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The Rangers Football Club Limited

Annual Report and Financial Statements

For the year ended 30 June 2022

Registered number: SC425159

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Contents

Directors and advisors

Directors

Stewart Robertson

Andrew Dickson

James Bisgrove

Ross Wilson

Kenny Barclay

Company Secretary

James Blair

Registered Office

Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD

Auditor

Azets Audit Services, Titanium 1, King's Inch Place, Renfrew, PA4 8WF

Solicitors

Anderson Strathern LLP, George House, 50 George Square, Glasgow, G2 1EH

Bankers

Barclays plc, 5th Floor, Aurora, 120 Bothwell Street, Glasgow, G2 7JT

Company Registration Number

SC425159

Strategic Report

ABOUT THE RANGERS FOOTBALL CLUB LIMITED (THE "COMPANY", "TRFCL"), 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 55 League titles, 34 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 Rangers 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 first team squad is managed by Michael Beale.

The Club finished second in the SPFL (Scottish Professional Football League) Premiership in season 2021/22. The history, facilities and ambition of the Club are such that the Club remains a desirable destination for foreign and domestic players alike.

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

Directors Duties

Section 172(1) of the Companies Act 2006 requires the Directors of the Company, to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole. Amongst other matters, the Board have considered the following:-

• The likely consequences of any decisions in the long-term;

- The Directors meet regularly to establish and drive the long-term direction of the Company
- Note 19 details the Company's risk management and objectives

• The interests of the Company's employees;

- As outlined in the Directors Report, the Company places considerable value on the involvement of its employees in the business and aims to keep employees well-informed on matters affecting them as employees and the wider group.

• The impact of the Company's operations on the community and environment;

- The Company has policies in place to remove or minimise any possible adverse impact of the Company's operations on the wider community and environment. The Company commits to adhere to and where possible go beyond all relevant legislation that seeks to protect the community and environment.

• The desirability of the Company maintaining a reputation for high standards of business conduct; and

- The Company seeks to ensure that it operates on an ethical and fair basis in a manner that helps foster agreeable relationships with its customers, suppliers and the wider business community. The Company considers and takes steps where possible to mitigate and reduce the impact of adverse factors that may place unacceptable strain on valued business relationships. Aligned with this the Company strives to set sector leading standards and achieve a reputation for a high degree of professional business conduct starting with employees through to suppliers, customer, shareholders and the wider community both locally and beyond.

• The need to act fairly as between shareholders of the Company.

The Company seeks to ensure that it operates on an ethical and fair basis in a manner that helps foster agreeable relationships with its customers, suppliers and the wider business community. The Company considers and takes steps where possible to mitigate and reduce the impact of adverse factors that may place unacceptable strain on valued business relationships. Aligned with this the Company strives to set sector leading standards and achieve a reputation for a high degree of professional business conduct starting with employees through to suppliers, customer, shareholders and the wider community both locally and beyond.

Likewise, the Company has policies in place to remove or minimise any possible adverse impact of the Company's operations on the wider community and environment. The Company commits to adhere to and where possible go beyond all relevant legislation that seeks to protect the community and environment.

Strategic Report (continued)

Results of Operations

REVENUE

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

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Gate receipts and hospitality	41,901	18,239
Commercial partnerships and sponsorships	6,940	4,708
Broadcasting rights	3,542	4,346
Retail and other commercial activities	9,894	5,768
UEFA prize money and solidarity	17,300	11,196
Other revenue	3,114	155
Total revenue	82,691	44,412

Revenue for the year ended 30 June 2022 totalled £82.7 million. Of this total, gate receipts and hospitality income contributed £41.9 million. During the year, the Club played nineteen home league matches, three home cup matches, nine home European ties and three home friendlies (2021: nineteen home league matches, three home cup matches, six home European ties and two home friendlies). No revenue is recognised in respect of away fixtures except for a small share of ticket revenue from away cup matches.

A increase to turnover of £38.3 million is driven by playing matches largely back in front of crowds, following COVID restrictions in the previous year, and a strong run to the final of the UEFA Europa League. Despite initially missing out on UEFA Champions League qualification in the early part of the season, prize monies eventually increased by £6.1m, to £17.3 million (2021: £11.2 million). Season ticket income of £17.4 million was recognised during the year to 30 June 2022 based on sales of 45,600 season tickets (2021: £17.0 million from 44,957).

