RANGERS INTERNATIONAL FOOTBALL CLUB PLC
Annual Report 2019

Contents

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Business Review

Chairman's Report

The financial year under review was again a positive one. The highlight was the acceleration of the substantial investment that was previously identified as being necessary to improve the Club's standards - both on and off the pitch.

Our Club has the highest expectations within the economic sphere that we operate and this requires the appropriate strategy, resources and operational capability. For the first time in many years we have all three of these at every level within the Club.

We were extremely disappointed to end the season without a trophy to show for the hard work everyone had put in and to reward Rangers' vast support for their continued loyalty and belief. However, I am certain that with Steven Gerrard now having his first season as manager behind him that we will see the benefits of his presence and influence in the months and years ahead.

The footballing highlight of the year was the incredible achievement by the manager and his team of taking Rangers back into the European group stages. Indeed, he has just done that for a second successive season by negotiating those difficult qualifying rounds. That, in itself, is truly remarkable.

The intention now is to regain the top position domestically, which is why we continue to invest heavily in the first-team squad. The team must continue to evolve to meet the demands and expectations of our supporters and, in Steven, I believe we have someone who embodies everything our Club is about. He understands fully that Rangers is synonymous with winning and as a winner himself, he can draw from a deep reservoir of experience gained by performing at the very top of European football.

It has been the Board's responsibility to provide financial support to the manager and that is what we have done. We have also invested significantly in the infrastructure at Ibrox Stadium and the Training Centre. Much of this work, although it is costly, goes unseen. There is a continual funding requirement to maintain our facilities if they are to remain among the very best in the world.

The operating and financial performance of the Company is dealt with elsewhere in the Annual Financial Statements, so I will not repeat that. As I did last year, I again express my heartfelt thanks to my fellow Directors and other investors for continuing to support me when I called for further investment. Our accelerated investment in the squad to support a second year of combined domestic and European competition placed increasing demands on our investors and I seemed to permanently have "my hand in their pockets". Again, loans were provided without security or fees.

We have again ended the financial year with a strong balance sheet and much improved stadium and training grounds that remain debt free.

As always, I want to thank this Club's wonderful support. They really are the best when fully behind the team in the proper manner. The manager and players often refer to the supporters as a powerful driving force for the team and it is essential that we retain this atmosphere and resist the efforts of a tiny minority to bring disrepute to the Club's name through sectarian and other unacceptable behaviour. We should be careful not to give anyone further opportunity to impose sanctions and instead create the kind of atmosphere that inspires our players and encourages others to come and join us.

This is one of the aims of our Everyone Anyone initiative, which has been positively and widely received - even by our country's politicians. This project is one of the most ambitious we have undertaken and it will highlight just how diverse and open our support actually is - Rangers is a Club for all. Culture, race, faith and sexual orientation are not barriers to being a Rangers fan. Supporting our Club makes us all equal. It unites us and it makes us special.

Significantly increased funding was also provided to bring Rangers women's team to a new level. This provides us with a framework to develop the team to become a significant force, not just in Scottish football but also at European level. We want Rangers women's team to become the dominant force in Scottish women's football and believe we now have the infrastructure and budget to achieve this ambition.

Finally, I would like to take this opportunity to thank my colleagues on the Board and the management and staff throughout the Club for their continued support and dedication during another challenging year. It is a great privilege to be a member of a board that demonstrates such commitment, time and effort for no financial reward whatsoever. The ongoing support and loyalty of all Rangers supporters is a constant reward for the Board and management.

Dave King, Chairman

31 October 2019

Business Review (continued)

Football Manager's Review

First, and I make no apologies if I am repeating myself, let me say that it is an honour to be the manager of this massive Club which has such a long and rich history of success.

I discovered very quickly - in fact, as soon as I stepped through the front door for the first time - that Ibrox is a special place and that I am able to work here is such a privilege.

Having said that, I did stress last year that I could see instantly that a lot of changes would have to be made if I, along with a fantastic backroom team, wanted to give the amazing supporters of this Club the success they crave and deserve. Many changes have been made - in terms of players, backroom staff, and facilities - and it is to the Board's credit that they have been willing to finance our needs. As always, I thank the Directors for their support and it is our intention to deliver tangible rewards in return.

Season 2018/19 was a mixture of good and not so good with the highlight perhaps being our success in the qualifying rounds of the Europa League. We became one of the very few teams to negotiate a way out of those rounds, which come around all too early in a new season, and into the group stages. Bringing European nights back to Ibrox was an achievement in itself and although we have done it for a second time this season I am only too aware that our fans need more. They need a trophy and that has to be the aim.

That is why we continue to reshape and improve the team by making the most of the transfer windows and again, I thank the Directors for their backing on this front.

We have to be careful when bringing in new players because it isn't simply about improving the quality of our play. We must also make sure we are bringing in players with the correct mentality because of course Rangers is all about winning and we need players who share that desire and who will bring out the best in those around them. I believe we are getting there and I hope our supporters can also see that we are improving at a decent speed.

I am sure everyone will agree that right now we are in better shape than at any time in recent years but because this is Rangers, and because we have the best but extremely demanding supporters, we can never take our foot off the pedal. We must keep moving forward while reinstating the winning mentality which has underpinned this Club for more than a century.

The players are entitled to feel good about what they have achieved so far this season but they know more, much more is required of them. It is my job to make sure no one forgets that and not a single one of us can rest until a trophy has been delivered. It is then that we will know we are charting the correct course back to the top of Scottish football.

I am confident, though, that with an excellent backroom staff behind me we have the experience and expertise to meet all challenges and any difficulties which may be thrown up before us as this season progresses. We all know what is required of us and we have all experienced enough of this Club's support to understand what they desire. I must say, Rangers supporters in full voice behind the team are a sight to behold. They are astonishing and a powerful driving force for us.

It is our responsibility to give them something back but I did not come here to fail. I am a winner and I believe I can continue to be a winner with this great and remarkable Club.

I hope you all know how much I value and appreciate your support.

Thank you for your support.

Steven Gerrard, Manager

31 October 2019

Business Review (continued)

Operational Report

Overview

The footballing year ultimately ended without silverware, albeit with some highs along the way. The team suffered two early defeats in the cup competitions, while the league campaign was nip-and-tuck for long spells, with the team going into the mid-season break level on points at the top of the table, with some inconsistency ultimately costing them. The domestic disappointment was tempered though by a successful Europa League qualifying run, and our first foray back into the group stages of European Competition.

The whole Club feeds off any success that the men's first team has, and building on the momentum gained last season is the aim for everyone associated with Rangers.

The Board was delighted to be able to put its investment over the next few years in the hands of Steven Gerrard, who offsets the fact that Rangers is his first senior job, by having all the other qualities we look for in a Rangers manager. Over the course of his first season in charge, along with the tremendous support team he has put in place by his side, the team have progressed beyond perhaps what could have been expected of them. For the first time over the last few years, we can see value being created in the playing squad.

With the likelihood of a continuation of early European fixtures in the years ahead, the Manager and the Sporting Director will continue to plan well in advance to ensure that our key targets are signed as early as possible.

Youth football

The progression of Academy players is central to the future of the Club. As well as the feel-good factor for the fans of having a homegrown player in the first team, any sustainable player trading model needs a steady supply of quality Academy players.

For the coming season, Carrick Packaging has become the first ever Main Partner of the Academy, with their logo appearing on the front of all 2019/20 shirts for Academy and Development team matches, including UEFA Youth League games.

The Development Squad continued to innovate in the games that they play, combining UEFA Youth League, men's 1st team competitions and 'best v best' European fixtures to give the players and coaches the best opportunities to learn and improve. Players like Ross McCrorie and Glenn Middleton have played more than 50 times between them for the first team and contributed to winning games at the top of the SPFL and in Europe.

From August 2019, the Development matches will be played in front of the new Stand opened at the Hummel Training Centre, which was built with the support of the Rangers Fans Fighting Fund and the Scottish Football Partnership. The new facility includes 4 new dressing rooms, a new education suite, floodlights, 220 seats and a PA system.

The season also saw the younger age groups have success at home and abroad.

The U16s won the Super Cup NI (previously the Milk Cup) for the first time in over 20 years in a competition featuring the likes of Man Utd and Arsenal, while the U17s won the Al Kass International Cup in Qatar, beating Roma in the final. Their reward is being able to train with the first team, with 9 Academy players completing pre-season with the squad, and 18 players overall having trained with them in the season.

Using the player loan system has become a key part of the Development Squad process, with the likes of Robby McCrorie, Stephen Kelly and Josh McPake getting regular football up to the top end of the Scottish Championship.

This experience gained means that, in the most recent Scotland U21s and Scotland U19s, there was more Rangers representation than any other club.

Rangers Youth Development Company Limited continues to grow and during the year was able to donate £400k to the Group to support youth development.

Women's Football

At the 2018 AGM, it was announced that it was the Club's intention to invest significantly in the Women's football department. Since the summer, the Women's first team and academy set-ups have been integrated into the Elite programme at the Hummel Training Centre, creating a 'one-club' philosophy. The investment will allow the team to go semi-professional, and this summer has seen the addition of two French youth internationals, Daina Bourma and Lisa Martinez, as well as Scottish cap Emma Brownlie.

The new Stand mentioned at Auchenhowie has been developed with the requirements of the Scottish Women's Premier League in mind, and all the Women's matches will be played there going forward. Gregory Vignal, who had been working as an Academy coach, has been appointed as full-time Head Coach.

The Club is determined to become the best place in the country for players to play, train and develop their game.

Business Review (continued)

Operational Report (continued)

Commercial and other operations

Away from the pitch, the Executive and the Board continues to ensure that the rest of the Club is working to support the football department by growing revenues, protecting and enhancing the Club's brand, communicating with the fans, and providing a safe environment to enjoy a matchday. The commercial department had a busy year. 32Red extended their partnership for a further two years, taking it up to seven years, and at least 2021. The previously mentioned Academy deal with Carrick Packaging was announced for 2019/20, and the Club is also in the market for a Women's Programme Main Partner. The Club continued to add to its stable of Club Partners, and income from partnership sales and match day sponsors hit a five year high. The Club appreciates the support of brands like Utilita, Coca-Cola, Rangers Protect, Tennents, Thomas Cook and Konami. The continued investment in the Stadium on a matchday means that the product we can offer our potential partners continues to grow and evolve.

To lead this activity, the Club has been pleased to appoint a Director of Commercial and Marketing in James Bisgrove. As former Head of Sponsorship at UEFA Champions League, James will be tasked to expand the commercial programme even further.

Supporter relations

In July, the Club launched its new ground-breaking campaign Everyone Anyone, which aims to promote diversity and inclusion, and show Rangers as a modern football club through which fans can come together and support a common cause of equality and understanding. Rangers is for everyone and anyone and this campaign will send a clear message of zero tolerance to all forms of discrimination, on and off the pitch.

Our Supporter Liaison Officer meets with our recognised supporter groups on a regular basis, and attends all matches to assist as a point of contact with all fans, both on a matchday and online before or after the event. The SLO, along with the Club's Disability Access Manager, meets regularly as part of the Club's Disability Matters forum, with the aim of delivering improvements across all areas of the Club, both on a matchday and non-matchday. This year has seen our new 'Access Buddies' around the stadium on a matchday.

The team again received remarkable support from the fans for the 2018/19 season, with 45,500 season tickets sold, over 1,100 hospitality customers per home league game, and over 600,000 home match tickets processed by the Ticket Centre and the online sales platform.

The #FollowOn campaign saw record numbers of season ticket holders renew, and in record time. As well as that, the Club's new Seat-Sub platform has now been launched, which allows supporters to receive credits back on their season ticket when they cannot attend a game, which will help keep Ibrox full and the atmosphere right behind the team.

The Club strives to repay that support in part through its online interaction with fans. Of all the clubs competing in the Ladbrokes Premiership and UEFA Europa League, Rangers has the ninth highest number of social media engagements. Rangers TV subscription revenues were up 56%. 55 matches were broadcast to non-UK and Ireland subscribers, as well as a host of UK subscriber-only content.

Community and charity

The community coaching and international tours and camps run by the Soccer Schools is another important way of reaching the fanbase. Over 9,000 young people attended one of our courses throughout the world last year. Domestically, over 30 holiday courses took place across Scotland and Northern Ireland, while internationally, the Club took its programme all over the world through camps, coach education and residential events. The Soccer Schools' aim is to become one of the biggest club partnership programmes in world football, expanding throughout Europe, Asia, Oceania and North America, promoting high quality football education courses and spreading the word about our Club.

The Club continues to be a responsible employer and business partner, and to improve in these respects wherever possible. To this end, it has carried out a club-wide GDPR exercise this year, and appointed a Data Protection Officer, to comply with all new regulations.

