

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**COMPANY NUMBER SC259440**  
**ACCOUNTS FOR YEAR ENDED 30 JUNE 2005**



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# **RANGERS YOUTH DEVELOPMENT LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors present their Financial Statements for the year ended 30 June 2005.

### **Principal Activity and Business Review**

The principal activity of the Company is the operation of youth football development.

### **Results**

The profit for the period after taxation of £171,527 (2004 - £62,243) was transferred to reserves. The Directors do not recommend the payment of a dividend.

### **Directors And Their Interests**

The Directors who held office at 30 June 2005 are listed below. None of the Directors have a interest in the share capital of the Company, however, they had the following interests in the 10p ordinary share capital of the holding company The Rangers Football Club plc.

	30 June 2005	1 July 2004
M. Bain	2,000	360
J. F. McClelland	76,000	36,000
A. J. Dickson	511	511
W. Jardine	480	480
G. Adams	0	0

### **Directors' Responsibilities for the Financial Statements**

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view and of the state of the Company and of the profit or loss of the Company 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;
- 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, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

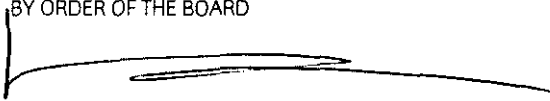
### **Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

### **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

  
A. J. Dickson  
Secretary  
Ibrox Stadium, Glasgow G51 2XD  
6th October 2005

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**PROFIT & LOSS ACCOUNT**  
**for the year ended 30 June 2005**

	Notes	5 months to 2005 30 June 2004	£	£
Turnover		2,500,000		1,041,667
Net Operating Expenses		(2,355,747)		(936,908)
Trading Profits		144,253		104,759
Net Charge for Player Registration		(45,464)		(18,000)
Operating Profit	2	98,789		86,759
Gain on Sale of Players		100,000		-
Profit before interest and tax		198,789		86,759
Interest Receivable		49,266		10,016
Profit before taxation		248,055		96,775
Taxation	3	(76,528)		(34,532)
<b>Retained Profit</b>	<b>8</b>	<b>171,527</b>		<b>62,243</b>

All of the activities of the company are classified as continuing.

The company had no other recognised gains or losses other than the results for the year set out above.

The accompanying accounting policies and notes form an integral part of these Financial Statements.

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**BALANCE SHEET**  
**as at 30 June 2005**

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	4	95,450	-
Intangible assets	5	64,536	75,000
		159,986	75,000
<b>CURRENT ASSETS</b>			
Debtors (due from group undertaking)		3,641,667	1,041,667
Cash at bank and in hand		1,521,533	1,225,942
		5,163,200	2,267,609
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors (due to group undertaking)		(3,731,385)	(1,280,335)
Accruals		(35,000)	-
		(3,766,385)	(1,280,335)
<b>NET CURRENT ASSETS</b>		1,396,815	987,274
<b>CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR</b>			
Loans	6	(1,323,030)	(1,000,030)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>233,771</b>	<b>62,244</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1	1
Profit & Loss Account	8	233,770	62,243
		<b>233,771</b>	<b>62,244</b>

The 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 Smaller Entities (effective June 2002).

The Financial Statements were approved by the Board on 6th October 2005.

  
W. Jardine, Director

The accompanying notes form an integral part of these Financial Statements

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**NOTES TO THE ACCOUNTS**  
**for the year ended 30 June 2005**

**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 Smaller Entities (effective June 2002).

**Turnover**

Turnover represents income received in respect of services provided to the parent company and is stated net of value added tax.

**Player Registrations**

The costs associated with the acquisition and retention of football personnel are capitalised as Intangible Assets and amortised over the period of the respective contracts. Payments which are contingent on the performance of the team or the player are recognised where the criteria are considered likely to be met. Receipts which are contingent on the performance of the team or the player are not recognised until the events crystallising such receipts have taken place.

**Tangible Fixed Assets**

Freehold properties are subject to a full valuation every three years, or in the year where there has been a material change in value, by a qualified external valuer. Depreciation is provided on the cost of the asset on a straight line basis at the following rates:

Freehold properties	1.33% per annum
Fixtures, Fittings & Equipment	10% per annum

**Foreign Currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the Balance Sheet date. Any exchange differences are dealt with through the Profit and Loss Account.