Broadcasting revenues were boosted by Sky continuing to share some of the broadcast rights to home league matches as a result of fans being kept out of Stadia as we came out of the pandemic.

Commercial partnerships and sponsorship income of £6.9m, and Retail and other commercial activities of £9.9m recognized during the year to 30 June 2022 includes revenue earned from agreements with the Club's sponsors and commercial partners, as well as the sale of matchday publications.

Retail income of £5.5 million is included and relates to this season's merchandising arrangements.

Other revenue includes income from teabars, security and non-stadium football activity.

OPERATING EXPENDITURE

TRFCL has incurred the following operating expenses during the year:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Staff costs	53,249	46,642
Other operating charges	27,575	13,877
Short-term leases	153	113
Depreciation of property, plant and equipment	2,111	1,661
Amortisation of trademarks & other intangibles	2	2
Amortisation and impairment of players' registrations	11,822	10,616
Auditor's remuneration	38	30
Total operating expenses	94,950	72,941

Player costs are TRFCL's most significant expenditure, including £37.8 million (2021: £33.5 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 overheads and matchday costs, such as policing, stewarding and pitch costs.

Strategic Report (continued)

CASH FLOW

The main sources of income for TRFCL are season ticket sales, other match related revenue, commercial income and proceeds from the sale of players' registrations.

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 TRFCL's cash flows for the year to 30 June 2022.

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Net cash inflow / used in operating activities	19,271	(2,251)
Net cash used in investing activities	(15,075)	(21,192)
Net cash from financing activities	5,624	15,582
Net (decrease)/increase in cash and cash equivalents	**9,820**	**(7,861)**

There was a net cash inflow of £19.3m from operating activities compared to an ouflow of £2.3m in the prior year. Net cash outflow on investing activities amounted to £15.1m, compared to an outflow of £21.2m in the prior year.

Included within financing activities is the net receipt of loans from the group parent company totaling £9.9m and net payment of loans from external providers of £3.6m. These balances were used to fund the Club's working capital requirements.

KEY PERFORMANCE MEASURES

TRFCL 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 2022.

	Year ended 30 June 2022	Year ended 30 June 2021
Total revenue (£'000s)	82,691	44,412
Operating profit / (loss) (£'000s)	4,119	(23,422)
Operational EBITDA (£'000s)*	6,884	(12,867)
First Team Wages/Turnover ratio	46%	76%
Number of games played (total)	71	59
Number of games played (SPFL home)	19	19
Number of games played (SPFL away)	19	19
Number of games played (Cup home)	3	3
Number of games played (Cup away)	5	2
Number of games played (Euro home)	9	6
Number of games played (Euro away)	10	7
Number of other games (Friendlies home)	3	2
Number of other games (Friendlies away)	3	1
Number of season tickets sold	45,600	44,957
Season ticket sales (£'000s)	17,443	16,986
Average season ticket price ex. VAT (£)	383	378
Average attendance (league home matches)	45,314	0

**Operational EBITDA (earnings before interest, tax, depreciation and amortisation) is the Company'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 men's first team finished 2nd in the SPFL Premiership. In addition, the Club reached the semi-final of the Premier Sports League Cup and won the William Hill Scottish Cup. In the current season, at the time of writing the Club sits in 2nd place in the Premiership. Having reached the Final of last season's UEFA Europa League, they qualified through the playoff rounds for the UEFA Champions League in the current season, exiting at this stage.

The women's first team won the SWPL Premier League, and played this current season in the 1st and 2nd Rounds of the UEFA Women's Champions League.

RISKS AND UNCERTAINTIES

The Directors set 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 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 Company 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 fall under the following headings:

Future funding
Building a team to challenge for the SPFL Premiership and compete in European competition requires continued investment for success in these areas to generate a significant contribution to the revenues and cash flows of the Club. Due to the cycle of trading revenues, from time to time the Company requires funding support from its investors. Funding is provided by way of a secured term loan facility and a revolving credit facility. The current and future financial position of the Company, its cash flows and liquidity position have been reviewed by the Directors. Based on these forecasts the board are satisfied that the club has adequate working capital and undrawn facilities to meet its forecast cash requirements.

Litigation
The Company 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 Company are party are identified later in this report alongside other pre-existing claims.

