3	-	-	4	-	-	-	-
M J Watters♦	2	-	-	-	-	-	-	-	1	-	-	-
H G Stewart*	3	-	-	-	-	-	-	-	-	1	-	-
A E Stables	6	-	-	-	7	-	-	-	-	-	-	-
J A Macniven	7	-	-	-	-	6	-	-	7	-	-	-
W J Barr	6	-	1	-	-	1	-	-	-	-	-	-
A T Bulloch	5	-	-	-	-	4	-	-	-	-	-	-
D W M Cromb♦	4	-	1	3	-	-	-	-	-	-	-	-
T Davidson (Resigned 1/12/98)	6	-	-	-	3	3	-	-	4	-	-	2
S G Gilmour (Appointed 21/8/98)	1	-	-	-	-	-	2	-	-	-	-	-
W P Hunter♦ (Resigned 24/7/98)	5	-	-	-	-	-	-	-	1	-	-	-
J Oliver	6	3	2	3	-	4	-	-	-	-	-	1
J F Paton♦	3	-	-	-	3	-	-	-	-	-	-	-
R M Petrie*	2	-	-	-	-	-	-	5	-	-	-	-
G S Brown	5	-	6	-	-	-	-	-	-	-	-	-
I R Donald	7	-	-	6	-	-	-	-	-	-	-	-
W M Littlejohn*	3	-	-	-	-	4	-	-	-	-	-	-
R C Ogilvie	5	-	-	2	-	-	2	-	-	-	-	-
E J Riley	6	-	-	-	4	-	-	-	5	-	-	-
R Lamberton♦	4	3	-	-	-	-	-	-	-	-	-	-
G Wilson	7	4	2	-	-	-	-	-	-	3	-	-
J P Black♦	4	-	2	-	-	-	-	4	-	-	-	-
J Keating*	3	-	3	-	-	-	-	-	-	3	-	-
J Grant	5	7	-	-	-	-	-	-	-	-	-	-
T A Johnston*	2	-	4	-	-	-	-	6	-	-	-	-
D C Young♦	4	-	-	-	-	-	-	-	-	3	-	-
I P Wilson*	3	-	-	-	-	-	-	-	-	3	-	-
R M Docherty	5	-	-	-	-	-	-	-	-	6	-	-
J F Bryson	6	-	-	-	-	-	-	-	-	5	-	-
I Richardson	6	-	-	-	-	-	-	-	-	6	-	-
J Anderson (Appointed 8/1/99)	-	-	-	-	-	-	-	-	-	-	-	-

* Joined Council 1998/99 ♦ Not a member of council 1998/99

Personnel Chart

Chief Executive

T.B.A.
Margaret Gotts
Personal Secretary

Director of Administration (Deputy Chief Executive)

Bill Richardson
Anne-Marie Campopiano
Personal Secretary

Assistant Director of Administration

David Findlay
Marion Waddell
Personal Secretary

Scotball Travel & Leisure

Maurice Brannan, Manager
Pat Burns, Assistant Manager
Evelyn Brown, Travel Assistant
Marco McIntyre, Travel Consultant
Lynn McLachlan, Travel Consultant
Gina Rae, Admin. Assistant/Bookkeeper

Security Department

William McDougall, Head of Department
Margaret Murray, Admin. Assistant/Department Secretary
David Moir, Commissionaire
Duncan Don, Kit Manager
Glenda Robertson, Receptionist/Telephonist
Bob Bryan, Mailroom
Bob Dougan, Mailroom
TBA, Office Junior

International & Matches Department

David Findlay, Head of Department
Marjory Nimmo, Senior Admin. Assistant
Derek Hunter, Admin. Assistant
Scott MacKintosh, Admin. Assistant
Richard Simpson, Admin. Assistant
Marit Scott-Mercx, Admin. Assistant
Pamela O'Brien, Admin. Assistant/Department Secretary
Wendy Murray, Admin. Assistant/Secretary
Angela Forbes, Admin. Assistant/Dept. Secretary

Technical Department

Craig Brown, Technical Director
Frank Coulston, Assistant Technical Director
Ross Mathie, Assistant Technical Director
Jim Sinclair, Youth Programme Director
Jim Fleeting, Community Scheme Director
Joe Murray, National Youth Training Scheme (SVQ) Manager
Vera Pauw, National Coach/Technical Director Girls'/Women's Football
Sheila Begbie, Assistant Director Girls'/Women's Football
Tony Gervaise, Assistant Director Girls'/Women's Football
Anne Arthur, Admin. Assistant/Dept. Secretary
Lisa Brown, Marketing & Promotions Officer (Girls'/Women's Football)
Nicola Barbour, Football Development Officer 5
Walter Borthwick, Football Development Officer 5
John Brown, Football Development Officer 5
Steve Crawford, Football Development Officer 5
Robert Docherty, Football Development Officer 5
Raymond Farrelly, Football Development Officer 5
Andy Gould, Football Development Officer 5
Jim Grant, Football Development Officer 5
Angela Hind, Football Development Officer 5
Ross Jack, Football Development Officer 5
Tommy McIntyre, Football Development Officer 5
Guy Mason, Football Development Officer 5
Craig Mulholland, Assistant Football Development Officer 5
Barry Nicholson, Football Development Officer 5
David Provan, Football Development Officer 5
Stuart Rafferty, Football Development Officer 5
Neil Simpson, Football Development Officer 5
Richard Wilson, Football Development Officer 5
Tommy Wilson, Football Development Officer 5

Tony Docherty, Community Coach 2
Atholl Henderson, Community Coach 2
John Holt, Community Coach 2
Matt Kerr, Community Coach 2
Danny McDonald, Community Coach 2
Colin McKinnon, Community Coach 2
Chic McLelland, Community Coach 2
Bill Munro, Community Coach 2
John Ritchie, Community Coach 2
Alan White, Community Coach 2
Eric Young, Community Coach 2
Simon Farrelly, Team Sport Co-ordinator (Football) 1
Andrea Anderson, Admin. Asst./Secretary
Siobhan Boyd, Admin Asst./Secretary
Liz Robertson, Admin Asst./Secretary
Amanda Rudden, Admin Asst./Secretary

Media Relations Department

Andy Mitchell, Head of Department
Catherine Smith, Admin. Assistant
Marion Waddell, Admin. Assistant/Dept. Sec.

Commercial & Marketing Department

Bill Wilson, Commercial Director
Karen Presly, Marketing Executive 4
Carol Ann Harrower, Admin Asst./Dept. Sec.

Legal & Special Projects Department

Murray Mathieson, Head of Department
Margaret Murray, Admin. Assistant/Dept. Sec.

Finance Department

Jim Hynes, Head of Department
Keith Sharp, Financial Accountant
Derek Peat, Assistant Accountant
Kirsten Thomson, Accounts Assistant

Registrations Department

Sandy Bryson, Head of Department
Karen Costello, Admin. Assistant
Jamie McKeegan, Admin. Assistant
Nicola Buddo, Admin. Assistant/Dept. Sec.

Disciplinary & Referee Department

Drew Herbertson, Head of Department
Andy Niven, Admin. Assistant
Sandra Buchanan, Admin. Assistant/Dept. Secretary
Laura Cameron, Admin. Assistant/Secretary

Development Department (Referees & Education)

George Cumming, Development Director
Donald McVicar, Referee Development Officer
Joanne Bell, Admin. Assistant/Dept. Secretary

Print Department

Joe McGlynn, Print Manager
John Mathie, Assistant
Peter Morgan, Apprentice Printer

Scottish Football Association Museum

Ged O'Brien, Project Director 3
Richard Williams, Exhibitions Curator 3
Anthony McReavy, Collections Curator 3
Morag Macpherson, Researcher 3
Clare Illand, Researcher 3

Information Technology Department

Val West, Admin. Assistant

Employed by: 1 Scottish Sports Council 2 Club
3 Scottish Football Association Museum Trust
4 Scottish Football League 5 Local Authority

General Purposes Committee

The committee considered a wide variety of business during a year which witnessed many developments in Scottish football. Its main functions are to deal with infringements of the Association's Articles and Cup Competition rules and to process matters which require consideration in accordance with the Association's Articles, rules and practices.

Appointments indicate clubs' desire to strengthen the expertise available to them and particularly in the fields of law, finance and marketing.

In today's economic circumstances additional sources of income are essential and there has been a noticeable increase in the number of applications made under Article 99.1 which requires that clubs seek the approval of the Association to use their playing field for a purpose other than football. The committee recognises that in these times of congested fixture schedules there is a need to review independently such applications, taking into account all possible football commitments and the protection of the playing surface.

Throughout 1998 the committee has approved a substantial number of additional appointments to the Board of Directors or Committee of member clubs and these moves indicate clubs' desire to strengthen the expertise available to them and particularly in the fields of law, finance and marketing.

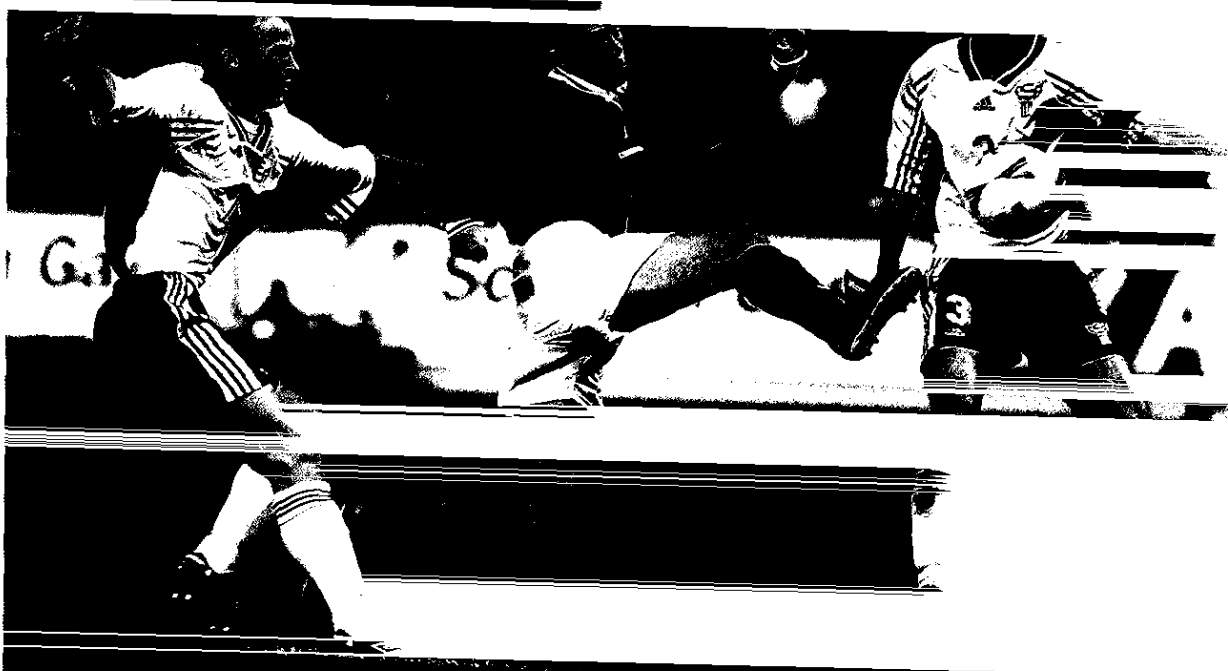
In keeping with last year's Annual Report, comments in breach of the Association's Articles accounted for a substantial amount of the committee's time. Whilst it is clear that reducing the number of instances where players and officials are publicly critical of their fellow professionals is a difficult task, it is certainly necessary to review media reporting in the context of the serious nature of the remarks which are being made. The committee would prefer that it did not have to look at these areas and has requested that *member clubs remind their coaching and playing staff of the terms of the relevant articles*. It is hoped that this educational process will help to lessen what has become a negative aspect of the game.

Membership

The Membership figures as at 31st December, 1998, stand at:

Clubs	75
Associate Member Clubs	3
Affiliated Associations	11
Affiliated National Associations	6

Simon Donnelly takes on the Faroe Islands' defence at Pittodrie Stadium in October.



Registrations Department

The total number of registrations dealt with by the Association during the calendar year fell for the first time in several years, down almost 7% from 8,099 in 1997 to 7,598 in 1998. It will be interesting to see if this trend is maintained in the coming years and whether this reduction in numbers can be attributed to the aftermath of the "Bosman" Ruling with clubs cutting back the number of players they employ.

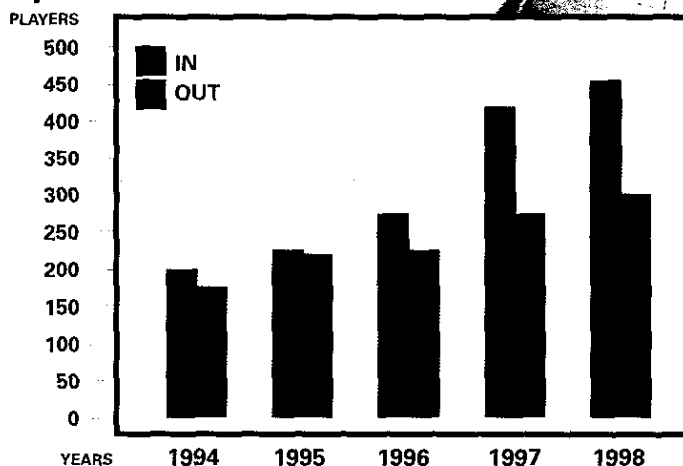
Although there was a decrease in the number of players registered, it was another busy year for the Department on all fronts with another seminar being organised for the Association's member clubs, the subject being the "Bosman" Ruling - Update '98. The seminar, held in the Scottish Police College, Tulliallan, was attended by 40 of the Association's member clubs as well as Council representatives, the Scottish Football League and the Scottish Junior FA.

The seminar proved to be, yet again, a worthwhile exercise with clubs given the opportunity to air their views in a lively question and answer session at the conclusion of the meeting with debate occurring as to whether in light of "Bosman", there was any point in seeking to retain the present compensation system for out of contract players. As it transpired, the Association's Articles were amended at an EGM on 30th March, 1998, to the effect that upon expiry of his agreement a non-amateur player who has attained the age of 24 years will be free to conclude a new agreement with any club which wishes to engage his services without an entitlement to a compensation fee by his previous club.

In last year's report the formation of the Scottish Youth FA was touched upon and since then several meetings have taken place putting various structures and ideas in place and it is expected that the new body will be in operation for season 1999/2000.

This will be a significant step forward for the development of youth football in Scotland and it is hoped in conjunction with the Association's Youth Development Awards' Scheme for

International Certificate of Transfer - Players cleared in and out of Scotland



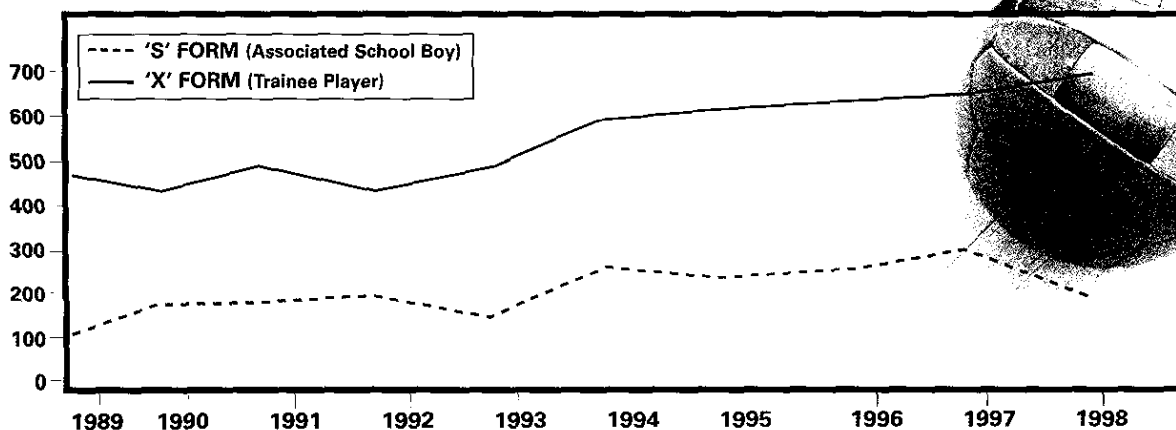
member clubs, that foundations are being laid to counter the negative effects that the "Bosman" Ruling may have upon the development of young Scottish born players which may ultimately lead to a reduction in the number of non-Scottish players registered with Scottish Premier League and Scottish Football League clubs in Scotland, a figure which presently stands at approximately 15% of the total number of non-amateur players registered with the Association.

Despite this statistic it is interesting to note that the number of players attached to the Association's member clubs by means of a Form "S" (Associated Schoolboy) continues to rise although, as always, the "fall out" rate remains high.

The movement of players cleared to and from Scotland continued to increase reflecting the cosmopolitan nature of football today.

Finally, the Registrations Department personnel is now increased from 3 to 4 due to significant changes in work load and it is envisaged that such a move will help the Association to maintain and further develop the level of service offered to the member clubs and associations.

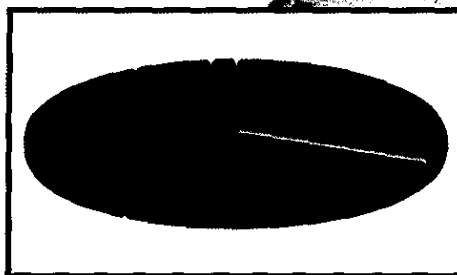
Youth Registrations - 10 Year Review



Finance Department

One of the main features of the company's financial performance during 1998 was the increase in turnover for the year. Total turnover, excluding Scotball, rose to £12.4 million from £9.9 million the previous year and can be analysed as shown opposite:

Turnover

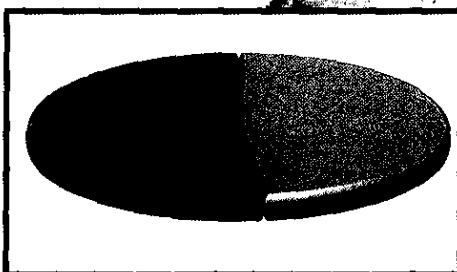


32%	Tennents Scottish Cup.
27%	International Matches.
25%	Commercial Income.
8%	TV and Radio.
6%	Technical Department Income.
2%	Other Income.

The major elements of turnover were £4 million arising from the Tennents Scottish Cup, the highest ever from the competition, £3.3 million from International Matches, which included the proceeds from participation in the World Cup, and £3.1 million from Commercial Income.

The revenue for the Tennents Scottish Cup (TSC) included sponsorship fees, television and radio fees, and gate receipts from the semi-finals and final and was utilised as shown opposite:

Scottish Cup Competitions Share of Income

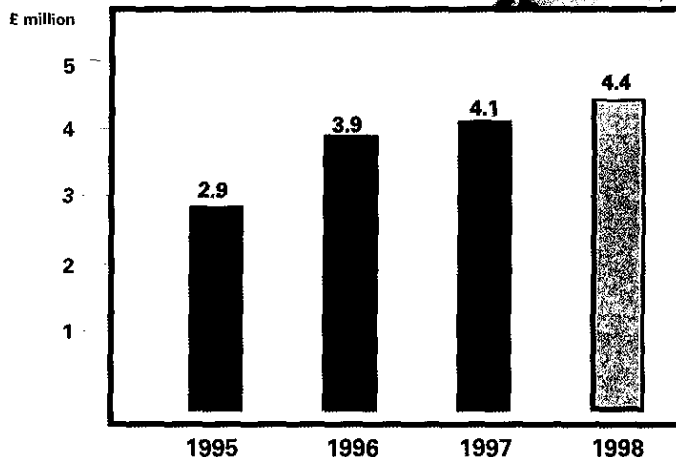


Payments to Clubs	
13%	Bonuses.
48%	TSC semi-finalists and finalists.
18%	TV, radio and other fees. Rounds 1-5.
9%	Ground rents.
Other	
7%	Match costs.
5%	SFA levies and surplus.

Total payments to member clubs from the Tennents Scottish Cup amounted to £3.5 million during the year. In addition to these monies, a year-end payment of £890,000 was made to member clubs in the form of Youth Training Awards. Together these amount to a total payment of £4.4 million to member clubs, over one third of total turnover. The graph opposite provides comparative figures over the last four years.

In addition to the Youth Training Awards mentioned above, the committee approved a £1 million year-end contribution to the Football Trust to assist its ongoing work in Scotland.