In line with Gender Pay Gap legislation, the Group subsidiary The Rangers Football Club Limited, reported its Gender Pay Gap figures in April 2019. This report is available on the Club's website.

The Rangers Charity Foundation continues to exist to be a force for good on behalf of the Rangers Family, showing compassion to those in need, tackling inequalities and creating opportunities for people of all ages to change their lives for the better.

During the year, the Foundation delivered a diverse range of over 20 community programmes to almost 7,000 people, receiving over 3,000 letters for support. Full details of the Foundation's work can be found in its own Annual Report.

Clearly progress is being made in all areas and we continue to meet the challenges head on. This Board will not stop until Rangers return to regular triumphs.

Business Review (continued)

Finance Report

These results reflect the Club reestablishing itself in European football, and using the funds generated by reaching the group stages of the UEFA Europa League to continue to build a squad that can repeat that run and continue to improve in the league.

The last three financial years have seen £30m spent on first-team players, plus further funds in 2019's summer window, to bring us to where we are today. This investment is supported by the continued backing of the Board and its investors, as well as the fantastic support of the fans. Every pound generated by the team reaching the group stages of Europe has been reinvested into the team, the Stadium and the Training Centre.

Only by maintaining the strategy of redeveloping the football operations and modernising the Stadium and Training Centre, will the Club be able to make long-term profits through regular qualification for European competition, sensible player trading, and the production of top-level talent through the Academy.

Revenue for the year was £53.2m, a 63% increase on the previous year.

European competition alone was responsible for £14.3m of that increase, between prize monies, broadcasting rights, and match receipts, illustrating how important it is to the Club. Alongside that, the fans have continued to support the team fantastically well, with the average home league attendance again increasing, to 49,563, meaning season ticket incomes rose by £1.5m and hospitality revenues by £1.1m overall.

This support then allows the Club to maximise its relationship with its commercial partners, and this season has seen us add to our stable of Club Partnerships, and increase commercial and retail revenues by £3.4m.

Operating expenses excluding amortisation and impairment of players' registrations increased by 50%, from £38.9m to £58.2m. The bulk of this was an increase of £7.9m to first-team salary costs, as the Club ensured it was ready for European competition. The majority of the balance of the increase in other operating expenses was driven by direct costs incurred in fulfilling nine additional home fixtures, as well as additional travel costs to European and pre-season matches.

The operating loss for the year decreased from £13.2m to £11.6m. This loss was driven by the above mentioned increase to payroll costs and a £7.2m charge for the year for amortisation and impairment of the playing squad. As investment in the playing squad continues, so too will the player registration amortisation as this value is written down over the length of player contracts. The Board chose to impair the value of the playing squad by £1.6m for players where the carrying value was deemed to be in excess of the recoverable amount.

A £3.1m profit on sale of players was recognised in the year, compared to £1.2m in the previous year.

Interest charges on finance leases and other finance facilities increased to £258k against the previous year of £159k. The Group also incurred net notional interest of £1.0m on deferred player transfers and £1.6m of other finance costs being the amortisation of loans under the effective interest rate method, both of which are non-cash items.

The Club also carried out two share issues in the financial year, approved at the last AGM and in June's General Meeting of shareholders. £16.6m of investor loans were converted to shares, and £1.6m of cash was generated by these. As well as strengthening the Balance Sheet, this was a positive move towards the Club continuing to meet its UEFA Financial Fair Play requirements for the coming years.

Dave King, Chairman

31 October 2019

Strategic Report

About Rangers International Football Club plc (the "Company", "RIFC", "RIFC plc", and including its Subsidiaries, the "Group"), and Rangers Football Club (the "Club")

Rangers Football Club, formed in Scotland in 1872, is one of the world's most successful clubs, having won 54 League titles, 33 Scottish Cups, 27 League Cups and the European Cup Winners' Cup in 1972. The Club's loyal and sizeable supporter base, both in Scotland and around the world, enables the Club to boast one of the highest percentages of season ticket holders in the UK. Playing at the 50,817 seater Ibrox Stadium and benefitting from the world class 37 acre Hummel Training Centre, Rangers have been a leading force in Scottish football for decades. This world class stadium, training infrastructure and a loyal and passionate global fanbase provide an excellent foundation for the Company.

The Club finished second in the SPFL (Scottish Professional Football League) Premiership in season 2018/19. The history, facilities and ambition of the Club are such that the Club remains a desirable destination for foreign and domestic players alike. The first team squad is managed by Steven Gerrard.

The Directors, in preparing this Strategic Report, have complied with s414A to E of the Companies Act 2006.

This Strategic Report has been prepared for Rangers International Football Club plc and its subsidiary undertakings (the Group) as a whole and therefore gives greater emphasis to those matters which are significant to the Group when viewed as a whole.

Strategic Report (continued)

Consolidated Results of Operations

REVENUE

The table below sets out the Group's revenue during the year:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Gate receipts and hospitality	31,982	22,989
Sponsorship and advertising	2,782	1,922
Broadcasting rights	4,551	3,728
Commercial and retail activities	3,994	594
UEFA prize money and solidarity	6,359	653
Other revenue	3,503	2,793
Total revenue	**53,171**	**32,679**

Revenue for the year ended 30 June 2019 totalled £53.2 million. Of this total, gate receipts and hospitality income contributed £32.0 million. During the year the Club played nineteen home league matches, three home cup matches, seven home European ties and three home friendlies (2018: nineteen home league matches, two home cup matches, one European tie, one home friendly). No revenue is recognised in respect of away fixtures except for a small share of ticket revenue from away cup matches.

An increase to turnover of £20.5m is driven in the main by reaching the Group Stages of the UEFA Europa League, with £14.3m of turnover coming from European competition. Season ticket income of £16.1 million was recognised during the year to 30 June 2019 based on sales of 45,500 season tickets (2018: £14.7 million from 44,658).

Broadcasting revenue, UEFA prize money and solidarity were all boosted by being back in European competition, as well as an increase to the central funds received from the SPFL.

Commercial income of £0.7 million, sponsorship income of £2.8 million and broadcast income of £4.6 million recognised during the year to 30 June 2019 includes revenue earned from agreements with the Club's sponsors and commercial partners, as well as the sale of matchday publications and monies generated from TV and the SPFL for matches televised or broadcast to the public.

Retail income of £3.3 million relates to royalties and profit share of the season's merchandising arrangements.

Other revenue includes income from catering, tours, events and retail activities.

OPERATING EXPENDITURE

RIFC has incurred the following operating expenses during the year:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Staff costs	34,488	24,132
Other operating charges	22,039	12,989
Hire of plant and machinery	68	93
Depreciation of property, plant and equipment	1,535	1,623
Amortisation of trade marks	2	2
Amortisation and impairment of players' registrations	7,230	7,358
Auditor's remuneration	75	75
Total operating expenses	**65,437**	**46,272**

Player costs are RIFC's most significant expenditure, including £23.0 million (2018: £15.1 million) in respect of the first team playing squad. First team player salary costs are contractual and each player's salary is unique.

Other operating charges include matchday costs, such as policing, stewarding and pitch costs. A £9.1m increase is caused by fulfilling the nine extra home games in the season, and a £3.6m increase to legal and professional fees.

Strategic Report (continued)

CASH FLOW

The main sources of income for RIFC and its subsidiaries are season ticket sales, other match related revenue, commercial income and proceeds from the sale of players' registrations, which typically occur during the summer transfer window.

Cash payments primarily consist of the player and staff wages, direct costs and the payment of player transfer fees payable in respect of acquired players.

The following table shows information regarding RIFC's cash flows for the year to 30 June 2019.

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Cash flow from operating activities	328	(4,011)
Net cash used in investing activities	(9,304)	(4,503)
Net cash from financing activities	8,487	7,211
Net (decrease)/increase in cash and cash equivalents	**(489)**	**(1,303)**

There was a net cash inflow of £0.3 million from operating activities compared to an outflow of £4.0 million in the prior year. Net cash outflow on investing activities amounted to £9.3m, compared to £4.5 million in the prior year.

Included within financing activities is the net receipt of interest-free loans from investors totalling £5.1 million. This balance was used to fund the Club's working capital requirements.

KEY PERFORMANCE MEASURES

RIFC uses a number of key performance measures in its business, including statutory measures, such as revenue and operating profit/(loss), before and after player trading. The most significant non statutory measures used include the wages/turnover ratio and season ticket sales. Key non-financial measures include on-pitch performance and attendance. The table below shows some KPIs for the year to 30 June 2019.

	Year ended 30 June 2019	Year ended 30 June 2018
Total revenue (£'000s)	53,171	32,679
Operating loss (£'000s)	(11,647)	(13,163)
Operational EBITDA (£'000s)*	(2,882)	(4,180)
First Team Wages/Turnover ratio	43%	46%
Number of games played (total)	63	51
Number of games played (SPFL home)	19	19
Number of games played (SPFL away)	19	19
Number of games played (Cup home)	3	2
Number of games played (Cup away)	5	5
Number of games played (Euro home)	7	1
Number of games played (Euro away)	7	1
Number of other games (Friendlies home)	3	1
Number of other games (Friendlies away)	0	3
Number of season tickets sold	45,500	44,658
Season ticket sales (£'000s)	16,129	14,664
Average season ticket price (£)	355	328
Average attendance (league home matches)	49,563	49,173

**Operational EBITDA (earnings before interest, tax, depreciation and amortisation) is the Group's Operating profit / (loss) from the year adjusted for any non-recurring, depreciation, amortisation and financial items not already shown below this line.*

Strategic Report (continued)

CURRENT TRADING AND PROSPECTS

Last season, the Club's first team finished 2nd in the Ladbrokes SPFL Premiership. In addition, the Club reached the semi-final of the Betfred League Cup and the quarter-final of the William Hill Scottish Cup. In the current season, the Club currently sits in 2nd place in the Premiership, at the time of writing.

The Club enjoys a world class stadium and training infrastructure and a loyal and passionate global fan base, which provide a predictable income and the foundation for the Company. The Directors believe that digital media and RIFC's broadcasting arrangements enable RIFC to capitalise on the Club's brand better than has taken place before. The Directors are confident that the future of the Company is bright and are encouraged as they seek to achieve their goal of securing Rangers as a leading club in world football. Having again returned to the Europa League Qualifying rounds and then the Group Stages, the task is now to improve our performance and have regular European football at the Club.

RISKS AND UNCERTAINTIES

The Board sets out below the principal risks and uncertainties that it considers to be associated with the running of a professional football club. Due to the nature of professional football there are many risks and inherent uncertainties due to the nature of participating in competitive sport. These risks are regularly reviewed internally by executive management. Each risk when identified is analysed to determine the likelihood of the risk occurring, the potential impact it may have on the Group if it did occur, and the steps that have been or should be taken to reduce the likelihood of occurrence and mitigate any potential impact. Management personnel are responsible for managing these risks and the required steps to be taken are subject to direction and on-going review by executive management and Directors.

The Directors consider that the principal risks to the performance of the business continue to fall under the following headings:

Future funding

Building a team to challenge for the Ladbrokes SPFL Premiership and compete in European competition requires continued investment before success in these areas will generate a significant contribution to the revenues and cash flows of the Club. Until such time, the Group continues to require funding support from its investors. To this effect, the current and future financial position of the Group, its cash flows and liquidity position have been reviewed by the Directors. The forecasts indicate that funds are required to support the Club for the rest of the season 2019/20. The Board have received undertakings from the investors confirming that they will provide financial support as it is required. Further information can be found in the Going Concern section of this report and in note 1 to the financial statements.

Litigation

The Group operates at risk of litigation procedures from third parties, which are dealt with as they arise and on an individual basis. The key litigations to which the Group are party are identified later in this report alongside other pre-existing claims.

Retail revenue

The sales of this Season's Replica Kit to supporters commenced much earlier this year than has been the case in recent Seasons. It is hoped that the Club can continue this model in future Seasons, as it provides a longer window for the sale of each Season's Kit to supporters and provides a more orderly retail experience. The continued litigation on the retail front is something the Club wants to end and it will seek to do so in a way that properly rewards the Club for the licence of its IP and the profit this delivers to others involved in the branding, manufacture, supply and retail sale of its Replica Kit and merchandise.

Season ticket revenues

Significant revenue is earned from the sale of season tickets. Current economic conditions can affect supporters' available income and there is a risk that the season ticket sales may fall. As well as the level of supporter engagement, the quality on the pitch, the standard of matchday entertainment, the level of success from the previous season, the level of opposition, together with pricing all have an effect on the decision to buy. Many of these factors are beyond the control of the Group.

Matchday attendances

Substantial income is derived from matchday ticket sales and the sale of various products and services on match days, including hospitality, catering and programmes. Worse than expected results and inclement weather, especially during the winter months can lead to a drop in attendances.