Retail revenue
The sale of replica strips in the year ended was the second year of our Castore manufacturing deal. Following our agreement with our Retail and Manufacturing partner, the Club is better able to make use of its stadium megastore, a new online platform, and the intention for additional stores going forward.

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 Company.

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.

Broadcasting contracts and football competitions
The SPFL sells domestic broadcasting rights centrally. The Club currently competes in the SPFL Premiership, and the SPFL provide revenue streams to the Company. 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.

Strategic Report (continued)

RISKS AND UNCERTAINTIES (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company 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 Company's business the financial risk that the Directors consider particularly relevant to the Company is cash flow risk. The Company addresses cash flow risk by carefully managing its working capital inflows and outflows. The Company manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Company does not enter into complex financial instruments for speculative purposes. Further information is provided in note 19 to the financial statements.

GOING CONCERN

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

The Company'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 Company manages its capital, its liquidity risk and its exposure to credit risk.

The Company meets its day to day working capital requirements through existing cash facilities, bank loans, investor loans, and leases.

During the year under review the Club entered into formal loan agreement with the certain investors providing a secured term loan facility available to 31 July 2028. Subsequent to the year end and in addition to the term loan, a revolving credit facility has been agreed to provide a more efficient and cost effective funding mechanism to the club.

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 Company'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. These forecasts have been prepared for a range of possible scenarios with sensitivity analysis applied to the key revenue streams and costs. Based on these forecasts the board are satisfied that the club has adequate working capital and undrawn facilities to meet its forecast cash requirements.

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

The Board of Directors believe that there is a reasonable expectation that the Company 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 Company maintains cash to fund the daily cash requirements of its business.

As at 30 June 2022, there are commercial loans of £3.4m, whilst the Company also has lease agreements totalling £1.4m.

As at 30 June 2022, the Company held £13.1m within cash and bank balances.

Approved by the Board and signed on its behalf by:

Kenny Barclay
Kenny Barclay
29 March 2023

Directors' Report

The Directors present their report on the affairs of the Company together with the financial statements and Auditor's Report for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

ENVIRONMENTAL MATTERS AND EMPLOYEE MATTERS

The Company aims to operate as a responsible employer. We seek to minimise the Company'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 income statement for the year ended 30 June 2022 is set out on page 14. The Directors have not recommended the payment of a dividend (2021: nil).

DIRECTORS

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

Name		
Stewart Robertson		
Andrew Dickson		
James Bisgrove		
Ross Wilson		
Kenny Barclay	Appointed 8 December 2021	
David Graham	Appointed 8 December 2021	Resigned 7 October 2022
George Letham	Resigned 8 December 2021	

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

CHARITABLE AND POLITICAL DONATIONS

The Company made cash donations of £75k (2021: £80k) to international, UK-based and local charities during the period. The Company made no political donations during the year (2021: 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 Company 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 Company 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 Company 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 Company, such as performance. This is achieved by regular departmental meetings, email correspondence and intranet notices.

SUPPLIER PAYMENT POLICY

The Company'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.

ENERGY AND CARBON REPORTING

The Company has analysed its consumption of UK gas and energy as part of its obligations as an industrial user and emitter of CO2 greenhouse gases, and to reduce consumption and protect the environment. All new equipment purchases or stadium and facility upgrades are procured with energy reduction in mind. All existing infrastructure is under constant review to seek out opportunities for more power efficient alternatives, with the understanding that this will also reduce cost.

Recent improvements include the installation of solar panels on New Edmiston House, a rain-collection and irrigation system, and replacing gas boilers with inverter-driven heat pumps.

The total Kwh consumption across all our properties is 9,500,000 Kwh for the year ended 30 June 2022. This is split between electricity (4,700,000 Kwh) and Gas (4,800,000 Kwh). This converted into emissions in tonnes of carbon dioxide equivalent (CO2e) equates to 2,000 tonnes, which equates to one tonne per £41,500 of revenue in the year (2021: a tonne per £28,000 of revenue). The methodology used by the Company to calculate UK energy CO2 emission was taken from the UK Government GHG Conversion Factors for Company Reporting advisory.

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 Azets Audit Services will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Kenneth Barclay

Kenny Barclay
29 March 2023

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 Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. 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 UK 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 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.

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.