**Deferred Taxation**

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items in income and expenditure in taxation computations, in periods different from those in which they are included in the Financial Statements.

Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Going Concern**

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore, it is appropriate to adopt the going concern basis in preparing the Financial Statements.

**2. OPERATING PROFIT**

The operating profit is stated after charging/ (crediting) :

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Staff Costs	-	-
Depreciation	-	-
Player Amortisation	45,464	18,000
Auditor's Remuneration	1,500	1,500

**3. TAXATION**

The tax charge represents:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
UK Corporation tax at 30% (2004: 30%)	-	-
Group relief	76,528	34,532
	<b>76,528</b>	<b>34,532</b>

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**NOTES TO THE ACCOUNTS (contd.)**  
**for the year ended 30 June 2005**

**4. TANGIBLE FIXED ASSETS**

	Freehold Heritable Property £	Fixtures And Fittings £	Total £
<b>Cost</b>			
At 1 July 2004	-	-	-
Additions	93,000	2,450	95,450
<b>AT 30 JUNE 2005</b>	<b>93,000</b>	<b>2,450</b>	<b>95,450</b>
<b>Depreciation</b>			
At 1 July 2004	-	-	-
Charge for year	-	-	-
<b>AT 30 JUNE 2005</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET BOOK VALUE 30 JUNE 2005</b>	<b>93,000</b>	<b>2,450</b>	<b>95,450</b>
NET BOOK VALUE 30 JUNE 2004	-	-	-

**5. INTANGIBLE FIXED ASSETS**

	Player Registrations £
<b>Cost</b>	
At 1 July 2004	93,000
Additions	35,000
<b>AT 30 JUNE 2005</b>	<b>128,000</b>
<b>Depreciation</b>	
At 1 July 2004	18,000
Charge for year	45,464
<b>AT 30 JUNE 2005</b>	<b>63,464</b>
<b>NET BOOK VALUE 30 JUNE 2005</b>	<b>64,536</b>
NET BOOK VALUE 30 JUNE 2004	75,000

**6. LOANS**

There is a term loan of £73,000 repayable within 2-5 years, with a fixed interest rate above LIBOR. Other loans of £1,250,000 made to the company by certain individuals are interest free and are repayable between 2 and 5 years.

**7. SHARE CAPITAL**

	2005 £	2004 £
Authorised		
Ordinary shares of £1 each	1	1
Allotted, called up and fully paid		
Ordinary shares of £1 each	1	1

**RANGERS YOUTH DEVELOPMENT LIMITED**  
**NOTES TO THE ACCOUNTS (contd.)**  
**for the year ended 30 June 2005**

**8. RESERVES**

	<b>Profit &amp; Loss £</b>
At 1 July 2004	62,243
Retained profit for the year	171,527
<b>At 30 June 2005</b>	<b>233,770</b>

**9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2005 £</b>	<b>2004 £</b>
Opening shareholders' funds	62,244	-
Equity issued	-	1
Profit for the year	171,527	62,243
<b>Closing shareholders' funds</b>	<b>233,771</b>	<b>62,244</b>

**10. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Rangers Football Club plc, Ibrox Stadium, Glasgow, G51 2XD.

The smallest group in which the results of the Company are consolidated is that headed by The Rangers Football Club plc. The largest group which the results of the Company are consolidated is that headed by Murray International Holdings Limited whose registered office is at 9 Charlotte Square, Edinburgh, EH2 4DR.

**11. RELATED PARTY TRANSACTIONS**

As a wholly owned subsidiary the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by The Rangers Football Club plc.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RANGERS YOUTH DEVELOPMENT LIMITED**

We have audited the financial statements of Rangers Youth Development Limited for the year ended 30 June 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 auditors' 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 opinion we have formed.

### **Respective responsibilities of Directors and Auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 United Kingdom accounting standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with United Kingdom 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 estimated 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 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
Glasgow  
6th October 2005