Strategic Report (continued)

RISKS AND UNCERTAINTIES (CONTINUED)

Broadcasting contracts and football competitions

The SPFL sells domestic broadcasting rights centrally. The Club currently competes in the Ladbrokes SPFL Premiership, and the SPFL provide revenue streams to the Group. The Club also competes in European competition and UEFA provide revenue streams to the Club in these circumstances. The future level of revenue is not contractually guaranteed, and is subject to influence from third parties.

Player transfer market and wages

The football club is subject to two transfer windows within the year. The unpredictable nature of these, with players able to move relatively freely, despite their contracts and many clubs looking to buy players with comparative skills, means that all clubs cannot guarantee that they will retain or add to the squad to meet their requirements. The short transfer window can also have an inflationary effect on prices or alternatively drive selling prices down.

Player wages are subject to influence from competing clubs, particularly in those leagues with lucrative media contracts, significantly exceeding those available in smaller domestic markets. Consequently, all transactions are affected by a series of variable factors which result in the market being unpredictable.

Each of the factors above are influenced significantly by uncertainties beyond the control of the Group.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Group's business the financial risk that the Directors consider particularly relevant to the Group is cash flow risk. The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 20 to the financial statements.

GOING CONCERN

The Board of Directors ("the Board") are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business. In satisfaction of this responsibility the Board has considered the Group's ability to meet its liabilities as they fall due.

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The Strategic Report also describes how the Group manages its capital, its liquidity risk and its exposure to credit risk.

The Group meets its day to day working capital requirements through existing cash facilities, investor loans and finance leases. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity. The Board acknowledges that there is a level of uncertainty in the general economic environment which may impact the trading position of its customers and suppliers.

The Board has undertaken a recent and thorough review of the Group's forecasts and the associated risks. These forecasts extend for a period beyond one year from the date of approval of these financial statements. The extent of this review reflected the current economic environment, the Club's current and projected trading and position in Scottish football.

Key assumptions in respect of the Group's forecasts are discussed within note 1 to the financial statements.

At the time of preparation, the forecast identified that the Group would require £10.0m by way of debt or equity funding by the end of season 2019/2020 in order to meet its liabilities as they fall due. The first tranche of funding is required from investors in November 2019. However, the final amount required is dependent on future football performance, European football participation and player trading amongst other factors.

The Board of Directors have discussed the Club's forecast cash flow shortfall and have reached agreement with Laird Investments (Pty) Limited whereby it will provide additional loan facilities as necessary to meet shortfalls to the above requirements and any further amounts that may be required a result of variances to forecast cash flows. Further to this, Laird Investments (Pty) Limited have agreed to provide a £5m facility to October 2021.

The Board has considered the level and timing of additional funding that may be needed and is satisfied that any such amounts will be made available as and when required.

Strategic Report (continued)

GOING CONCERN (CONTINUED)

The Board acknowledge that the uncertainty over the level of additional funds that will be required and a lack of a binding debt facility indicate that a material uncertainty exists which may cast doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making the enquiries referred to above, the Board of Directors believe that there is a reasonable expectation that the Group will at all times have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The RIFC Group maintains cash to fund the daily cash requirements of its business. The Group does not have access to any further banking facilities.

As at 30 June 2019, there are interest-free, unsecured loans with investors amounting to £10.3 million, other commercial loans of £3.0m, whilst the Group also has finance lease agreements totalling £1.2 million.

As at 30 June 2019, the Group held £1.0m within cash and bank balances.

Dave King, Chairman

31 October 2019

Directors' Report

The Directors present their report on the affairs of the Group together with the financial statements and Auditor's Report for the year ended 30 June 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group continue to be the operation of a professional football club in Scotland together with related commercial activities. A review of the Group's business, an indication of the likely future developments of its business and a description of the principal risks and uncertainties facing the Group are contained in the Business Review on pages 5 to 9, and the Strategic Report.

STRATEGIC REPORT

As the Company and its principal subsidiaries are managed and controlled as a single entity, the review of business and future developments, which is set out in the Strategic Report on pages 10 to 15, reflects the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

ENVIRONMENTAL MATTERS AND EMPLOYEE MATTERS

The Company aims to operate as a responsible employer. We seek to minimise the Group's impact on the environment and endeavour to achieve this through recycling and energy conservation wherever possible. We are also committed to maintaining a workplace of the highest standard and seek to do so by ensuring that we provide training programmes, appropriate remuneration and a positive working environment.

The Club has chosen to adopt the voluntary Living Wage rate as a minimum for employees over the age of 25.

RESULTS AND DIVIDENDS

The audited consolidated income statement for the year ended 30 June 2019 is set out on page 22. The Directors have not recommended the payment of a dividend (2018: nil).

DIRECTORS

The Directors serving throughout the year and to the date of this report were as follows:-

Name	Position	
Dave King	Chairman	
Douglas Park	Non-exec Director	
John Bennett	Non-exec Director	
Graeme Park	Non-exec Director	
Alastair Johnston	Non-exec Director	
Julian Juul Wolhardt	Non-exec Director	
Barry Scott	Non-exec Director	appointed 5 October 2018

OTHER INFORMATION

The Directors have included other information, in accordance with S414(C) of the Companies Act 2006, within the Strategic Report, being information on the exposure to risks and uncertainties.

DIRECTORS' INDEMNITIES

The Group or Company has not made any qualifying third-party indemnity provisions for the benefit of its Directors during the period.

CHARITABLE AND POLITICAL DONATIONS

The Group made cash donations of £4k (2018: £2k) to international, UK-based and local charities during the period. The Group made no political donations during the year (2018: nil).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues. Suitable training and adjustments to their work environment are arranged where appropriate, to allow staff to reach their potential. It is the policy of the Group that the training, career development and promotion of disabled people should, as far as possible, be identical to that of other employees.

Directors' Report (continued)

EMPLOYEES CONSULTATION

The Group places considerable value on the involvement of its employees throughout the business. Employees are kept well-informed on matters affecting them as employees and on the various factors affecting the Group, such as performance. This is achieved by regular departmental meetings, email correspondence and intranet notices.

SUPPLIER PAYMENT POLICY

The Group's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 30 days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly.

KEY PERFORMANCE INDICATORS

The Directors monitor the business based on a number of key performance measures, being both financial and football-related, as shown in the Strategic Report.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the year-end is given in the notes to the financial statements.

AUDITOR

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each of the Directors are aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all of the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

A resolution to reappoint Campbell Dallas Audit Services will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Dave King, Chairman
31 October 2019

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, 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 chosen to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the accounts unless they are satisfied that they 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, International Accounting Standard 1 requires that Directors:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether IFRS as adopted by the EU has been followed subject to any material departures disclosed or explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006, and as regards the Group accounts, article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Dave King, Chairman

31 October 2019

Corporate Governance Statement

CORPORATE GOVERNANCE

The Board of Rangers International Football Club plc are committed to maintaining principles of strong corporate governance and standards of good practice that are appropriate to the size of the Company and that meet the standards expected of the Company's shareholders and other stakeholders including fans, employees and suppliers.

THE BOARD OF DIRECTORS

The Board of Directors operates within the framework discussed below.

The Board meets quarterly to consider all aspects of the Company's activities. A formal schedule of matters reserved for the Board is maintained and includes overall strategy, approval of major capital expenditure and consideration of significant financial and operational matters. The Board currently consists of the Chairman, six non-executive Directors and a company secretary.

OPERATIONAL BOARD

A separate operational Board functions within The Rangers Football Club Limited, and liaises directly with the RIFC plc Board. The operational Board consists of members of executive management and is responsible for implementing the Board's strategy and for monitoring the day to day operations of the Club.

INTERNAL CONTROL

The Directors acknowledge their responsibility for the Company's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage the risk of failure to achieve the Company's strategic objectives. It cannot totally eliminate the risk of failure but will provide reasonable, although not absolute, assurance against material misstatement or loss.

The Company's key risk management processes and system of internal control procedures include the following:

MANAGEMENT CONTROL SYSTEMS

The Company continues to invest in IT software and infrastructure in anticipation of future growth. Ticket, hospitality and event bookings are controlled and monitored by the Company's own bespoke booking software. Business-wide income and expenditure is controlled by in-house accounting systems.

These systems provide tight cash and cost controls, aid maximisation of attendance at matches and provide the necessary information for company management and the Board to effectively and efficiently run the business. The Company receives a large amount of its income in cash from its activities and the Directors have implemented rigorous cash control measures at each of its sites, particularly the Ticket Centre, which include: daily reconciliations of cash; daily monitoring of upcoming matches; use of safes; and regular reviews by company and department management.

PERFORMANCE MEASUREMENT

The Company's financial reporting procedures include detailed operational budgets for the year ahead and a five year plan, reviewed and approved by the Board. Performance is monitored throughout the year through monthly reporting of results versus budget, and key performance indicators. Relevant action is then taken including the preparation of updated forecasts for the year.

Independent auditor's report to the members of Rangers International Football Club plc

OPINION

We have audited the financial statements of Rangers International Football Club plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2019 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of 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 *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and Parent 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to information in note 1 in the financial statements concerning the Group's ability to continue as a going concern. In order to continue operations for the next 12 months the Group is dependent upon raising additional finance to cover projected cash shortfalls in season 2019/20. The precise level of funding required is uncertain as it is inherently dependent on a number of key variables, including the achievement of forecast football performance and player trading. As stated in note 1 the risk that key cash flows are not achieved as forecast , along with the absence of a binding debt facility for any shortfalls, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Rangers International Football Club plc (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 18, 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 necessary to enable to 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 Group and Parent 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.

Campbell Dallas Audit Services

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Campbell Dallas Audit Services
Statutory Auditors
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

31 October 2019

Consolidated Income Statement
For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
REVENUE	2	**53,171**	**32,679**
Operating expenses	3	(58,207)	(38,914)
		(5,036)	(6,235)
Other operating income	3	619	430
OPERATING LOSS BEFORE PLAYER AMORTISATION		**(4,417)**	**(5,805)**
Amortisation and impairment of players' registrations	3	(7,230)	(7,358)
OPERATING LOSS		**(11,647)**	**(13,163)**
Profit on disposal of players' registrations	3	3,129	1,187
Share of income from associates		-	15
Other charges	7	(1,571)	(1,708)
Finance costs	7	(1,302)	(754)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(11,391)**	**(14,423)**
Taxation	8	114	82
LOSS FOR THE YEAR		**(11,277)**	**(14,341)**
Loss for the year attributable to:			
Owners of the Company		(11,277)	(14,341)
Non-controlling interests		-	-
		(11,277)	**(14,341)**
Basic and diluted earnings per ordinary share	29	(8.50p)	(17.60p)

All profits and losses are derived from continuing operations.

The notes on pages 29 to 59 form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
LOSS FOR THE YEAR		**(11,277)**	**(14,341)**
Deferred tax relating to components of other comprehensive income	8	-	-
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(11,277)**	**(14,341)**
Total comprehensive loss for the year attributable to:			
Owners of the Company		(11,277)	(14,341)
Non-controlling interests		-	-
		(11,277)	(14,341)

Consolidated Balance Sheet

As at 30 June 2019

	Notes	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	45,986	43,222
Intangible assets	10	29,165	27,271
Trade and other receivables	13	79	-
		75,230	70,493
CURRENT ASSETS			
Trade and other receivables	13	22,823	18,541
Cash and bank balances	14	1,037	1,526
		23,860	20,067
TOTAL ASSETS		**99,090**	**90,560**
CURRENT LIABILITIES			
Other loans	15	(5,496)	(3,625)
Trade and other payables	16	(20,206)	(11,747)
Obligations under finance leases	17	(403)	(338)
Deferred income	18	(23,119)	(20,746)
		(49,224)	(36,456)
NET CURRENT (LIABILITIES)/ASSETS		**(25,364)**	**(16,389)**
NON-CURRENT LIABILITIES			
Other loans	15	(7,770)	(17,692)
Trade and other payables	16	(3,102)	(4,389)
Obligations under finance leases	17	(835)	(866)
Deferred income	18	(366)	(488)
Deferred tax liability	19	(4,909)	(4,997)
		(16,982)	(28,432)
TOTAL LIABILITIES		**(66,206)**	**(64,888)**
NET ASSETS		**32,884**	**25,672**
EQUITY			
Share capital	22	1,722	815
Share premium account	23	36,279	19,048
Merger reserve	23	12,960	12,960
Revaluation reserve	24	26,016	26,378
Capital contribution	24	2,699	5,142
Retained earnings	25	(46,792)	(38,671)
TOTAL EQUITY		**32,884**	**25,672**

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 31 October 2019. They were signed on its behalf by:

Dave King, Chairman

The notes on pages 29 to 59 form an integral part of these financial statements.