Kenny Barclay
29 March 2023

Independent auditor's report to the members of The Rangers Football Club Limited

Opinion

We have audited the financial statements of The Rangers Football Club Limited (the 'company') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 this gives rise to a material misstatement in the financial statements themselves. 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 11, 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 the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the members of The Rangers Football Club Limited (continued)

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 is available on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity thatwere contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omissionsor misrepresentation.

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.

Azets Audit Services

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

29 March 2023

Income Statement

For the year ended 30 June 2022

	Note	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
REVENUE	2	**82,691**	**44,412**
Operating expenses	3	(83,128)	(62,325)
		(437)	(17,913)
Other operating income	3	5,208	3,383
OPERATING PROFIT / (LOSS) BEFORE PLAYER REGISTRATION TRANSACTIONS		4,771	(14,530)
Amortisation and impairment of player registrations	3	(11,822)	(10,616)
Profit on disposal of player registrations	3	11,170	1,724
OPERATING PROFIT / (LOSS)		4,119	(23,422)
Non-recurring costs	27	(6,070)	-
Finance costs	7	(1,527)	(2,761)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,478)	(26,183)
Taxation	8	(37)	602
LOSS FOR THE YEAR		(3,515)	(25,581)

All results arise from continuing operations.

The notes on pages 19 to 46 form an integral part of the financial statements.

Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
LOSS FOR THE YEAR		(3,515)	(25,581)
Deferred tax relating to components of other comprehensive income	8	-	(1,871)
Other comprehensive income for the year		(3,515)	(27,452)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,515)	(27,452)

Balance Sheet

As at 30 June 2022

	Notes	2022 £'000	2021 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	48,889	48,312
Intangible assets	10	30,668	37,331
Trade and other receivables	12	3,463	-
		83,020	85,643
CURRENT ASSETS			
Trade and other receivables	12	22,121	20,409
Cash and bank balances	13	13,085	3,265
		35,206	23,674
TOTAL ASSETS		**118,226**	**109,317**
CURRENT LIABILITIES			
Other loans	16	(397)	(5,000)
Trade and other payables	14	(36,720)	(34,896)
Lease liabilities	15	(427)	(549)
Deferred income	17	(26,773)	(24,341)
Provisions	27	(425)	(2,750)
		(64,742)	(67,536)
NET CURRENT (LIABILITIES)		**(29,536)**	**(43,862)**
NON-CURRENT LIABILITIES			
Other loans	16	(2,994)	(1,926)
Trade and other payables	14	(4,682)	(2,220)
Lease liabilities	15	(945)	(1,177)
Deferred income	17	(2,250)	(122)
Deferred tax liability	18	(7,069)	(7,157)
		(17,940)	(12,602)
TOTAL LIABILITIES		**(82,682)**	**(80,138)**
NET ASSETS		**35,544**	**29,179**
EQUITY			
Share capital	21	334	334
Share premium account	22	12,960	12,960
Capital contribution	23	89,887	80,007
Revaluation reserve	23	22,440	22,781
Retained earnings	24	(90,077)	(86,903)
TOTAL EQUITY		**35,544**	**29,179**

The financial statements of The Rangers Football Club Limited (registered number SC425159) were approved by the Directors and authorised for issue on 29 March 2023. They were signed on its behalf by:

Kenny Barclay, Director

The notes on pages 19 to 46 form an integral part of these financial statements.

Statement of Changes in Equity

For the year to 30 June 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Capital contribution £'000	Revaluation reserve £'000	Total equity £'000
As at 30 June 2020	334	12,960	(61,684)	64,254	25,014	40,878
Loss for the year to 30 June 2021	-	-	(25,581)	-	-	(25,581)
Deferred tax liability relating to components of other comprehensive income	-	-	-	-	(1,871)	(1,871)
Transfer from revaluation reserve to retained earnings	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	(91)	-	91	-
Shareholder contributions received	-	-	-	15,753	-	15,753
As at 30 June 2021	334	12,960	(86,903)	80,007	22,781	29,179
Loss for the year to 30 June 2022	-	-	(3,515)	-	-	(3,515)
Transfer from revaluation reserve to retained earnings	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	(112)	-	112	-
Shareholder contributions received	-	-	-	9,880	-	9,880
As at 30 June 2022	334	12,960	(90,077)	89,887	22,440	35,544

