

RANGERS LOTTERIES LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019



RANGERS LOTTERIES LIMITED

COMPANY INFORMATION

Directors	Mr C Stewart Mr J B P MacBrayne
Company number	SC040034
Registered office	Broomloan House Ibrox Stadium Glasgow United Kingdom G51 2XD
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE

RANGERS LOTTERIES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Notes to the financial statements	8 - 11

RANGERS LOTTERIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2019

The directors present their annual report and financial statements for the year ended 31 July 2019.

Principal activities

The principal activity of the company continued to be that of operating lotteries under the Gambling Act 2008.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Stewart

Mr J B P MacBrayne

Auditor

Johnston Carmichael LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

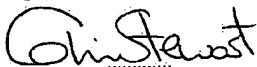
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

RANGERS LOTTERIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

On behalf of the board



Mr C Stewart
Director

Date: 31.7.20

RANGERS LOTTERIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RANGERS LOTTERIES LIMITED

Opinion

We have audited the financial statements of Rangers Lotteries Limited (the 'company') for the year ended 31 July 2019 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

RANGERS LOTTERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RANGERS LOTTERIES LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

RANGERS LOTTERIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RANGERS LOTTERIES LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Keith Macpherson (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

31 July 2020
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Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

RANGERS LOTTERIES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JULY 2019

	2019 £	2018 £
Turnover	1,501,062	1,277,779
Donated to Rangers FC Youth Development Company Limited (in relation to gaming activities. Minimum donation required by Gaming Commission)	(260,959)	(226,228)
Donated to Rangers FC Youth Development Company Limited (in relation to gaming surpluses and other activities)	(278,240)	(206,352)
	<u>961,863</u>	<u>845,199</u>
Direct costs	(329,175)	(300,876)
Prize money	(389,265)	(318,936)
Gross profit	243,423	225,387
Other operating charges	(243,423)	(225,387)
	<u>-</u>	<u>-</u>
Result/Profit before taxation	-	-
Taxation	-	-
	<u>-</u>	<u>-</u>
Results / Profit for the financial year	<u>-</u>	<u>-</u>
Retained earnings at 1 August	-	-
Results/Profit for the year	-	-
	<u>-</u>	<u>-</u>
Retained earnings at 31 July	<u>-</u>	<u>-</u>

RANGERS LOTTERIES LIMITED

BALANCE SHEET

AS AT 31 JULY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		4,936		3,630
Current assets					
Debtors	4	46,208		28,240	
Cash at bank and in hand		399,866		289,843	
		<u>446,074</u>		<u>318,083</u>	
Creditors: amounts falling due within one year	5	<u>(450,910)</u>		<u>(321,613)</u>	
Net current liabilities			(4,836)		(3,530)
Total assets less current liabilities			<u>100</u>		<u>100</u>
Capital and reserves					
Called up share capital	6		<u>100</u>		<u>100</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

31 July 2020

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



Mr C Stewart
Director

Company Registration No. SC040034

RANGERS LOTTERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

Company information

Rangers Lotteries Limited is a private company limited by shares incorporated in Scotland. The registered office is Broomloan House, Ibrox Stadium, Glasgow, United Kingdom, G51 2XD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The company generates revenue from the operation of lotteries, with the net surplus arising from lottery revenues, after the deduction of directly associated operating costs and lottery prize money, mainly being disbursed to Rangers FC Youth Development Company Limited, which, in turn, makes donations for the support and encouragement of the advancement of sport. Despite the closure of all football activity due to COVID 19, the company operates with positive cash balances and, although there can be no certainty over the level of lottery revenues the company is able to generate in the future, the financial projections prepared by the directors indicate that the company is expected to be able to continue to generate positive cash balances for a period of at least twelve months from the date of approval of these financial statements.

1.3 Turnover

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% to 50% per annum - straight line basis
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

RANGERS LOTTERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RANGERS LOTTERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 6 (2018 - 6).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2018	70,439
Additions	3,528
	<hr/>
At 31 July 2019	73,967
	<hr/>
Depreciation and impairment	
At 1 August 2018	66,809
Depreciation charged in the year	2,222
	<hr/>
At 31 July 2019	69,031
	<hr/>
Carrying amount	
At 31 July 2019	4,936
	<hr/> <hr/>
At 31 July 2018	3,630
	<hr/> <hr/>

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	3,230	-
Other debtors	25,848	7,596
Prepayments and accrued income	17,130	19,958
Taxation and social security	-	686
	<hr/>	<hr/>
	46,208	28,240
	<hr/> <hr/>	<hr/> <hr/>

The amount due from subsidiary undertakings of £148,671 (2018: £148,671) has been fully provided against at the balance sheet date.

RANGERS LOTTERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	374,449	213,123
Taxation and social security	12,397	-
Accruals and deferred income	38,188	28,223
Other creditors	25,876	80,267
	<u>450,910</u>	<u>321,613</u>

6 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7 Related party transactions

During the year, the company made donations to Rangers FC Youth Development Company Limited, a fellow group company, totalling £539,199 (2018: £432,580). At the year end, £374,449 was due to Rangers FC Youth Development Company Limited (2018: £213,122).

Also at the year end, an amount of £3,230 (2018: £nil) was due from Rangers FC Pools Limited.

8 Ultimate parent company

The company is a wholly owned subsidiary of Rangers FC Youth Development Company Limited, the directors do not believe there to be any ultimate controlling party.

9 Post balance sheet events

Subsequent to the year end, and before the date of approval of the accounts, the Covid-19 pandemic had a significant impact on the operations of the company. The impact of this has been set out in note 1.2 to the financial statements. As a result, the company was given an additional three months to file its accounts with Companies House.