Company Balance Sheet

As at 30 June 2019

	Notes	2019 £'000	2018 £'000
NON-CURRENT ASSETS			
Investment in subsidiaries	11	60,688	54,821
TOTAL ASSETS		**60,688**	**54,821**
CURRENT LIABILITIES			
Amounts due to subsidiary undertakings		(115)	(85)
Other loans	15	(2,496)	(3,625)
NET CURRENT (LIABILITIES)/ASSETS		**(2,611)**	**(3,710)**
NON-CURRENT LIABILITIES			
Other loans	15	(7,770)	(17,692)
TOTAL LIABILITIES		**(10,381)**	**(21,402)**
NET ASSETS		**50,307**	**33,419**
EQUITY			
Share capital	22	1,722	815
Share premium account	23	36,279	19,048
Merger reserve	23	12,960	12,960
Capital contribution	24	2,699	5,142
Retained earnings	25	(3,353)	(4,546)
TOTAL EQUITY		**50,307**	**33,419**

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 31 October 2019. They were signed on its behalf by:

Dave King, Chairman

The notes on pages 29 to 59 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year to 30 June 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Capital contribution £'000	Revaluation reserve £'000	Total equity £'000
As at 30 June 2017	**815**	**19,048**	**12,960**	**(24,721)**	**3,271**	**26,740**	**38,113**
Loss for the year to 30 June 2018	-	-	-	(14,341)	-	-	(14,341)
Transfer from revaluation reserve to retained earnings	-	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	-	(91)	-	91	-
Equity element of interest-free loans from investors	-	-	-	-	1,900	-	1,900
Transfer on repayment of interest-free loans	-	-	-	29	(29)	-	-
As at 30 June 2018	**815**	**19,048**	**12,960**	**(38,671)**	**5,142**	**26,378**	**25,672**
Loss for the year to 30 June 2019	-	-	-	(11,277)	-	-	(11,277)
Share issues	907	17,231	-	-	-	-	18,138
Transfer from revaluation reserve to retained earnings	-	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	-	(91)	-	91	-
Equity element of interest-free loans from investors	-	-	-	-	1,481	-	1,481
Transfer on repayment of interest-free loans	-	-	-	2,794	(3,924)	-	(1,130)
As at 30 June 2019	**1,722**	**36,279**	**12,960**	**(46,792)**	**2,699**	**26,016**	**32,884**

Company Statement of Changes in Equity

For the year to 30 June 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Capital contribution £'000	Total equity £'000
As at 30 June 2017	**815**	**19,048**	**12,960**	**(2,843)**	**3,271**	**33,251**
Loss for the year to 30 June 2018	-	-	-	(1,732)	-	(1,732)
Equity element of interest-free loans from investors	-	-	-	-	1,900	1,900
Transfer on repayment of interest-free loans	-	-	-	29	(29)	-
As at 30 June 2018	**815**	**19,048**	**12,960**	**(4,546)**	**5,142**	**33,419**
Loss for the year to 30 June 2019	-	-	-	(1,601)	-	(1,601)
Share issues	907	17,231	-	-	-	18,138
Equity element of interest-free loans from investors	-	-	-	-	1,481	1,481
Transfer on repayment of interest-free loans	-	-	-	2,794	(3,924)	(1,130)
As at 30 June 2019	**1,722**	**36,279**	**12,960**	**(3,353)**	**2,699**	**50,307**

Consolidated Statement of Cash Flows

For the year to 30 June 2019

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
CASH USED IN OPERATIONS	26	**328**	**(4,011)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(9,676)	(6,080)
Purchase of property, plant and equipment		(2,968)	(1,035)
Proceeds from sale of intangible assets		3,596	2,199
Proceeds from sale of tangible assets		-	-
Interest paid		(256)	(155)
Receipt of dividend from associate		-	568
NET CASH USED IN INVESTING ACTIVITIES		**(9,304)**	**(4,503)**
FINANCING ACTIVITIES:			
Payment of lease finance liabilities		(380)	(314)
Loans received		8,191	7,571
Loans repaid		(875)	(46)
Proceeds from issue of shares		1,551	-
NET CASH INFLOW FROM FINANCING ACTIVITIES	26	**8,487**	**7,211**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(489)**	**(1,303)**
Cash and cash equivalents at the beginning of the period		1,526	2,829
Cash and cash equivalents at the end of the period		1,037	1,526
		(489)	**(1,303)**

Company Statement of Cash Flows

For the year to 30 June 2019

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
CASH USED IN OPERATIONS	26	-	-
CASH USED IN INVESTING ACTIVITIES		-	-
CASH USED IN FINANCING ACTIVITIES			
Proceeds from issue of shares		1,551	-
Loans received		5,191	7,571
Loans repaid		(875)	(46)
Funds passed to subsidiary		(5,867)	(7,525)
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	-
Net (decrease)/increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-
		-	-

Notes to the financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION

Rangers International Football Club plc was incorporated in Scotland on 16 November 2012 as a public company with registration number SC437060.

The address of the registered office is Ibrox Stadium, Glasgow, G51 2XD. The nature of the Group's operations is that of a football club.

The financial information is presented in pounds sterling, the currency of the primary economic environment in which the Group operates, and is rounded to the nearest thousand (£'000). All activities of the Group are performed in the United Kingdom.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

The following accounting policies have been identified by the Board as being the most significant to the statutory financial statements.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements are described further in significant accounting policies.

SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Annual Report comprises the Strategic Report, Directors Report and the Annual Accounts. The Annual Accounts comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Parent Company Balance Sheet, Consolidated and Parent Company Statement of Cash Flows, Consolidated and Parent Company Statement of Changes in Equity, and note disclosures for the Group and Parent Company. The accounting year is the year to 30 June 2019. A separate Income Statement for the Parent Company has not been presented, as permitted by s408 of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except where IFRS permits recognition at fair value, specifically in relation to the valuation of property.

The principal accounting policies adopted are set out below.

Going concern

The Board of Directors ("the Board") are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business. In satisfaction of this responsibility the Board have considered the Group's ability to meet its liabilities as they fall due.

The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The Strategic Report also describes how the Group manages its capital, its liquidity risk and its exposure to credit risk.

The Group meets its day to day working capital requirements through existing cash facilities, investor loans and finance leases. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity. The Board acknowledges that there is a level of uncertainty in the general economic environment which may impact the trading position of its customers and suppliers.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

The Board has undertaken a recent and thorough review of the Group's forecasts and the associated risks. These forecasts extend for a period beyond one year from the date of approval of these financial statements. The extent of this review reflected the current economic environment, the Club's current and projected trading and position in Scottish football.

The forecasts make key assumptions, based on information available to the Board, around:

- Football performance, the forecast assumes the Club will challenge for the European places in the Ladbrokes SPFL Premiership in 2019/20 and participate in European competition in the season thereafter;
- Season ticket sales, the timing and amount of which are consistent with the Club's historic experience. The forecasts include an uplift in season ticket prices to reflect annual inflationary increases and forecast improved football performance;
- Matchday income, which is projected to grow as a result of improving footballing performance and success;
- Sponsorship, commercial and other non-matchday income reflecting continuing customer confidence and increased hospitality demand;
- The amount and timing of cash flows from retail activities;
- The forecast overhead cost base of the Club;
- Payroll costs reflecting the 2019/20 squad size and composition in perspective to its assumptions around football performance;
- The quantum of future transfer receivables and payables;
- The capital expenditure necessary to maintain and improve the stadium, training facility and general Ibrox vicinity;
- The Group's ability to secure further debt or equity finance from its current investors or through public share issue to allow the Group to continue to meet its liabilities as they fall due.

The Board recognises that achievement of its forecast is critically dependent on a number of the key assumptions noted above.

At the time of preparation, the forecast identified that the Group would require £10.0m by way of debt or equity funding by the end of season 2019/2020 in order to meet its liabilities as they fall due. The first tranche of funding is required from investors in November 2019. However, the final amount required is dependent on future football performance, European football participation and player trading amongst other factors.

The Board of Directors have discussed the Club's forecast cash flow shortfall and have reached agreement with Laird Investments (Pty) Limited whereby it will provide additional loan facilities as necessary to meet shortfalls to the above requirements and any further amounts that may be required a result of variances to forecast cash flows. Further to this, Laird Investments (Pty) Limited have agreed to provide a £5m facility to October 2021.

The Board has considered the level and timing of additional funding that may be needed and is satisfied that any such amounts will be made available as and when required.

The Board acknowledge that the uncertainty over the level of additional funds that will be required and a lack of a binding debt facility indicate that a material uncertainty exists which may cast doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making the enquiries referred to above, the Board of Directors believe that there is a reasonable expectation that the Group will at all times have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing this report and the statutory financial statements.

Consolidation

The consolidated accounts present the financial position, results, and cash flows for Rangers International Football Club plc and its subsidiaries as a combined entity.

Subsidiaries

The Group's consolidated accounts comprise the accounts of companies in which the Parent Company or subsidiaries have control.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Control

A company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to govern the financial and operating policies of the entity. A company loses control over an entity when it loses any of the above components. The loss of control can occur with or without a change in absolute or relative ownership levels.

Rangers Retail Limited was granted rights as part of the retail operations, distribution and IP licence agreement entered into with SDI Retail Services Limited on 21 June 2017 as may reasonably be required to effect the run off and cessation of that entity. SDI Retail Services Limited's A shares grant it twice as many voting rights on all financial matters including any day to day decisions in relation to carrying out the business in its ordinary course. As such, the Board maintain that the Group does not possess the ability to govern the financial and operating policies of Rangers Retail Limited, and therefore does not control the entity.

Rangers Retail Limited continues to be treated as an associate of the Group.

Associates

Associates are entities over which the Group has significant influence, but not control. The existence of significant influence by an entity is usually evidenced, amongst other aspects, by a holding of 20-50% of the voting rights, by representation on the Board of Directors or equivalent governing body of the investee, participation in the policy-making process and material transactions between the entity and the investee.

Investments in associates are initially recognised at cost.

Thereafter investments in associates are accounted for using the equity method of accounting, less any impairment losses. The Group's proportionate share of the after tax profits or losses is recognised in the Consolidated Income Statement in a separate line. This share adds to or reduces the value of the investment in the Consolidated Balance Sheet. Distributions (dividends) received reduce the carrying amount of the investment.

The equity method is used from the date that significant influence arises, to the date significant influence ceases.

The Group's share of a loss is not recognised where this would reduce the value of an investment beyond £nil.

Investments in associates are classified as non-current assets inclusive of any goodwill on acquisition and presented as one-line items in the Consolidated Balance Sheet.

Elimination of intra-Group transactions

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method, other than for The Rangers Football Club Ltd. The use of merger accounting was applied to the acquisition of The Rangers Football Club Ltd in 2012.

The cost of acquisition is the consideration given in exchange for control over the identifiable assets, liabilities and contingent liabilities of the acquired company. This consideration includes cash paid plus the fair value at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Group.

Contingent consideration arrangements are included in the cost of acquisition at fair value.

Management judgement is required to assess facts and circumstances existing at the Balance Sheet date that indicate the ability to meet the conditions of the arrangements. The value of consideration is assessed in line with these judgements. Changes in the fair value of assets acquired, liabilities assumed and the value of contingent consideration that the Group recognises after the acquisition date as the result of additional information about facts and circumstances that existed at the acquisition date are considered measurement period adjustments. In accordance with IFRS 3, adjustments are recognised to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Increases and decreases resulting from the above are recognised by means of an increase and decrease in goodwill. Comparative information for prior periods presented in the Financial Statements is amended as necessary.

Changes resulting from additional information in relation to circumstances occurring after the acquisition date are not measurement period adjustments. Changes that are not measurement period adjustments are recognised in the Income Statement in accordance with IAS 39.

Directly attributable transaction costs are expensed in the current period and reported within general and administration expenses unless these relate to the issue of debt or equity. Issue costs are taken directly against the debt or equity issued.

The acquired net assets, being the identifiable assets, liabilities and contingent liabilities are initially recognised at fair value.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Negative goodwill arising on acquisitions represents a gain on purchase. In accordance with IFRS 3 this constitutes an economic gain that is immediately recognised in the Income Statement.

Positive goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquired identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units.

Where goodwill forms part of a cash generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Assets and liabilities

An asset that is associated with the Group's normal operating cycle, held primarily for the purpose of being traded, expected to be realised within twelve months after the Balance Sheet date or is cash or cash equivalents (unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance Sheet date) is classified as a current asset. All other assets are classified as non-current assets.

A liability is classified as current if it is expected to be settled in the Group's normal operating cycle, is held primarily for trading purposes and is due to be settled within twelve months after the statement of financial position date or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date. All other liabilities are classified as non-current liabilities.

Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of shares are shown in equity as a deduction from proceeds within the share premium account.