Statement of Cash Flows

For the year to 30 June 2022

	Notes	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
CASH INFLOW / (USED) IN OPERATIONS	25	**19,271**	**(2,251)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(15,905)	(19,896)
Purchase of property, plant and equipment		(3,422)	(2,386)
Proceeds from sale of intangible assets		5,202	1,770
Interest paid		(950)	(680)
NET CASH USED IN INVESTING ACTIVITIES		**(15,075)**	**(21,192)**
FINANCING ACTIVITIES:			
Payment of lease liabilities		(625)	(496)
Loans received		1,550	3,200
Loans repaid		(5,181)	(2,875)
Contribution received from parent company		9,880	15,753
NET CASH INFLOW FROM FINANCING ACTIVITIES	25	**5,624**	**15,582**
Net (decrease)/increase in cash and cash equivalents		**9,820**	**(7,861)**
Cash and cash equivalents at the beginning of the period		3,265	11,126
Cash and cash equivalents at the end of the period		13,085	3,265
		9,820	(7,861)

Notes to the financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION

The Rangers Football Club Limited was incorporated in Scotland on 29 May 2012 with registration number SC425159.

The address of the registered office is Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD. The nature of the Company'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 Company operates and is rounded to the nearest thousand £'000). All activities of the Company 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 UK, 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 Directors 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 Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity, and notes. The accounting year is the year to 30 June 2022.

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 Company will continue in business. In satisfaction of this responsibility the Board have considered the Company's ability to meet its liabilities as they fall due.

The Company'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 Company manages its capital, its liquidity risk and its exposure to credit risk.

The Company meets its day to day working capital requirements through existing cash facilities, bank loans, investor loans, and leases.

During the year under review the Club entered into formal loan agreement with the certain investors providing a secured loan facility available to 31 July 2028. Subsequent to the year end and in addition to the term loan, a revolving credit facility has been agreed to provide a more efficient and cost effective funding mechanism to the club.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

The Board has undertaken a recent and thorough review of the Company'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. These forecasts have been prepared for a range of possible scenarios with sensitivity analysis applied to the key revenue streams and costs.

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

• Football performance, the forecast assumes the Club will finish 1st or 2nd in the SPFL Premiership in 2022/23 and participate in the group stages of 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 lifting COVID-19 restrictions and improving footballing performance and success;

• Sponsorship, commercial and other non-matchday income;

• The amount and timing of cash flows from retail activities;

• The forecast overhead cost base of the Club;

• Payroll costs reflecting the 2022/23 squad size and composition in perspective to its assumptions around football performance;

• The quantum and timing of future transfer receivables and payables;

• The capital expenditure necessary to maintain and improve the stadium, training facility and general Ibrox vicinity including the development of New Edmiston House;

• The Company's ability to secure further debt or equity finance from investors to allow the Company 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.

Based on these forecasts the board are satisfied that the club has adequate working capital and undrawn facilities to meet its forecast cash requirements.

In consideration of the above, the Board of Directors believe that there is a reasonable expectation that the Company 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.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Assets and liabilities

An asset that is associated with the Company'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 Company'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 Company 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 Company 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 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 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.

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 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.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

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.

Gate receipts and hospitality revenue is based on matches played throughout the season with revenue recognised when the performance obligation is satisfied (i.e. the respective game has been played).

Commercial partnerships and sponsorships revenue is recognised over the duration of the respective contracts. Where long-term partnership packages are sold, the revenue is recognised as the performance obligations connected to them are satisfied. Where there are multiple performance obligations attached to any package, the individual value of each element is estimated and taken as they are satisfied.

The fixed element of Broadcasting revenue 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.

Retail and other commercial activities revenue comprises revenue generated by the promotion of the Rangers brand through contractual agreements with business partners. Where such agreements contain minimum guarantees in relation to specific football seasons, revenue is recognised in that respective football season. Where such agreements contain variable consideration, revenue is recognised as the performance obligations are met based on information available on the performance of that contract. Where such information is not available, management are required to make estimates and judgements on the performance of the underlying contracts. These estimates are based on historic experience and may differ from actual amounts receivable.

UEFA prize money relates to participation in the Europa League and is spread over the matches played in the competition whilst distributions relating to match performance are taken when earned. Delays to the UEFA Europa League due to COVID-19 in previous years, and impact on broadcasting schedules and competition format has resulted in a reduction of prize money available for distribution to participating clubs. As a result, UEFA prize money revenues have been reduced to reflect managements' best estimate of amounts receivable from this competition.

