

sc 5453

THE SCOTTISH FOOTBALL
ASSOCIATION LIMITED

CONSOLIDATED
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

12



THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995

INDEX

PAGE

Report of the Office Bearers	1-2
Report of the Auditors	3
Consolidated profit and loss account	4
Consolidated balance sheet	5
Company balance sheet	6
Consolidated cash flow statement	7
Statement of recognised gains and losses	8
Accounting policies	9-10
Notes to the financial statements	11-19

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

REPORT OF THE OFFICE BEARERS

Office Bearers: President: W H Dickie
 Vice Presidents: J C McGinn
 J Y Craig

 Treasurer: J F McBeth

The Office Bearers present their report together with financial statements for the year ended 31 December 1995.

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 the subsidiary undertaking.

Business Review

The surplus for the year after taxation amounted to £496,270 (1994 - surplus £447,544) and has been transferred to reserves as noted on page 4.

Office Bearers and Council

The Office Bearers with the exception of J Y Craig, who is appointed by the Scottish Football 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 of the profit or loss of the company for that period. In preparing those financial statements, the Office Bearers are required to:

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

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

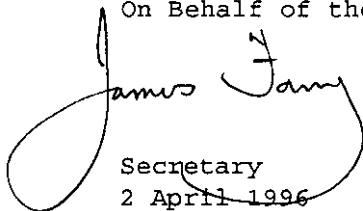
Fixed Assets

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

Auditors

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

On Behalf of the Office Bearers



Secretary
2 April 1996

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

We have audited the financial statements on pages 4 to 19 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 company's 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.

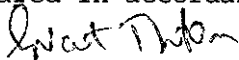
Basis of opinion

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 company'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 1995 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

2 April 1996

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	Note	1995 £	1994 £
Turnover	1	9,657,676	8,420,855
Cost of sales		6,453,074	4,874,263
Gross profit		3,204,602	3,546,592
Other operating income			
Release from other reserves	10	527,473	721,507
		3,732,075	4,268,099
Grant to Scottish Football League		-	500,000
Grant to Football Trust 1990		250,000	250,000
Administrative expenses		3,182,666	3,197,441
Operating surplus		299,409	320,658
Income from fixed asset investments		35,156	28,309
Interest receivable		353,774	216,901
Surplus for the year before taxation	3	688,339	565,868
Taxation	4	192,069	118,324
Surplus for the year after taxation		496,270	447,544
Transfer to reserves:			
Community Officers Scheme	10	200,000	200,000
Junior Goalposts Scheme	10	200,000	-
UEFA "U16" Youth Championships			
1998 Fund	10	75,000	-
International Football Museum	10	-	90,000
Accumulated surplus	11	21,270	157,544
		496,270	447,544

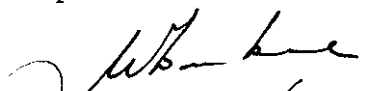
The accompanying accounting policies and notes form an integral part of these financial statements.

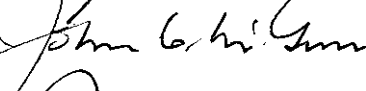
THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1995

	Note	£	1995 £	£	1994 £
Fixed assets					
Tangible assets	5a		1,780,056		1,765,986
Investments	6		902,012		849,449
			<hr/>		<hr/>
			2,682,068		2,615,435
Current assets					
Debtors	7	1,716,377		847,288	
Cash at bank and in hand	13	5,345,234		4,720,118	
		<hr/>		<hr/>	
		7,061,611		5,567,406	
Creditors: amounts falling due within one year	8	3,923,623		2,819,488	
		<hr/>		<hr/>	
Net current assets			3,137,988		2,747,918
			<hr/>		<hr/>
Total assets less current liabilities			5,820,056		5,363,353
Deferred taxation			1,747		1,341
			<hr/>		<hr/>
			5,818,309		5,362,012
			<hr/>		<hr/>
Reserves					
General reserve			1,500,000		1,500,000
Investment revaluation reserve	9	321,401		283,901	
Other reserves	10	1,886,428		1,488,901	
Accumulated surplus	11	2,110,480		2,089,210	
		<hr/>		<hr/>	
			5,818,309		5,362,012
			<hr/>		<hr/>

The financial statements were approved by the Office Bearers on 2 April 1996.