Financial instruments

Financial instruments are classified as debt or equity in accordance with their underlying economic reality. Costs directly attributable to the issue of debt are shown as a deduction from the debt issued. Interest, dividends, gains or losses related to a financial instrument that is classified as debt, will be presented as an expense or income in the Income Statement.

The Group has two main categories of financial instruments, which are trade and other receivables and other financial liabilities.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Upon recognition, these assets are measured at fair value less directly related transaction expenses. In successive periods these are measured at amortised cost, and any differences between acquisition cost and redemption value is accounted for over the borrowing period by using the effective interest method. If transaction costs are immaterial and the credit period is short, amortised cost is equal to the nominal value less any allowance for credit losses. Amortised interest is recognised as income within the Consolidated Income Statement.

Where these are provided interest-free or below market rate, the market value on initial recognition is required to be estimated by discounting the loan amount to the present value of future payments using an equivalent rate of a similar instrument.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred. In successive periods these are measured at amortised cost. Any differences between the value on initial recognition and the value on redemption is accounted for over the borrowing period by using the effective interest method. If transaction costs are immaterial and the credit period is short, amortised cost is equal to the nominal value. The amortisation of financial liabilities is recognised as an expense within the Consolidated Income Statement.

Other financial liabilities includes Other loans and Trade and other payables. Where these are provided interest-free or below market rate, the market value on initial recognition is required to be estimated by discounting the loan amount to the present value of future payments using an equivalent rate of a similar instrument.

The difference arising between the fair value of investor loans and the redemption value is deemed as a capital contribution and taken direct to equity.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Cash and bank balances

Cash and bank balances in the Balance Sheet comprise cash at hand and in banks and short term deposits which without significant currency risk can be converted to cash within three months.

Impairment of financial instruments

An assessment is made at each Balance Sheet date as to whether there is any objective evidence of impairment. An asset is considered for impairment where events occur such as a reduction in anticipated future cashflows or a breach of contract. All losses from impairment are recognised as financial items in the Consolidated Income Statement.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts.

Leasing

Leases that largely transfer rights and obligations to the Group (financial leasing) are capitalised as Property, plant and equipment, and the financial obligations are entered as obligations under finance leases. Other lease expenses are treated as operational leasing costs, and presented as operating expenses in the Consolidated Income Statement.

Leased items that are recorded in the Balance Sheet are subject to depreciation according to the useful life of the asset, and the leasing liabilities are reduced with the leasing fees paid, after deduction of interest.

Discontinued operations

A discontinued operation is a component of the Group's business whose operation and cash flows can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of the Group's business or geographical area of operation;
- is part of a single coordinated plan to dispose of a major line of the Group's business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria for re-sale. A disposal occurs on loss of control.

A discontinued operation is presented as a single amount on the face of the Consolidated Income Statement that includes:

- post tax profit or loss from discontinued operations;
- the post-tax gain or loss recognised in the measurement to fair value less costs to sell; and
- when realised, the post-tax gain or loss on disposal of the discontinued operation.

Non-recurring items

Items that are deemed to be non-recurring by virtue of their nature or size are separately identified on the Consolidated Income Statement to assist in understanding the financial performance of the Group. Such items are classed as 'non-recurring' within the Income Statement.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in the normal course of business, net of discounts, VAT and other sales-related tax.

Merchandising revenue is recognised when goods are delivered and title has passed.

Gate receipts and other matchday revenue are recognised as the games are played. Prize money in respect of cup competitions is recognised when earned on progression. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards for league placing are accounted for on an accruals basis when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

The Group has applied IFRS 15: 'Revenue from contracts with customers' from 1 July 2018. On transition to IFRS 15, the Group reviewed the contracts in place with customers and concluded that IFRS 15 has no material impact on the recognition of revenue in the current or prior year financial statements and is not expected to significantly affect future periods. IFRS 15 requires the Group to determine revenues recognised at a point in time from those recognised over time.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profits differ from net profit as reported in the income statement because they exclude items of income or expense that are taxable or deductible in other years and they further exclude items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the Balance Sheet date.

Deferred tax is the tax expected to be payable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is charged or credited in the Income Statement or in the Statement of Other Comprehensive Income, where appropriate. The Group's liability for deferred tax is calculated using tax rates that have been substantively enacted by the Balance Sheet date. Where changes in tax rates occur that affect a deferred tax asset or liability relating to an item previously recognised in Other Comprehensive Income or direct to Equity, such changes are recognised within that applicable area. All other changes in tax rates are reflected within the Income Statement.

Deferred tax assets and liabilities require management judgement in determining such amounts to be recognised. In particular, significant judgement around the timing and quantum of future taxable income available is required when assessing the extent to which deferred tax assets should be recognised.

Brand intangible assets

The Group only carries brand intangible assets that have been acquired on the Consolidated Balance Sheet. Acquired brands are carried at cost, being estimated fair value on acquisition. Subject to an impairment review, no amortisation is charged on those brand intangible assets which the Board believes have an indefinite life on the basis that there is no foreseeable limit on the period of time for which the intangible asset is expected to generate cash flows.

The Group carries out an impairment review on the brand intangible assets, at least annually, or when a change in circumstances or situation indicates that those assets have suffered an impairment loss. Impairment is measured by comparing the carrying amount of an intangible asset with the 'recoverable amount', that is the higher of its fair value less costs to sell (FVLCS) and its value in use (VIU).

Player registrations

The costs associated with acquiring players' registrations, or extending their contracts, including agents' fees, are capitalised and amortised, in equal instalments, over the period of the respective players' contracts. Where players are acquired on deferred payment terms, these are deemed to be a financing transaction with a deemed interest rate applied. In such cases, the amount capitalised is the present value of future payments discounted using the deemed interest rate. When a contract life is renegotiated, the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Where the acquisition of a player registration involves a non-cash consideration, such as an exchange for another player registration, the transaction is accounted for using an estimate of market value for the non-cash consideration.

Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of first team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these fees are accounted for when it becomes probable that the number of appearances will be achieved or the specified future events will occur. These additional costs are capitalised and amortised as above. Likewise, any additional assets that are realised after selling players are recognised as debtors when it becomes probable that the conditions in the sale agreement will be met.

Donations

Cash or other monetary donations received with no performance related or claw back conditions are recognised as received within the income statement.

Impairment of tangible and intangible assets excluding goodwill

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired.

If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. Impairment losses recognised with respect to CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible and intangible assets excluding goodwill (continued)

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell (FVLCS) and its value in use (VIU). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Impairment losses are reported separately in the Consolidated Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.
The best evidence of FVLCS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCS is based on the best information available to reflect the amount the Company could receive for the CGU in an arm's length transaction. In determining FVLCS, fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs. Under this approach, the expected future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

A previously recognised impairment loss is reversed only if there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the Consolidated Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are not amortised but are instead subject to an annual impairment review. The Group considers its Brand to have indefinite useful life. Furthermore, the Group tests its tangible and intangible assets for impairment more frequently if there are indicators that the assets could be impaired.

Impairment testing procedures

The impairment test is carried out using the Income approach by assessing the net present value of future expected cash flows (on the basis of the continued operation of the cash generating unit) and comparing this to the carrying amount of net assets held by the cash generating unit.

If the carrying amount of net assets is higher than the calculated net present value then the assets are considered to be impaired.

The expected cash flow is based on the Group's forecasted results and margins, including the necessary capital expenditure to meet anticipated performance. The assumptions used represent Management's best estimate and are based on past experience and internal information held by the Group. Given that the calculations for recoverable amounts require the use of estimates and assumptions, it is possible that the assumptions may change, which may impact the carrying value of the CGU and result in impairment.

Key assumptions

Football team performance -	short term (1)	Finish in top-3 of SPFL Premiership, qualify for Europa League participation
Football team performance -	medium to long term (1)	Predictions of expected football results beyond season 2019/20 i.e. league placings, cup progressions, match day attendance, and future European participation.
Cash generating unit (2)		Football club operations
Budget period (3)		5 years
Discount rate (4)		13% pre tax
Growth rate (5)		2.0%
UEFA Club Competitions revenue distribution system (6)		Revenue available to Scottish clubs from future UEFA competitions to be at least equal to that available from the 2018-21 cycle

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Key assumptions (continued)

(1) The assumptions utilised in the model involve key judgements in respect of football performance in the short, medium and long term. The Directors are satisfied over the robustness of these assumptions.

(2) The group considers that the only cash generating unit is the operation of the football club. All income, costs and associated cash flows from retail operations are included in the impairment review.

Individual player registrations are included within the cash generating unit unless there are certain circumstances arising which would exclude them from the playing squad (such as sustaining a significant long term injury). In such circumstances, the players are unlikely to contribute to the future economic benefits of the cash generating unit and, as such, the carrying value of the player is removed from the cash generating unit. This is then assessed for impairment in isolation against the Group's best estimate of the player's fair value less any costs to sell. If the Group considers that impairment has occurred, a provision would be made as appropriate.

(3) The basis for the expected cash flow is the confirmed budgets for 2019/20 and the cash flow forecasts for the next four years after. Expected cash flows are calculated using a weighted average of possible outcomes based on football team performance.

(4) In management's judgement, a discount rate of 13% reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted. The discount rate used in the prior year was 13%.

(5) The growth rate utilised is based on expected inflationary growth in the UK beyond the period of forecasting. The growth rate used in the prior year was 2.0%.

(6) The financial distributions available from UEFA competitions in the forecast period are based on distributions available from the current UEFA cycle. The competitions available, and the entry points for Scottish clubs in the 2021-24 cycle are to be determined by future Scottish club coefficient rankings which may result in two Scottish teams entering the qualification rounds for the UEFA Champions League or alternatively, may result in the team finishing second in the Scottish Premiership entering the qualification rounds for the UEFA Europa League 2. Given the uncertainty, in management's judgement the most appropriate estimate of future distributions are those available in the current cycle. While the distributions from the future UEFA competitions are currently unknown it is envisaged that the new structure of European competition will result in more financial distributions being available to participating Scottish clubs.

Indications of impairment

As part of the impairment testing, a sensitivity analysis was performed with changes (both positive and negative) to Domestic and European football related performance, player salaries and transfers, retail revenue, discount rate and growth rate. These are considered by the Group to be the key unobservable inputs which would impact the valuation model significantly. The weighted average results from the sensitivity analysis were then taken to determine the estimated net present value of the cash generating unit.

The impairment testing did not result in the identification of impairment losses.

The valuation model showed headroom of approximately £4.9m. The valuation model by its nature is based upon uncertain assumptions and whilst the Group has a degree of expertise in these assumptions they are subject to change.

Interrelationships exist between all unobservable inputs. For example, a reduction in football related performance could impact the value of player costs or commercial and sponsorship income.

Critical sensitivities

Sensitivity applied	***Critical value - resulting in impairment charge***
Domestic and European football performance	Failure to participate in Europa League group stages a minimum of two times during the forecast period after season 2019/20.
Discount factor	An increase in discount rate to 13.61%.
Player costs & transfers	An increase in the annual player salary costs by 1.99% above those projected in the cash flows.
	An increase in the annual transfer spend by 7.19% above those projected in the cash flows.
	A decrease in the annual transfer receipts by 5.44% below those projected in the cash flows.
Retail revenue	A reduction in forecast annual retail revenue by 11.48%.
Growth rate	A reduction in growth rate to 1.13%.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Land and buildings held for use in operations, or for administrative purposes, are stated in the Balance Sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the Balance Sheet date.

At the date of revaluation, the Group estimates the fair value of the cash-generating unit (CGU) to which Land and buildings belong. The best evidence of fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Group could receive for the CGU in an arm's length transaction.

Fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs. Under this approach, the expected future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

Further details with regard to the cash flow model used can be found within the Impairment testing section above. Relatively small changes in the assumptions could have a significant impact on the valuation of the CGU. For example, a reduction in discount rate applied, by 1%, would increase the value of the CGU by £9.0m.

The fair value of the CGU is allocated pro rata across the individual assets within the CGU, including Land and buildings. Management then perform a review of the individual fair values and consider whether this allocation is reflective of the current condition of the assets in question. Where they consider that the fair value allocated does not reflect the true condition of the assets, judgement is applied to correct this allocation to a more appropriate basis.

Any revaluation increase arising on the revaluation of Land and buildings to fair value is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense. Under such circumstances, the increase is credited to the Income Statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such Land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to the Income Statement. On the subsequent sale or scrappage of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. There is also an annual transfer from revaluation reserve to retained earnings relating to annual depreciation.

Freehold land is not depreciated. Leasehold property is depreciated over the term of the lease. Other fixed assets are depreciated on a straight-line basis at annual rates appropriate to their estimated useful lives as follows:

Freehold properties	1.33%
General plant and equipment	2.5% - 33%

The Group capitalises costs in relation to an asset when an economic benefit from the asset is considered probable. Assets under the course of construction are carried at cost and include professional fees. Depreciation commences when the assets are ready for their intended use.