Other revenue includes income from teabars, security and non-stadium football activity.

Taxation

The tax expense / credit represents the sum of the tax currently payable / receivable and deferred tax. 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 Company'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 Company's deferred taxes are calculated using tax rates that have been substantively enacted by the Balance Sheet date that are expected to apply to the period when the reversal of the timing difference takes place. 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 Company only carries brand intangible assets that have been acquired on the 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 Company 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).

1. ACCOUNTING POLICIES (CONTINUED)

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 appearance es 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.

Impairment of tangible and intangible assets excluding goodwill

The Company 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 Company 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.

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 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 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 Company considers its Brand to have indefinite useful life. Furthermore, the Company 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 Company'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 Company. 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.

1. ACCOUNTING POLICIES (CONTINUED)

Notes to the financial statements (continued)

Key assumptions

Football team performance - short term (1)	Finish in top-2 of SPFL Premiership
Football team performance - medium to long term (1)	Predictions of expected football results beyond season 2023/24 i.e. league placings, cup progressions, matchday 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)	1.7%
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 current cycle

(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 Company 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 or not being part of the first team managers plans). 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 Company's best estimate of the player's fair value less any costs to sell. If the Company considers that impairment has occurred, a provision is made as appropriate.

(3) The basis for the expected cash flow are the confirmed budgets for 2022/23 & 2023/24 and the cash flow forecasts for the next three 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 1.8%.

(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 point used, in the forecast period beyond the 2022/23 competition are to be determined by future Scottish club coefficient rankings. As these stand, two Scottish teams will enter the qualification rounds for the UEFA Champions League which increases the opportunity to reach the lucrative UEFA Champions League Group stages. Failure to progress through the UEFA Champions League qualifying rounds would, as a minimum, result in entry to the UEFA Europa League qualifying rounds and failure to progress through these would, as a minimum, result in entry to the UEFA Europa Conference League play-off round. The financial distributions available from the 2023/24 competitions have not yet been released, therefore 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.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

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 Company 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 £2.9m. The valuation model by its nature is based upon uncertain assumptions and whilst the Company 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	*A reduction in European income by 2.22%*
Discount factor	*An increase in discount rate to 13.90%.*
Player costs & transfers	An increase in the annual player salary costs by 1.54% above those projected in the cash flows. An increase in the annual transfer spend by 4.83% above those projected in the cash flows. A decrease in the annual transfer receipts by 2.36% below those projected in the cash flows.
Retail revenue	A reduction in forecast annual retail revenue by 7.86%.
Growth rate	A reduction in growth rate to 0.29%.

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 Company 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 Company 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 £6.1m.

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 Company 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 Company recognises a provision when at the balance sheet date a present obligation exists, legal or constructive, as a result of a past event and it is probable that a settlement of that obligation will be paid and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimates required to settle that obligation, at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where appropriate, management take independent expert advice to determine the quantum and expected timing associated with settling provisions.

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 Company 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 2022 the Company 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)

Leasing

For any new contracts entered into the Company assess whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease commencement date, the entity recognises a lease liability (being the present value of lease payments that are not paid at that date using the interest rate implicit in the lease) and a right of use asset (measured at cost, being the lease liability adjusted for any lease payments made in advance, any incentives received and initial directors costs incurred.) The Company has decided not to apply the new leasing standard to player registration loan agreements as permitted by paragraph 4 of IFRS 16 and as such, continues to apply IAS 38 to these arrangements.

The right of use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The lease liability is made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantees and payments arising from options reasonably certain to be exercised.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Insurance claims

The Company recognises income from insurance claims where it has an insurance contract under which it can make a claim for compensation and the loss event that creates a right for the Company to assert a claim at the reporting date has occurred and the claim is not disputed by the insurer. The amount of income is recognised when an amount receivable is known or can be estimated with reasonable certainty.

Adoption of new and revised Standards

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

At the date of authorisation of these financial statements, there are no standards nor interpretations which were in issue but 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.

Research and development credit

Research and development tax credits are recognised on a systematic basis as the business recognises the costs for which the tax credits are intended to incentivise, and only to the extent that the Directors are satisfied, based on previous claims and/or professional advice, that amounts will be recoverable.