 President

 Vice-President

 Treasurer

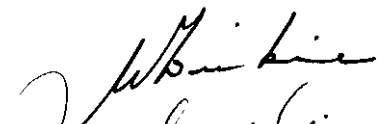
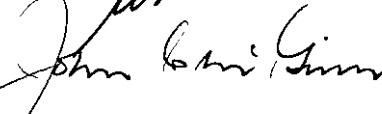
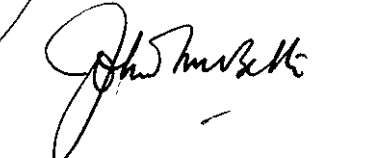
The accompanying accounting policies and notes form an integral part of these financial statements.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

COMPANY BALANCE SHEET AT 31 DECEMBER 1995

	Note	£	1995 £	£	1994 £
Fixed assets					
Tangible assets	5b		1,755,211		1,754,137
Investments	6		922,012		869,449
			<u>2,677,223</u>		<u>2,623,586</u>
Current assets					
Debtors	7	1,636,504		770,887	
Cash at bank and in hand		5,081,555		4,432,270	
			<u>6,718,059</u>	<u>5,203,157</u>	
Creditors: amounts falling due within one year	8	3,912,434		2,788,123	
			<u>2,805,625</u>	<u>2,415,034</u>	
Net current assets			<u>5,482,848</u>	<u>5,038,620</u>	
			<u>=====</u>	<u>=====</u>	
Reserves					
General reserve			1,500,000		1,500,000
Investment revaluation reserve	9		321,401		283,901
Other reserves	10		1,886,428		1,488,901
Accumulated surplus			1,775,019		1,765,818
			<u>5,482,848</u>	<u>5,038,620</u>	
			<u>=====</u>	<u>=====</u>	

The financial statements were approved by the Office Bearers on 2 April 1996.

 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 1995

	Note	1995	1994
		£	£
Net cash (outflow)/inflow from operating activities	12	(54,748)	378,050
Returns on investments and servicing of finance			
Interest received		353,774	216,901
Income from investments		35,156	28,309
Net cash inflow from returns on investments and servicing of finance		388,930	245,210
Taxation			
Tax paid		(22,972)	(223,675)
		(22,972)	(223,675)
Investing activities			
Purchase of tangible fixed assets		(256,643)	(349,773)
Purchase of investments		(183,867)	(292,433)
Proceeds of disposal of tangible fixed assets		137,658	129,575
Proceeds of disposal of investments		166,758	210,834
Net cash outflow from investing activities		(136,094)	(301,797)
Net cash inflow before financing		175,116	97,788
Financing			
External contributions	10	450,000	386,296
Increase in cash and cash equivalents	13	625,116	484,084
		=====	=====

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 1995

	1995 £	1994 £
Surplus for the financial year	496,270	447,544
Other reserves:		
External contributions	450,000	386,296
Release to income	(527,473)	(721,507)
Surplus arising on revaluation	37,500	15,000
	<hr/> 456,297	<hr/> 127,333
Opening reserves	5,362,012	5,234,679
	<hr/>	<hr/>
Closing reserves	5,818,309	5,362,012
	=====	=====

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 1995

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 1995.

Association structure

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

Depreciation

Depreciation is calculated at the following rates:

Motor vehicles	-	25% straight line
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 accounts, and is provided for where there is a reasonable probability of the tax falling due in the foreseeable future.

Turnover

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

Investments

Investments are included at cost.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

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.