Provisions, contingent assets and liabilities

The Group only recognises liabilities where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be reliably estimated. In such instances a provision is calculated and recorded in the Financial Statements.

A contingent asset is not recognised in the Financial Statements but is disclosed when a possible asset arises from past events whose existence will be confirmed only by uncertain future events not wholly within the control of the entity and the inflow of economic benefits is assessed as probable at the Balance Sheet date.

A contingent liability is not recognised in the Financial Statements but is disclosed when an obligation arises from past events whose existence will be confirmed only by uncertain future events not wholly within the control of the entity; or an obligation arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Segmental accounting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors to allocate resources to the segments and to assess their performance. The Directors have concluded that in the year to 30 June 2019 the Group has only operated in one segment, namely the operation of a football club, and therefore no operating segment note has been prepared.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards

The Group has applied the following new, revised or amended standards for the first time in these financial statements for the year to 30 June 2019.

Title	Key Issues	Impact on RIFC plc
IFRS 15 Revenue from Contracts with Customers	The new standard is a single global revenue standard and replaces IAS11, IAS18, IFRIC 13, IFRIC 18 and SIC 31. The standard contains a single model that applies to two approaches, being at point in time and over time. For complex transactions with multiple components, variable consideration or extended periods, application of the standard can lead to revenue being accelerated or deferred in comparison to current IFRS.	The Group has reviewed the contracts in place with customers and concluded that IFRS 15 has no material impact on the recognition of revenue in the current or prior year financial statements and is not expected to significantly affect future periods.
IFRS 9 Financial Instruments	IFRS 9 was introduced in 2014 as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets.	The Group has certain types of financial assets that are subject to IFRS 9's new expected credit loss model. On transition to IFRS 9, the Group revised its impairment methodology - the identified impairment loss was immaterial. The changes to the classification and measurement requirements for financial assets have not materially impacted the numbers presented in the current or prior year financial statements and are not expected to significantly affect future periods.
IFRIC 22 Foreign Currency Transactions and Advance Consideration	IFRIC 22 was introduced in December 2016 to clarify the applicable exchange rate to be used when an entity has received advanced consideration in a foreign currency and to provide guidance to reduce diversity in practice.	On the adoption of IFRIC 22, the Group reviewed contracts in place and concluded that there is no impact on the numbers presented in the current or prior year financial statements and are not expecting a significant effect on future periods.

There were no other IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the Group's financial statements.

At the date of authorisation of these financial statements, the following Standards and interpretations that are relevant to the Group were in issue but not yet effective, and have not been adopted early in the financial statements:

Title	Key Issues	Effective Date	Impact on RIFC plc
IFRS 16 Leases	The standard provides a single lease accounting model requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset value is insignificant.	Periods beginning 1 January 2019	The Group is not party to any material operating leases. As such, the implementation of this standard will not have a significant impact on the financial statements of the Group.
IFRIC 23 Interpretation Uncertainty over Income Tax Treatments	IFRIC 23 was introduced in June 2017 to clarify how the recognition and measurement requirements of IAS 12 Income Taxes are applied when there is uncertainty over tax treatments.	Periods beginning 1 January 2019	The Group has no disputed tax treatments as at 30 June 2019 therefore IFRIC 23 is unlikely to have an impact.

There are no other standards that are not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the financial statements (continued)

2. REVENUE

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Gate receipts and hospitality	31,982	22,989
Sponsorship and advertising	2,782	1,922
Broadcasting rights	4,551	3,728
Commercial and retail activities	3,994	594
UEFA prize money and solidarity	6,359	653
Other revenue	3,503	2,793
Total revenue	**53,171**	**32,679**

3. LOSS FOR THE YEAR

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Loss for the year has been arrived at after charging / (crediting):-			
Staff costs	5	34,488	24,132
Other operating charges		22,039	12,989
Hire of plant and machinery		68	93
Depreciation and impairment of property, plant and equipment	9	1,535	1,623
Amortisation of trademarks	10	2	2
Auditor's remuneration	4	75	75
Other operating expenses		**58,207**	**38,914**
Revenue grants		(619)	(430)
Amortisation of player registrations	10	5,639	4,069
Impairment of player registrations	10	1,591	3,289
Gain on sale of player registrations	10	(3,129)	(1,187)
Total net result from player transfers, amortisation and impairment		**4,101**	**6,171**

Other operating charges includes matchday costs, such as policing, stewarding and pitch costs.

4. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Fees payable to the company's auditor for the audit of the Company's annual accounts:		
Audit of the Consolidated and Company's financial statements	40	40
Audit of the Company's subsidiaries	35	35
Total audit fees	**75**	**75**
Fees payable to the company's auditor for other services to the Group:		
Audit-related assurance services	12	12
Other tax advisory and compliance services	13	17
Other services	17	15
Total non-audit fees	**42**	**44**

No services were provided pursuant to contingent fee arrangements.

Notes to the financial statements (continued)

5. STAFF NUMBERS AND COSTS

The average monthly number of full-time employees (including executive Directors) was made up as follows:

	Year ended 30 June 2019 Number	Year ended 30 June 2018 Number
Football players	72	66
Others	151	136
Total	**223**	**202**

In addition, the Group employed an average of 552 part-time employees during the year (2018: 551), to assist on matchdays or other events.

The aggregate remuneration comprised:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Wages, salaries and benefits	30,636	21,509
Social security costs	3,595	2,441
Other pension costs - defined contribution plans	257	182
Total staff costs	**34,488**	**24,132**

6. DIRECTORS' EMOLUMENTS

	Salary and Payroll Benefits £	Bonus £	Pensions £	Benefit in kind £	Year to 30 June 2019 £	Year to 30 June 2018 £
Non-Executive						
Dave King	-	-	-	-	-	-
Douglas Park	-	-	-	-	-	-
John Bennett	-	-	-	-	-	-
Graeme Park	-	-	-	-	-	-
Alastair Johnston	-	-	-	-	-	-
Julian Juul Wolhardt	-	-	-	-	-	-
Barry Scott	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Key management personnel	**727,721**	**137,632**	**25,826**	**4,132**	**895,311**	**783,448**

Key management personnel are, in addition to the Board of Directors, employees that have been or are part of the management of RIFC plc Group and have had substantial influence in important decision-making processes for the Group.

Management representatives have individual contracts that regulate salaries, bonuses, post-employment benefits and termination benefits. They were remunerated from The Rangers Football Club Limited throughout the year to 30 June 2019.

Notes to the financial statements (continued)

7. FINANCE COSTS AND OTHER CHARGES

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Finance costs		
Interest payable on lease finance agreements	50	54
Other interest	208	105
Interest received	(2)	(4)
Notional interest on deferred player receivables	(284)	(12)
Notional interest on deferred player payables	1,330	611
Total finance costs	1,302	754
Other charges		
Amortisation of investor loans using effective interest rate method	1,571	1,708
Total other charges	1,571	1,708
Total finance costs and other charges	**2,873**	**2,462**

All finance costs and other charges relate to financial assets or financial liabilities held at amortised cost.

Notes to the financial statements (continued)

8. TAXATION

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Tax charged to the Income Statement:		
Current tax	(26)	(34)
Deferred tax (note 19)		
Origination and reversal of temporary differences	(88)	(48)
	(114)	**(82)**
Tax charged to Other Comprehensive income:		
Deferred tax (note 19)		
Origination and reversal of temporary differences	-	-
Total tax charged in the year	**(114)**	**(82)**

The credit for the year can be reconciled to the loss per the Income Statement as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Continuing Operations		
Loss on ordinary activities before tax	(11,391)	(14,423)
Tax at the UK corporation tax rate of 19% (2018: 19%)	(2,164)	(2,740)
Tax effect of expenses that are not deductible in determining taxable profit	285	203
Tax effect of income not taxable in determining taxable profit	(268)	(3)
Difference between average rate and closing deferred tax rate	-	16
Tax losses unutilised and other temporary differences not recognised	2,059	2,476
R&D tax credits	(26)	(34)
Tax expense / (credit) for the year	**(114)**	**(82)**

Current tax is calculated at 19% of the estimated taxable profit / (loss) for the year (2018 - 19%). Finance Act 2016 was 'substantively enacted' and 'fully enacted' on 6 and 15 September 2016 respectively. This reduced the main rate of corporation tax applicable to 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated in accordance with the rates substantively enacted at the Balance Sheet date.

The Board are of the opinion that there is insufficient evidence to support recognition in the short-term of the unrecognised deferred tax asset disclosed in note 19.

Notes to the financial statements (continued)

9. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

Group	Freehold properties £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
Cost or valuation at 1 July 2017	43,088	6,052	49,140
Additions	6	2,160	2,166
Disposals	-	-	-
Cost or valuation at 1 July 2018	43,094	8,212	51,306
Additions	553	3,746	4,299
Disposals	-	-	-
At 30 June 2019	**43,647**	**11,958**	**55,605**
Accumulated depreciation			
At 1 July 2017	3,138	3,323	6,461
Charge for the period to 30 June 2018	505	1,118	1,623
Eliminated on disposal	-	-	-
At 1 July 2018	3,643	4,441	8,084
Charge for the period to 30 June 2019	505	1,030	1,535
Eliminated on disposal	-	-	-
At 30 June 2019	**4,148**	**5,471**	**9,619**
Net book value			
At 30 June 2019	**39,499**	**6,487**	**45,986**
At 30 June 2018	39,451	3,771	43,222
At 30 June 2017	39,950	2,729	42,679
Amounts in respect of assets of the Group held under finance leases are as follows:			
Net book value at 30 June 2019	-	1,462	1,462
Net book value at 30 June 2018	-	1,275	1,275
Depreciation provided in the period at 30 June 2019	-	303	303
Depreciation provided in the period at 30 June 2018	-	266	266

On 30 June 2019 the Directors valued the Freehold Properties, comprising Ibrox Stadium and the Hummel Training Centre at Fair value. Fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs.

The discounted cash flow model and Income approach that was used in the impairment review has been used to determine the fair value of CGU including the properties. Further details in respect of the key assumptions, estimates and sensitivities in this assessment can be found in note 1 to these financial statements.

Whilst the cash flow model indicated that the CGU had a fair value in excess of carrying value by approximately £4.9m, it was concluded that this excess did not relate to Freehold properties. As such, there has been no revaluation adjustment in the current year as the carrying value is deemed to be equivalent to its fair value.

Impairment tests for specific fixed assets are performed when there are indications of impairment. Where these assets do not form part of the overall CGU of Football operations, they are assessed in isolation.

Notes to the financial statements (continued)

10. INTANGIBLE ASSETS

Group	**Player Registrations £'000**	**Brand £'000**	**Total £'000**
Cost:			
Cost or valuation at 1 July 2017	12,095	16,072	28,167
Additions	9,736	-	9,736
Disposals	(1,471)	-	(1,471)
Cost or valuation at 1 July 2018	20,360	16,072	36,432
Additions	9,608	11	9,619
Disposals	(4,790)	-	(4,790)
At 30 June 2019	**25,178**	**16,083**	**41,261**
Amortisation:			
At 1 July 2017	2,743	9	2,752
Charge for period to 30 June 2018	4,069	2	4,071
Provision for impairment	3,289	-	3,289
Eliminated on disposal	(951)	-	(951)
At 1 July 2018	9,150	11	9,161
Charge for period to 30 June 2019	5,639	2	5,641
Provision for impairment	1,591	-	1,591
Eliminated on disposal	(4,297)	-	(4,297)
At 30 June 2019	**12,083**	**13**	**12,096**
Net book value			
At 30 June 2019	**13,095**	**16,070**	**29,165**
At 30 June 2018	11,210	16,061	27,271
At 30 June 2017	9,352	16,063	25,415

The profit on disposal of player registrations amounted to £3,129,000 (2018: £1,187,000). This amount relates to players sold or released from their contracts.

The provision for impairment reflects the Board of Directors view that the carrying value of certain player registrations exceeds their individual fair value less costs to sell.

The Group has 9 player registrations with individual carrying values of over £500,000 representing 82% of the 2019 net book value of player registrations. The average amortisation period remaining for those players is 37 months.

In the prior year the Group had 7 player registrations with individual carrying values of over £500,000 representing 78% of the 2018 net book value of player registrations. The average amortisation period was 42 months.

Notes to the financial statements (continued)

11. INVESTMENTS IN SUBSIDIARIES

Company	Investment in shares £'000	Capital contribution £'000	Total £'000
Cost at 1 July 2018	13,296	41,525	54,821
Capital contributed during the year	-	5,867	5,867
Cost and net book value at 30 June 2019	**13,296**	**47,392**	**60,688**

The Company's subsidiary undertakings are The Rangers Football Club Ltd, the main activity of which is the operation of a professional football club, and Rangers Media Limited, which is a company operating the production and content of media services for the Club. Both these companies are owned 100%.