Tennents Scottish Cup and Youth Training Awards Payments to Clubs



International Committee

FIFA World Cup competition France '98

It is very difficult to summarise Scotland's involvement in this competition. On the one hand, the overall excitement in competing in the biggest sporting contest in the world, particularly kicking-off the tournament against the best team in the world, the winners of the trophy in 1994, was a wonderful experience for all Scottish supporters both in France and back at home. The three matches played, however, tell their own story.

Cynics predicted a heavy loss for Scotland against Brazil in the opening match. The reality was somewhat different with Brazil winning by a narrow margin - 2-1. Much to be congratulated upon, one would imagine, but viewed rationally, an opportunity was clearly missed. Opening matches produce a large number of draws and it is not difficult to see why. Brazil failed to play with any great fluency in the match and their opening goal had more than a passing resemblance to the one of the four lost due to poor defending by Scotland in the same competition against Brazil in Seville in 1982. The presentation of gifts had clearly not been completed by the exchange of pennants. Brazil for its part reciprocated by presenting Scotland with the opportunity to equalise from the penalty spot, only for the luckless Scottish team to score what turned out to be the winning goal for Brazil in their own net. A draw would have been a fairer result and if we left Paris defeated, we did not leave it disgraced. The fans too played their part and the Brazilian supporters no doubt returned home believing the Scots to be a generous lot both on and off the park.

Scotland's two remaining group matches against Norway and Morocco produced very different performances. Against Norway, a dominant Scottish team deserved more than a draw. However, the failure of our team to convert pressure into goals cost us victory. In our remaining match against Morocco, hopes were high that a victory would result in qualification to the second phase for the first time. A 3-0 defeat was not part of the script, however, although it was little more than our performance warranted.

Once again Scotland had failed to qualify for the second phase of a major competition. There are many theories for this; we are not good enough, we peak in the qualifying campaign, we are not capable of dealing mentally with tournament football, etc. On a positive note, we are a small nation with a proud record in terms of qualifying for the competition. Our greatest footballing fantasy appears to be qualification from the first phase of a major competition and in many ways, our problems may lie here. With such modest ambitions it should be of no surprise when even these are not realised.



Results

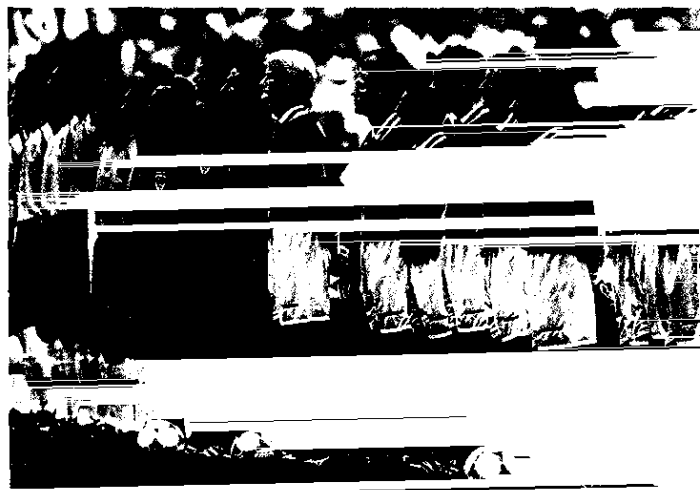
- 10.06.98 **Brazil 2 v. Scotland 1**, St. Denis.
16.06.98 **Scotland 1 v. Norway 1**, Bordeaux.
23.06.98 **Scotland 0 v. Morocco 3**, St. Etienne.

Group Table

GROUP A

	P	W	D	L	F A	Pts.
1. Brazil	3	2	0	1	6:3	6
2. Norway	3	1	2	0	5:4	5
3. Morocco	3	1	1	1	5:5	4
4. Scotland	3	0	1	2	2:6	1

The Scotland team line up before facing Brazil.



Euro 2000

After four matches played, Scotland's position in Group 9 is in the balance. The campaign was unexpectedly interrupted when the home tie against Bosnia Herzegovina was postponed at short notice. Much has been made of Scotland's performances, particularly in the home games, when the team was heavily criticised. The squad was severely weakened by call-offs and injuries, however, and any feelings of doom and gloom should be considered with this in mind.

A foundation for success has been applied and it will be interesting at this time next year to record the outcome of the qualifying campaign. The opportunity exists for Scotland to qualify for three major tournaments in a row and for Craig Brown, his backroom staff and players, this would represent a major achievement indeed. The three months from March to June '99 will be significant in determining Scotland's fate.

Results

- 05.09.98 **Lithuania 0 v. Scotland 0**
Zalgiris Stadium, Vilnius.
- 10.10.98 **Scotland 3 v. Estonia 2**
Tynecastle Stadium, Edinburgh.
- 14.10.98 **Scotland 2 v. Faroe Islands 1**
Pittodrie Stadium, Aberdeen.
- 31.03.99 **Scotland 1 v. Czech Republic 2**
Celtic Park, Glasgow.



EURO 2000

International Challenge Matches

After a disappointing 1-0 defeat by Denmark at Ibrox Stadium in March, Scotland's other preparatory matches in advance of the World Cup Finals all ended in draws; 1-1 with Finland, 2-2 with Colombia and 0-0 with the U.S.A.

One item worthy of comment was the inability of our forwards to make any real impression in any of the matches. Ultimately, this stumbling block would again prove costly in the Final Competition.

Results

- 25.03.98 **Scotland 0 v. Denmark 1**
Ibrox Stadium, Glasgow.
- 22.04.98 **Scotland 1 v. Finland 1**
Easter Road Stadium, Edinburgh.
- 23.05.98 **Colombia 2 v. Scotland 2**
Giants Stadium, New York.
- 30.05.98 **USA 0 v. Scotland 0**
R.F.K. Stadium, Washington.

At "B" level, following a win over Wales at Broadwood Stadium in March, a useful encounter with Norway was played at Tynecastle Stadium, Edinburgh, in April. The result of such matches is irrelevant with the more pressing requirement to establish which, if any, of the fringe players are worthy of a place in a World Cup squad. As it turned out, only two players, Jonathan Gould and Tosh McKinlay, made the final 22 selected to represent the Association in France.

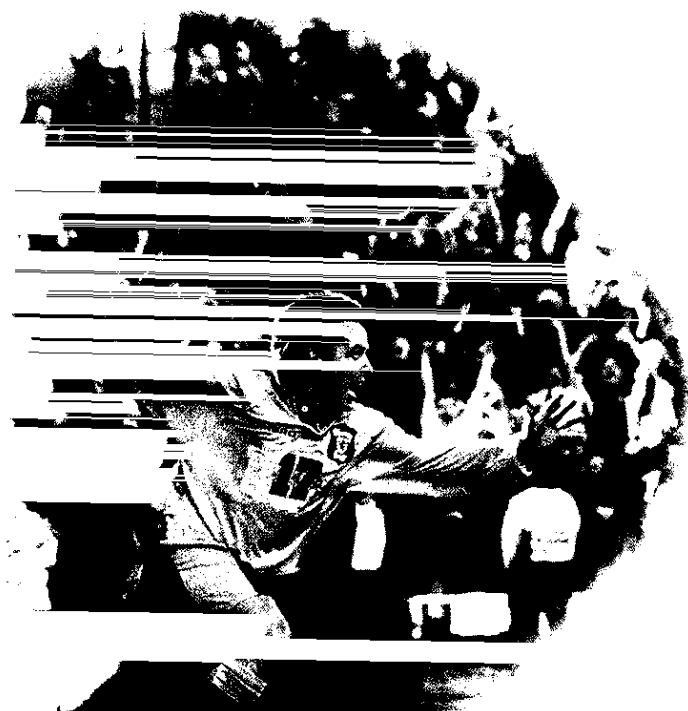
- 24.03.98 **Scotland 4 v. Wales 0**
Broadwood Stadium, Cumbernauld.
- 21.04.98 **Scotland 1 v. Norway 2**
Tynecastle Stadium, Edinburgh.

Triangular "Under-21" Tournament

This tournament was conceived to facilitate not only Scotland's preparations for the European "Under21" Championships but also those of the Irish FA and the FA of Ireland. The FA of Ireland hosted the inaugural tournament, with Scotland playing the first match against the hosts at Ballybofey, with the second match against the Irish FA being played at Sligo. The Irish teams concluded the tournament at Castlebar with the Irish FA winning this encounter 1-0 and the tournament to lift the "President's Cup". Scotland will host the next tournament, to be played at Inverness during the period 30th May to 5th June, 1999.

Results

- 18.05.98 **Republic of Ireland 3 v. Scotland 0**
- 20.05.98 **Northern Ireland 1 v. Scotland 1**



The final score against Lithuania was the highest ever achieved by a Scotland team.

Scotstoun STADIUM

SCOTLAND 1 7

LITHUANIA 0

GLASGOW

Under-21 Challenge Match

Immediately following the Triangular "Under-21" Tournament, Scotland travelled to Italy to play a challenge match against our hosts in the mountain resort of Castel di Sangro. This match provided a gauge of the standard required to compete at the highest level in European football against a very strong Italian side. In a relatively one-sided match Scotland lost 4-0.

Results

23.05.98 Italy 4 v. Scotland 0

European "Under-21" Championship, 1998/2000

Prior to the commencement of this campaign the International Committee was disappointed to learn that Tommy Craig, who had been coach to the "Under-21" squad for the last ten years, had decided that due to his commitments with his new position at Newcastle United FC he was no longer able to fulfil his role with the "Under-21" squad. The highly experienced Alex Smith, who is assistant manager at Raith Rovers FC, was appointed to succeed Tommy for this season's matches in the championship.

After the initial qualifying matches in the competition, our "Under-21's" have it all to do if qualification to the next stage is to be achieved. Nothing less than victories in the remaining matches will be sufficient.

Results

04.09.98 Lithuania 0 v. Scotland 0

09.10.98 Scotland 2 v. Estonia 0

14.10.98 Belgium 2 v. Scotland 0

18.11.98 Scotland 2 v. Belgium 2

30.03.99 Scotland 0 v. Czech Republic 1

1997/99 UEFA Qualifying Competition for the FIFA World Championship for Women's Football

During the term of this competition Council decided that the Association would undertake the responsibility for Scotland's Women's International teams from October, 1997.

This provoked changes in the technical staff, particularly with Jim Fleeting taking over from Millar Hay as coach, assisted by Tony Gervaise.

Scotland's group consisted of Czech Republic, Estonia and Lithuania with the Czech Republic being considered as the most difficult opponent of the three. The fixture arrangement was favourable to Scotland, resulting in the first three matches being away from home and the last three at home. The final, and deciding, match in the group produced a goal feast for Scotland, with a score of 17-0 against Lithuania, the precise goal difference required to secure Scotland's position at the top of the table and qualification to the play-offs for promotion to the first strength category of nations in Europe.

Unfortunately, the difference between the first strength and the second strength categories was evident with Scotland failing to progress, sustaining defeats home and away against a very experienced Spanish side by 3-0 at Stirling and 4-1 away.

Results

03.09.97 Estonia 1 v. Scotland 7

07.09.97 Lithuania 0 v. Scotland 5

26.04.98 Czech Republic 1 v. Scotland 1

03.05.98 Scotland 7 v. Estonia 0

23.05.98 Scotland 1 v. Czech Republic 1

31.05.98 Scotland 17 v. Lithuania 0

Play-offs

09.98 Scotland 0 v. Spain 3

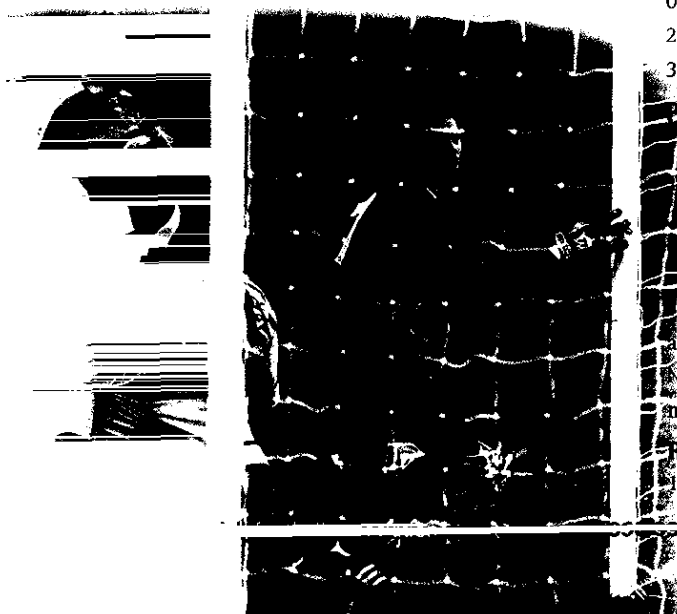
09.98 Spain 4 v. Scotland 1

Women's International Challenge Match

Following the appointment of Vera Pauw as Women's National Coach and Technical Director, a challenge match was arranged with the Netherlands, a nation ranked higher than Scotland. This ended in a narrow defeat, but gave a positive indication of things to come.

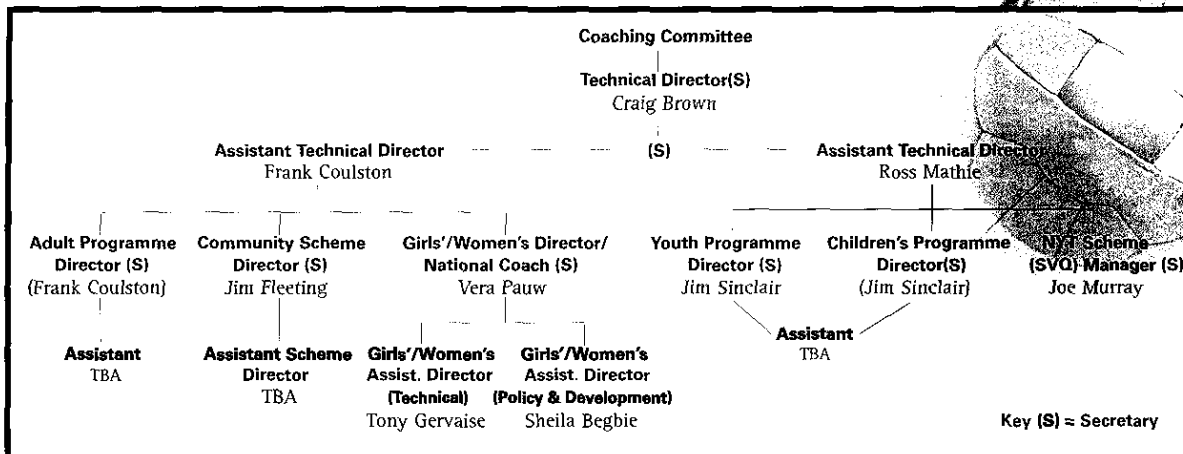
Result

16.12.98 Netherlands 1 v. Scotland 0



Coaching Committee

SFA Technical Department



The re-structuring of the Technical Department, which was authorised last year by the Coaching Committee, has been implemented to a large extent. Although there are still key posts to be filled, such as that of Adult Programme Director and Children's Programme Director, previous incumbents have agreed, in spite of an alteration in their responsibility, to continue to supervise these important departments.

The most significant addition to the Department has been in the area of girls'/women's football. Three new Technical Department appointments have been made in this area, the new Technical Director/National Coach bringing with her considerable expertise gained in the Netherlands, where she attained no fewer than 87 caps for the Dutch National Team and worked for 12 years in the development programme of the Netherlands Football Association. Two full-time assistants have been employed, one to assist primarily on the technical side and the other principally involved in policy and development matters. Clearly, it has been a major coup for the Technical Department to obtain the services of such a talented director and two most capable assistants.

The duplication and sharing of duties will continue in some areas, but this will not lessen the impact which the many coaching initiatives have been making throughout the country.

The first batch of UEFA Pro-Licence candidates has completed the 250 hour course which will be validated on behalf of UEFA by Rinus Michels and colleagues from the Netherlands Football Association. Fully confident that the first group of selected coaches will be successful, the Technical Department has already made arrangements for the start of a second group, comprising 15 coaches, to commence study on this two year commitment. The members of the Technical Department continue to be in the forefront of the production of coaching material, especially video resources, the latest being on "Small Sided Games".

Children's Football

The Scottish Soccer Sevens Development Association continues to flourish with more than 20,000 children under the age of twelve participating currently. The introduction of the four-a-side game has proved to be extremely popular and a large number of festivals have been organised nationwide. A video and booklet, entitled "Small Sided Games", featuring the four-a-side game, have been produced to give momentum to this initiative.

A comprehensive four tier Coach Education programme now exists for those adults working with children under the age of twelve. It is as follows: -

- Level 1** The E (Early Touches) Certificate Course
- Level 2** The Coaching Young Footballers Certificate Course
- Level 3** Coaching in the Game Certificate Course
- Level 4** The Working with Children Licence Diploma Course

A second education pack, complementing the very successful Striker's Superstars, is planned for this year. This additional resource, aimed at middle primary school age pupils, will be based on environmental studies and will use football as a vehicle for learning.



Youth Football

Following a recommendation made by Scottish Football's Independent Review Commission to amalgamate certain of the Affiliated National Associations, discussions are ongoing to have the Scottish Youth Football Association in place by August, 1999. Representatives from the Scottish Juvenile FA, the Scottish Amateur FA and the Association of Scottish Youth Football Clubs, along with members of the SFA Development Sub-Committee, have worked tirelessly to shape this initiative.

The pitch at Easter Road Stadium in Edinburgh is well covered with Soccer Sevens players.

Youth Development Awards' Scheme

This initiative, supported by The Football Trust, awards clubs at Gold, Silver and Bronze levels of £30,000, £20,000 and £10,000 respectively for work undertaken with youth players. Plans for Youth Development were submitted by clubs and subsequently monitored and evaluated by members of the Technical Department and Coaching Committee. Initial reports regarding the deployment of the awards and the effect on the development of young players is very encouraging.

Coach Education

Consistent with the Association's aim of developing those adults working currently with youth players, a comprehensive, four tier coach education programme will be in place this year. The courses, for adults working with players aged between twelve and eighteen years, is as follows:

- Level 1** The D (Development) Certificate Course
- Level 2** The Coaching Youth Footballers Certificate Course
- Level 3** Coaching in the Game Certificate Course
- Level 4** Youth Licence Diploma Course

Junior Goalposts

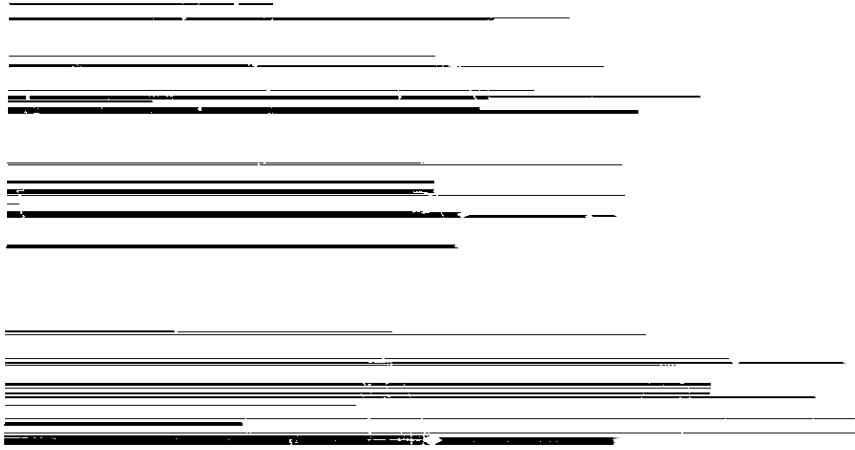
December 1998 saw the manufacture of the 3000th set of junior goalposts for the Association. A further order for 250 sets has been placed.

Funding has continued from The Foundation for Sports and the Arts under the Project 2000 Scheme. This is gratefully received.