Government assistance

The UK government offered a range of financial support packages to help companies during COVID-19. The Company benefited directly from this assistance in the form of payment deferrals for VAT, payment deferrals for employment taxes and the job retention scheme.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants received under the UK Governments' Job Retention Scheme are netted off against the related expense (i.e. payroll costs) so as to recognise in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Interest free loans received in the previous year from The Scottish Ministers, as part of the Premier Division Support Fund, are repayable over a period of 20 years. This loan is considered to be below market rate, with the difference between the fair value and book value being recorded as grant income in the prior year.

The difference between value on initial recognition and value on redemption is accounted for over the borrowing period by using the effective interest method, with the amortisation of this liability recognised as an expense within the Consolidated Income Statement.

Notes to the financial statements (continued)

2. REVENUE

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Gate receipts and hospitality	41,901	18,239
Commercial partnerships and sponsorships	6,940	4,708
Broadcasting rights	3,542	4,346
Retail and other commercial activities	9,894	5,768
UEFA prize money and solidarity	17,300	11,196
Other revenue	3,114	155
Total revenue	**82,691**	**44,412**

3. LOSS FOR THE YEAR

	Notes	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Loss for the year has been arrived at after charging / (crediting):-			
Staff costs	5	53,249	46,642
Other operating charges		27,575	13,877
Short term leases		153	113
Depreciation and impairment of property, plant and equipment	9	2,111	1,661
Amortisation of trademarks and other intangibles	10	2	2
Auditor's remuneration	4	38	30
Other operating expenses		**83,128**	**62,325**
Revenue grants		(455)	(2,133)
Insurance claims		(503)	(1,250)
Compensation income		(4,250)	-
Other operating income		**(5,208)**	**(3,383)**
Amortisation of player registrations	10	11,822	10,616
Gain on sale of player registrations	10	(11,170)	(1,724)
Total net result from player transfers and amortisation		**652**	**8,892**

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

Included within revenue grants in the prior year was the difference between the fair value and book value of the Premier Division Support Fund, amounting to £1.3m.

Compensation income relates to amounts received following the departure of the previous football management team.

Notes to the financial statements (continued)

4. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts:		
Audit of the Company's financial statements	38	30
Total audit fees	38	30

Fees payable to Azets Audit Services for non-audit services to the Company are not required to be disclosed because the Company's Group consolidated financial statements already disclose such fees on a consolidated basis.

No services were provided pursuant to contingent fee arrangements.

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 2022 Number	Year ended 30 June 2021 Number
Football players	95	98
Others	177	159
TOTAL	272	257

In addition, the Company employed an average of 270 part-time employees during the year (2021: 212), to assist on matchdays or other events.

The aggregate remuneration comprised:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Wages, salaries and benefits	47,009	41,129
Social security costs	5,920	5,236
Other pension costs – defined contribution plans	320	277
TOTAL	53,249	46,642

Notes to the financial statements (continued)

6. DIRECTORS' EMOLUMENTS

	Salary and Payroll Benefits	Bonus	Pensions	Benefit in kind	Year to 30 June 2022	Year to 30 June 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Total directors emoluments	1,088	125	21	6	1,240	1,155
Other key management personnel	8	-	2	-	10	197

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

The aggregate emoluments and pension contributions of the highest paid director were £398,684 (2021: £461,563) and £1,321 (2021: £1,315) respectively.

7. FINANCE COSTS

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Interest payable on lease finance agreements	118	54
Other interest	303	627
Interest received	-	(1)
Notional interest on deferred player receivables	(418)	(16)
Notional interest on deferred player payables	995	2,097
Notional interest on deferred other payables	529	-
Total finance costs	**1,527**	**2,761**

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 2022 £'000	Year ended 30 June 2021 £'000
Tax charged to the Income Statement:		
Current tax	125	(500)
Deferred tax (note 18)		
Origination and reversal of temporary differences	(88)	(102)
Tax losses carried forward	-	-
	37	(602)
Tax charged to Other Comprehensive Income:		
Deferred tax (note 18)		
Deferred tax rate change on opening balances	-	1,871
Total tax charged in the year	**37**	**1,269**