The Rangers Football Club Ltd holds further investments in the following companies:

Name of company	Holding	Proportion of Shares Held	Nature of Business
Garrion Security Services Ltd	Ordinary Shares	100%	Security

These companies are all registered in the United Kingdom. Their principal place of business is Ibrox Stadium, Glasgow, G51 2XD.

12. INTERESTS IN ASSOCIATES

<u>Group</u>	£'000
Cost and net book value at 1 July 2018 and 30 June 2019	-

Rangers Retail Limited is a non-trading entity. All of its operations were previously discontinued and no financial results have been presented as a result.

The Group's investment value represents its share of the net assets of Rangers Retail Limited at 30th June 2019. Although the company has ceased trading it has still to be formally wound up. Upon conclusion of the winding up of the company, a small dividend may be paid.

The Group holds 25.5 % of the voting rights in the company as a result of the previously reported share allotment error. Rangers Retail Limited and its shareholders recognise that this should be corrected to 51%.

Rangers Retail Limited's principal place of business is Unit A Brook Park East, Shirebrook, NG20 8RY. Its financial reporting date is 20 June.

As set out in note 1, the Board of Directors consider that they do not control the entity. As such, they consider that, the investment in Rangers Retail Limited represents an investment in an associate, and have applied the equity method of accounting. Rangers Retail Limited is not a publicly quoted company and as such, no quoted market price is available.

Notes to the financial statements (continued)

13. TRADE AND OTHER RECEIVABLES

	2019 £'000	2018 £'000
Group		
Trade receivables	19,037	16,816
Other receivables	565	178
Prepayments and accrued income	3,221	1,547
Total trade and other receivables	**22,823**	**18,541**

	2019 £'000	2018 £'000
Non-current assets:		
Trade and other receivables	79	-
Total trade and other receivables	**79**	**-**

	2019 £'000	2018 £'000
Ageing of past due but not impaired receivables:		
31-60 days	981	36
61-90 days	29	67
91-120 days	900	8
	1,910	111

Included within Trade and other receivables are the following Player registration receivables:	2019 £'000	2018 £'000
Receivables due within one year	348	170
Receivables due more than one year	90	38
Notional interest effect on deferred payments	(11)	(13)
Carrying value of player registration receivables	427	195

The notional interest effect relates to the existence of deferred transfer installments, beyond normal business terms as a financing transaction with a notional interest rate applied.

All other receivables are due within one year.

Trade receivables includes £14,739,000 (2018: £14,496,000) in respect of season tickets that are paid by supporters using deferred payment plans or merchant services.

The Directors consider the carrying amount of trade and other receivables to be approximate to their fair value.

14. CASH AND BANK BALANCES

	2019 £'000	2018 £'000
Group		
Balances with banks	1,012	1,513
Cash on hand	25	13
Total cash and bank balances	**1,037**	**1,426**

Notes to the financial statements (continued)

15. OTHER LOANS

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Current liabilities				
Investor loans at amortised cost	2,496	3,625	2,496	3,625
Other loans	3,000	-	-	-
Total other loans	**5,496**	**3,625**	**2,496**	**3,625**

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Non-current liabilities				
Investor loans at amortised cost	7,770	17,692	7,770	17,692
Total other loans	**7,770**	**17,692**	**7,770**	**17,692**

	Loans £'000	Effect of discounting using effective interest rate method £'000	Amortised cost £'000
Analysis of loans 2019			
Investor loans repayable on demand	2,496	-	2,496
Investor loans repayable in July 2020	8,657	(887)	7,770
Other loans	3,000	-	3,000
	14,153	(887)	13,266

	Loans £'000	Effect of discounting using effective interest rate method £'000	Amortised cost £'000
Analysis of loans 2018			
Investor loans repayable in July 2019	19,800	(2,108)	17,692
Investor loans repayable in August 2018	3,500	-	3,500
Investor loans repayable on demand	125	-	125
	23,425	(2,108)	21,317

Investor loans

Further details regarding investor loans can be found in note 27 to the financial statements.

During the year, £5.191m of additional investor loans were provided interest free to the Group. Under IFRS, such loans are required to be accounted for on initial recognition at fair value. As there is no active market for the loans, the fair value is required to be estimated by discounting these to the present value of future payments using an equivalent market rate of a similar instrument. Borrowings are subsequently stated at amortised cost with the difference between fair value on initial recognition and the redemption value recognised in the Income Statement over the period of the borrowings using the effective interest method.

Notes to the financial statements (continued)

15. OTHER LOANS (CONTINUED)

Secured debts

The Scottish Sports Council (Sports Scotland) has a standard security over the Hummel Training Centre. Close Leasing Limited has a standard security over the Albion Car Park and Edmiston House. Close Leasing Limited also hold a floating charge over certain assets within Ibrox Stadium, the Albion Car Park and Edmiston House. Finance leases are secured over the assets to which they relate.

Book value of non-current assets pledged as security	**2019**	**2018**
	£'000	**£'000**
Non-current assets - standard security	8,329	6,651
Non-current assets - finance leases	1,462	1,275
Non-current assets - floating charge	2,333	-

16. TRADE AND OTHER PAYABLES

	2019	**2018**
	£'000	**£'000**
Group		
Current liabilities		
Trade creditors	9,954	4,844
Social security and other taxes	2,906	2,355
Other creditors	68	91
Accruals	7,278	4,457
Total trade and other payables	**20,206**	**11,747**

The average credit taken for trade purchases is 30 days (2018 - 26 days).

	2019	**2018**
	£'000	**£'000**
Non-current liabilities		
Trade creditors	926	1,705
Accruals	2,176	2,684
Total trade and other payables	**3,102**	**4,389**

	2019	**2019**	**2018**	**2018**
	Trade creditors	**Accruals**	**Trade creditors**	**Accruals**
	£'000	**£'000**	**£'000**	**£'000**
Non-current liabilities fall due as follows:				
Between one and two years	926	1,271	1,705	1,742
Between two and five years	-	905	-	942
	926	2,176	1,705	2,684

	2019	**2018**
Included within liabilities are the following player registration payables:	**£'000**	**£'000**
Current liabilities	9,567	7,336
Non-current liabilities	3,711	5,340
Notional interest effect on deferred payments	(1,066)	(1,253)
	12,212	11,423

The notional interest effect relates to the existence of deferred transfer installments beyond normal business terms as a financing transaction with a notional interest rate applied.

Notes to the financial statements (continued)

17. OBLIGATIONS UNDER FINANCE LEASES

Group	Total minimum payments 2019 £'000	Future interest payable 2019 £'000	Carrying value 2019 £'000	Carrying value 2018 £'000
Repayment of borrowings on finance leases fall due as follows:				
In one year or less	468	(65)	403	338
Between one and five years	855	(20)	835	866
Total obligations under finance leases	**1,323**	**(85)**	**1,238**	**1,204**

The finance leases relate to funding of capital expenditure on Stadium lighting rigs, CCTV system installations and LED boards amongst other items. There are no contingent amounts payable or restrictions imposed by the above leasing arrangements.

Other Commitments

The Group is committed to £36k of operating lease payments, running to April 2020.

18. DEFERRED INCOME

Group	2019 £'000	2018 £'000
Deferred income less than one year	23,119	20,746
Deferred income more than one year	366	488
Total deferred income	**23,485**	**21,234**

Deferred income less than one year comprises season tickets, sponsorship, hospitality and other elements of income that have been received in advance and will be recognised as revenue in the 2019/20 financial year. Deferred income more than one year relates to income received in advance from catering service contracts.

Notes to the financial statements (continued)

19. DEFERRED TAX

The following are major deferred tax liabilities recognised by the Group:

	Opening balance 2019 £'000	Recognised in Income Statement 2019 £'000	Recognised in Other Comprehensive income 2019 £'000	Closing balance 2019 £'000
Specification of Basis for Deferred Tax				
Non-current assets - temporary differences	4,997	(88)	-	(4,909)
Deferred tax liability	**4,997**	**(88)**	**-**	**(4,909)**

	Opening balance 2018 £'000	Recognised in Income Statement 2018 £'000	Recognised in Other Comprehensive income 2018 £'000	Closing balance 2018 £'000
Specification of Basis for Deferred Tax				
Non-current assets - temporary differences	5,050	(53)	-	4,997
Tax losses	(5)	5	-	-
Deferred tax liability	**5,045**	**(48)**	**-**	**4,997**

At the Balance Sheet date, the Group has unrecognised tax losses of £46.8m creating an unrecognised deferred tax asset of £7.9m. There is also an unrecognised deferred tax liability of £0.38m in respect of temporary tax differences in non-current assets for which losses would be available to offset. No deferred tax assets have been booked due to uncertainty in the short term over when sufficient taxable profits will arise to offset these losses.

Notes to the financial statements (continued)

20. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maintaining a capital structure adequate for the risk profile of the business. Strong financial capital management is an integral part of the Board's strategy to achieve the Group's stated objectives. The Board reviews financial capital reports on a regular basis and the Group finance function do so on a daily basis ensuring that the Group has adequate liquidity. The Board's consideration of going concern is detailed in the Strategic Report. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in notes 22 to 25 and the Statement of Changes in Equity.

Financial risk management objectives and policies

The Group's financial assets include cash and cash equivalents and other short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has other financial instruments, such as trade and other receivables and trade and other payables, which arise directly from its operations. Surplus cash within the Group is put on deposit, the objective being to maximise returns on such funds, subject to acceptable credit liquidity and price risk, whilst ensuring that the short-term cash flow requirements of the Group are met. The financial assets of the Group are classified as loans and receivables whilst its financial liabilities are classified as financial liabilities measured at amortised cost.

The carrying value of the financial assets and liabilities (with non-financial assets and liabilities shown for reconciling purposes) are analysed as follows:

	Financial £'000	Non financial £'000	Total At 30 June 2019 £'000	Total At 30 June 2018 £'000
Non-current assets	79	75,151	75,230	70,493
Trade receivables and similar items	19,037	-	19,037	16,816
Cash and cash equivalents	1,037	-	1,037	1,526
Other current assets	3,786	-	3,786	1,725
Total assets	23,939	75,151	99,090	90,560
Financial liabilities				
Trade and other payables	23,308	-	23,308	16,136
Other liabilities	37,989	4,909	42,898	48,752
Total liabilities	61,297	4,909	66,206	64,888
Net (liabilities)/assets	(37,358)	70,242	32,884	25,672

The Group has not used derivative financial instruments during the year. The Board will review the need for the use of derivative financial instruments in the future.

The Group has exposure to the following risks from its use of financial instruments:

(i) market risk;

(ii) credit risk; and

(iii) liquidity risk.

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk.

Notes to the financial statements (continued)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates.

The reporting currency of the Group is UK Sterling. The Group is exposed to currency risk due to movements in foreign currencies relative to Sterling affecting the Group's foreign currency transactions and balances.

The amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Trade & other payables 2019 £'000	Cash & cash equivalents 2019 £'000	Trade & other payables 2018 £'000	Cash & cash equivalents 2018 £'000
Euro	(3,495)	18	(831)	46
Swiss Francs	-	1	-	1
Swedish Krona	-	1	-	1
USD	(840)	22	(1,612)	44

The following table details the Company's sensitivity to a 10% increase and decrease in GBP against the relevant foreign currencies. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where GBP strengthens 10% against the relevant currency. For a 10% weakening of GBP against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	Euro 2019 £'000	Euro 2018 £'000	USD 2019 £'000	USD 2018 £'000
Profit/(loss)	397	90	78	151

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Of the total trade receivable balance of £19,037,000, £427,000 relates to amounts receivable from other football clubs in relation to player trading, and £9,832,000 relates to amounts due from merchant service providers. Such assets held by the merchant service provider are released to the Club over the course of the season. The maximum credit exposure relates to the total of cash and cash equivalents and trade receivables, and amounts to £20,074,000.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses on trade receivables. To measure the expected credit losses, trade receivables were considered on a days past due basis. The expected loss rates are based on the Group's historical default rates adjusted for forward looking estimates. The identified impairment loss arising after application of the expected credit loss model was not material to the financial statements.

There are no other significant concentrations of credit risk within the Group. The maximum risk exposure relates to the merchant services provider. The merchant services provider is the UK subsidiary of a corporate entity listed on the New York stock exchange and meets the credit rating criteria of the Board. Management reviews the financial status of provider on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum credit risk exposure of the Group comprises the amounts presented in the Balance Sheet which are stated net of provisions for doubtful debts.

Notes to the financial statements (continued)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and finance leases as applicable. At 30 June 2019, the Group had external loans of £13.3 million (note 15), and finance leases of £1.2m (note 17).

