

# **RANGERS.CO.UK Limited**

## **Report and Financial Statements**

30 June 2007



Registered No SC207783

# RANGERS CO UK Limited

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Registered No SC207783

## **Directors**

M Bain  
D C McIntyre

## **Secretary**

D C McIntyre

## **Auditors**

Grant Thornton UK LLP  
95 Bothwell Street  
Glasgow G2 7JZ

## **Bankers**

Bank of Scotland  
The Mound  
Edinburgh EH1 1YZ

## **Registered Office**

Ibrox Stadium  
Glasgow G51 2XD

## Directors' report

The directors present the annual report and the audited financial statements for the year ended 30 June 2007

### Principal activities and review of the business

The purpose of the company is to exploit an exclusive licence of the internet and certain media rights of The Rangers Football Club plc including the operation and hosting of the club website

In the year to 30 June 2007 the company recorded a profit before taxation of £76,570 ( 6 months to 30 June 2006 £463 loss) The directors do not recommend the payment of a dividend (2006 £nil) Both the level of business and the year end position are considered to be satisfactory at this stage in the company's development

### Directors

The directors who held office during the year ended 30 June 2007 and thereafter were as follows

M Bain  
D C McIntyre

No director had any interest in the share capital of the company

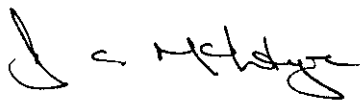
### Auditors

In accordance with section 386(1) of the Companies Act 1985, Grant Thornton UK LLP are deemed to be automatically re appointed as auditors of the company upon the expiry of their normal term of office

### Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the Board



D C McIntyre  
Director  
23<sup>rd</sup> April 2008

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 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 judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that 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 1985. 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.

In so far as the directors are aware

- there are no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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

# **Report of the independent auditor**

**to the members of RANGERS.CO.UK Limited**

We have audited the financial statements of Rangers co uk Limited for the year ended 30 June 2007 which comprise, the profit and loss account, the balance sheet and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (Effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

## Report of the independent auditor

to the members of RANGERS CO.UK Limited (continued)

### Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
GLASGOW

23/4/08

## Profit and loss account

for the year ended 30 June 2007

		Year ended 30 June 2007	6 Months ended 30 June 2006
	Notes	£	£
Turnover	2	488,141	222,259
Administrative expenses		(411,869)	(223,343)
Operating Profit/(loss)	3	76,272	(1,084)
Bank interest receivable		298	621
Profit/(loss) on ordinary activities before taxation		76,570	(463)
Tax on profit/(loss) on ordinary activities	5		
Retained profit/(loss) for the period	11	76,570	(463)

The results set out above relate wholly to continuing activities

The notes on pages 8 to 13 form part of these financial statements

There were no recognised gains or losses during the year or the previous period other than those set out in the profit and loss account above

**Balance sheet**

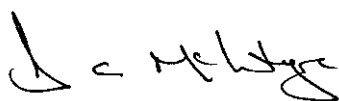
at 30 June 2007

	Notes	30 June 2006 £	30 June 2006 £
<b>Fixed assets</b>			
Intangible assets	6		
Tangible assets	7	2,097	5,481
		<u>2,097</u>	<u>5,481</u>
<b>Current assets</b>			
Debtors	8	267,429	214,246
Cash at bank		45,637	45,688
<b>Creditors</b> * amounts falling due within one year	9	(393,780)	(420,602)
Net current assets		<u>(80,714)</u>	<u>(160,668)</u>
<b>Total assets less current liabilities</b>		<u>(78,617)</u>	<u>(155,187)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Share premium account	11	4,999,500	4,999,500
Profit and loss account	11	(5,079,117)	(5,155,687)
<b>Total shareholders' deficit</b>		<u>(78,617)</u>	<u>(155,187)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Small Entities (effective January 2005)

The notes on pages 8 to 13 form part of these financial statements

Approved by the Board on 23<sup>rd</sup> April 2008 and signed on its behalf by



D C McIntyre  
Director



## Notes to the financial statements

for the year ended 30 June 2007

### 1. Accounting policies

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective January 2005)

The financial statements have been prepared in accordance with the going concern concept because the parent company has given the necessary assurances such that sufficient resources will be made available for the foreseeable future so that the company can meet its liabilities as and when they fall due

#### **Statement of cash flows**

Under Financial Reporting Standard No 1 Statement of Cash Flows (Revised), the company is exempt from the requirements to prepare a statement of cash flows as it is a small company under the Companies Act 1985

#### **Intangible assets**

##### ***– Internet and media rights***

The company has a 20 year exclusive licence for the exploitation of the internet and certain media rights of The Rangers Football Club plc, including the operation and hosting of the club website. The cost of the licence is amortised over a period of five years, which is considered by the directors to be the useful economic life of the rights applicable for accounting purposes

##### ***– Film and video rights***

Certain filmed and video rights in respect of club events owned by the company are recorded at cost and are written off over five years, which is considered by the directors to be the useful economic life of the rights

The carrying values of intangible assets are reviewed for impairment, if events or changes in circumstance indicate that those carrying values may not be reasonable