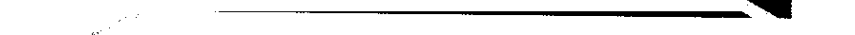
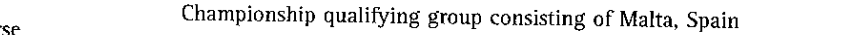
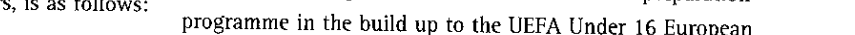
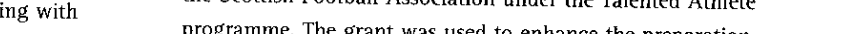
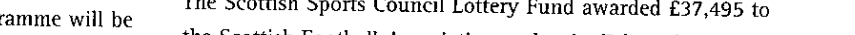
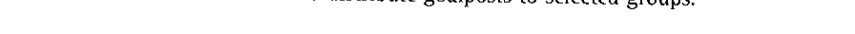
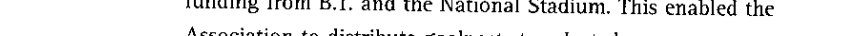
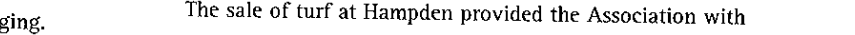
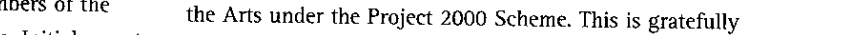
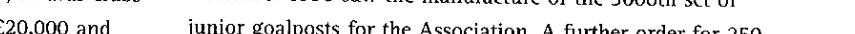
The sale of turf at Hampden provided the Association with funding from B.T. and the National Stadium. This enabled the Association to distribute goalposts to selected groups.

Lottery Award

The Scottish Sports Council Lottery Fund awarded £37,495 to the Scottish Football Association under the Talented Athlete programme. The grant was used to enhance the preparation programme in the build up to the UEFA Under 16 European Championship qualifying group consisting of Malta, Spain and Scotland.



The pitch at Easter Road Stadium in Edinburgh is well covered with Soccer Sevens players.



National Youth Training Scheme (SVQ)

Of the 180 young footballers/Skillseekers who embarked on the Scottish Vocational Qualification in Coaching (SVQ) at the start of season 97/98, 153 successfully finished and gained the qualification at Level 2. Congratulations are due to all of them.

Many of these young players are now in a position to assist the SFA Development Officers and Community Coaches who are currently delivering a wide range of coaching programmes throughout the country.

At the start of this season there was a new batch of young professional footballers (106) who started the SVQ Coaching Programme. The same basic principles of coaching are at the centre of the SVQ. However, to refine the delivery system and rationalise some of the resources involved in the SVQ, it was decided to take 50 players for a day each fortnight. These young players, from senior clubs in the central belt, are taken to the Scottish National Training Centre in Largs. This exercise has undoubtedly proved to be a very positive move. Due to geography the other young players in Edinburgh, Perth, Dundee, Aberdeen and Dingwall continue to be serviced by Community Coaches and visiting SFA staff for their programme.

Essential to the SFA National Youth Training Scheme has been the development of a quality assurance system that would stand the test of auditing by government agencies. Such audits have been conducted over recent months, the outcome of which is that the SFA has been awarded the Quality Standard known as SQMS – "Scottish Quality Management Standard". This can only be to the benefit of all young players who take part in the project.

Adult Football

Adult Coach Education courses continued to prove popular during 1998 and numbers attending were as follows:

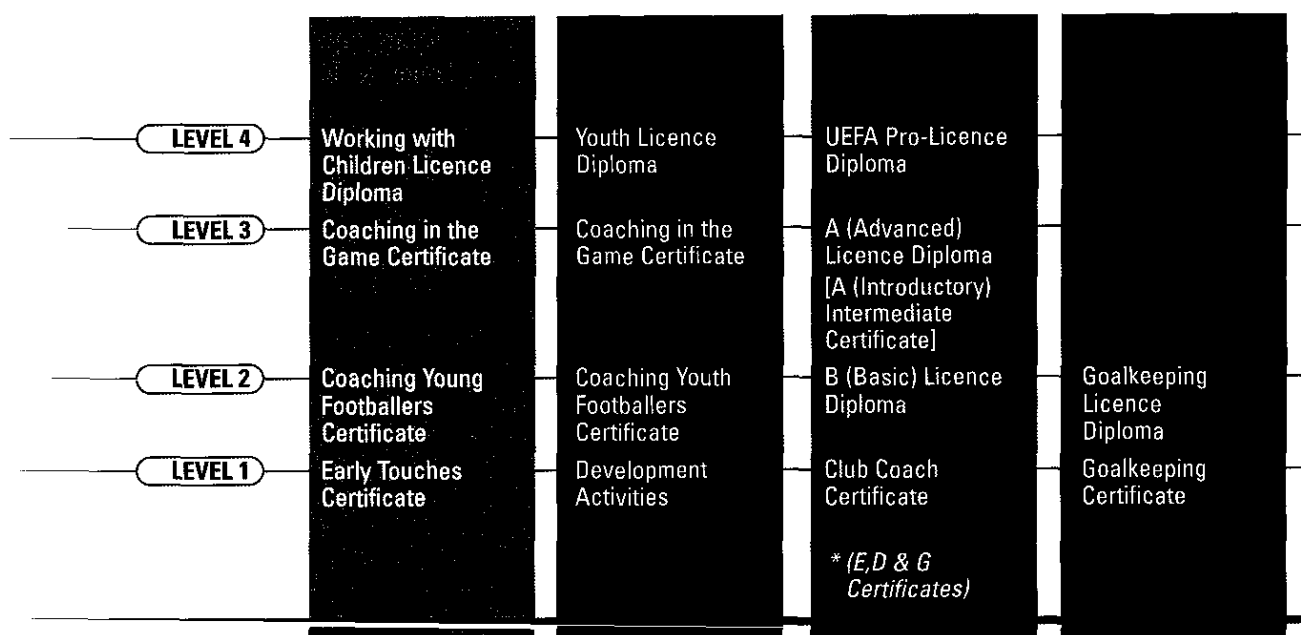
	1996	1997	1998
G (Goalkeeping) Certificate	362	199	302
E (Early Touches) Certificate	1981	917	1864
D (Development) Certificate	1585	720	1143
C (Club Coach) Certificate	410	365	356
B (Basic) Licence Diploma	70	71	51
A (Introductory) Intermediate	47	27	23
A (Advanced) Licence Diploma	18	14	12
Modular Provision	1408	2153	2512

In addition 28 top candidates completed the first SFA/UEFA Pro-Licence Course at the end of 1998. This followed a very comprehensive programme of guest lecturers including Franco Ferrari (Italy), Howard Wilkinson (England), Gerard Houllier (France), Roy Hodgson (England) and a technical study during World Cup France '98.

It has been apparent for some time now that coaches should be educated according to their needs and in particular whether they work primarily with children, youth or adult.

The new coach award structure has been developed accordingly:

SFA Coaching Awards' Structure



Community Scheme

The SFA Community Programme now has 35 posts working full-time developing football throughout the country. There are 12 Community Coaches at member clubs, 20 Football Development Officers based within local authorities and 3 Football Development Officers employed by the SFA based within local authorities. The huge success in these partnerships has enabled this healthy growth.

Two new projects were introduced to the programme. Through the present sponsorship deal with Scottish Gas, the community scheme benefited with support given to specific events. Festivals at Glasgow, Motherwell, Edinburgh, Perth and Inverness had over 1,200 children involved in a day's activity. This was achieved through the links between our coaches and the Education Department at the relevant local authority. Naturally the children had a very enjoyable time with the highlight of the day being a visit by a Scottish international player and/or a visit by the International Team Manager.

The other project introduced this year has been designed to assist in the education of drug awareness. The value of using our sport to promote healthier options to the youngsters and to create opportunities for them to have guidance in this horrendous plague in our society brought funding support from "Scotland Against Drugs".

The Community Coaches and Football Development Officers were trained to deal with drug issues by Joan Forrest, Senior Lecturer at Strathclyde University, and from Strathclyde Police Drug Squad. Following the training, SFA coaches were in-serviced by the Community Coaches and Football Development Officers. This enabled more children to have access to good advice and support if necessary. Also contained in the project was the setting up of 80 Soccer Centres throughout Scotland for teenagers who were identified as the group most likely to have the temptations of drugs in their daily lives. It is hoped that the long term effect of the project will assist in some small way to influence teenagers' attitudes to drugs.

Like previous years, these two projects were entrusted to the Community Coaches and Football Development Officers and as usual they were undertaken with enthusiasm and the desire to make them successful.

The success of the festivals was clearly evident and with the continued involvement in the community we hope that the education of our teenage participants will assist in reducing the number of youngsters becoming involved in drugs.

The Community Coaches and Football Development Officers continue to develop their programme and this year they have established a very healthy foundation to take forward to the new millennium.



Girls'/Women's Football

With the appointment of Vera Pauw (above) as National Coach/Technical Director for Girls'/Women's Football there can be justifiable optimism that the women's game in Scotland will take off very rapidly. The vast experience gained in the Netherlands by Vera will be put to good use in her new Scottish context. Having obtained more international honours than any other female player in the Netherlands she has vast experience at the top level in women's football in a playing capacity and is equally proficient in her role as a coach educator. Having produced many publications and having been appointed as a FIFA Instructor whilst working in Holland, Vera is poised to impart her extensive knowledge to the women's game in this country.

Assisting Vera will be Tony Gervaise who has moved from his post as SFA Football Development Officer in West Dunbartonshire and Sheila Begbie who has, for the last six years, been working for the Scottish Sports Council as Team Sport Scotland Co-ordinator for girls' football. With this trio the technical aspect of women's football could not be in better hands. It is their intention to increase participation and to improve the overall standard of playing and coaching at all levels throughout the country. Within the next year it is anticipated that the participation level will at least quadruple which certainly augurs well for the development of the game.

Wider Horizons

Although she had been in post for a relatively short time the Women's Technical Director attended the UEFA Women's Course along with the Community Scheme Director and gave a presentation to delegates from all over Europe who had assembled in London.

Assistant Technical Director, Ross Mathie, conducted a course for over 100 youth coaches in Cyprus and here at home, Assistant Technical Director, Frank Coulston and Youth Programme Director, Jim Sinclair, along with the Technical Director, contributed to the prestigious Coach '98 Conference in Glasgow. The Technical Department was represented at the UEFA Course in Barcelona where demonstrations were conducted by staff coaches Paul Hegarty and Eric Black along with the Technical Director, Assistant Technical Director (Frank Coulston) and the Youth Programme Director. The SFA Technical Department had been asked to demonstrate the A-Licence assessment procedure in a practical session at this high profile course. This was an honour for the Association because in attendance were coaches from all other European countries.

The Technical Director gave a post World Cup analysis at the first annual convention conducted by the FA in Birmingham, in Tel Aviv at the invitation of the Israel Coaches' Association and in Prague at the invitation of the Czech Republic Coaches' Association. In his capacity as Vice-President of the UEFT (Union of European Football Trainers) the Technical Director again provided a practical and theoretical session for 300 coaches, not only from Europe but from elsewhere in the world. Assisting him with this responsibility was Assistant Technical Director (Frank Coulston).

Other events attended for personal development by members of the Technical Department included a post World Cup Conference in Paris where Aimé Jacquet, Gerard Houllier, Marcello Lippi and Bobby Robson were among the speakers. In his capacity as Honorary National Coach for the NSCAA (National Soccer Coaches Association of America) the Technical Director, once again, was involved in staff training sessions and demonstrations to course members at the annual course in the USA.

The information obtained from the visits outwith this country will undoubtedly enable the members of the Technical Department to stay in the forefront of football development. This, in turn, will ensure that the coaching provision in Scotland is comprehensive, up-to-date and of the highest order.



Disciplinary Committee

Players' Misconduct

During the year, only one potential case of exceptional misconduct by a player came to the attention of the committee, namely that of a player who had been sent off for spitting at an opponent. The committee decided against taking further action as it considered that the suspensions incurred by the player through the application of the Disciplinary Procedures were sufficient punishment in the circumstances.

Officials Reported

Regrettably, 1998 saw a big upsurge in the number of officials being reported to the Association, with the figure of 56 being the highest for many a year. In dealing with these reports, the committee imposed sanctions as appropriate and consistent with the official's level of misconduct. Whilst the majority of cases involved managers and coaches, the committee was dismayed that, during the course of the year, it found itself having to deal with reports on two Chairmen, one Vice-Chairman, one Director and three Secretaries.

There was a small number of "repeat offenders" amongst the managers and coaches dealt with, with the result generally that stiffer sanctions were imposed the second time around. Lessons had obviously not been learned by those concerned!

The need for correct sportsmanlike behaviour is of increasing importance in the modern football age.

The Laws of the Game, for example, now stipulate that managers and coaches in the Technical Area require to conduct themselves responsibly at all times during matches. This requirement obviously goes unheeded in too many instances, which is not good for the game's image.

The setting of proper standards of discipline within clubs starts in the management and it does not bode well when so many in these positions find themselves the subject of a referee's report. Let it be hoped that an improvement in these matters can be reported next year!

Field Offences

The number of sendings off and cautions in 1998 was:

Sendings Off	579
Cautions	6601

These figures reflect a 7% increase in sendings off and a 4% decrease in cautions in comparison to 1997. The increase in sendings off resulted wholly in the category of players being guilty of a second cautionable offence in matches. The pro-rata percentage rate for offences year on year continues to be stable, although it is pleasing to record that cautions for dissent in 1998 comprised 16% of all cautions compared to the more normal rate of 20% which has been experienced in recent years.

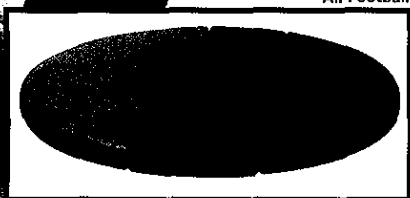
It is interesting to analyse the disciplinary figures for the sectors of youth football which fall under the operation of the Disciplinary Procedures, by comparing them to the overall figures for all football (see illustrations).

Whilst there will obviously be a variance in the number of games played in each of the competitions, it is revealing to note that with one or two exceptions such as recklessly dangerous play in the BP Scottish Youth Cup and dissent in the Highland Youth League, the percentage rates for cautionable offences largely mirrors the overall rate.

Combining the sendings off in these competitions, for the sake of having sufficient data, the percentage rates match the overall rates more or less exactly, the exception being the sending off for denying a goal scoring opportunity, etc.

Sendings Off

All Football

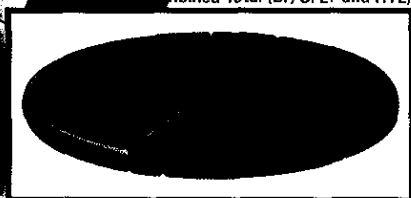


Actual Figures

7%	39	Serious foul play.
26%	152	Violent conduct.
13%	74	Denying the opposing team or an opponent a goal or an obvious goalscoring opportunity as defined by Law 12.
11%	65	Offensive, insulting or abusive language.
43%	248	Receiving a second caution in the same match.
0.2%	1	Spitting.

Sendings Off

Combined Total (BP, SFLY and HYL)



Actual Figures

6%	2	Serious foul play.
31%	11	Violent conduct.
17%	6	Denying the opposing team or an opponent a goal or an obvious goalscoring opportunity as defined by Law 12.
3%	1	Offensive, insulting or abusive language.
43%	15	Receiving a second caution in the same match.

Much can be made of statistics but the pertinent point to be drawn from these disciplinary figures for youth football is that respect of the Laws of the Game by players is something which should be addressed at an early stage of a footballer's career. There will always be players whose playing styles mean that they will incur sanctions on a regular basis, but coaches can instill correct behaviour with players at this stage, and the game will be greatly improved.

Disciplinary Analysis

The committee's consideration of club's disciplinary records for season 1997/98 resulted in seven clubs being fined and 19 being warned. St. Mirren FC found itself being fined for the third successive season because of the continuing poor discipline of its players. Maxwelltown HSFP FC of the Southern Counties FA was sanctioned for the second successive season.

The positive side of the Disciplinary Analysis saw 11 clubs commended for their excellent standards of discipline, with the East of Scotland club Heriot-Watt University FC being to the fore in this regard for the sixth season on the trot! Well done!

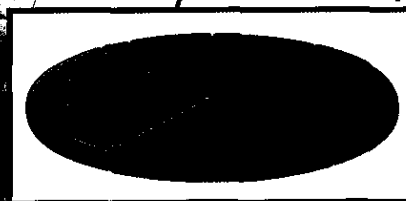
Incidents Involving Spectators

Just over 30 such reports were received by the committee last year. Many were of a relatively minor nature, thankfully, and it is only correct that match officials continue to fulfil their duties and report all incidents which come to their notice.

Supporters of Clydebank FC briefly became the focus of attention at some matches towards the end of season 1997/98 when disruptive protests took place following the club's ill-fated announcement that it wished to relocate to Dublin. The game can do without such incidents.

In its consideration of a few reports, the Disciplinary Committee felt it appropriate to request the Security Adviser to liaise with some clubs in relation to security and stewarding arrangements at their grounds.

BP Scottish Youth Cup



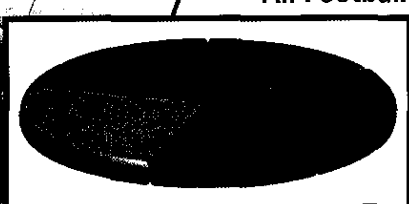
All Football	Actual Figures	
9%	10	Dissent.
23%	24	Persistently infringing the Laws of the Game.
7%	7	Deliberately tripping.
21%	22	Recklessly dangerous play.
29%	32	Deliberately playing an opponent's leg or legs.
3%	3	Adopting a threatening or an aggressive attitude.
8%	8	Other cautions.

Scottish Football League Youth Division



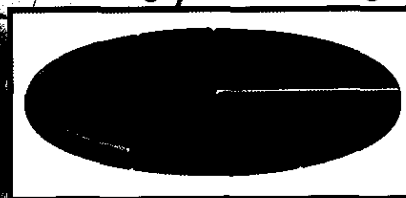
All Football	Actual Figures	
15%	41	Dissent.
15%	42	Persistently infringing the Laws of the Game.
8%	23	Deliberately tripping.
21%	59	Recklessly dangerous play.
25%	68	Deliberately playing an opponent's leg or legs.
5%	14	Adopting a threatening or an aggressive attitude.
11%	31	Other cautions.

Cautions All Football



All Football	Actual Figures	
16%	1078	Dissent.
16%	1055	Persistently infringing the Laws of the Game.
8%	508	Deliberately tripping.
15%	988	Recklessly dangerous play.
24%	1600	Deliberately playing an opponent's leg or legs.
6%	413	Adopting a threatening or an aggressive attitude.
15%	959	Other.

Highland Youth League



All Football	Actual Figures	
25%	33	Dissent.
10%	13	Persistently infringing the Laws of the Game.
8%	10	Deliberately tripping.
15%	20	Recklessly dangerous play.
26%	36	Deliberately playing an opponent's leg or legs.
9%	12	Adopting a threatening or an aggressive attitude.
7%	9	Other cautions.

Referee Committee

Last year's report mentioned the Study Group which had been set up to review all aspects of refereeing from the grass roots upwards to the List of Senior Referees itself. The eventual report was fully endorsed by the Referee Committee. It is anticipated that the revised classification system for the refereeing movement, and the various conditions now attached to gradings, will considerably strengthen refereeing and set out a clear path of progression for those who take up the whistle. The revised structure is referred to elsewhere in the report.

Another major development in the refereeing field came about when the Referee Committee accepted an invitation from the new Scottish Premier League that the Association should appoint the match officials for its matches. Fulfilling this function enables the Association to comply with an edict from FIFA that National Associations should be responsible for controlling the appointments of referees for a country's major national league. To operate the appointment system successfully requires a close liaison with the Scottish Football League and this has been effectively achieved.

In accordance with the requirements of UEFA, the Referee Committee approved a list of persons, drawn from the Referee Supervisors' Committee, who are to act as Referee Liaison Officers for UEFA Club Competition matches played in Scotland. Responsibility for the care of match officials for these competitions now rests with National Associations instead of the participating clubs. The new system really puts on a formal footing that which existed before. Acting as a Referee Liaison Officer can be a demanding task over the three days that they are involved for each match, and a debt of gratitude is owed to these gentlemen for the performance of these duties, particularly as they act in the same capacity for the Association for the many National Representative Team matches, at all levels, which are hosted during each season.

