

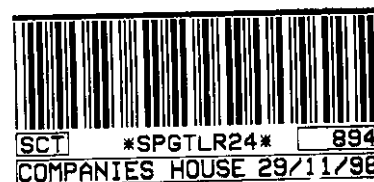
Rangers Pools Limited

Directors' report and financial statements

31 July 1996

Registered number 40034

88



Rangers Pools Limited

Directors' report

The directors submit the audited financial statements of the company for the year ended 31 July 1996 to be presented at the annual general meeting of the company to be held in Edmiston House, Glasgow.

Principal activities

The company operates lotteries under the Lotteries and Amusements Act 1976 as amended by the National Lottery etc Act 1993.

Business review

The current year very much followed the trend of the previous year with a small surplus on ordinary activities accompanied with reduced donations brought about by a fall in entry monies.

The year ahead will be challenging with changes in our lotteries as well as a push for the recruitment for new agents. Both of these initiatives are meeting with some early success.

Financial results

The results for the year ended 31 July 1996 are shown in the attached revenue account.

Directors

The directors of the company during the year were:

Hugh Adam	(retired 5 April 1996)
James Robinson	
William Steven	

In accordance with the Articles of Association Mr W Steven retires by rotation and, being eligible, offers himself for re-election.

The interests of the directors in the parent company, Rangers FC Development Fund Limited, during the year ended 31 July 1996, are disclosed in that company's financial statements.

Rangers Pools Limited

Directors' report *(continued)*

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



I McDougall
Secretary

11 Harrison Drive
Glasgow
G51 2UJ

1 October 1996

Rangers Pools Limited

Statement of directors' responsibilities

Company law requires the directors 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 for that period. In preparing those financial statements, the directors 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Report of the auditors to the members of Rangers Pools Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described above the company's directors 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 directors 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 the company's affairs as at 31 July 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'KPMG' or similar, written over the printed KPMG logo.

KPMG
Chartered Accountants
Registered Auditors

24 Blythswood Square
Glasgow
G2 4QS

1 October 1996



Rangers Pools Limited

Revenue account
for the year ended 31 July 1996

	Note	£	1996 £	1995 £
Turnover	2		1,996,882	2,563,905
Donated to Rangers FC Development Fund Limited			(633,303)	(762,904)
			<hr/>	<hr/>
Prize money			1,363,579 (708,560)	1,801,001 (981,970)
			<hr/>	<hr/>
			655,019	819,031
Staff costs	4	(197,958)		(228,174)
Depreciation		(6,913)		(8,508)
Other operating charges		(470,620)		(620,381)
Interest receivable		36,984		41,858
Interest payable		(5,297)		(3,774)
			<hr/>	<hr/>
			(643,804)	(818,979)
			<hr/>	<hr/>
Surplus on ordinary activities	3 & 5		11,215	52
Taxation	6		-	-
			<hr/>	<hr/>
Surplus on ordinary activities for the year			11,215	52
Balance brought forward from previous year as previously stated			(1,990,103)	(1,990,155)
			<hr/>	<hr/>
Deficit carried forward			(1,978,888)	(1,990,103)
			<hr/>	<hr/>

Statement of recognised gains and losses

There are no recognised gains or losses other than those reflected in the surplus for the year or the previous year disclosed above.

Rangers Pools Limited

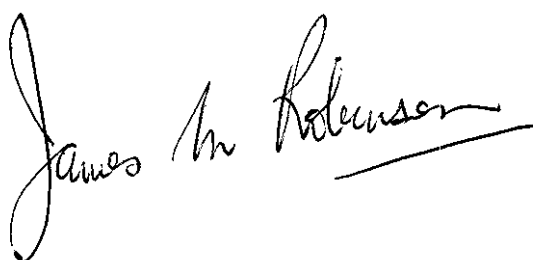
Balance sheet
at 31 July 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	7		5,934		13,314
Current assets					
Debtors	8	457,998		481,645	
Creditors: amounts falling due within one year	9	(2,442,720)		(2,484,962)	
Net current liabilities			<u>(1,984,722)</u>		<u>(2,003,317)</u>
Total assets less current liabilities			<u>(1,978,788)</u>		<u>(1,990,003)</u>
Capital and reserves					
Called up share capital	10		100		100
Revenue account			(1,978,888)		(1,990,103)
Shareholders' funds: all equity interests			<u>(1,978,788)</u>		<u>(1,990,003)</u>

There was no movement in shareholders' funds other than the surplus for the year.