Other reserves

Other reserves represent individual schemes and projects managed and partly funded by the Association. Funding from outside sources is excluded from income and credited directly to the reserve in note 10 together with transfers 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 1995

1 Turnover

	1995	1994
	£	£
Turnover is analysed as follows:		
Gross match receipts	4,393,495	3,675,672
Other activities	5,264,181	4,745,183
	<u>9,657,676</u>	<u>8,420,855</u>
	=====	=====

2 Employment costs

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

	1995	1994
	£	£
Wages and salaries	1,397,632	1,349,055
Social security	145,673	142,961
Other pension costs (see note 16)	221,535	196,132
	<u>1,764,840</u>	<u>1,688,148</u>
	=====	=====
Average number of employees of the group during the year	64	60
	==	==

3 Surplus for the year before taxation

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

	1995	1994
	£	£
Auditors' remuneration:		
Audit services	15,000	14,050
Non-audit services	14,500	14,419
Depreciation	154,135	142,023
Hire of equipment	5,709	5,393
Gain on disposal of fixed asset investments	(35,454)	(31,787)
Gain on disposal of tangible fixed assets	(11,720)	(6,367)
	<u>=====</u>	<u>=====</u>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

4 Tax on surplus on ordinary activities

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

	1995 £	1994 £
United Kingdom corporation tax @ 33% (1994: 33%)	184,793	112,714
Tax on investment income	6,870	5,726
Deferred tax	406	(116)
	<u>192,069</u>	<u>118,324</u>

5 Tangible fixed assets

a) The Group

	Land and Buildings Investment Property £	Heritable Property £	Motor Vehicles £	Computer & Office Equipment £	Total £
Cost or valuation					
At 1 January 1995	875,000	516,077	415,023	207,320	2,013,420
Additions at cost	-	-	193,386	63,257	256,643
Revaluation (note 9)	37,500	-	-	-	37,500
Disposals	-	-	(188,286)	-	(188,286)
At 31 December 1995	912,500	516,077	420,123	270,577	2,119,277
Depreciation					
At 1 January 1995	-	-	147,107	100,327	247,434
Provided in the year	-	-	105,031	49,104	154,135
Disposals	-	-	(62,348)	-	(62,348)
At 31 December 1995	-	-	189,790	149,431	339,221
Net book value at 31 December 1995	912,500	516,077	230,333	121,146	1,780,056
Net book value at 31 December 1994	875,000	516,077	267,916	106,993	1,765,986

Investment properties were revalued on 31 December 1995 by Messrs Griffin Webster, Chartered Surveyors, at their open market values.

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

5 Tangible fixed assets (contd.)

b) The Company

	Land and Buildings Investment Property £	Heritable Property £	Motor Vehicles £	Computer System £	Printing Equipment £	Total £
Cost or valuation						
At 1 January 1995	875,000	516,077	415,023	116,889	64,170	1,987,159
Additions at cost	-	-	193,386	30,297	15,636	239,319
Revaluation (note 9)	37,500	-	-	-	-	37,500
Disposals	-	-	(188,286)	-	-	(188,286)
At 31 December 1995	912,500	516,077	420,123	147,186	79,806	2,075,692
Depreciation						
At 1 January 1995	-	-	147,107	79,498	6,417	233,022
Provided in the year	-	-	105,031	36,796	7,980	149,807
Disposals	-	-	(62,348)	-	-	(62,348)
At 31 December 1995	-	-	189,790	116,294	14,397	320,481
Net book value at 31 December 1995	912,500	516,077	230,333	30,892	65,409	1,755,211
Net book value at 31 December 1994	875,000	516,077	267,916	37,391	57,753	1,754,137

Investment properties were revalued on 31 December 1995 by Messrs Griffin Webster, Chartered Surveyors, at their open market values.

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	591,099
Accumulated depreciation	-
Net book value at 31 December 1995	591,099
Net book value at 31 December 1994	591,099

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

6 Investments

The Group	Quoted £
At cost 1 January 1995	849,449
Additions	183,867
Disposals	(131,304)
	<hr/>
At cost 31 December 1995	902,012
	<hr/>

The market value of quoted investments at 31 December 1995 was £1,470,008 (1994 - £1,239,325).

The Company

In addition to the above quoted investments, the company holds at cost an investment of £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 20,000 ordinary shares of £1.