Referee Supervisors' Committee

The Referee Committee has been keen for some time to augment the number of Referee Supervisors to aid the development and assessment of referees and a number of appointments were recently made. Gerry Evans and Bryan Robertson are now attached to the Glasgow Association, Ray Morrison to Lanarkshire, Colin Ross to the Edinburgh area and Sandy Roy to Aberdeen. Additionally, Hugh Williamson and Joe Timmons have been appointed as Match Assessors, with the remit of attending matches to carry out assessment of the match officials. All new appointees are former Class I referees and have been utilised, prior to their appointments, as Referee Development Advisers for the Referee Development Scheme.

For many years, the Association has been able to nominate to UEFA the names of several Referee Supervisors who are former FIFA Referees, for appointment as Referee Observers and/or Delegates for its various competitions. Those currently on this list, Tom Wharton, Kenny Hope, George Smith and Bob Valentine, are regularly appointed to act in these capacities and it is gratifying that their expertise is recognised in this way by UEFA.

Indeed, UEFA capitalised on the opportunity to make use of their experience when they, together with their colleagues, Archie Webster and Donald McVicar, acted as Referee Observers at the UEFA Under-16 Championships held in Scotland in April and May. It was the first occasion that UEFA had called upon the services of Referee Assessors from the host Association for such championships and UEFA was delighted with the contribution of these gentlemen towards the development of the younger international referees involved in the Tournament.



Development Department

A Refereeing Year

The activities of the Development Department have been many and varied in the last year.

Long Service Awards

Tom Wharton presents Alan Nairn of Glasgow with a Long Service Award for his services to refereeing.

Other recipients were:

Charles Anderson
Angus and Perthshire
John Dearie
Lanarkshire
Willie McLeish
Lanarkshire
Ronnie Marshall
Glasgow
James Campbell
Ayrshire



Gayle Paterson and Wilma Anderson are two of a small but increasing number of women referees.

The Annual Referees' Conference



The new generation of young referees taking part in discussion groups at Conference.

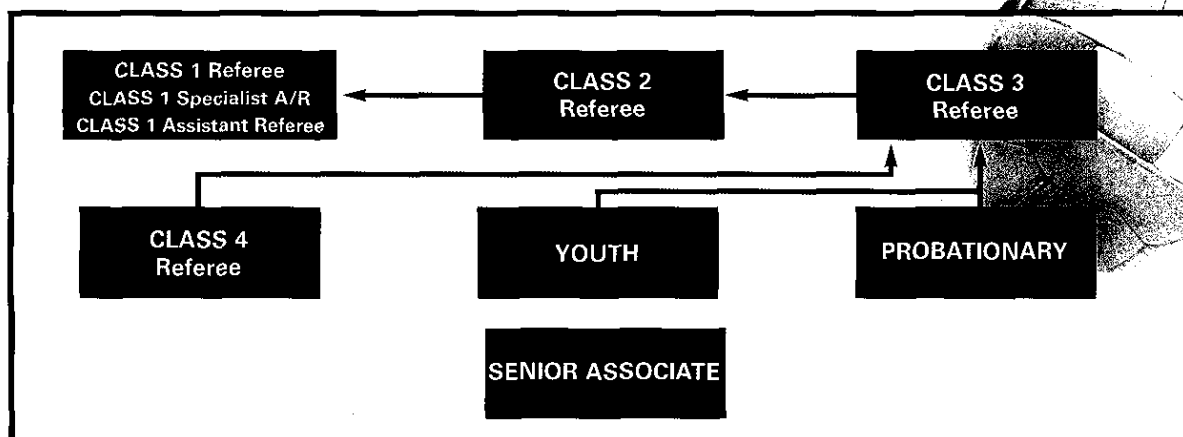


Tom Wharton welcomes Peter Gans of Holland. Peter is a regular visitor to Conference.



Concentration on the faces of this discussion group in the main lecture theatre.

New structure for referees

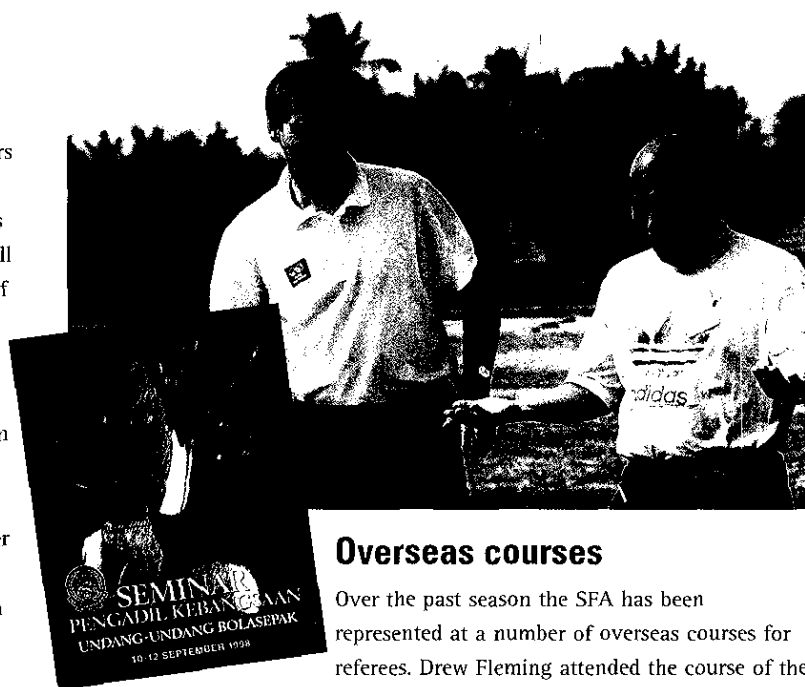


Following the report presented by the Referee Development Group a new grading system for referees was introduced this season.

Referee Development Officer

The work of the Development Department has increased remarkably in the last 10 years and a major step has been taken this year with the appointment of Donald McVicar as the Referee Development Officer. Donald will work with George Cumming on a number of major initiatives to take Scottish Refereeing into the new millennium.

One of his most important tasks will be to oversee the Referee Development Scheme. In this scheme young referees, identified by their local supervisors, are given extensive coverage and support by experienced former referees. The results have been extremely encouraging and many of those involved in the scheme have already been promoted.



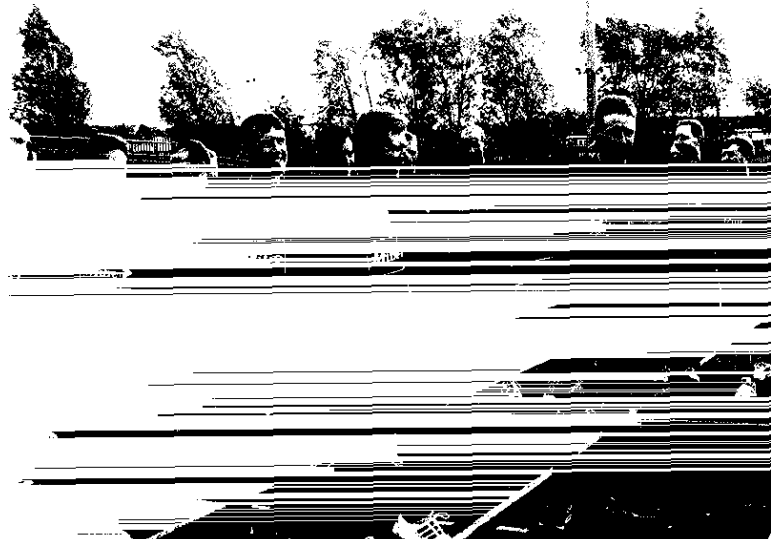
Overseas courses

Over the past season the SFA has been represented at a number of overseas courses for referees. Drew Fleming attended the course of the French FA, Donald McVicar attended the courses of the Danish and German FAs and Tom Wharton represented the Association at the course for Swedish referees in Gothenburg.

George Cumming was the course director at courses for referees and instructors in Los Angeles and San Francisco, and was appointed by FIFA to organise courses in Malaysia and Singapore. He was also appointed by FIFA as a Technical Adviser for the referees in World Cup France '98.

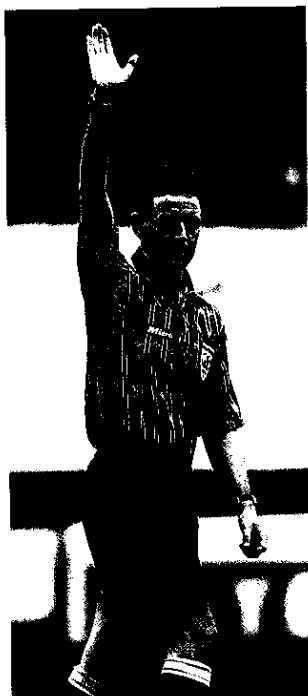
Annual Fitness Test

Class 1 referees in light-hearted mood before the Annual Fitness Test at Wishaw Sports Centre on Sunday, 4 October 1998.



World Cup France '98

Hugh Dallas' appointment to the World Cup in France continued the sequence of a Scottish referee having been appointed to the final stages of every World Cup

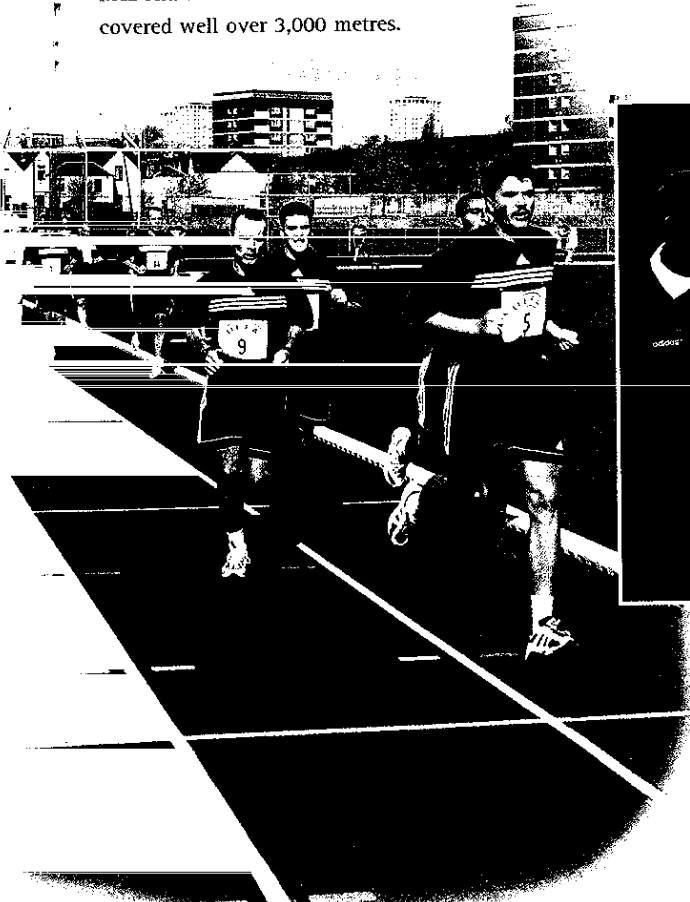


competition since 1950. Hugh was an excellent ambassador for Scottish refereeing both on and off the field. His first match was the qualifying tie in Bordeaux between Belgium and Mexico. He was one of the 10 referees retained for the final stages of the competition and was appointed to the top quarter-final match between France and Italy in the Stade de France before a crowd of more than 80,000 spectators. He performed admirably on this world stage.

UEFA Under 16 Youth Championship

Below

Herbert Fandel of Germany, Florin Chivulete of Romania and Scottish referees Michael McCurry and Douglas McDonald undertake the 12 minute run. Many referees covered well over 3,000 metres.



FIFA List of Referees and Specialised Assistant Referees

Stuart Dougal and his assistants John McElhinney and John Fleming line up with captains Diego Simeone and Steve Staunton before the international match between the Republic of Ireland and Argentina. One of many international appointments undertaken by our international referees.

One of the most interesting appointments took place in Egypt. The Association received a request from the Egyptian FA for Hugh Dallas and two assistants to officiate at the Egyptian league match in Cairo between the local rivals Zamalek Sporting Club and Ahly Sporting Club. Hugh Dallas and his assistants Jim McBride and Gordon McBride refereed this match in the intense heat of a Cairo afternoon before a crowd of 85,000 partisan fans.

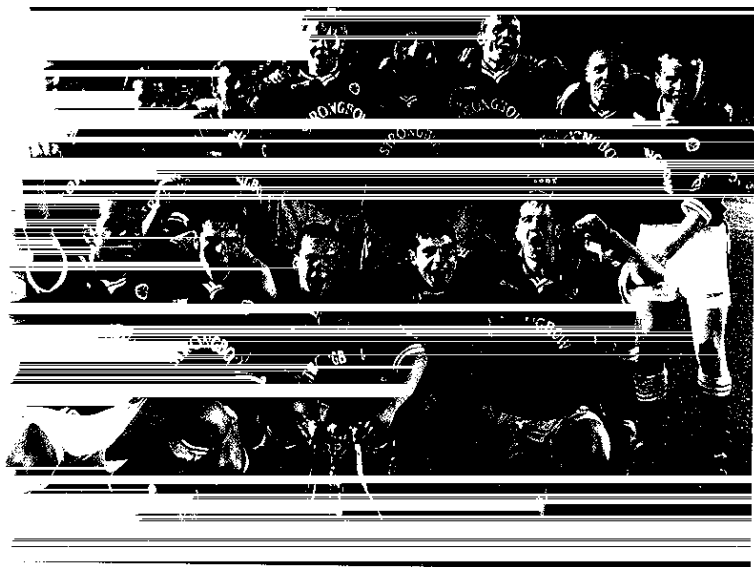
Willie Young also travelled outside Europe to referee the Carlsberg Tournament in Hong Kong featuring Egypt, Bulgaria, Mexico and Hong Kong.

Stuart Dougal travelled to the United States to referee three matches in the MLS, the new American professional soccer league.



Michael McCurry fully deserved his appointment as referee to the final between Italy and the Republic of Ireland.

Youth Football Committee



BP Scottish Youth Cup



A record number of entrants, 57, participated in last season's competition, culminating in an exciting final tie between Heart of Midlothian FC and Dundee United FC. Hearts (above) took the honours in front of 3,470 fans at Tynecastle Stadium on 12th May, 1998. Both clubs have produced a plethora of players who cut their first competitive teeth in this competition. No fewer than seven of Hearts' current top squad first caught the eye playing in the BP Scottish Youth Cup - Paul Ritchie, Gary Locke, David Murie, Grant Murray, Steve Fulton, Colin Cameron and Gary Naysmith. Three former United stars, Kevin Gallacher, Billy McKinlay and Christian Dailly were key members of the Scotland squad at the World Cup Finals in France last year and each came to prominence for Dundee United in this competition.

From its inception in season 1983/84, the BP Scottish Youth Cup has been an invaluable competition for the development of senior youth players.

The 1998/99 competition is once again being sponsored by BP to the value of £50,000. The final tie will take place between Celtic and Dundee.

National Youth Competition

The penultimate staging of this competition in its current format culminated, once again, at the National Sports Centre, Inverclyde, Largs, on 25th and 26th April, 1998.

The competition followed the same format as the previous two seasons, with a preliminary tie won by the Association of Scottish Youth Football Clubs, defeating the Scottish YMCA by two goals to nil. The league section was contested by the Association of Scottish Youth Football Clubs, Scottish Amateur FA, Scottish Juvenile FA and Scottish Schools' FA with each team playing each other once. The competition was won by the Scottish Amateur FA, which had won each of its three matches.

Results

Preliminary Tie

Scottish YMCA 0 v. A.S.Y.F.C. 2

Group Matches

Scottish Schools' FA 1 v. Scottish Juvenile FA 0

Scottish Amateur FA 2 v. A.S.Y.F.C. 1

A.S.Y.F.C. 2 v. Scottish Schools' FA 1

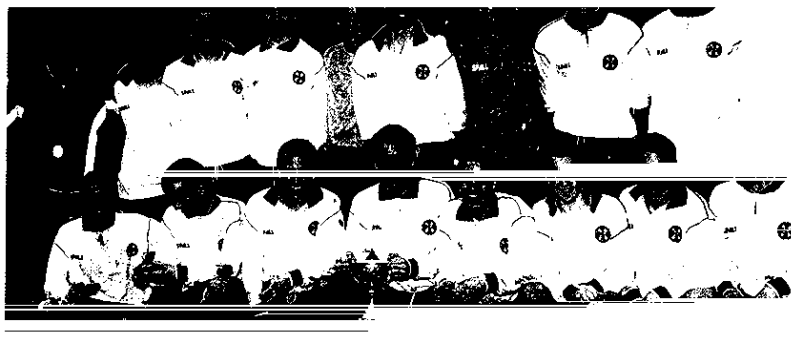
Scottish Juvenile FA 1 v. Scottish Amateur FA 4

Scottish Schools' FA 2 v. Scottish Amateur FA 3

A.S.Y.F.C. 3 v. Scottish Juvenile FA 1

Table

	P	W	D	L	F	A	Pts.
Scottish Amateur FA	3	3	0	0	9	4	9
ASYFC	3	2	0	1	6	4	6
Scottish Schools' FA	3	1	0	2	4	5	3
Scottish Juvenile FA	3	0	0	3	2	8	0



The Scottish Amateur FA's victorious squad.



"Under 17" goalkeepers Ryan Esson and Colin Stewart.

competition with a 0-0 draw. A 2-2 draw in the second match, involving Scotland and Romania, left Scotland with a good opportunity to win the group in the last match. Success was achieved with a 2-0 victory over Slovenia and Scotland now faces Greece in the Intermediary Round on 7th and 21st April, 1999, with the winners of that tie progressing to the finals in Solna, Sweden.

In preparation for the Intermediary Round a challenge match was played against Northern Ireland at Molineux, Wolverhampton, on 2nd February, 1999. Scotland dominated the match but failed to capitalise on its territorial advantage by scoring.

Results

Portugal 0 v. Scotland 0 - 28.5.98
Spain 1 v. Scotland 2 - 29.5.98
Russia 0 v. Scotland 1 - 31.5.98
France 1 v. Scotland 0 16.9.98
Scotland 2 v. Romania 2 - 19.10.98
Slovenia 0 v. Scotland 2 - 21.10.98
Northern Ireland 0 v. Scotland 0 - 2.2.99

V TORNEIO INTERNACIONAL DE FUTEBOL "Cidade de Lisboa"

SUB-17
27/MAIO A 01/JUNHO/98



Players born on or after 01.01.80

5th International Football
Tournament, "Cidade de Lisboa"

To continue the development of these players at International level, the Association accepted an invitation to participate in this

event and consequently, Scotland opened the competition against hosts, Portugal, in a scoreless draw. A last minute winner from Darren Young of Aberdeen secured a 2-1 victory over Spain in the second match and a Stuart Fraser (Luton Town) strike in the second half was enough to overcome Russia. Scotland won the tournament and the Fair Play trophy, with Portugal finishing second, Russia third and Spain fourth. In addition, Ryan Esson (Aberdeen) was voted Goalkeeper of the Tournament.

15th UEFA "Under 18" Championship, 1998/99

Prior to participating in its Qualifying Group with Romania and Slovenia, Scotland met France in a preparation match in Normandy, losing by one goal to nil. It was the first time in fourteen matches that this particular squad of players had lost. Despite this setback, qualification for the Intermediary Round of the competition was secured in a mini-tournament hosted by Slovenia. Romania and Slovenia opened the



Players born on or after 01.01.81

16th UEFA "Under 16"
Championship, 1997/98

Scotland hosted the finals of last season's competition in the period 26th April to 8th May, 1998, with nine venues hosting thirty-two matches featuring sixteen countries. The Republic of Ireland emerged victors showing determination, hard work and skill in overcoming Italy, 2-1, in the Final at McDiarmid Park, a match which was shown live throughout Europe. Scotland faced the eventual tournament winners, Ireland, in the opening match of the competition, which was the only occasion on which Ireland was held to a draw. Scotland's other results were a draw with Spain and defeat by Finland. Unfortunately, these results were insufficient to allow Scotland to progress to the quarter-final stage.

There were four groups of four teams based in Coylumbridge, Dunblane, Glasgow, and Renfrew. Greece and Denmark qualified from Group A, Italy and Portugal from Group B, Spain and the Republic of Ireland from Group C with Israel and Croatia topping Group D. In the quarter-final ties Spain beat Greece 2-1, Republic of Ireland sent Denmark home winning 2-0, Italy saw off Croatia 2-1 and Portugal had a comfortable 4-1 victory over Israel. The semi-final ties paired Spain with Italy and the Republic of Ireland against the pre-tournament favourites, Portugal. A crowd of almost 2,000 watched Italy beat Spain by two goals to one, whilst the





Republic of Ireland won 2-0 with two second half goals in the other tie. The Third Place Play-off Match was held at Forthbank Stadium, Stirling, on the afternoon of 8th May, with Spain edging out Portugal 2-1 in a robust match. Scottish referee Mike McCurry took charge of the final tie and was

one of ten young referees appointed by UEFA for the event as an introduction to European football.

