

Company Registration No. 08142409 (England and Wales)

**RANGERS RETAIL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 26 APRIL 2015**



# **RANGERS RETAIL LIMITED**

## **COMPANY INFORMATION**

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|                          |  |                          |
|--------------------------|--|--------------------------|
| <b>Directors</b>         | P Murray   | (Appointed 9 March 2015) |
|                          | D C King   | (Appointed 4 June 2015)  |
|                          | J Barnes   | (Appointed 3 June 2016)  |
|                          | N Conway   | (Appointed 13 June 2016) |
| <b>Secretary</b>         | C J Olsen  |                          |
| <b>Company number</b>    | 08142409   |                          |
| <b>Registered office</b> | Unit A<br>Brook Park East<br>Shirebrook<br>NG20 8RY  |                          |
| <b>Auditors</b>          | Grant Thornton UK LLP<br>Grant Thornton House<br>Melton Street<br>Euston Square<br>London<br>NW1 2EP |                          |

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# **RANGERS RETAIL LIMITED**

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# **RANGERS RETAIL LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 26 APRIL 2015**

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The directors present their report and financial statements for the year ended 26 April 2015.

#### **Principal activities**

The principal activity of the company was the retail of branded sports and leisure goods.

#### **Directors**

The following directors have held office since 28 April 2014:

|              |   |
|--------------|---|
| B Leach      | (Resigned 24 October 2014)                            |
| D M Forsey   | (Resigned 3 June 2016)                                |
| P T Nash     | (Resigned 24 October 2014)                            |
| I G Wallace  | (Resigned 26 October 2014)                            |
| D Somers     | (Appointed 5 November 2014 and resigned 9 March 2015) |
| A Easdale    | (Appointed 5 November 2014 and resigned 9 March 2015) |
| P Murray     | (Appointed 9 March 2015)                              |
| D C King     | (Appointed 4 June 2015)                               |
| M J W Ashley | (Appointed 3 November 2015 and resigned 3 June 2016)  |
| J Barnes     | (Appointed 3 June 2016)                               |
| N Conway     | (Appointed 13 June 2016)                              |

#### **Auditors**

In accordance with the company's articles, a resolution proposing that Grant Thornton UK LLP be reappointed as auditors of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

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

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

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

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

# **RANGERS RETAIL LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 26 APRIL 2015**

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### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

The company has taken advantage of the small company exemption not to prepare a strategic report.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

  
.....  
J Barnes  
Director

.....

5/08/16

# **RANGERS RETAIL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF RANGERS RETAIL LIMITED**

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We were engaged to audit the financial statements of Rangers Retail Limited for the period ended 26 April 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Basis for disclaimer of opinion on financial statements**

The audit evidence available to us assess the impact on the financial statements of the purported breaches of certain terms of an IP License and Rights Agreement, as described in note 16 to the financial statements, was limited as the company has not taken legal advice on the purported breaches due to inherent conflicts of interest between the company, the appointed directors of The Rangers Football Club Limited and the appointed directors of SDI Retail Services Limited. As a result of this we have been unable to obtain sufficient appropriate audit evidence concerning both the quantum of any provision which may be required in respect of the purported breaches and the impact on the going concern basis of preparation of these financial statements should damages be awarded and the IP License and Rights Agreement be terminated.

#### **Disclaimer of opinion on financial statements**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

#### **Opinion on other matter prescribed by the Companies Act 2006**

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **RANGERS RETAIL LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF RANGERS RETAIL LIMITED**

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### **Matters on which we are required to report by exception**

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

*Grant Thornton UK LLP*

.....  
**Marc Summers, FCA (Senior Statutory Auditor)**  
**for and on behalf of Grant Thornton UK LLP**

**Chartered Accountants**  
**Statutory Auditor**  
**London**  
**Date:** 05/08/16 .....

# RANGERS RETAIL LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 26 APRIL 2015

|  | Notes     | 2015<br>£        | 2014<br>£        |
|--|-----------|------------------|------------------|
| Turnover   |           | 4,262,342        | 4,835,810        |
| Cost of sales  |           | (3,455,121)      | (4,320,900)      |
| <b>Gross profit</b>                                  |           | <b>807,221</b>   | <b>514,910</b>   |
| Distribution costs                                   |           | (27,557)         | (42,612)         |
| Administrative expenses                              |           | 13,900           | (1,181,437)      |
| Other operating income                               |           | 1,935,651        | 1,882,032        |
| <b>Profit on ordinary activities before taxation</b> | <b>2</b>  | <b>2,729,215</b> | <b>1,172,893</b> |
| Tax on profit on ordinary activities                 | <b>3</b>  | (555,687)        | (295,231)        |
| <b>Profit for the year</b>                           | <b>11</b> | <b>2,173,528</b> | <b>877,662</b>   |
| Dividends  | <b>4</b>  | (2,740,000)      | (217,156)        |
| <b>Retained (loss)/profit for the year</b>           | <b>12</b> | <b>(566,472)</b> | <b>660,506</b>   |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The accompanying accounting policies and notes form an integral part of these financial statements.