Ultimate responsibility for liquidity risk management rests with the Board. The Board uses management information tools including budgets and cash flow forecasts to be able to regularly monitor and manage current and future liquidity. Further information in respect of liquidity risk can be found within note 1 to the financial statements and in the Strategic Report.

A maturity analysis of the Group's contracted liabilities and exposure to liquidity risk is detailed below:

	Due on demand or less than one year £'000	Due 1-2 years £'000	Due 2-5 years £'000	Carrying value at 30 June 2019 £'000	Carrying value at 30 June 2018 £'000
Other loans	(3,000)	-	-	(3,000)	-
Investor loans	(2,496)	(7,770)	-	(10,266)	(21,317)
Trade and other payables	(20,206)	(2,197)	(905)	(23,308)	(16,136)
Finance lease obligations	(403)	(398)	(437)	(1,238)	(1,204)
Total	(26,105)	(10,365)	(1,342)	(37,812)	(38,657)

Post year end, additional loan funds were received, and subsequently £17.2m of investor loans have been converted to share capital. The investors have indicated that their remaining loan facilities will continue to be made available whilst funds are still required by the Club.

21. FAIR VALUES

	Carrying value at 30 June 2019 £'000	Carrying value at 30 June 2018 £'000
Non financial assets		
Property, plant & equipment	39,499	39,451

See note 9 for details of property, plant & equipment held at fair value. During the year there were no transfers between the levels of fair value hierarchy. The Group considers this to be a recurring measurement using a level 3 valuation method.

The value of all other financial assets and liabilities included in the Financial Statements are considered to be a reasonable approximation of fair value at the Balance Sheet date.

22. SHARE CAPITAL

<u>Group and Company</u>	As at 30 June 2019 £'000	As at 30 June 2018 £'000
Allotted, called up and fully paid 81,478,201 Ordinary shares of 1p each	815	815
Shares issued during period 90,689,858 Ordinary shares of 1p each	907	-
Allotted, called up and fully paid	1,722	815

There is only one class of ordinary shares. All shares carry equal rights.

Notes to the financial statements (continued)

23. SHARE PREMIUM AND MERGER RESERVE

Group and Company	At at 30 June 2019 Group £'000
Share premium	
Balance at 30 June 2017	19,048
Movement in year	-
Balance at 30 June 2018	19,048
Shares issued during period	17,231
Balance at 30 June 2019	**36,279**

During the year, 90,689,858 Ordinary Shares of 1p each were issued at a price of 20p per share, creating a share premium of £17.231m.

Group and Company	At at 30 June 2019 Group £'000
Merger reserve	
Balance at 30 June 2017	12,960
Movement in year	-
Balance at 30 June 2018	12,960
Movement in year	-
Balance at 30 June 2019	**12,960**

The merger reserve of £12,960,000 (2018 - £12,960,000) was created following the share for share exchange with The Rangers Football Club Limited in 2012.

Notes to the financial statements (continued)

24. OTHER RESERVES

Revaluation reserve	**As at 30 June 2019 £'000**
Group	
Balance at 30 June 2017	26,740
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	91
Balance at 30 June 2018	26,378
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	91
Balance at 30 June 2019	**26,016**

Capital contribution reserve	**As at 30 June 2019 £'000**
Group and Company	
Balance at 30 June 2018	5,142
Contribution received	1,481
Transfer on repayment of interest-free loans	(3,924)
Balance at 30 June 2019	**2,699**

Investor loans were provided on an interest-free basis. On initial recognition, the loans are required to be booked at fair value. As there is no active market for the loans, the fair value is estimated by discounting the amount repayable to the present value using a market rate for a similar instrument. The difference arising between fair value and the nominal value is deemed as a capital contribution and taken direct to equity. On repayment of loans, the capital contribution is transferred to retained earnings.

25. RETAINED EARNINGS

	Group £'000	**Company £'000**
Balance at 30 June 2017	(24,721)	(2,843)
Loss for the year ended 30 June 2018	(14,341)	(1,732)
Release of revaluation reserve for the year ended 30 June 2018	453	-
Depreciation on release of revaluation reserve for the year ended 30 June 2018	(91)	-
Transfer on repayment of interest-free loans	29	29
Balance at 30 June 2018	(38,671)	(4,546)
Loss for the year ended 30 June 2019	(11,277)	(1,601)
Release of revaluation reserve for the year ended 30 June 2019	453	-
Depreciation on release of revaluation reserve for the year ended 30 June 2019	(91)	-
Transfer on repayment of interest-free loans	2,794	2,794
Balance at 30 June 2019	**(46,792)**	**(3,353)**

The Parent Company is exempt from disclosing a company-only income statement. Its loss for the year was £1,601,000 (2018 - £1,732,000).

Notes to the financial statements (continued)

26. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group		Company	
	Year to 30 June 2019 £'000	**Year to 30 June 2018 £'000**	**Year to 30 June 2019 £'000**	**Year to 30 June 2018 £'000**
Loss for the year	(11,277)	(14,341)	(1,601)	(1,732)
Amortisation and impairment of intangible fixed assets	7,232	7,360	-	-
Depreciation and impairment of property, plant and equipment	1,535	1,623	-	-
(Gain)/Loss on disposal of players' registrations	(3,129)	(1,187)	-	-
Financing costs and other charges	2,873	2,462	1,571	1,708
Share of income from associates	-	(15)	-	-
Decrease/(increase) in trade and other receivables	(3,997)	(2,122)	30	24
(Decrease)/increase in trade and other payables and deferred income	7,205	2,276	-	-
Taxation	(114)	(67)	-	-
Cash used in operations	**328**	**(4,011)**	**-**	**-**

	Current liabilities		Non-current liabilities		
Change in liabilities from financing activities	**Lease finance £'000**	**Other loans £'000**	**Lease finance £'000**	**Other loans £'000**	**Total £'000**
Opening liabilities	338	3,625	866	17,692	22,521
Movement due to cash flows	(16)	4,871	(364)	2,445	6,936
Non cash movements					
Acquisition of plant & equipment on lease finance	81	-	333	-	414
Effective interest rate adjustment	-	-	-	2,702	2,702
Capital contribution element of investor loans	-	-	-	(1,481)	(1,481)
Conversion to equity	-	(3,000)	-	(13,588)	(16,588)
Closing liabilities	403	5,496	835	7,770	14,504

Significant non-cash financing transactions relate to the extension and conversion of investor loan facilities and acquisition of plant & equipment through finance lease.

Notes to the financial statements (continued)

27. RELATED PARTY TRANSACTIONS

Investor loans

	2019 £'000 New Oasis Asset Limited	2019 £'000 Director loans	2019 £'000 Other related party loans	2019 £'000 Total Investor loans	2018 £'000 Total Investor loans
Opening balance	8,471	5,050	9,904	23,425	15,900
Loans repaid	-	(750)	(125)	(875)	(46)
Loans converted to shares	(1,840)	(10,779)	(3,969)	(16,588)	-
Loans provided	800	3,346	1,045	5,191	7,571
Transfer between categories	-	5,529	(5,529)	-	-
Closing balance	7,431	2,396	1,326	11,153	23,425

Split as follows:

	2019 £'000 New Oasis Asset Limited	2019 £'000 Director loans	2019 £'000 Other related party loans	2019 £'000 Total Investor loans	2018 £'000 Total Investor loans
Date repayable:					
July 2019	-	-	-	-	19,800
August 2018	-	-	-	-	3,500
July 2020	7,031	800	826	8,657	-
On demand	400	1,596	500	2,496	125
	7,431	2,396	1,326	11,153	23,425

During the year, the Group received £4.316m (net of repayments) from Directors, existing shareholders and other parties. This entire amount was made available for working capital purposes.

New Oasis Asset Limited (NOAL)

Shareholder

NOAL is a company in which the Group Chairman, Mr D King and his immediate family are interested. No interest or fees were charged in respect of the facilities and the facilities were provided on an unsecured basis. £1.84m of loans provided by NOAL prior to the commencement of the period were converted to equity in September 2018. All further facilities provided by NOAL to the Company have been converted to equity post year end.

Director loans

John Bennett, Barry Scott, Douglas Park and Julian Juul Wolhardt

No interest or fees were charged on the loan facilities provided by Mr Bennett, Mr Scott, Mr Park and Mr Wolhardt.

The loan facilities provided by Mr J Bennett prior to the commencement of the period were converted to equity in September 2018. All further facilities provided by Mr Bennett during the period were converted to equity post year end.

All bar £800,000 of the loan facilities provided by Mr B Scott prior to the commencement of the period were converted to equity in September 2018. The remainder of the facilities were converted to equity post year end.

£775,019 of the loan facilities provided by Mr D Park prior to the commencement of the period were converted to equity in September 2018. The remainder of the loan facilities provided by Mr Park both during and prior to the period were converted to equity prior to year end.

Borita Investments Limited (Borita) is a company in which Mr Wolhardt and his wife are interested. Borita provided loan facilities to the Company prior to the commencement of the period that were converted to equity in September 2018. Borita also provided facilities to the Company during the period and those were converted to equity post year end.

Notes to the financial statements (continued)

27. RELATED PARTY TRANSACTIONS (CONTINUED)

Other related party loans - *Shareholders and new investors*

George Taylor and George Letham

No interest or fees were charged on the loan facilities provided by Mr Taylor and Mr Letham.

£1,174,153 of the loan facilities provided by Mr Taylor prior to the commencement of the period were converted to equity in September 2018. The remainder of the loan facilities provided by Mr Taylor both during and prior to the period were converted to equity post the year end.

£511,437 of the loan facilities provided by Mr Letham prior to the commencement of the period were converted to equity in September 2018. The remainder of the loan facilities provided by Mr Letham both during and prior to the period were converted to equity prior to the year end.

Key management personnel remuneration

Details in respect of the remuneration of the Board of Directors and Key management personnel are disclosed in note 6 to the financial statements.

28. CONTINGENT LIABILITIES AND PROVISIONS

SDI Retail Services Limited

The Company is engaged in ongoing legal proceedings relating to its retail arrangements. Judgment has been granted against the Company in respect of certain breaches of contract but, at this stage, the extent of the Company's liability other than with regard to legal fees has not been decided by the Court. As negotiations are ongoing regarding the legal proceedings, the Directors are of the view that it would be seriously prejudicial if it were to disclose the information usually required by IAS 37 (Provisions, Contingent liabilities and contingent assets). The Company has dealt with its estimated liabilities, insofar as it is practicable for its Directors to estimate them at this stage, when calculating its accruals.

Orlit Enterprises

We are pleased to advise that these proceedings have been dismissed. The Club is currently processing recovery of its legal expenses from sums lodged by Orlit with the Court.

Memorial Walls

Following the decision not to proceed with this project, legal proceedings have been raised by Memorial Walls Ltd against the Club. The Club accepts some compensation should be payable in respect of the abortive work carried out on the project but does not believe there was any prospect of the project proving a commercial success. Accordingly, it will resist the proceedings whilst hoping that a more realistic approach by the pursuer might allow the proceedings to be resolved. An estimate of the Club's liability in respect of this matter has been included at the year end.

Employee Claims

The Club addresses claims relating to former employee's contractual positions as they arise. Having taken legal advice on any existing claims, management has determined there is no requirement to make any provisions at the year end.

Notes to the financial statements (continued)

29. EARNINGS PER ORDINARY SHARE

The Earnings per ordinary share has been calculated in accordance with IAS 33 as follows.

Loss the year attributable to owners of the company (£'000)	Year to 30 June 2019	Year to 30 June 2018
Earnings for the purpose of basic and diluted earnings per share	(11,277)	(14,341)
Weighted average number of shares for the purpose of basic and diluted earnings per share	132,617,298	81,478,201
Basic and diluted earnings per ordinary share	(8.50p)	(17.60p)

If the Company's share issues had occurred prior to the year end, the number of ordinary shares in issue would have been 258,131,982. The Company's basic and diluted earnings per share would have been (3.76p) had these shares been in issue for the whole year.

30. POST BALANCE SHEET EVENTS

The following events have occurred subsequent to the year end:

Acquisition and disposal of player registrations

The Group contracted for the purchase of four permanent player registrations in addition to the temporary registrations of one player on loan. The amount payable in respect of above amounts to £11.5m, after taking account of direct costs.

The Group also disposed of six player registrations on a permanent basis, eight registrations on loan and became entitled to sell on fees on player registrations previously disposed. The amount receivable in respect of above totalled £0.3m.

Investor loans

Subsequent to the year end the company received further investor loans amounting to £9.7m and repaid amounts totalling £1.7m.

Share Issue

Subsequent to the year end, further share issues were carried out, allotting 85,963,923 Ordinary Shares of 1p each. £17.2m of investor loans were converted during these share issues.

31. CAPITAL COMMITMENTS

The Group contracted for capital expenditure on stadium improvements and grounds equipment amounting to £2,072,000.