Administratively speaking, UEFA was delighted with the "faultless organisation and proverbial hospitality" of the Scottish Football Association in organising the event, choosing to praise the organisational team of Jim Farry, David Findlay (Tournament Director) and Scott MacKintosh (Administrative Tournament Director) in its official review of the competition publication. This praise should, of course, be directed to each of the member clubs, Clyde, Inverness Caledonian Thistle, Livingston, Motherwell, Queens Park, Ross County, St. Johnstone, St. Mirren and Stirling Albion, who welcomed the competitors to their grounds at a crucial stage of the domestic season.

With no UEFA competition for this season's "Under 17" group, it is very important to continue the development of players in preparation for the following season's UEFA "Under 18" Championship. This is to be achieved by entering two four-nation tournaments during season 1998/99, firstly in Belgium in October and then Portugal this coming May.

Four Nations "Under 17" Youth Tournament

Belgium hosted this year's competition in the period 4th to 10th October, 1998, with Denmark and the Netherlands also continuing their involvement. An opening match defeat by one goal to nil at the hands of the Netherlands left Scotland with a mountain to climb. Despite scaling the twin peaks of Belgium and Denmark, Scotland finished equal on points with the Netherlands at the top of the group but had to settle for second place as a consequence of the match between the two countries. Denmark was third and Belgium fourth. Scotland is to host this season's competition in October.

Results

Scotland 0 v. The Netherlands 1 - 6.10.98

Scotland 2 v. Belgium 1 - 8.10.98

Scotland 2 v. Denmark 0 - 10.10.98

Girls' "Under 16" Triangular Tournament, Bangor, Wales

The Scottish Girls' "Under 16" squad played for the first time under the Scottish Football Association banner in an Easter tournament featuring the Republic of Ireland and Wales in Bangor, Wales, in the period 15th to 19th April, 1998. Scotland lost both its matches by one goal to nil but showed encouraging signs that the girls, coached by Sheila Begbie, have a promising future. Vera Pauw's appointment as Women's National Coach and Technical Director will greatly aid the development of girls' youth football.

Results

Scotland 0 v. Republic of Ireland 1 - 17.4.98

Wales 1 v. Scotland 0 - 19.4.98

Players born on or after 01.01.82

The search for fresh talent began once again at the trials for the Scotland "Under 16" squad in early August. Players recommended by senior clubs and those identified by the Association in Under 15 school performances are assessed and a preliminary squad is selected. These players are given the best possible introduction to international football through a series of monthly squad gatherings with grant support from the Scottish Sports Council's Lottery Sports Fund assisting the programme of events which includes not only technical sessions but also media training, dietary advice, medical assessment and mental preparation.

17th UEFA "Under 16" Championship, 1998/99

Scotland's qualifying group for this season's competition included Spain and Malta. The group was played as a mini-tournament in Gozo, Malta, in the period 1st to 6th March, with Scotland playing Malta, then Spain. Spain won the tournament, with Scotland finishing second. The Spanish therefore qualified for the Championship Finals. Preparatory matches were arranged against Northern Ireland in Londonderry on 16th and 17th February, 1999. Two further fixtures at home against Sweden were arranged as part of this age group's development plan.

Results

UEFA "Under 16" Championship, Qualifying Round

Malta 1 v. Scotland 3 - 2.3.99

Scotland 0 v. Spain 1 - 6.3.99

Challenge Matches

Northern Ireland 0 v. Scotland 3 - 16.2.99

Northern Ireland 0 v. Scotland 2 - 17.2.99

Scotland 2 v. Sweden 1 - 23.3.99

Scotland 0 v. Sweden 0 - 25.3.99

Appeals Committee

During the course of 1998 the Appeals Committee was called to meet up on 10 occasions maintaining its position as the *busiest of the Association's Committees in terms of frequency of meetings.*

43 appeals were heard during 1998 representing a considerable increase of 20% upon the 1997 figure!

The number of appeals submitted against decisions of the various bodies is as follows:

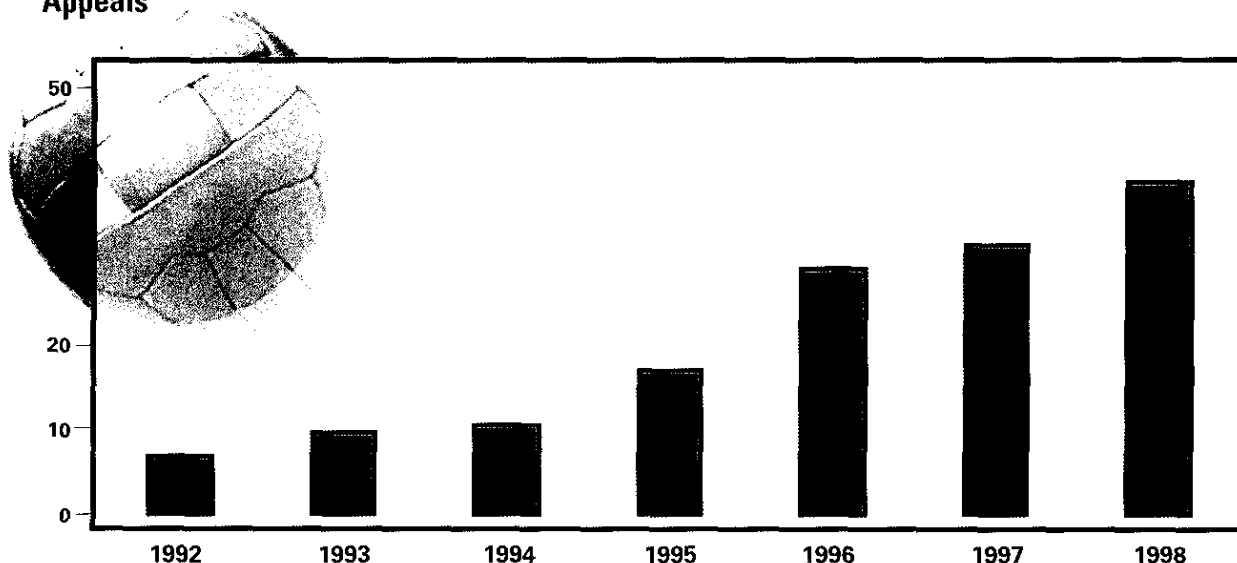
Referees' Associations	3
Scottish Junior FA	2
Scottish Amateur FA	20
Scottish Juvenile FA	2
Association of Scottish Youth Football Clubs	6
Scottish Women's FA	10

In an effort to assist the committee to process its business as efficiently as possible, the administration has introduced a system whereby the committee is now provided with a summary of each case as well as the meeting booklet and the members of the committee are finding this beneficial.

The costs of the meetings remained high both in administrative time and the actual costs incurred through printing.



Appeals



Executive Committee

In the year in review, the Executive Committee met on 7 occasions. Previously the committee would have been called upon additionally between scheduled meetings to take decisions upon pressing matters of business requiring prompt attention. This role is now undertaken by the Emergency Committee, established last year for such a purpose. The Emergency Committee was convened on 14 occasions throughout the year.

The committee is assisted in its duties by the following sub-committees which meet from time to time and submit reports and recommendations for the Executive Committee to consider -

Rules Revision Committee which is formed of the Association's President and three members of the Council. Its purpose is to consider and to propose changes to the Association's articles and regulations.

Development Sub-Committee which is formed of the Association's Office Bearers, the Chairman of the Youth Football Committee, the Chairman of the Coaching Committee and the SFA Technical Director. Its purpose is to progress the development of grass roots football.

Medical Sub-Committee which is formed of the Association's Treasurer, the Association's Honorary Medical Consultant, the SFA Technical Director, one member from the Association's Panel of Medical Advisers and two members of the Council. Its purpose is to consider medical matters related to football and to provide advice and recommendations.

BP Scottish Youth Cup Sub-Committee which is formed of the Association's Office Bearers. Its purpose is to progress and to deal with matters arising from the playing of the BP Scottish Youth Cup Competition.



Celebrations in Paris after John Collins scores against Brazil.

Rules and Regulations

Following the set-back at the EGM held on 30th March, 1998, at which proposals to alter the Association's Articles based upon the recommendations of the Independent Review Commission had not been accepted by a sufficient majority of members, a further active period of consultation with members ensued. When all remaining concerns had been identified and addressed and some revisions made to the initial proposals, a fresh set of proposals was re-submitted to the members at an EGM on 5th May, 1998, and were unanimously adopted. The proposals are to be brought into effect on a date during season 1999/2000 to be determined by the Executive Committee and confirmed by the Council.

In brief the changes arising from the IRC's recommendations will have the following effect:

Council

The members of the Association's Council excluding the Honorary Vice-Presidents will be reduced in number from 46 to 27 and will be composed of:

- | | |
|----|---|
| 1 | President |
| 1 | 1st Vice-President |
| 1 | 2nd Vice-President |
| 1 | Treasurer |
| 9 | representatives, one of each of the Affiliated Associations |
| 5* | representatives nominated by the Scottish Football League and the Scottish Premier League *A proposal to increase this number to 6 is to be considered. |
| 3 | representatives, one each of the East of Scotland Football League, the Highland Football League and the South of Scotland Football League |
| 6 | representatives, one each of the Affiliated National Associations |
| 27 | |

A Council member and an Honorary Office Bearer shall be appointed for a term of two years rather than one year as at present.

Affiliated Associations

There are at present 11 Affiliated Associations, 8 of which are eligible to nominate a representative to the Council. The 3 other Affiliated Associations, namely the Ayrshire FA the Lanarkshire FA and the Renfrewshire FA are to form a new West of Scotland FA which shall have a place on the Council.

Southern Counties FA

West of Scotland FA

East of Scotland FA

Glasgow FA

Stirlingshire FA

Fife FA

Forfarshire FA

Aberdeenshire & District FA

North of Scotland FA

Committee Appointments Board

A Committee Appointments Board is to be established by the Council for the purpose of making recommendations in respect of appropriate persons who may be co-opted on to a Standing Committee. The Board shall comprise 3 persons who are not members of the Council but who are regarded as having (a) considerable knowledge of the game of Association Football particularly as it is played in Scotland (b) made a significant contribution to public, business, academic or professional life in Scotland and (c) the potential to make recommendations which will be to the advantage of Association Football in Scotland.

Executive Committee

As a consequence of the amalgamation of certain Affiliated National Associations into a new Scottish Youth FA, a place on the Association's Executive Committee is to be taken by a representative of the new body.

Standing Committees

The Standing Committees shall be composed of members of the Council and, if required, co-opted persons, and shall be reduced in number from 7 to 6 members. Members of the Standing Committees will be appointed for a period of two years and these appointments may be renewed without limit.

New Honorary Membership

There is to be created a new class of honorary membership of the Association, to be known as *Millennial Honorary Life Membership* and this will be afforded to certain past and present members of the Association's Council and Office Bearers of Affiliated National Associations.

Alterations to the Existing Structure of the Affiliated National Associations

A new Scottish Youth FA is to be formed from the amalgamation of the Association of Scottish Youth Football Clubs, the Scottish Juvenile FA and the youth sector of the Scottish Amateur FA and shall have the status of an Affiliated National Association.

The Scottish Women's FA which is to be granted recognition in terms of its being awarded a seat on the Council is to be given the status of an Affiliated National Association.

There will be 6 designated Affiliated National Associations:

Scottish Amateur FA

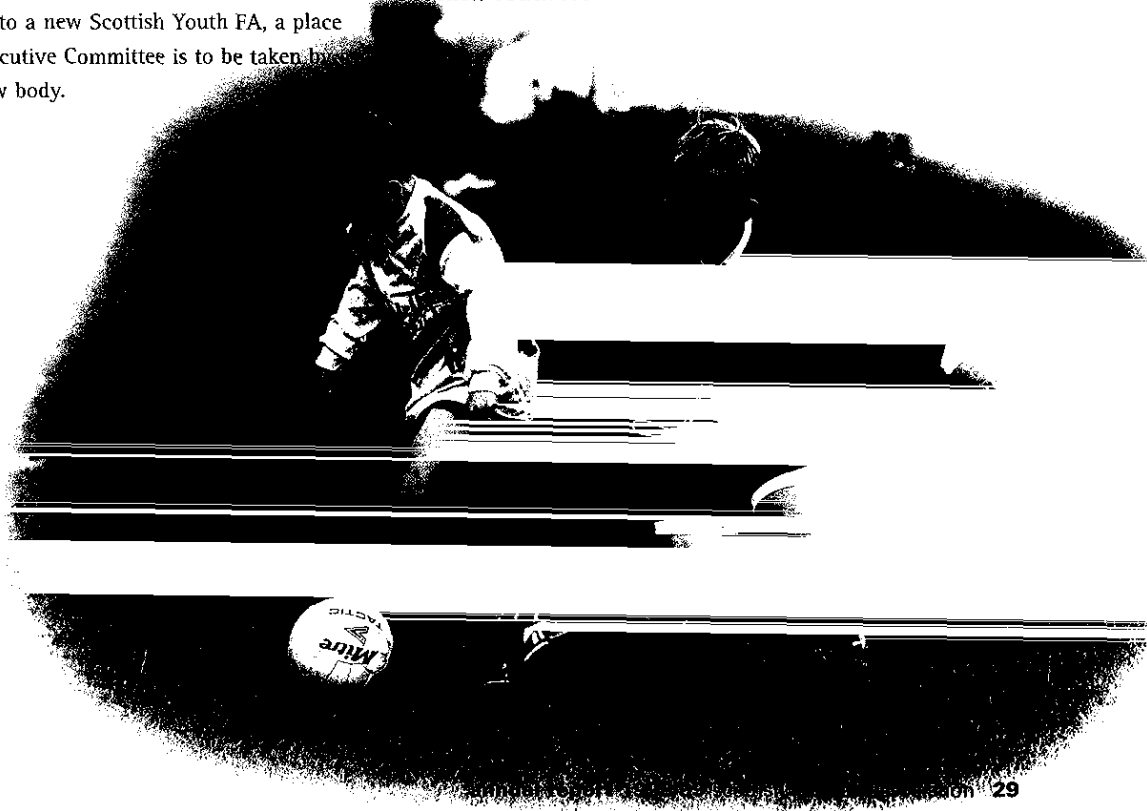
Scottish Junior FA

Scottish Schools' FA

Scottish Welfare FA

Scottish Women's FA

Scottish Youth FA



Abolition of Amateur and Professional Status

All limitations and restrictions imposed upon players in the SFA's Articles and Rules because of their status, ie. amateur or non-amateur are to be removed and no longer is a player's status in terms of professionalism to be grounds to inhibit his movement from one club to any other provided that his doing so is within the limitations of the regulatory framework governing player movement.

National Registration Scheme

All players of an age to be determined by the Council from time to time shall require to hold a current Player's Licence to be eligible to play in a match under the jurisdiction of the Association.

In conjunction with the changes to the Association's Articles corresponding alterations were made also to the Standing Orders of the Council.

Whilst attention understandably was focused upon the changes emanating from the IRC's recommendations, a number of other changes, mostly of a relatively minor nature were made to the Association's Articles and to the Cup Competition Rules at the EGM and at the Annual General Meeting respectively, both of which were held on 5th May, 1998. Changes of more significance arose from the approved formation of a new Scottish Premier League which is referred to later in the Report.

Policy

One of the more visual pieces of the platform that the Association is preparing from which to build for the future efficiency and development of the game will soon be in place with the completion of the second phase of the refurbishment of the National Stadium. Plans are currently being progressed for the relocation of the Association's headquarters from Park Gardens where the administration has been based since 1956 to the National Stadium where office accommodation and meeting room facilities are being made available within the new South Stand. As part of the Association's commitment to the future viability of the National Stadium, the Council gave an undertaking in line with existing policy that major matches under its auspices will be allocated to the National Stadium subject to the reservation of its historical entitlement to allocate any match under its auspices to the most appropriate venue taking into account all relevant circumstances. The matches concerned will be -

- all 'international' European Championship and World Cup qualifying matches and other 'challenge' matches, and

- all Scottish Cup Semi-Final and Final ties, and where appropriate, Scottish Cup Semi-Final tie replays

Other policy decisions were taken by the committee in the following matters -

UEFA Regions Cup

that the Association would enter a regional representative team for the 1st UEFA Regions Cup competition for amateur players, which is to be staged between the spring and winter of 1999.

Display of Advertising on Kit

that in line with new UEFA Regulations Governing Kit worn by players, referees and team officials for UEFA club and representative team competitions, only the manufacturer's name or logo may be displayed on the shirts, shorts or stockings of match officials, within the maximum dimensions contained in those Regulations.

SFA Mission Statement

that the following 'mission statement' be used in the Association's communications and publications:-

all for FOOTBALL  FOOTBALL for all

Indoor Football Facilities

that the Association should consider support for suitable proposals which include the provision of a full sized international football pitch.

Domestic Issues

At the time of last year's annual report, the committee had been monitoring developments within the Scottish Football League regarding steps which were being taken by ten clubs currently in the Premier Division of the SFL, to retire from the League at the end of the season and to form a new league comprising those ten clubs. A Steering Group of representatives of the Premier Division clubs first met with the Association's officials on 23rd February, 1998. On 5th May, 1998, the Association's Council gave approval to an application by the Premier Division clubs to form a new league in season 1998/99, to be known as The Scottish Premier League. In between these dates, those involved on behalf of the SFA, the SFL and the Premier Division clubs had spent many hours and worked tirelessly throughout a complex process in preparing the ground and creating mutually acceptable circumstances for a successful application. It was stated that the objectives of the new League were the generation of increased funds and to stimulate competition and the development of players for the benefit of clubs and the national team, and Scottish football looks forward to benefiting from those aims.

Although attracting less public attention than the changes within the Scottish Football League, there were a number of other positive steps being taken by the committee in conjunction with the bodies concerned to create conditions for the future well-being of the game.

A working party comprising representatives of the Scottish Football Association, the Scottish Women's FA and the Scottish Sports Council had been formed to make recommendations for the purpose of ensuring the promotion and development of girls'/women's football. Subsequent to those recommendations having been accepted by the Association's Council, and several are already in place, the Association with the support of the Scottish Sports Council created a number of new posts which together will form a project team to promote and develop this important area of the game. The team will be led by the National Coach/Director, Girls' Women's Football and initially will comprise an Assistant Director (Policy and Development), Assistant Director (Technical), Marketing and Promotions Officer, International Team Co-ordinator, secretarial staff member and a representative of the Scottish Women's FA. Other appropriate persons may be co-opted from time to time.

A separate working group also had been appointed to progress the formation of a new Scottish Youth FA stemming from an initial recommendation of the IRC that 4 of the existing Affiliated National Associations, namely the Association of Scottish Youth Football Clubs, the Scottish Amateur FA, the Scottish Juvenile FA and the Scottish Welfare FA which provided and operated football within the same levels of the game should amalgamate into a single football body. Whilst the initial recommendation subsequently has been modified it is planned that the new Youth FA will combine the operations of the ASYFC, the SJFA and the youth sector of the SAFA. The new association will provide a *uniform structure and consistent policies in another important area of the game, led by a more effective single body.*

Other Bodies

In the 'openness' of modern times, the committee is a regular recipient of consultation papers circulated by outside agencies on which the Association and others on the circulation list are invited to comment. The committee welcomes the opportunity *to comment when it is considered that the Association's views may be relevant to the issue under attention.*

An issue of particular football interest related to the Monopolies and Mergers Commission inquiry into the proposed merger between British Sky Broadcasting and Manchester United FC. Although the matter under investigation concerned an English club, it was not too difficult to imagine how the Association might feel were a similar situation to arise in Scotland. The most obvious concerns were envisaged in regard to conflict of interests if a television company was to become the owner or controller of a leading football club and then was to become involved in negotiations with football bodies of which the club was a member, for rights to broadcast football matches. It would appear to be the case too that there would be conflicts of interest arising in relation to HM Government's policies on events listed under Part IV of the Broadcasting Act, 1996, and in the wider European sphere, to the European Union's "Television without Frontiers" Directive which sets out rules that are meant to strike the right balance between the means of guaranteeing public access to broadcasts of major events, respecting the property rights and contractual freedom of event organisers and ensuring fair competition in broadcasting services throughout Europe.