# RANGERS RETAIL LIMITED

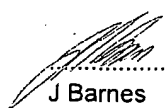
## BALANCE SHEET

AS AT 26 APRIL 2015

|   | Notes | 2015<br>£          | £              | 2014<br>£        | £                |
|---|-------|--------------------|----------------|------------------|------------------|
| <b>Current assets</b>                                 |       |                    |                |                  |                  |
| Stocks  |       | 299,365            |                | 158,989          |                  |
| Debtors   | 6     | 574,483            |                | 120,836          |                  |
| Cash at bank and in hand                              |       | 1,334,940          |                | 2,718,518        |                  |
|   |       | <u>2,208,788</u>   |                | <u>2,998,343</u> |                  |
| <b>Creditors: amounts falling due within one year</b> | 7     | <u>(1,550,242)</u> |                | <u>(903,437)</u> |                  |
| <b>Total assets less current liabilities</b>          |       |                    | 658,546        |                  | 2,094,906        |
| <b>Provisions for liabilities</b>                     | 8     |                    | (130,000)      |                  | (999,988)        |
|   |       |                    | <u>528,546</u> |                  | <u>1,094,918</u> |
| <b>Capital and reserves</b>                           |       |                    |                |                  |                  |
| Called up share capital                               | 10    |                    | 200            |                  | 100              |
| Profit and loss account                               | 11    |                    | 528,346        |                  | 1,094,818        |
| <b>Shareholders' funds</b>                            | 12    |                    | <u>528,546</u> |                  | <u>1,094,918</u> |

The accompanying accounting policies and notes form an integral part of these financial statements.

Approved by the Board and authorised for issue on 05/08/16

  
J Barnes  
Director

Company Registration No. 08142409

# RANGERS RETAIL LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 26 APRIL 2015

|  | 2015        | 2014      |
|--|-------------|-----------|
|  | £           | £         |
| <b>Net cash inflow from operating activities</b>                                     | 1,358,527   | 2,350,616 |
| <b>Returns on investments and servicing of finance</b>                               |             |           |
| Non equity dividends paid  | (2,740,000) | (217,156) |
| <b>Net cash outflow for returns on investments and servicing of finance</b>          | (2,740,000) | (217,156) |
| <b>Taxation</b>  | (2,205)     | (65,000)  |
| <b>Capital expenditure</b>   |             |           |
| Payments to acquire tangible assets  | -           | (135,025) |
| <b>Net cash outflow for capital expenditure</b>                                      | -           | (135,025) |
| <b>Net cash (outflow)/inflow before management of liquid resources and financing</b> | (1,383,578) | 1,933,435 |
| <b>(Decrease)/increase in cash in the year</b>                                       | (1,383,578) | 1,933,435 |

The accompanying accounting policies and notes form an integral part of these financial statements.

# RANGERS RETAIL LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 26 APRIL 2015

| 1 Reconciliation of operating profit to net cash outflow from operating activities |  | 2015             | 2014             |
|--|--|------------------|------------------|
|  |  | £                | £                |
| Operating profit   |  | 2,729,215        | 1,172,893        |
| Depreciation of tangible assets  |  | -                | 135,025          |
| Increase in stocks   |  | (140,376)        | (71,371)         |
| Increase in debtors  |  | (439,808)        | (82,281)         |
| Increase in creditors within one year  |  | 79,484           | 196,362          |
| (Decrease)/increase in provisions  |  | (869,988)        | 999,988          |
| <b>Net cash inflow from operating activities</b>                                   |  | <b>1,358,527</b> | <b>2,350,616</b> |

| 2 Analysis of net funds  | 28 April 2014    | Cash flow          | Other non-cash changes | 26 April 2015    |
|--------------------------|------------------|--------------------|------------------------|------------------|
|                          | £                | £                  | £                      | £                |
| Net cash:                |                  |                    |                        |                  |
| Cash at bank and in hand | 2,718,518        | (1,383,578)        | -                      | 1,334,940        |
| Bank deposits            | -                | -                  | -                      | -                |
| <b>Net funds</b>         | <b>2,718,518</b> | <b>(1,383,578)</b> | <b>-</b>               | <b>1,334,940</b> |