These financial statements were approved by the board of directors on 1 October 1996 and were signed on its behalf by:

J Robinson
Director



Rangers Pools Limited

Notes

(forming part of the financial statements)

1 Basis of preparation of financial statements

These financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards. The parent company has confirmed that adequate cash resources will be made available to the company to enable it to meet all external liabilities as they fall due.

Prior year comparative figures for prize money and other operating charges have been restated by corresponding amounts to be consistent with the current year.

2 Accounting policies

Turnover

Turnover represents fees for management services provided plus entry money received for lotteries taking place during the year.

Depreciation

Depreciation is provided on all fixed assets over the estimated useful life of the assets at the undernoted rates:

Office equipment - 20% to 33% per annum - straight line basis

Pension

Pension costs payable in the course of a year are charged in that year.

3 Operating surplus

	1996 £	1995 £
Operating surplus is stated after charging:		
Auditors' remuneration	4,595	4,710
Loss/(gain) on disposal	467	(168)
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Rangers Pools Limited

Notes (continued)

4 Staff numbers and costs (including directors)

	Number of employees	
	1996	1995
Average number of employees - administration	17	21
	==	==
Employee costs:		
	£	£
Wages and salaries	174,890	205,440
Social security costs	15,809	15,773
Other pension costs	7,259	6,961
	=====	=====
	197,958	228,174
	=====	=====

5 Directors' emoluments

Directors emoluments:

	1996	1995
	£	£
For management	1,288	7,778
	=====	=====

The emoluments, excluding pension contributions, of the highest paid director amounted to £1,288 (1995: £7,778).

The emoluments, excluding pension contributions, of all directors were within the following ranges:

	Number of Directors	
	1996	1995
£0 - £5,000	3	2
£5,001 - £10,500	-	1
	=====	=====

6 Taxation

The tax charge for the year is £Nil due to the effect of losses brought forward (1995: £Nil).

Rangers Pools Limited

Notes (continued)

7 Tangible fixed assets

	Office equipment £
<i>Cost</i>	
At 1 August 1995	63,593
Disposals	(3,204)
	<hr/>
At 31 July 1996	60,389
	<hr/>
<i>Depreciation</i>	
At 1 August 1995	50,279
Charge for year	6,913
Disposals	(2,737)
	<hr/>
At 31 July 1996	54,455
	<hr/>
<i>Net book value</i>	
At 31 July 1996	5,934
	<hr/> <hr/>
At 31 July 1995	13,314
	<hr/> <hr/>

8 Debtors

	1996 £	1995 £
Amounts owed by group undertakings	425,390	432,019
Other debtors	19,274	38,585
Prepayments and accrued income	13,334	11,041
	<hr/>	<hr/>
	457,998	481,645
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Rangers Pools Limited

Notes (continued)

9 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdraft	68,831	64,202
Amounts owed to group undertakings	2,240,869	2,260,897
Taxation and social security	19,772	38,808
Other creditors	85,151	95,745
Accruals	28,097	25,310
	<u>2,442,720</u>	<u>2,484,962</u>

10 Called up share capital

	1996 £	1995 £
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
<i>Allotted, called up and fully paid:</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Parent company

The company is a wholly owned subsidiary of Rangers FC Development Fund Limited which is incorporated in Great Britain and registered in Scotland.

12 Contingent liability

The company has granted an unlimited intra group guarantee to its bank supported by a bond and floating charge over the company's assets. The amount so secured at 31 July 1996 was £Nil (1995: £22,956).

13 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for this scheme represents contributions payable by the company to the fund and amounted to £4,705 (1995: £4,688). No contributions were payable to the fund at the year end. The company also makes payments to certain employees' personal pension plans.