On the broader sporting front, the Association's views had been sought on papers produced by the Scottish Sports Council in relation to funding aspects of the Scottish Institute of Sport and to the distribution of monies from the Lottery Sports Fund. On the latter issue especially it was the Association's response that the anticipated available funding of £21M per year is not considered sufficient for the optimum



development of sport in Scotland and that in particular the capital programmes are under-funded. If national governing bodies of sport are to be encouraged and supported in their objectives to obtain major sporting facilities which will stimulate and enhance participation in sport, it can be seen from costs associated with the targeted provision of such facilities that the funding available for capital programmes is inadequate in relation to the actual costs of building those facilities. There is obviously a case to be made for increased funding and rather perhaps than talk of diminishing or modifying existing programmes, the emphasis should be on persuading H. M. Government that a greater portion of funding should be allocated to sport whether from the Lottery or other sources.



FIFA/UEFA

Billy Dodds' strike brought victory over Estonia in October.

There were a number of important issues affecting the football movement in Europe that came to the fore in the year past.

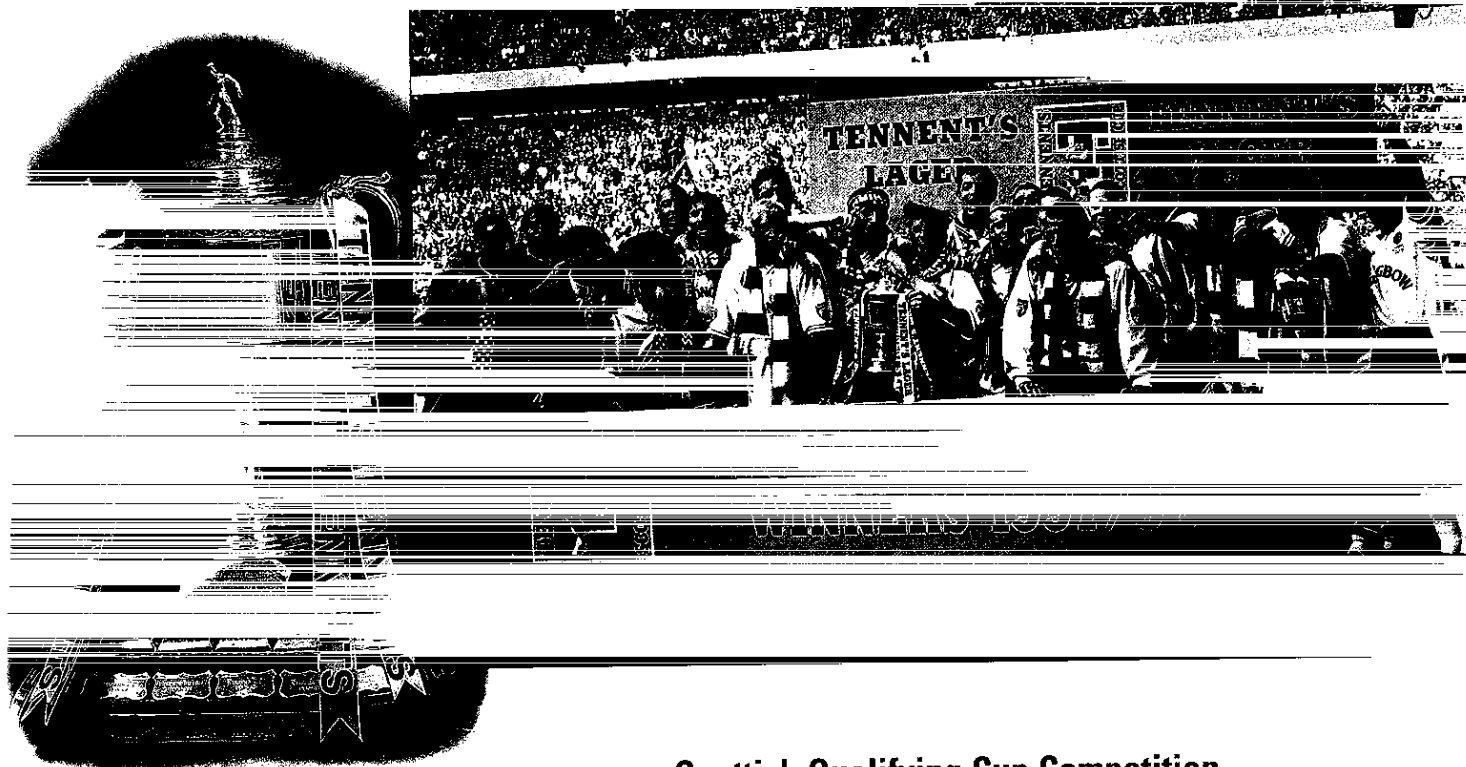
The central marketing of television rights for its competitions allows a governing body to re-distribute income in a fair and balanced manner which is crucial for the maintenance of healthy competition between clubs. Central marketing also allows a proportion of income to be filtered back down to the 'grass roots' of football which not only safeguards the future of the sport but also performs a valuable social role in communities. Without the financial means to do so, and central marketing is fundamental to securing such means, national football associations and UEFA would be unable to discharge the responsibility they bear to foster and develop football throughout their respective territories. There are challenges to the concept being faced at both domestic and European levels of the game.

Another issue being faced is the common ownership of football clubs. It is not difficult to see the inherent conflict of interests when a club owned or controlled by one party plays another club owned or controlled by the same party. Whilst the Association has existing rules which prohibit the same person or entity having a substantial interest in more than one club, UEFA is being challenged for adopting a similar rule prohibiting two clubs under common control from participating in the same UEFA competition.

A more publicised issue arose when a number of the top football clubs in Europe expressed interest in the idea of

forming a breakaway 'European Super League' to ensure that they no longer had to qualify for European competition but may instead participate as of right. For the second time in the short space of two seasons, UEFA has been pressed to take steps to restructure its club competitions to meet the challenges to the existing structures of European football. These structures are being further tested against European law by clubs which are currently playing under the jurisdiction of their natural national association seeking to play their 'home' matches at a ground based in the territory of another national association.

All of these challenges illustrate a need to re-orient the approach being taken towards sport by the European Commission. It is not healthy for football to be left in a void of legal uncertainty with each and every rule or regulation being subject to challenge. In the Treaty of Amsterdam a Declaration was included for the first time referring to sport. It calls on *'the bodies of the European Union to listen to sports associations when important questions affecting sport are at issue'*. In the face of these difficult challenges UEFA with FIFA's support and with the support of member associations in EU member states is taking steps to draw the attention of Europe's political leaders to the most urgent issues and problems currently affecting the football movement in Europe.



Tennents Scottish Cup Competition

Final Tie: 16th May, 1998

Celtic Park, Glasgow

Heart of Midlothian 2 v. Rangers 1

Conversations surrounding Heart of Midlothian's chances of silverware in season 1997/98 were of the could they/couldn't they variety. A strong challenge in the League faltered in the end, finishing 3rd behind Celtic and Rangers. In the Cup however, it was a different story and on Saturday, 16th May, 1998, a victorious Heart of Midlothian team lifted the trophy for the first time since 1956.

Few of the Hearts supporters at Celtic Park that afternoon witnessed the club's success forty two years earlier and for them, like many of the players, the experience of success was something foreign and unknown. This inexperience, however, did nothing to dampen the jubilant scenes following Heart of Midlothian's deserved 2-1 victory against a Rangers team which had recently surrendered its grip on the League Trophy for the first time in 10 years.

Remarkably, seven different teams to date have won the Cup this decade; Aberdeen (1990), Celtic (1995), Dundee United (1994), Heart of Midlothian (1998), Kilmarnock (1997), Motherwell (1991) and Rangers (1992, 93 and 96).

Scottish Qualifying Cup Competition

NORTH

7th November, 1998

Borough Briggs, Elgin

Keith 1 v. Clachnacuddin F.C. (1990) Ltd. 3

Following Peterhead's emphatic victory in last year's Final, normal service in this competition was resumed with a tough, uncompromising and close tie played.

The match was won in the last 20 minutes due to tenacious forward play by a spirited Clachnacuddin side which the Keith defence could do nothing to combat. The victory, by 3 goals to 1, was well deserved and recorded the club's first success in the competition since 1975.

SOUTH

14th November, 1998

Ochilview Park, Stenhousemuir

Whitehill Welfare 2 v. Civil Service Strollers 0

It is of no surprise to record another victory for Whitehill Welfare in this competition. The club has now won the Cup five times in the last six years – an outstanding achievement,

The match itself was a tight affair with Whitehill Welfare sealing victory as late as the 90th minute. "Strollers" competed well and can consider themselves a shade unfortunate not to win the trophy for the first time in the history of the club.

UEFA Club Competitions 1998/99



In the last few years, very little of a positive nature has been capable of record on the participation of our clubs in the UEFA Club Competitions. The outcome is occasionally highly disappointing, with fears regarding the status and ability of our clubs to compete on a top European level all too evident.

In the main, the performances of our clubs this season were no different, particularly when the quality of opponent grew in stature. Only Rangers managed to give a good account of their abilities and indeed the club is to be congratulated, particularly with a fine victory against highly rated German opposition in the 2nd Round of the UEFA Cup.

Performances such as these assist all our competing clubs and if the trend for winning matches can be repeated by all our entries at all levels, the long process of re-establishing a higher coefficient rating can begin in earnest.

UEFA Champions League

First Qualifying Phase

Celtic 0 v. Saint Patrick's Athletic 0
Saint Patrick's Athletic 0 v. Celtic 2

Second Qualifying Phase

Celtic 1 v. NK Croatia Zagreb 0
NK Croatia Zagreb 3 v. Celtic 0

UEFA Cup Winners' Cup

Qualifying Phase

FC Lantana 0 v. Heart of Midlothian 1
Heart of Midlothian 5 v. FC Lantana 0

First Round

Heart of Midlothian 0 v. Real Mallorca 1
Real Mallorca 1 v. Heart of Midlothian 1

UEFA Cup

First Qualifying Round

NK Zeljeznicar 1 v. Kilmarnock 1
Kilmarnock 1 v. NK Zeljeznicar 0
Shelbourne 3 v. Rangers 5
Rangers 2 v. Shelbourne 0

Second Qualifying Round

Rangers 2 v. PAOK Saloniki 0
PAOK Saloniki 0 v. Rangers 0
SK Sigma Olomouc 2 v. Kilmarnock 0
Kilmarnock 0 v. SK Sigma Olomouc 2

First Round

Vitoria Guimaraes 1 v. Celtic 2
Celtic 2 v. Vitoria Guimaraes 1
Beitar Jerusalem 1 v. Rangers 1
Rangers 4 v. Beitar Jerusalem 2

Second Round

Celtic 1 v. FC Zurich 1
FC Zurich 4 v. Celtic 2
Bayer 04 Leverkusen 1 v. Rangers 2
Rangers 1 v. Bayer 04 Leverkusen 1

Third Round

Rangers 1 v. Parma AC 1
Parma AC 3 v. Rangers 1



Giovanni van Bronckhorst of Rangers faces Bayer Leverkusen.

Scottish Stadia Committee

Perhaps not surprisingly the tenth anniversary year of the Hillsborough Stadium tragedy has witnessed a considerable slowing of activity on the stadium development/ redevelopment front, when compared with previous years. A combination of factors has contributed to this state of affairs:

The completion of stadia development projects by almost all clubs covered by the all seated recommendation of Lord Justice Taylor, as endorsed by HM Government

The reduction in grant aid available via the Football Trust.

The economy of the game in general, particularly outwith the top division(SPL).

It is nevertheless a testimony to the enterprise of those at the following clubs that this year's report can list new stadia or stand developments which have been unveiled to the Scottish public in the last twelve months:

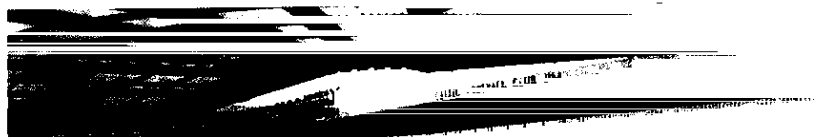
**Airdrieonians' new stadium -
The Shyberry Excelsior Stadium**

Celtic's new West Stand

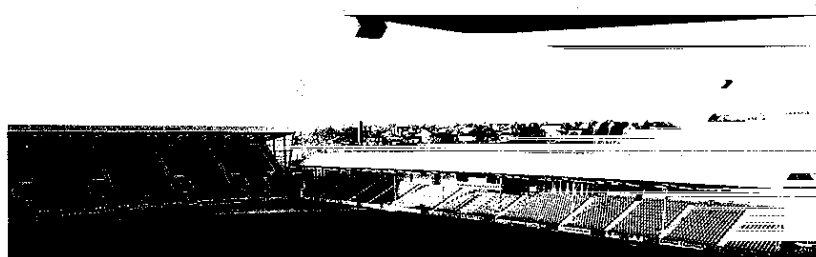
**Dunfermline Athletic's new East and West
Stands**

East Fife's new stadium - Bayview Stadium

The new South Stand at the National Stadium will soon be added to this list in early May.



Celtic Park is now Scotland's largest stadium, with room for over 60,000 spectators.



East End Park has been transformed with the addition of new stands behind each goal.

As we approach the new Millennium it is difficult to anticipate any future activity on the stadium development/ redevelopment front of the magnitude and intensity witnessed over the last ten years. Clubs such as Dundee, Falkirk, Greenock Morton and Hamilton Academical come to mind as member clubs of the Scottish Football Association which have publicly indicated a desire to create improved stadium facilities for their respective supporters. The financial resources available within these, and other similarly minded clubs, together with local planning authority cooperation, will determine their ability to match these desires with action.

Media Relations Department

As might be expected, a World Cup year meant an intense period of activity for the Association's Media Relations Department.

Almost from the moment Scotland qualified, every postbag would bring letters and queries from around the world, from fans and journalists alike, while the telephone rang incessantly. This interest was heightened by Scotland taking part in the opening match for France '98.

Once the tournament began a three week diet of daily media conferences and admission to training sessions allowed the media the access they craved. Events off the field took a smooth course, and on our return the department's staff were able to reflect on an enhanced image of Scotland, our players, officials and fans.

A considerable effort was made not only to welcome journalists to the media centre close to the team base in St-Rémy-de-Provence, but also to develop a close and beneficial relationship with the local people. Given the rapturous welcome extended to the team throughout its stay - not to mention the tearful farewells - it was a strategy that paid dividends, and many lasting friendships were forged in that most attractive of French villages.

The World Cup, however, was just the icing on the cake of an exceptional year. Just a matter of weeks earlier, the Association hosted the UEFA Under 16 Championship which placed its own demands from visiting media. A team of venue press officers, mainly journalists with valuable local knowledge, ensured the media were well looked after.

In general terms, the department has worked to continue to improve the image of the Association. One change is that it is now far more frequent for heads of department and committee chairmen, many of whom have undertaken media training, to speak directly to the media and take responsibility for their own sphere of work. This policy was brought into particularly sharp focus following the sudden departure of the Chief Executive in early 1999.

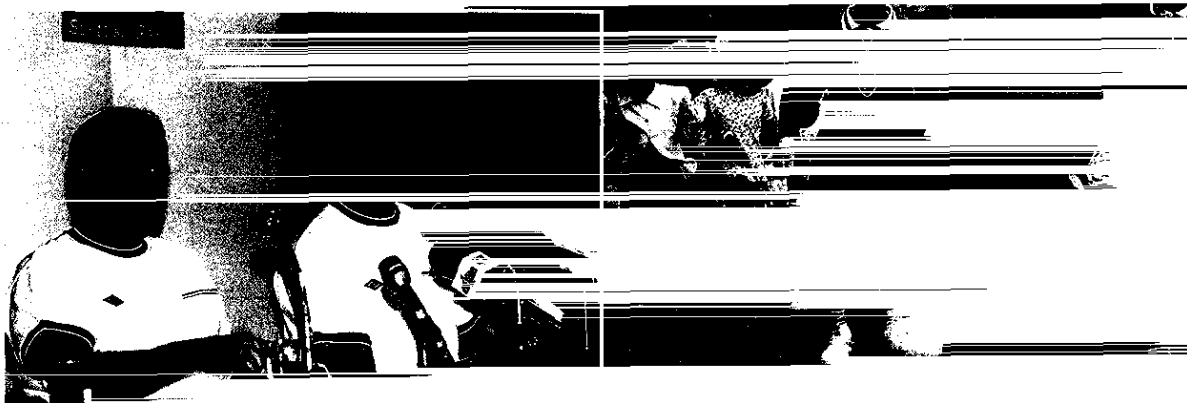


Craig Brown greets the crowds of French schoolchildren at a training session.

To assist in the flow of information, the Association's newsletter, 'The Scottish FAacts', is now circulated to an enlarged audience throughout Scottish football, including all members of the Scotland Travel Club, referees and qualified coaches.

The Association's Internet site has come of age, and reached a peak of activity during the World Cup finals, with over 10,000 visitors per day, three times the usual level. In such a fast moving medium there is always scope for further development, and the greater use of new media which will be implemented following the move to Hampden Park will help to stimulate the flow of information both externally and internally.

At the end of the year a planned change of roles occurred. Andy Mitchell was appointed Head of Media Relations, taking over the position from David Findlay, who has been responsible for Media Relations at Park Gardens since 1990, and who continues to hold the roles, amongst others at the Association, of Assistant Director of Administration and Head of the International and Matches Department.



Security Department

With the World Cup taking place in France in June, 1998, the workload of the Security Department in the preparatory months of 1998 was quite extensive and time consuming.

World Cup 1998

The Association's Security Adviser Willie McDougall represented the Association's interests in a Home Office World Cup Co-ordinating Group where the interests and plans of both the Scottish and English supporters were detailed to ensure that HM Government were aware of all aspects of our pre-planning strategy.

More importantly a Scottish World Cup Co-ordinating Group was established in tandem with the Home Office Group and again our Security Adviser represented the Association's interests and was joined by Assistant Chief Constable Peter Gibson QPM, LLB Strathclyde Police, Liaison Officer appointed by the Association of Chief Police Officers in Scotland, together with Ian Howie and Alan Miller of the Scottish Office Education and Industry Department (Sports Policy).

The Scottish World Cup Co-ordinating Group set objectives in January, 1998 and these were successfully concluded in June, 1998. The objectives were as follows:

- To detail Scotland's World Cup pre-planning strategy for the benefit of security staff of the French Organising Committee and French Police Authorities.
- To establish clear lines of communication at each of Scotland's venues with the French Organising Committee/Police Authorities/Consular Staff/National Criminal Intelligence Office/Foreign and Commonwealth Office.
- To ensure that the Scotland supporters attending France '98 are assisted, hopefully ensuring a safe and friendly environment for all concerned.

All in all the pre-planning strategy following the setting of the aforesaid objectives ensured a successful outcome and once more it was gratifying that this major operation contributed to our supporters being recognised by receiving an award from the International Association for Non-Violence in Sport (IANVS).

In the months preceding the World Cup the Association launched a campaign to promote good behaviour amongst Scottish fans by the distribution of a poster in conjunction with Crimestoppers to ask those supporters travelling to France "not to let the side down".

The poster was circulated throughout Scotland and at our venues in Saint Denis, Bordeaux and St. Etienne. In addition a "Fan Man" badge was distributed throughout the membership of the Scotland Travel Club with a personalised message that

"I won't let the side down".

This good behaviour message was promoted through the media and in addition Rock Steady stewards were transported to our venues and were on duty as the supporters entered the grounds. The stewards were issued with "Ecosse Liaison Steward" bibs and their presence assisted greatly in the excellent behaviour of our supporters at our three venues.

Excellent police liaison with the exchange of current intelligence ensured trouble free venues throughout our stay in France '98.

Prior to competing in FRANCE '98 the team and official party visited the United States of America and liaison security work ensured a successful tour.

Caretaking


1998 realised a year of change in the Commissionaire and caretaking duties of Mike and Jean Kinrade who have been resident within 6 Park Gardens for 17 years. Both intimated their wish to retire in January, 1999, and steps were taken to ensure the continuation of such services within the life and work of the Scottish Football Association.