| 3 Reconciliation of net cash flow to movement in net funds |  | 2015               | 2014             |
|--|--|--------------------|------------------|
|  |  | £                  | £                |
| (Decrease)/increase in cash in the year                    |  | (1,383,578)        | 1,933,435        |
| <b>Movement in net funds in the year</b>                   |  | <b>(1,383,578)</b> | <b>1,933,435</b> |
| Opening net funds  |  | 2,718,518          | 785,083          |
| <b>Closing net funds</b>                                   |  | <b>1,334,940</b>   | <b>2,718,518</b> |

# **RANGERS RETAIL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 26 APRIL 2015**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under historical cost convention. The company made a profit and generated positive cash flows for the period and is forecasted to continue to do so over the next 12 months. The directors are aware of the financial difficulties of Rangers Football Club but are satisfied based on the nature of the company's relationship with Rangers F.C. that the company will continue to operate as a going concern and accordingly have prepared the accounts on this basis.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents the amounts for goods sold, net of discounts and sales related taxes. In the case of goods sold through retail stores, turnover is recognised when goods are sold to the customer, less provision for returns. Accumulated experience is used to estimate and provide for such returns at the time of sale. Retail sales are usually in cash, by debit card or by credit card. For goods sold through the website, turnover is recognised when the customer takes possession of the goods. Sales through the website are by debit or credit card.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                                |                       |
|--------------------------------|-----------------------|
| Fixtures, fittings & equipment | 4 years straight line |
|--------------------------------|-----------------------|

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Stock**

Stocks are valued at lower of cost and net realisable value. Cost includes the purchase price of the manufactured products, materials, direct labour, transport costs and a proportion of applicable overheads. Cost is calculated using weighted average cost. Net realisable value is based on the estimated selling price less all estimated selling costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### **1.7 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1.8 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### **1.9 Provisions**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

# RANGERS RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 APRIL 2015

### 1 Accounting policies (Continued)

#### 1.10 Other Operating Income

Income generated from licence is recognised on an accruals basis in accordance with the relevant agreements or on a transactional basis when revenue is linked to sale or purchase volumes.

| 2 Operating profit  | 2015<br>£         | 2014<br>£         |
|---|-------------------|-------------------|
| Operating profit is stated after charging:  |                   |                   |
| Depreciation of tangible assets   | -                 | 135,025           |
| Loss on foreign exchange transactions   | 256               | 25                |
| Operating lease rentals   | 31,415            | 78,538            |
| Fees payable to the company's auditor for the audit of the company's annual accounts  | 15,500            | 12,500            |
| (Reversal of)/additions to onerous lease provision in the period  | (446,708)         | 446,708           |
| (Reversal of)/additions to provision for onerous contract in the period   | (423,280)         | 553,280           |
|   | <u>          </u> | <u>          </u> |
| <br>3 Taxation  | <br>2015<br>£     | <br>2014<br>£     |
| Domestic current year tax   |                   |                   |
| U.K. corporation tax  | 569,526           | 295,231           |
| Total current tax   | <u>569,526</u>    | <u>295,231</u>    |
| Deferred tax  |                   |                   |
| Origination and reversal of timing differences  | (13,839)          | -                 |
|   | <u>555,687</u>    | <u>295,231</u>    |
| <br>Factors affecting the tax charge for the year   |                   |                   |
| Profit on ordinary activities before taxation   | <u>2,729,215</u>  | <u>1,172,893</u>  |
| <br>Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%) | <u>573,135</u>    | <u>269,765</u>    |
| Effects of:   |                   |                   |
| Depreciation add back   | -                 | 31,056            |
| Capital allowances  | (3,190)           | (5,590)           |
| Adjustments to previous periods   | (419)             | -                 |
|   | <u>(3,609)</u>    | <u>25,466</u>     |
| Current tax charge for the year   | <u>569,526</u>    | <u>295,231</u>    |