#### **Fixed assets and depreciation**

Depreciation has been provided in order to write off the cost of depreciable fixed assets over their estimated useful lives. The rate used is

Office furniture and equipment on a straight line basis over three years

The carrying values of tangible fixed assets are reviewed for impairment, if events or changes in circumstance indicate that those carrying values may not be reasonable

## Notes to the financial statements

for the year ended 30 June 2007

### 1. Accounting policies (continued)

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

### 2. Turnover

Turnover represents amounts net of value added tax derived from the company's continuing ordinary activities, all of which are conducted in the United Kingdom

Subscription income is recognised over the period of the subscription. Advertising income is recognised over the life of the campaign. Service income is recognised as the particular service is provided

### 3 Operating profit

Operating profit is stated after charging the following

	Year ended 30 June 2007 £	6 Months ended 30 June 2006 £
Depreciation of tangible fixed assets	3,384	1,693
Auditors' remuneration – audit services	1,675	750
	<hr/>	<hr/>

## Notes to the financial statements

for the year ended 30 June 2007

### 4. Employee costs

The average number of employees during the year including directors was 2 (2006 8)

On 1 May 2006 all employees, other than directors were transferred to the employment of Rangers Football Club Ltd. The aggregate payroll costs were as follows

	Year ended June 2007	6 Months ended June 2006
	£	£
Aggregate wages and salaries		49,259
Social security costs		5,352
		<u>54,611</u>

None of the directors received any emoluments during the year (2006 £nil)

### 5. Taxation

	Year ended June 2007	6 Months ended June 2006
	£	£
<b>Current tax</b>		
UK corporation tax on profits of the period		
Profit/(loss) on ordinary activities before tax	76,570	(463)
Profit/(loss) on ordinary activities multiplied by standard rate of tax (30%)	22,971	(139)
Effects of		
Unrelieved tax losses and other deductions arising in the period		12
Expenses not deductible for tax purposes	88	74
Accelerated capital allowances	1,015	53
Prior year losses utilised	(24,074)	
Current tax charge for the period		

## Notes to the financial statements

for the year ended 30 June 2007

The company had unrelieved tax losses of £143,230 at 30 June 2007 (2006 £167,304)

### 6. Intangible assets

	<i>Internet and media rights</i>	<i>Film and video rights</i>	<i>Total</i>
	£	£	£
<b>Cost</b>			
At 30 June 2006 and 2007	5,000,000	29,000	5,029,000
<b>Amortisation</b>			
At 30 June 2006 and 2007	5,000,000	29,000	5,029,000
<b>Net book value</b>			
At 30 June 2007			
At 30 June 2006			

In accordance with FRS 11 "Intangible Assets and Goodwill", the carrying value of the company's intangible assets has been compared to its recoverable amount, represented by their value in use to the company

### 7. Tangible assets

	<i>Office furniture and equipment</i>
	£
<b>Cost</b>	
At 1 July 2006	49,181
Additions	
At 30 June 2007	49,181
<b>Depreciation</b>	
At 1 July 2006	43,700
Charged during the year	3,384
At 30 June 2007	47,084
<b>Net book value</b>	
At 30 June 2007	2,097
At 30 June 2006	5,481

## Notes to the financial statements

for the year ended 30 June 2007

### 8. Debtors

	2007 £	2006 £
Trade debtors	232,194	157,916
Other debtors	35,235	56,330
	<u>267,429</u>	<u>214,246</u>

### 9. Creditors\* amounts falling due within one year

	2007 £	2006 £
Trade creditors	23,108	47,311
Amounts due to group undertakings	330,530	294,910
Other creditors and accruals	40,142	61,089
Taxation and social security		17,292
	<u>393,780</u>	<u>420,602</u>

### 10. Share Capital

	2007 Number	2006 Number	2007 £	2006 £
<i>Authorised, allotted and fully paid</i>				
Ordinary shares of £1 each	1,000	1,000	<u>1,000</u>	<u>1,000</u>

## Notes to the financial statements

for the year ended 30 June 2007

### 11 Reconciliation of shareholders' funds and movements on reserves

	<i>Called up share capital £</i>	<i>Share premium account £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 January 2006	1,000	4,999,500	(5,155,224)	(154,724)
Loss for the 6 Months			(463)	(463)
At 1 June 2006	1,000	4,999,500	(5,155,687)	(155,187)
Profit for the year			76,570	76,570
At 30 June 2007	1,000	4,999,500	(5,079,117)	(78,617)

### 12. Controlling parties

The directors consider that the immediate parent company is The Rangers Football Club plc and the ultimate holding company is considered to be Murray International Holdings Limited

As Sir D E Murray has a controlling interest in the share capital of the ultimate holding company he is considered to be the ultimate controlling party

The smallest group in which the results of the company will be included is that headed by The Rangers Football Club plc Copies of its accounts can be obtained from its registered office Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD

The largest group in which the results of the company will be included is that headed by Murray International Holdings Limited Copies of its accounts can be obtained from its registered office 9 Charlotte Square, Edinburgh, EH2 4DR

### 13 Related Parties

The company has taken advantage of the exemptions offered by FRS 8 not to disclose any related party transactions with other members of The Rangers Football Club plc group