7 Debtors

	The Group		The Company	
	1995	1994	1995	1994
	£	£	£	£
Other debtors	1,539,552	661,045	1,479,936	597,471
Prepayments and accrued income	176,825	186,243	156,568	173,416
	<hr/>	<hr/>	<hr/>	<hr/>
	1,716,377	847,288	1,636,504	770,887
	<hr/>	<hr/>	<hr/>	<hr/>

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

8 Creditors: amounts falling due within one year

	The Group		The Company	
	1995	1994	1995	1994
	£	£	£	£
Accruals and deferred income	3,433,340	2,355,117	3,376,297	2,254,403
Amounts owed to group undertakings	-	-	52,074	85,591
Corporation tax	359,071	190,380	355,437	176,666
Social security and other taxes	131,212	273,991	128,626	271,463
	<u>3,923,623</u>	<u>2,819,488</u>	<u>3,912,434</u>	<u>2,788,123</u>
	=====	=====	=====	=====

9 Investment revaluation reserve

The Group and the Company

	1995	1994
	£	£
At 1 January 1995	283,901	268,901
Arising on revaluation (note 5)	37,500	15,000
	<u>321,401</u>	<u>283,901</u>
	=====	=====
At 31 December 1995		

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

10 Other reserves

The Group and the Company

	Grants Scheme £	Approved Projects Of Affiliated National Associations £	Community Officers Scheme £	Development Projects Fund £	Junior Goalposts Scheme £	International Football Museum £	UEFA "U16" Youth Championships 1998 Fund £		Total £
At 1 January 1995	81,850	23,183	455,369	747,628	97,319	83,552	-	-	1,488,901
Contribution from Football Trust 1990	-	-	450,000	-	-	-	-	-	450,000
Transfer from surplus for the year	-	-	200,000	-	200,000	-	75,000	-	475,000
Release to income (20,500)	(20,500)	(5,151)	(358,407)	(37,195)	(90,710)	(15,510)	-	-	(527,473)
At 31 December 1995	61,350	18,032	746,962	710,433	206,609	68,042	75,000	-	1,886,428

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

11 Accumulated surplus

	1995 £	1994 £
Accumulated surplus at 1 January 1995	2,089,210	1,931,666
Transfer from surplus for the year	21,270	157,544
	<hr/>	<hr/>
Accumulated surplus at 31 December 1995	2,110,480	2,089,210
	=====	=====

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

	1995 £	1994 £
By the Association	9,201	116,549
By subsidiary undertaking	12,069	40,995
	<hr/>	<hr/>
	21,270	157,544
	=====	=====

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

12 Net cash (outflow)/inflow from operating activities

	1995 £	1994 £
Operating surplus	299,409	320,658
Depreciation	154,135	142,023
Gain on disposal of tangible fixed assets	(11,720)	(6,367)
Gain on disposal of investments	(35,454)	(31,787)
(Increase)/decrease in debtors	(869,089)	404,311
Increase in creditors	935,444	270,719
Release from other reserves	(527,473)	(721,507)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(54,748)	378,050
	=====	=====

THE SCOTTISH FOOTBALL ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 1995

13 Analysis of changes in cash and cash equivalents

	1995 £	1994 £
Balance at 1 January 1995	4,720,118	4,236,034
Net cash inflow	625,116	484,084
	<hr/>	<hr/>
Balance at 31 December 1995	5,345,234	4,720,118
	<hr/>	<hr/>

Cash and cash equivalents comprise:

	1995 £	1994 £	1993 £	Change in 1995 £	Change in 1994 £
Cash at bank and in hand	1,625,234	2,630,118	1,146,034	(1,004,884)	1,484,084
Short term deposits	3,720,000	2,090,000	3,090,000	1,630,000	(1,000,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,345,234	4,720,118	4,236,034	625,116	484,084
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

14 Capital commitments

There were no capital commitments at 31 December 1995 or 31 December 1994.

15 Contingent liabilities

There were no contingent liabilities at 31 December 1995 or 31 December 1994.

16 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 1994. 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 9% per annum and that salary increases would average 7% per annum.

The actuarial valuation showed that the market value of the scheme's assets was £2,585,000 and that the actuarial value of those assets represented 107% of the value of the liabilities accrued to the valuation date at 1 May 1994.

The association also contributes to defined contribution schemes.

The total pension charge for the year was £221,535 (1994 - £196,132).