# RANGERS RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 APRIL 2015

| 4 | Dividends   | 2015<br>£               | 2014<br>£                            |
|---|---|-------------------------|--------------------------------------|
|   | <b>Dividends on non-equity shares:</b>  |                         |                                      |
|   | Preference interim paid   | 2,740,000               | 217,156                              |
|   |   | <u>2,740,000</u>        | <u>217,156</u>                       |
|   |   | <u><u>2,740,000</u></u> | <u><u>217,156</u></u>                |
| 5 | <b>Tangible fixed assets</b>  |                         |                                      |
|   |   |                         | <b>Plant and<br/>machinery<br/>£</b> |
|   | <b>Cost</b>   |                         |                                      |
|   | At 28 April 2014  |                         | 135,025                              |
|   | Disposals   |                         | (78,749)                             |
|   | At 26 April 2015  |                         | <u>56,276</u>                        |
|   | <b>Depreciation</b>   |                         |                                      |
|   | At 28 April 2014  |                         | 135,025                              |
|   | On disposals  |                         | (78,749)                             |
|   | At 26 April 2015  |                         | <u>56,276</u>                        |
|   | <b>Net book value</b>   |                         |                                      |
|   | At 26 April 2015  |                         | <u>-</u>                             |
|   | At 27 April 2014  |                         | <u><u>-</u></u>                      |
| 6 | <b>Debtors</b>  | <b>2015<br/>£</b>       | <b>2014<br/>£</b>                    |
|   | Trade debtors   | 54,229                  | 31,779                               |
|   | Amounts owed by group undertakings and undertakings in which the company has a participating interest | 11,397                  | -                                    |
|   | Other debtors and accrued income  | 495,018                 | 89,057                               |
|   | Deferred tax asset (see note 8)   | 13,839                  | -                                    |
|   |   | <u>574,483</u>          | <u>120,836</u>                       |
|   |   | <u><u>574,483</u></u>   | <u><u>120,836</u></u>                |

# RANGERS RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 APRIL 2015

| 7 | Creditors: amounts falling due within one year  | 2015<br>£        | 2014<br>£      |
|---|---|------------------|----------------|
|   | Trade creditors   | 53,677           | 1,815          |
|   | Amounts owed to group undertakings and undertakings in which the company has a participating interest | 538,780          | 252,243        |
|   | Taxation and social security  | 864,756          | 297,435        |
|   | Other creditors   | 93,029           | 351,944        |
|   |   | <u>1,550,242</u> | <u>903,437</u> |

### 8 Provisions for liabilities

|                          | Provision for<br>onerous<br>contract<br>£ | Onerous lease<br>provision<br>£ | Total<br>£     |
|--------------------------|---|---------------------------------|----------------|
| Balance at 28 April 2014 | 553,280                                   | 446,708                         | 999,988        |
| Profit and loss account  | (423,280)                                 | (446,708)                       | (869,988)      |
| Balance at 26 April 2015 | <u>130,000</u>                            | <u>-</u>                        | <u>130,000</u> |

The provision for an onerous contract refers to an obligation of Rangers Retail Limited to purchase stock at a cost higher than its net realisable value for the 2014/15 season.

The deferred tax asset (included in debtors, note 6) is made up as follows:

|  | 2015<br>£       | 2014<br>£ |
|--|-----------------|-----------|
| Profit and loss account                      | <u>(13,839)</u> | -         |
| (Decelerated)/accelerated capital allowances | <u>(13,839)</u> | <u>-</u>  |

### 9 Pension and other post-retirement benefit commitments Defined contribution

|   | 2015<br>£    | 2014<br>£ |
|---|--------------|-----------|
| Contributions payable by the company for the year | <u>1,269</u> | <u>-</u>  |

# RANGERS RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 APRIL 2015

| 10 | Share capital                             | 2015<br>£ | 2014<br>£ |
|----|---|-----------|-----------|
|    | <b>Allotted, called up and fully paid</b> |           |           |
|    | 200 ordinary shares of £1 each            | 200       | 100       |

During the year it was identified that the issued share capital of the company was 200 shares, not the 100 shares stated in the 2014 and prior financial statements. 100 of these shares were allotted in error. The Directors of the company, having being alerted to this error, will now take all necessary steps to cancel these shares.

| 11 | Statement of movements on profit and loss account | Profit and loss<br>account<br>£ |
|----|---|---------------------------------|
|    | Balance at 28 April 2014                          | 1,094,818                       |
|    | Profit for the year                               | 2,173,528                       |
|    | Dividends paid                                    | (2,740,000)                     |
|    | Balance at 26 April 2015                          | 528,346                         |

| 12 | Reconciliation of movements in shareholders' funds | 2015<br>£   | 2014<br>£ |
|----|--|-------------|-----------|
|    | Profit for the financial year                      | 2,173,528   | 877,662   |
|    | Dividends  | (2,740,000) | (217,156) |
|    | Net (depletion in)/addition to shareholders' funds | (566,472)   | 660,506   |
|    | Opening shareholders' funds                        | 1,094,918   | 434,412   |
|    | Closing shareholders' funds                        | 528,546     | 1,094,918 |