Over and above the many and varied duties carried out by Mike and Jean, the ordering, preparation, transportation, laundry preparation and placing back into stock of training and match kit for Scotland representative teams (both male and female) is a laborious and time consuming task. Mike Kinrade and his Assistant David Moir have had that responsibility for a number of years.

Following Mike's intimation to retire Duncan Don was appointed on a temporary basis, culminating in his appointment as Kit Manager on 1st December, 1998. David

John Collins launches the fans' good behaviour campaign with Sam Galbraith, Health Minister at the Scottish Office.





Moir the Assistant Commissionaire was also appointed Commissionaire to replace Mike Kinrade and has taken over the mantle of ensuring an efficient, secure and well maintained accommodation at Park Gardens.

The Office Bearers, Council and staff of the Association have paid tribute to the sterling work of the Kinrades and have suitably acknowledged their loyalty and dedication.

Reception

As already outlined France '98 had a major influence in the work of the Security Department and this included telephone and reception duties at the Front Office. The demand for ticketing and match information from the Scottish public was exceptional and Glenda Robertson with the assistance of other departments at the front office maintained the quality of service that the public expect from Park Gardens.

In June 1998 Nicola Buddo joined the staff as Office Junior and under Glenda Robertson's guidance has settled in well to her many and varied duties at the Front Office.

Mailroom

The important duty of meeting the demands of an ever increasing volume of outgoing mail is very much a performance indicator of the efficiency of our organisation. Bob Dougan who is now 72 years of age has been responsible for this task for the last 10 years and because of the workload coupled with the preparation for the Association's move to Hampden Park in late 1999, Bob Bryan was appointed as the new Mailroom Manager on 1st December, 1998. Bob has a background with the Post Office and British Telecom and his experience will be an asset to the function of the ever increasing demands of the mailroom facility.

Bob Dougan will continue in his present capacity until the move to Hampden Park scheduled for late 1999.

General Security Duties

Willie McDougall continued his duties as Security Adviser by the monitoring of safety and crowd control duties at domestic fixtures at the Scottish Premier League, Scottish Football League and Association Cup Competitions. With a close working relationship with the Disciplinary and Referee Department of the Association all matters of crowd control and safety that require to be addressed by reports from match officials were progressed satisfactorily.

The arrangements of security for the official Scottish party and Scottish supporters at International matches at home and

abroad and the monitoring of the behaviour of the Scottish support continued during 1998.

A pre-match operational meeting and visit was made to Lithuania for the European Championship Qualifying match in September, 1998. Home fixtures were 'A' International Challenge Matches against Denmark at Ibrox Stadium on 25th March, 1998, and against Finland at Easter Road Stadium on 22nd April, 1998. The European Championship Qualifying home fixtures were against Estonia at Tynecastle Stadium on 10th October and against The Faroe Islands at Pittodrie Stadium on 14th October, 1998.

The behaviour of our supporters at home and abroad has been in keeping with the excellent tradition of recent years.

Liaison security work was also completed for the UEFA under 16 Tournament in April/May, 1998, hosted by the Scottish Football Association. This event created security duties at 16 Hotel complexes throughout Scotland along with 8 venues.

In addition the Security Adviser participated in a EU Seminar on the World Cup at Blackburn in February 1998 and attended the Stadia 2000 exhibition and seminar at Cardiff in April, 1998.

Local Police liaison involved participation in seminars at Strathclyde Police in April, 1998, and Tayside Police in September, 1998. Such links and dialogue are important in ensuring a strong and trusting relationship with the Police Service in Scotland.

Combating Racism

For 3 days in February, 1998, Willie McDougall and Jim Sinclair, Youth/ Children's Programme Director were involved in a seminar and exhibition at the European Parliament in Brussels on "Combating Racism - the contribution of Football".

The Association displayed and manned an exhibition at the seminar and exhibited posters designed by children from local schools in the Glasgow area. This seminar and subsequent literature and video have been circulated to interested youth and community groups throughout Scotland. Member clubs are to be congratulated on excellent individual club action in this important area.

Secretarial

The department has been ably supported by Margaret Murray despite her heavy workload also assisting the Legal & Special Projects Department.

Commercial & Marketing Department

The Commercial and Marketing Department of the Association is delighted to announce an increase of over 20% in the revenue generated from sponsorship related activities to £7.7 million during the course of 1998. In addition, goods to the value of £315,000 were received during the course of the year including kit for all the national teams, footballs, referees' kit and vehicles.

The increase in income is attributable to several factors including the renewal of existing contracts, new sponsors being attracted and specifically the Scotland Team's participation in the World Cup Finals.

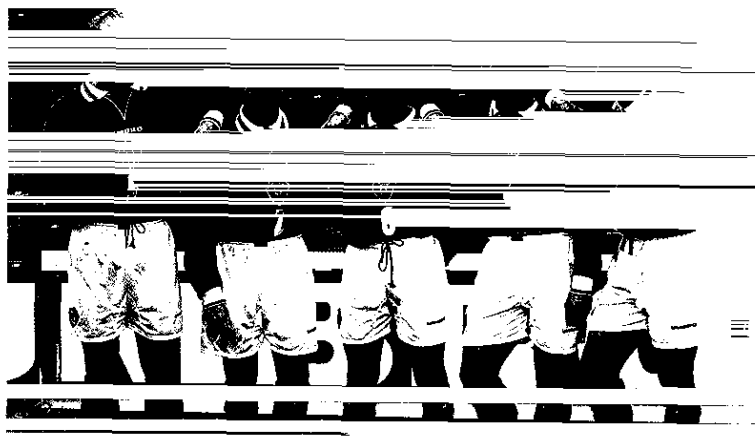
Whilst Sainsbury's became the Official SFA Supermarket, Ariel, the Official Laundry Detergent Supplier and British Airways the Official Airline of the SFA in World Cup year, many other new contracts were concluded prior to France '98 covering a diverse range of officially licensed products of the SFA including books, a supporters' pack, cakes, toiletries, figurines and even bed linen and wallpaper. These contracts generated £1/2 million on their own.

Several contracts were successfully renegotiated during the course of 1998 including the long-standing relationship with BBC Radio Scotland for the broadcast of Scottish Gas International matches and Tennents Scottish Cup matches for a further four years until the end of Season 2001/2002. Broadcasts of these matches will extend to the whole of the UK with the renewal of the contract with BBC Radio 5 for the same period. In addition, a lucrative extension of the contract with VH Sportmedia was agreed for the trackside advertising rights and television rights to the country of opposition only, for matches involving the full Scotland team until June 2002.

Furthermore, this company has entered into a completely new contract with the Association for the general overseas television rights to Tennents Scottish Cup matches and Scottish Gas International matches. Panini UK has extended its contract to produce card and sticker collections featuring members of the Scotland squad for 2 years to cover the Euro 2000 campaign. Finally, a new contract was finalised in 1998 with SR Gent to manufacture a range of children's leisurewear products.

Unfortunately, as a result of the creation of the new Scottish Premier League, the department's revenue earning potential on behalf of The Scottish Football League has been greatly diminished although new television contracts with the Scottish Media Group means there will be approximately £1 million per year for the next four years being earned by The Scottish Football League.

The future does however look good for The Scottish Football Association as we head towards the millennium, with the Nationwide Building Society confirmed as the first sponsor of 1999 with a four year agreement and at least one other major company seeking to join them as a secondary sponsor of the Association.



The new Scotland home strip was launched before the World Cup.



Jonathan Gould and Davie Weir help to launch an associate sponsorship agreement with Philip Williamson of Nationwide Building Society.

Scotball Travel & Leisure Ltd

The Travel Department continues to play an important role for the Association with 1998 being a particularly busy year.

Early in the year it was evident that additional staff would be required to assist with the workload and subsequently a new member of staff joined the Company in the spring.

Late in 1997 a visit was made to France with a view to pinpointing accommodation that would be suitable for the team and officials during the World Cup, after discussions with the National Coach it was agreed to make our base in the south of France and the Hotel Vallon de Valrugues at Saint-Rémy-de-Provence was reserved and proved to be a perfect choice for the players preparations. With the first round matches being played in Paris, Bordeaux and St. Etienne it certainly gave us some logistical problems to be solved concerning travel and accommodation however, these were resolved in good time.

In addition to the National team we also made arrangements for 65 members of the media during France '98, these included personnel from newspapers, radio and television who not only covered Scotland matches but also other games in the tournament which led to many complex itineraries being arranged.

There are many faceted travel requirements for the Association, which include arrangements for the International squad, the various youth squads and the Women's International team for home and away matches. Other requirements can vary from making the necessary travel arrangements for FIFA and UEFA appointed referees to officiate in various parts of the World, to arranging accommodation for the Community Officers during their travels throughout Scotland to coach youngsters in the skills of football.

We have seen an increase in bookings for incentive groups, where companies wish to award their sales staff for outstanding performance but are wary of an open-ended commitment to spending hard earned cash. In the last year we have arranged a number of long week-ends for groups and the packages have included sand boarding on the sand dunes of Dubai, a helicopter ride from Toronto to Niagara Falls, a horse drawn carriage ride through Central Park in New York with lunch at the wonderful Inn on the Park restaurant and a visit to Lapland to meet Father Christmas.



Scotland fans at the World Cup, many of whom travelled with Scotball.

The travel industry is changing speed, moving ever closer to a paperless world and 1998 was no exception with the introduction of Electronic Ticketing, commonly known as E-ticket, by a number of airlines on certain routes. Essentially this does away with the need for the conventional ticket as we know it, reservations are made in the normal way on our in-house computers and the client then supplied with the booking reference. Upon arrival at the airport the client proceeds directly to the E-ticket self service check-in machine and have their boarding card issued, they can also check-in for their booked return flight if they are returning within 24 hours. No need to join a queue at check-in desks, they then go directly through security to the departure gate, it's that simple.

It was a pleasure this year to look after the arrangements for Heart of Midlothian FC for their European matches in Estonia and Majorca where their supporters enhanced the reputation of Scotland with excellent behaviour and friendship shown to supporters of the host countries.

During the year our workload was varied but as usual included individual clients travel requirements be it in the United Kingdom, Europe or to far flung parts of the World, from the mundane to the bizarre, for both business and pleasure, you certainly get variety in this business.

We look forward to moving to the National Stadium and all that will entail. It will be a wonderful opportunity to move forward in our thinking, encouraging our business to prepare for the challenges of the Millennium.

Print Department

The Print Department of the Association completed its fourth year of production in 1998. The Department continued to provide the Association with high quality, cost effective reprographic services consisting of colour printing, high volume photocopying, colour photocopying and document finishing. As in the previous year the demand for quality colour printing was in the increase.

The range of high quality work produced in-house for all departments includes letterheads, compliment slips, business cards, player registration forms, misconduct report forms, colour leaflets, booklets, reports, manuals, minutes of meetings, posters, certificates, labels, menus, tickets, ticket sundries and particular printing matter which may be security sensitive.

The Association's commitment to youth development can be seen by the Technical Department production figures in the chart below. These figures relate to publications distributed throughout Scotland to youth of all ages.

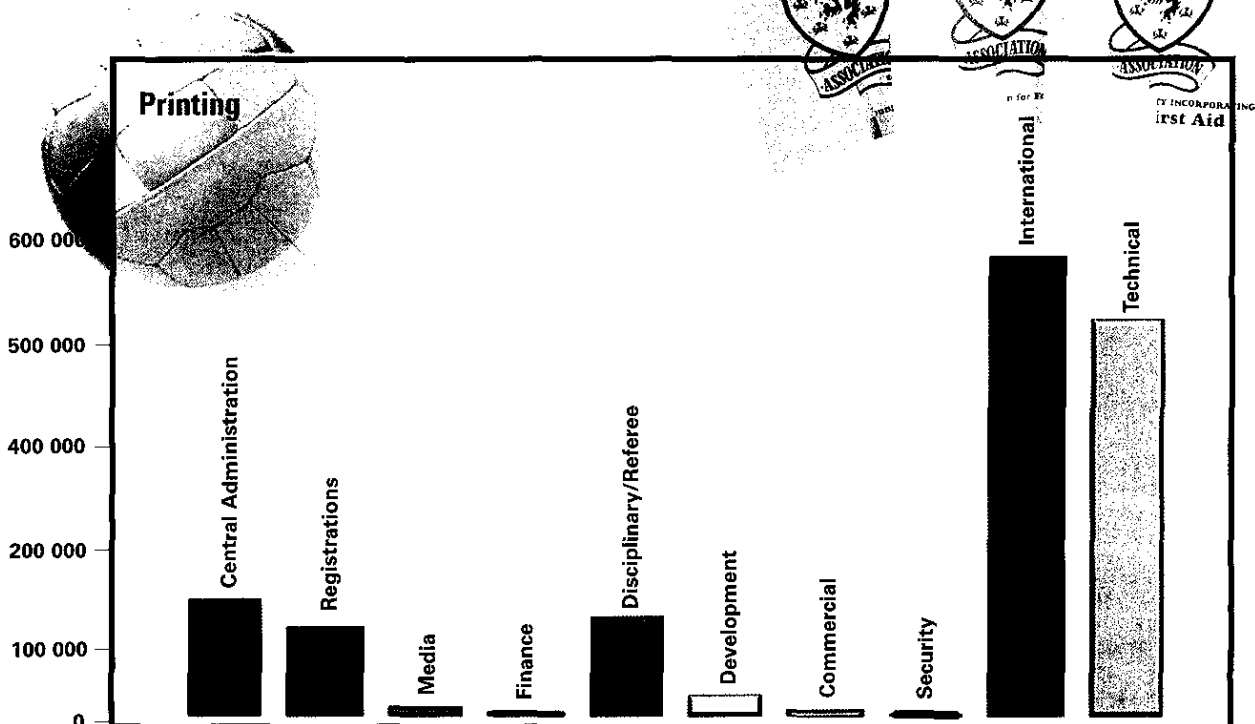
Internally the Print Department as a service department continually advises user clients to the most economical methods of production in order to attain maximum efficiency savings and value for money.

Externally the Print Department continues to ensure that the Association and other clients receive consistent high quality and value for money when procuring external design and printing work and on a regular basis negotiates favourable terms on paper purchases.



The Print Department additionally provides both cost and efficiency benefits to other clients such as the Scottish Premier League, Scottish Amateur Football Association, Scottish Women's Football Association and Scotball Travel.

With the increase to the business of the Association, the Print Department has recently recruited Peter Morgan as an apprentice printer who will complete a modern printing apprenticeship leading to a Scottish Vocational Qualification (SVQ), awarded by the Scottish Qualifications Authority (SQA). Peter's post will be an important addition providing support to Print Manager Joe McGlynn and to Lithographer John Mathie in the daily activities of the Print Department. The new post creates an ideal opportunity for young Peter to join the Association in an exciting time as the Association heads into the new Millennium and relocates to the new home of football at the National Stadium.



The National Stadium

The opening of the magnificent new National Stadium at Hampden Park is imminent! The stadium, which is the Millennium Commission's chosen landmark project in Scotland will be one of Europe's finest sports arenas with a range of facilities unrivalled in Britain. The first major event held at the stadium is targeted to be the Tennents Scottish Cup Final on 29th May 1999, a historic occasion to look forward to with great expectation.

Over the last 12 months the project has developed at a considerable rate and is now almost complete. The new BT South Stand, developed at a cost of £53 million, will be the single biggest stand anywhere in the UK. The BT South Stand will house the National Football Museum plus a state of the art Sports Injuries and Medical Research Centre, an International Media Centre and world class conference and hospitality facilities, including a 250 seat Lecture Theatre. It will be the new home for the SFA and other footballing bodies in Scotland. A principal aim is for the stadium to achieve UEFA's 5 star rating making it an attractive venue for major football tournaments. The stadium will also be utilised for other events such as rock concerts. The capacity of the stadium will be almost 53,000 and it is anticipated the overall completion of the stadium will be completed prior to the end of the year, ready for the new Millennium.

The redeveloped stadium has been funded by a variety of contributors, including the Millennium Commission, the Football Trust, the Scottish Office, the Scottish Sports Council, Glasgow Development Agency, Strathclyde European Partnership, the former Strathclyde Regional Council and City of Glasgow District Council, the proceeds of the debenture issue and the sponsorship by BT Scotland.



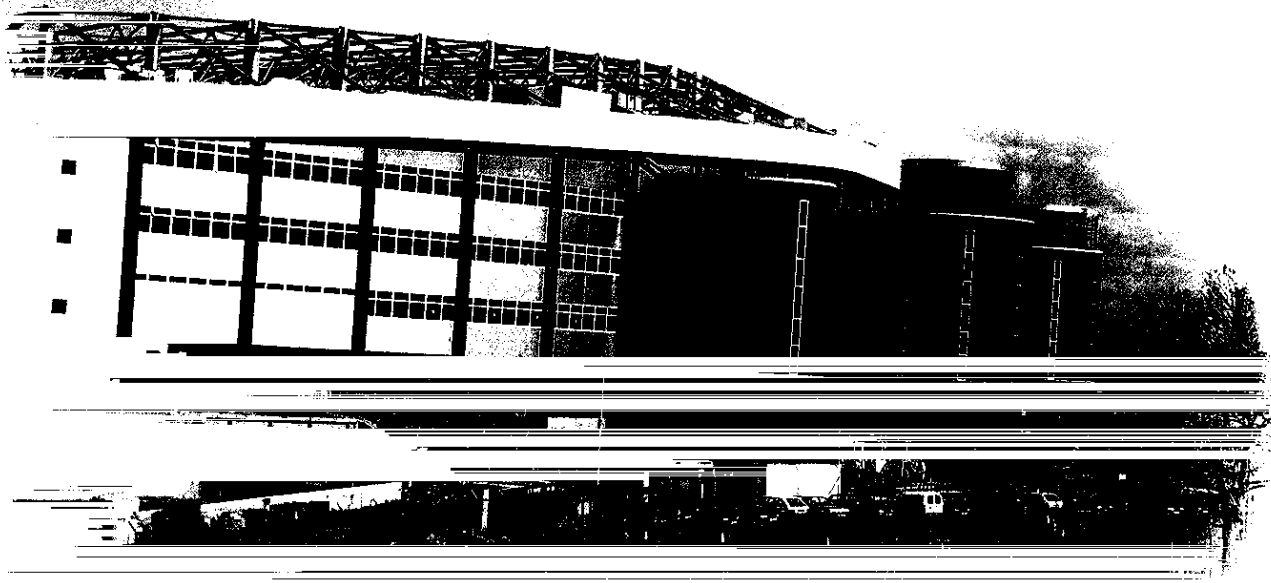
During 1998, the Association concluded 20 year agreements with The National Stadium PLC, operator of the stadium, for the rental of the stadium for International, Scottish Cup and other matches under the jurisdiction of the Association, and a lease arrangement for the rental of the SFA offices in the stadium. The Association's administration will relocate from Park Gardens to the National Stadium towards the end of 1999.

Everyone in Scottish football will look forward to the return of Hampden and the rebirth of the famous Hampden Roar. The stadium has been the scene of many great matches in years gone by and will soon become again Scotland's field of dreams.



Hampden

SCOTLAND'S NATIONAL STADIUM



Sports Injuries and Medical Research Centre

The Sports Injuries and Medical Research Centre will be in the new BT South Stand of the National Stadium and will provide a centre of excellence which will supply sports medicine and science support, not only for football, but for all sports and will seek to have a health-care role in the community. There will be three core elements to the Centre - Service, Education and Research.

The Centre will be state-of-the-art and, it is anticipated, will lead the field in sports injuries and medical research in Scotland and indeed the rest of the United Kingdom. It will be easily accessed by three quarters of the Scottish population and will allow the best therapy to be administered.

The BT South Stand has also been designed to accommodate the needs of disabled persons. The Centre will therefore also be able to be accessed by ambulant or wheelchair means and will provide medical facilities and treatment for the disabled population.

The Centre will comprise:-

- **eight specialist treatment rooms**
- **a hydrotherapy pool**
- **a performance laboratory to assess muscle strength and co-ordination**
- **a large fitness suite with appropriate isokinetic, isotonic and isometric exercise equipment**
- **an indoor warm up and sprint area will be available nearby**
- **reception and administration offices**

The Association is working in collaboration with other partner groups in football and, for example, the academic world, to enable this exciting project to come to fruition.





Legal and Special Projects Department


The rapid pace of change in football over the last few years has resulted in unprecedented development and expansion in all areas of activity for the Association. In particular there has been a considerable increase in the legal nature of the football industry. The Association was therefore delighted to welcome Murray Mathieson to head the newly created Legal & Special Projects Department, in February 1998. His previous experience includes corporate and commercial legal work within private practice law firms in Scotland and in the British West Indies. He then spent five years in the in-house legal department at British Aerospace Prestwick, where for the final two years he was the Company Secretary and Legal Adviser. Murray is assisted by secretary Margaret Murray.


The core areas of activity for the department include commercial contracts, copyright, European Law, media, company secretarial, and dispute resolution issues. Advice is given to various standing committees, particularly Executive and Appeals, and to other departments in the Association on a daily basis. Due to the volume and specialist nature of the legal work in which it becomes involved, the Association continues to utilise the services of external advisers and an important role for the department is to act as the focus for these suppliers and ensure that the relationships are managed for the maximum benefit of the Association. A supply contract has been implemented with the Association's primary legal advisers, Messrs. Burness.

The new department has integrated quickly into the organisation and an open door policy has been adopted. The best way to achieve the fundamental initial objectives of the department - understanding the business, creating an infrastructure, marketing the department and developing relationships both internally and externally, is to have a high workload. In such a busy year for the Association this was certainly the case for the Legal & Special Projects Department! Some of the specific issues which the Department was involved in were:

 The process relating to the setting up of the Scottish Premier League against a tight time constraint, and ensuring that all aspects relating to the separation from the Scottish Football League, the constitution and the rules of the Scottish Premier League, the approval processes required, and the relationship of the Scottish Premier League with the Association were acceptable and implemented correctly.

 Assisting with negotiations, drafting, and finalising a wide variety of commercial contracts including those with BSkyB, BBC Radio Scotland and Nationwide Building Society.

 The agreements with The National Stadium PLC relating to rental of the Stadium for 20 years for Scottish International, Scottish Cup and other SFA matches, and the SFA offices in the BT South Stand.

 The department was closely involved in the arbitration brought by Celtic FC against the Association in relation to Jorge Cadete's registration, which finally resulted in a settlement in favour of Celtic FC.

The Department has also been heavily involved in a number of general business projects, such as the Sports Injuries and Medical Research Centre to be based at the National Stadium. The recent Report by Mr Ken Woods, which was commissioned by the Association into the organisational management structure of the SFA, and associated aspects, was ratified by the relevant committees in 1998. The Department was recently tasked with implementing the recommendations in the report, which amount in effect to a management change programme. Already, in January 1999, all staff were invited to a presentation at the National Stadium where the background to the report and its purpose and content was outlined and discussed, in order that staff were involved at the earliest possible stage of the process. A Human Resources Manager will be recruited into the Department as part of the process. This management initiative is an exciting and important development within the Association as the organisation prepares to move into the new Millennium and the new home at Hampden Park.

The Scottish Football Association Limited

Consolidated Financial Statements

for the year ended 31 December 1998

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Report of the Office Bearers

President

J. C. McGinn

Vice Presidents

J. F. McBeth

C. P. Robinson

Treasurer

G. W. Peat

The Office Bearers have pleasure in presenting their report together with financial statements for the year ended 31 December 1998.

Principal Activities

The principal activity of the Association is the furtherance and control of the game of football in Scotland. In addition a travel agency is operated through a subsidiary undertaking.

Business Review

The surplus for the year after taxation amounted to £510,608 (1997 - surplus £158,394) and has been transferred to reserves as noted on page 48.

Office Bearers and Council

On 2 June 1998, Mr D. B. Smith retired as 2nd Vice President and Mr C. P. Robinson was appointed as 2nd Vice President.

The Office Bearers with the exception of Mr C. P. Robinson, who is appointed by the Scottish Premier League, offer themselves for re-election at the Annual General Meeting.

In accordance with the Articles, the members of Council are due for election at the Annual General Meeting.

Office Bearers' responsibilities for the financial statements

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

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

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

Fixed Assets

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

Charitable Donations

Donations to charitable organisations amounted to £262,600.

Year 2000 Compliance

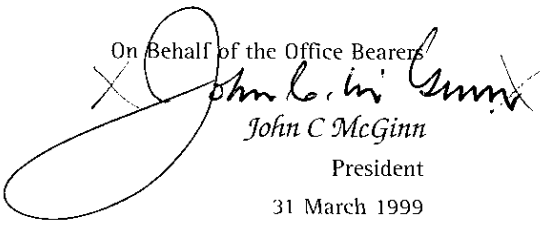
The Association has reviewed its computer systems for the impact of the Year 2000. The Association has almost completed the upgrade and replacement of all software or hardware that has been highlighted as not Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Association believes that its plans are appropriate and adequate to address the issue.

Auditors

Grant Thornton offer themselves for re-appointment as Auditors in accordance with Section 385 of the Companies Act 1985.

On Behalf of the Office Bearers


John C McGinn

President

31 March 1999



Report of the Auditors to the Members of The Scottish Football Association Limited

We have audited the financial statements on pages 48 to 64 which have been prepared under the accounting policies set out on page 53.

Respective responsibilities of Office Bearers and Auditors

As described on page 46 the Office Bearers are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1998 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

Registered Auditors

Chartered Accountants

Glasgow

31 March 1999

Consolidated Profit and Loss Account

for the year ended 31 December 1998

	Note	1998 £	1997 £
Turnover	1	14,308,568	10,897,973
Cost of sales		9,798,749	8,007,184
Gross profit		4,509,819	2,890,789
Other operating income			
Release from other reserves	11	482,720	464,516
		4,992,539	3,355,305
Grant to The Football Trust		1,000,000	500,000
Administrative expenses		4,394,534	3,450,873
Operating deficit		(401,995)	(595,568)
Income from fixed asset investments		139,076	145,130
Gain on realisation of fixed asset investments		412,893	149,707
Interest receivable		339,381	357,906
Surplus for the year before taxation	3	489,355	57,175
Taxation	4	21,253	101,219
Surplus for the year after taxation		510,608	158,394
Transfer to reserves:			
Community Officers Scheme	11	350,000	250,000
Development Projects Fund	11	200,000	200,000
Direct Training Grant Fund	11	175,000	45,000
Accumulated Surplus	12	(214,392)	(336,606)
		510,608	158,394

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

Consolidated Balance Sheet

at 31 December 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	5a	1,602,904	1,536,969
Investments	6	1,500,527	1,080,593
		<u>3,103,431</u>	<u>2,617,562</u>
Current assets			
Debtors	7	1,672,900	906,392
Cash at bank and in hand	14	4,669,008	4,371,312
		<u>6,341,908</u>	<u>5,277,704</u>
Creditors: amounts falling due within one year	8	<u>4,202,283</u>	<u>2,679,700</u>
Net current assets		<u>2,139,625</u>	<u>2,598,004</u>
Total assets less current liabilities		<u>5,243,056</u>	<u>5,215,566</u>
Deferred taxation	9	-	398
		<u>5,243,056</u>	<u>5,215,168</u>
Reserves			
General reserve		1,500,000	1,500,000
Investment revaluation reserve	10	343,901	343,901
Other reserves	11	1,989,896	1,747,616
Accumulated surplus	12	1,409,259	1,623,651
		<u>5,243,056</u>	<u>5,215,168</u>

The financial statements were approved by the Office Bearers on 31 March 1999.

John C McGinn President

John F McBeth Vice President

George W Peat Treasurer

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

Company Balance Sheet at 31 December 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	5b	1,594,405	1,521,217
Investments	6	1,530,527	1,100,593
		<u>3,124,932</u>	<u>2,621,810</u>
Current assets			
Debtors	7	1,761,872	931,094
Cash at bank and in hand		<u>4,027,776</u>	<u>3,904,318</u>
		5,789,648	4,835,412
Creditors: amounts falling due within one year	8	<u>4,158,041</u>	<u>2,619,013</u>
Net current assets		<u>1,631,607</u>	<u>2,216,399</u>
		<u>4,756,539</u>	<u>4,838,209</u>
Reserves			
General reserve		1,500,000	1,500,000
Investment revaluation reserve	10	343,901	343,901
Other reserves	11	1,989,896	1,747,616
Accumulated surplus		<u>922,742</u>	<u>1,246,692</u>
		<u>4,756,539</u>	<u>4,838,209</u>

The financial statements were approved by the Office Bearers on 31 March 1999.

John C McGinn President

John F McBeth Vice President

George W Peat Treasurer

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

Consolidated Cash Flow Statement

for the year ended 31 December 1998

	Note	1998	1997
		£	£
Net cash outflow from operating activities	13	(52,431)	(1,587,682)
Returns on investments and servicing of finance			
Interest received		339,381	357,906
Income from investments		139,076	145,130
Net cash inflow from returns on investments and servicing of finance		478,457	503,036
Taxation			
Tax paid		(26,138)	(197,986)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(95,151)	(31,685)
Purchase of investments		(802,029)	(391,739)
Proceeds of disposal of tangible fixed assets		-	101,600
Proceeds of disposal of investments		794,988	389,669
Net cash (outflow)/inflow from capital expenditure and financial investment		(102,192)	67,845
Net cash inflow/(outflow) before management of liquid resources		297,696	(1,214,787)
Management of liquid resources			
Placed on short-term deposit		-	(3,000,000)
Withdrawn from short-term deposit		2,000,000	4,500,000
Net cash inflow from management of liquid resources		2,000,000	1,500,000
Increase in cash	14	2,297,696	285,213

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



Statement of Recognised Gains and Losses

for the year ended 31 December 1998

	Note	1998	1997
		£	£
Surplus for the financial year		510,608	158,394
Other reserves			
Release to income	11	(482,720)	(464,516)
Total recognised gains and losses for the period		<u>27,888</u>	<u>(306,122)</u>
Opening reserves		<u>5,215,168</u>	<u>5,521,290</u>
Closing reserves		<u>5,243,056</u>	<u>5,215,168</u>

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

Principal Accounting Policies

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

Basis of consolidation

The group financial statements consolidate those of the company and of the subsidiary undertaking (see note 6). The financial statements of the subsidiary undertaking have been prepared to 31 December 1998.

Association structure

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

Turnover

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

Depreciation

Depreciation is calculated at the following rates:

- Computer and office equipment – 25% and 10% straight line
- Printing equipment – 10% straight line

No depreciation is provided on freehold property as it is the Association's policy to maintain this property in a continual state of sound repair and to extend and make improvements thereto from time to time and accordingly it is considered that the life of the property is sufficiently long and the residual value sufficiently high that its depreciation is insignificant.

Furniture and fittings of the Association are charged to revenue in the year of purchase.

Deferred taxation

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

Investments

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

Investment properties

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

Pension

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

Contributions payable for the year to defined contribution schemes are charged against surplus.

Operating leases

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

Other reserves

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



Notes to the Financial Statements

1. Turnover

	1998	1997
	£	£
Turnover is analysed as follows:		
Gross match receipts	7,414,815	6,191,231
Other activities	6,893,753	4,706,742
	<u>14,308,568</u>	<u>10,897,973</u>

2. Employment costs

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

	1998	1997
	£	£
Wages and salaries	1,813,702	1,569,041
Social security	189,687	164,057
Other pension costs (see note 18)	353,779	274,321
	<u>2,357,168</u>	<u>2,007,419</u>
 Average number of employees of the group during the year	 66	 60

Notes to the Financial Statements continued

3. Surplus for the year before taxation

The surplus for the year before taxation is stated after:

	1998 £	1997 £
Auditors' remuneration:		
Audit services	16,825	16,125
Non-audit services	26,925	20,537
Depreciation	29,216	27,803
Hire of equipment	3,651	4,794
Loss on disposal of tangible fixed assets	-	15,298
	<hr/>	<hr/>

4. Tax on surplus on ordinary activities

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

	1998 £	1997 £
United Kingdom corporation tax recoverable @ 31% - current year	-	108,499
- prior years	32,921	-
Tax on investment income	(12,066)	(7,968)
Transfer from deferred tax	398	688
	<hr/>	<hr/>
	21,253	101,219



Notes to the Financial Statements continued

5. Tangible fixed assets

a) The Group	Land and Buildings Investment Property	Buildings Heritable Property	Computer, Printing & Office Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 1998	935,000	516,077	291,861	1,742,938
Additions at cost	80,046	-	15,105	95,151
At 31 December 1998	1,015,046	516,077	306,966	1,838,089
Depreciation				
At 1 January 1998	-	-	205,969	205,969
Provided in the year	-	-	29,216	29,216
At 31 December 1998	-	-	235,185	235,185
Net book value at 31 December 1998	1,015,046	516,077	71,781	1,602,904
Net book value at 31 December 1997	935,000	516,077	85,892	1,536,969

Investment properties were revalued on 31 December 1998 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. This did not require any adjustment to the valuation previously included in the financial statements.

Notes to the Financial Statements continued

5. Tangible fixed assets (continued)

b) The Company

	Land and Buildings Investment Property	Heritable Property	Computer System	Printing Equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 1998	935,000	516,077	153,935	89,256	1,694,268
Additions at cost	80,046	-	15,105	-	95,151
At 31 December 1998	1,015,046	516,077	169,040	89,256	1,789,419
Depreciation					
At 1 January 1998	-	-	141,749	31,302	173,051
Provided in the year	-	-	13,037	8,926	21,963
At 31 December 1998	-	-	154,786	40,228	195,014
Net book value at 31 December 1998	1,015,046	516,077	14,254	49,028	1,594,405
Net book value at 31 December 1997	935,000	516,077	12,186	57,954	1,521,217

Investment properties were revalued on 31 December 1998 by Messrs Griffin Webster, Chartered Surveyors, at their open market values. This did not require any adjustment to the valuation previously included in the financial statements.

c) The Group and the Company

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

	Investment Property £
Cost	671,145
Accumulated depreciation	-
Net book value at 31 December 1998	671,145
Net book value at 31 December 1997	591,099



Notes to the Financial Statements continued

6. Investments

	Quoted £
The Group	
At cost 1 January 1998	1,080,593
Additions	802,029
Disposals	(382,095)
	<hr/>
At cost 31 December 1998	<u>1,500,527</u>

The market value of quoted investments at 31 December 1998 was £2,269,627 (1997 - £1,970,038).

The Company

In addition to the above quoted investments, the company holds at cost an investment of £30,000 (1997: £20,000) in the wholly owned subsidiary undertaking Scotball Travel and Leisure Limited. This company is registered in Scotland and has an issued share capital of 30,000 (1997: 20,000) ordinary shares of £1.

7. Debtors

	The Group		The Company	
	1998	1997	1998	1997
	£	£	£	£
Amounts owed by group undertakings	-	-	176,502	116,657
Other debtors	1,424,888	572,320	1,351,471	495,065
Prepayments and accrued income	125,806	231,584	111,693	216,884
Taxation recoverable	122,206	102,488	122,206	102,488
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,672,900</u>	<u>906,392</u>	<u>1,761,872</u>	<u>931,094</u>



Notes to the Financial Statements *continued*

8. Creditors: amounts falling due within one year

	<i>The Group</i>		<i>The Company</i>	
	1998	1997	1998	1997
	£	£	£	£
Accruals and deferred income	3,989,625	2,577,770	3,945,383	2,519,427
Social security and other taxes	212,658	101,930	212,658	99,586
	<u>4,202,283</u>	<u>2,679,700</u>	<u>4,158,041</u>	<u>2,619,013</u>

9. Deferred taxation

Deferred taxation in respect of accelerated capital allowances is provided in the financial statements at 21% as follows:

	1998	1997
	£	£
The Group	-	398
The Company	-	-

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

10. Investment property revaluation reserve

The Group and the Company

	1998	1997
	£	£
At 1 January 1998	343,901	343,901
Arising on revaluation	-	-
At 31 December 1998	<u>343,901</u>	<u>343,901</u>



Notes to the Financial Statements continued

11. Other reserves

The Group and the Company

	At 1 January 1998 £	Transfer from surplus for the year £	Release to income £	At 31 December 1998 £
Grants Scheme	43,850	-	-	43,850
Approved projects of Affiliated National Associations	14,309	-	-	14,309
Community Officers Scheme	526,761	350,000	(376,858)	499,903
Development Projects Fund	933,666	200,000	(13,239)	1,120,427
Junior Goalposts Scheme	82,483	-	8,206	90,689
Scottish Football Association Museum Trust	33,875	-	(33,157)	718
UEFA 'U16' Youth Championships 1998 Fund	67,672	-	(67,672)	-
Direct Training Grant Fund	45,000	175,000	-	220,000
	<u>1,747,616</u>	<u>725,000</u>	<u>(482,720)</u>	<u>1,989,896</u>

Notes to the Financial Statements continued

12 Accumulated surplus

	1998 £	1997 £
Accumulated surplus at 1 January 1998	1,623,651	1,960,257
Deficit for the year	(214,392)	(336,606)
Accumulated surplus at 31 December 1998	<u>1,409,259</u>	<u>1,623,651</u>

The retained deficit for the year has arisen from the group companies as follows:

	1998 £	1997 £
By the Association	(323,950)	(344,685)
By subsidiary undertaking	109,558	8,079
	<u>(214,392)</u>	<u>(336,606)</u>

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

13. Net cash outflow from operating activities

	1998 £	1997 £
Operating deficit	(401,995)	(595,568)
Depreciation	29,216	27,803
Loss on disposal of tangible fixed assets	-	15,298
(Increase)/decrease in debtors	(746,790)	312,307
Increase/(decrease) in creditors	1,549,858	(883,006)
Release from other reserves	(482,720)	(464,516)
Net cash outflow from operating activities	<u>(52,431)</u>	<u>(1,587,682)</u>



Notes to the Financial Statements continued

14. Reconciliation of net cash flow to movement in net funds

	1998	1997
	£	£
Increase in cash in the year	2,297,696	285,213
Cash outflow from decrease in liquid resources	(2,000,000)	(1,500,000)
Movement in net funds in the year	297,696	(1,214,787)
Net funds at 1 January 1998	4,371,312	5,586,099
Net funds at 31 December 1998	4,669,008	4,371,312

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

15. Analysis of net funds

	At 1 January 1998	Cash Flow	At 31 December 1998
	£	£	£
Cash at bank and in hand	1,371,312	2,297,696	3,669,008
Short-term deposits	3,000,000	(2,000,000)	1,000,000
	4,371,312	297,696	4,669,008



Notes to the Financial Statements continued

16. Capital commitments

There were no capital commitments at 31 December 1998 or 31 December 1997.

17. Contingent liabilities

There were no contingent liabilities at 31 December 1998 or 31 December 1997.

18. Pension commitments

The Association operates a Pension Scheme of the Defined Benefit type, providing benefits to members based on final pensionable salary. The assets of the scheme are held separately from those of the Association, being invested with an insurance company. As stated on page 53 it is policy that contributions to the scheme are charged to the profit and loss account, to spread the cost of pensions over employees' working lives with the Association. In practice however, due to the relative immateriality of the figures involved, charges in the profit and loss account are on a cash basis in accordance with the contributions paid as set out below. The contributions are determined by a qualified actuary on the basis of regular (triennial) valuations using the projected unit method. The latest valuation available was carried out in May 1997. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investment and the rates of increase in salaries. It was assumed that investment returns would be 8% per annum and that salary increases would average 6.25% per annum.

The actuarial valuation showed that the market value of the scheme's assets was £3,598,000 and that the actuarial value of those assets represented 104% of the value of the liabilities accrued to the valuation date at 1 May 1997.

The Association also contributes to defined contribution schemes.

The total pension charge for the year was £353,779 (1997 - £274,321).



Notes to the Financial Statements continued

19. Leasing Commitments

Operating lease payments amounting to £69,102 (1997 - £98,680) are due within the year. The leases to which these amounts relate expire as follows:

	1998		1997	
	Motor Vehicles	Other	Motor Vehicles	Other
	£	£	£	£
In one year or less	62,258	4,848	-	-
Between one and five years	-	1,996	96,000	2,680
	<u>62,258</u>	<u>6,844</u>	<u>96,000</u>	<u>2,680</u>

20. Future Commitments

During 1998 the Association entered into Heads of Terms for the use of the National Stadium at Hampden Park broadly as follows:

	£
Rental of Stadium for Football Matches per annum	750,000
Office accommodation per annum	170,000
	<u>920,000</u>

These rentals are subject to retail price index/rent review adjustments and are for a 20 year period.