# RANGERS RETAIL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 26 APRIL 2015

### 13 Financial commitments

At 26 April 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 26 April 2016:

|                                | Land and buildings |               |
|--------------------------------|--------------------|---------------|
|                                | 2015               | 2014          |
|                                | £                  | £             |
| Operating leases which expire: |                    |               |
| Between two and five years     | -                  | 45,600        |
| In over five years             | -                  | 40,000        |
|                                | <u>-</u>           | <u>85,600</u> |

During the year loss-making stores were closed and the liabilities under these leases, being £620,000, were transferred to Sportsdirect.com Retail Limited.

### 14

#### Employees

##### Number of employees

There were no employees during the period apart from the directors.

##### Employment costs

|                       | 2015           | 2014           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 232,106        | 316,022        |
| Social security costs | 11,629         | 19,403         |
|                       | <u>243,735</u> | <u>335,425</u> |

Employee wages and salaries were recharged from The Rangers Football Club Limited up to September 2014 and from Sportsdirect.com Retail Limited thereafter. Rangers Retail Limited has no direct employees.

No directors remuneration has been charged in these accounts.

# **RANGERS RETAIL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 26 APRIL 2015**

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### **15 Control**

The ultimate controlling party at 26 April 2015 was M J W Ashley, by virtue of his 100% ownership of Mash Holdings Limited, the ultimate parent company. Mash Holdings Limited indirectly holds the majority of shares in Sports Direct International plc, who own 100% of the share capital of Sportsdirect.com Retail Limited (the parent company).

The ultimate controlling party at the signing date is The Rangers Football Club Limited, by virtue of their 51% ownership of the company.

### **16 Related party relationships and transactions**

The Rangers Football Club Limited is a related party of Rangers Retail Limited by virtue of its 25% ownership of Rangers Retail Limited as at 26 April 2015.

Sportsdirect.com Retail Limited is a related party by virtue of its 26% ownership of Rangers Retail Limited as at 26 April 2015. Etail Limited is a related party by virtue of ultimately being controlled by Sports Direct International plc, the parent company of SDI Retail Services Limited, owner of a 49% shareholding in Rangers Retail Limited.

The Rangers Football Club Limited's (TRFC) appointed directors believe that the company has breached the terms of an IP Licence and Rights agreement entered into between TRFC and the company on 27 January 2015 (the IP Agreement) and that damages of up to £1m may be payable to TRFC in respect of this breach.

SDI Retail Services Limited (SDIR) does not agree with the TRFC appointed directors and this has been communicated to TRFC and TRFC's appointed directors on the board of the company. SDIR has seen no credible basis to suggest that the company has breached the IP Agreement or is liable to TRFC for damages of up to £1m and considers that the company should fully defend itself against any allegations of breach of the IP Agreement asserted by TRFC.

# **RANGERS RETAIL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 26 APRIL 2015**

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### **16 Related party relationships and transactions**

**(Continued)**

**For the period ended 26 April 2015**

| <b>Related party</b>            | <b>Sales</b> | <b>Purchases</b> | <b>Trade and<br/>other receivables</b> | <b>Trade and<br/>other payables</b> |
|---------------------------------|--------------|------------------|--|-------------------------------------|
| Rangers Football Club Limited   | -            | 254,213          | -                                      | 52,995                              |
| Sportsdirect.com Retail Limited | -            | 3,864,639        | -                                      | 478,023                             |
| Etail Limited                   | -            | 14,645           | -                                      | 800                                 |

The company made a payment to Rangers Football Club in the period of £70,000 in exchange for the surrender of trading losses claimed under Consortium Relief.

**For the period ended 27 April 2014**

| <b>Related party</b>            | <b>Sales</b> | <b>Purchases</b> | <b>Trade and<br/>other receivables</b> | <b>Trade and<br/>other payables</b> |
|---------------------------------|--------------|------------------|--|-------------------------------------|
| Rangers Football Club           | -            | 589,519          | -                                      | 35,958                              |
| Sportsdirect.com Retail Limited | -            | 3,842,829        | -                                      | 193,038                             |
| Etail Limited                   | -            | 50,171           | -                                      | 23,247                              |