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

Continuing Operations	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
(Loss)/profit on ordinary activities before tax	(3,478)	(26,183)
Tax at the UK corporation tax rate of 19% (2021: 19%)	(661)	(4,975)
Tax effect of expenses that are not deductible in determining taxable profit	191	69
Tax effect of income not taxable in determining taxable profit	-	15
Group relief	324	321
Tax losses unutilised and other temporary differences not recognised	58	4,468
R&D Tax credits	125	(500)
Tax losses carried forward	-	-
Tax expense / (credit) for the year	**37**	**(602)**

Current tax is calculated at 19% of the estimated taxable profit / (loss) for the year (2021 – 19%). Finance Act 2021 was 'substantively enacted' on 24 May 2021. This increased the main rate of corporation tax applicable to 25% from 1 April 2023, replacing the 20% rate previously effective from that date. The closing deferred tax assets and liabilities have been calculated in accordance with the rates substantively enacted at the Balance Sheet date, and that are expected to apply when the reversal of the timing difference takes place.

Notes to the financial statements (continued)

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

	Freehold properties	Fixtures and fittings	Total
	£'000	£'000	£'000
Cost or valuation			
Cost or valuation at 1 July 2020	43,718	13,269	56,987
Additions	-	3,882	3,882
Disposals	(1,012)	(108)	(1,120)
At 1 July 2021	42,706	17,043	59,749
Additions	-	2,688	2,688
Disposals	-	(939)	(939)
At 30 June 2022	**42,706**	**18,792**	**61,498**
Accumulated depreciation:			
At 1 July 2020	4,680	6,029	10,709
Charge for the period to 30 June 2021	529	1,132	1,661
Eliminated on disposal	(825)	(108)	(933)
At 1 July 2021	4,384	7,053	11,437
Charge for the period to 30 June 2022	529	1,582	2,111
Eliminated on disposal	-	(939)	(939)
At 30 June 2022	**4,913**	**7,696**	**12,609**
Net book value			
At 30 June 2022	37,793	11,096	48,889
At 30 June 2021	38,322	9,990	48,312
At 30 June 2020	39,038	7,240	46,278

Details of the right-of-use assets held under lease can be found in note 15.

On 30 June 2022 the Directors valued the Freehold Properties, comprising Ibrox Stadium and the 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 £2.9m, 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

	Player Registrations	Brand	Total
	£'000	£'000	£'000
Cost:			
Cost or valuation at 1 July 2020	25,312	16,090	41,402
Additions	16,837	22	16,859
Disposals	(2,784)	-	(2,784)
Cost or valuation at 1 July 2021	39,365	16,112	55,477
Additions	7,534	4	7,538
Disposals	(6,111)	-	(6,111)
At 30 June 2022	**40,788**	**16,116**	**56,904**
Amortisation:			
At 1 July 2020	9,990	15	10,005
Charge for period to 30 June 2021	10,616	2	10,618
Provision for impairment	-	-	-
Eliminated on disposal	(2,477)	-	(2,477)
At 1 July 2021	18,129	17	18,146
Charge for period to 30 June 2022	11,822	2	11,824
Provision for impairment	-	-	-
Eliminated on disposal	(3,734)	-	(3,734)
At 30 June 2022	**26,217**	**19**	**26,236**
Net book value			
At 30 June 2022	14,571	16,097	30,668
At 30 June 2021	21,236	16,095	37,331
At 30 June 2020	15,322	16,075	31,397

The profit on disposal of player registrations amounted to £11,170,000 (2021: £1,724,000). This amount relates to players sold or released from their contracts.

The Company has 8 player registrations with individual carrying values of over £500,000 representing 73% of the 2022 net book value of player registrations. The average amortisation period remaining for those players is 23 months.

In the prior year the Company had 8 player registrations with individual carrying values of over £500,000 representing 83% of the 2021 net book value of player registrations. The average amortisation period was 29 months.

Notes to the financial statements (continued)

11. FIXED ASSET INVESTMENTS

	Principal activity	Place of registration	Type of holding	Holding %	At 30 June 2022 £	At 30 June 2021 £
Subsidiary undertakings:						
Garrion Security Services Limited	Event Security	UK	Ordinary shares	100%	1	1
Interest in associates:						
Rangers Retail Limited	Retail	UK	'B' Shares	25.5%	51	51

The Company holds 25.5% of the voting rights in Rangers Retail Limited as a result of the previously reported share allotment error. Rangers Retail Limited and its shareholders recognise that this should be corrected to 51%. The Directors consider that they do not control the entity and as such, they consider that the investment in rangers Retail Limited represents an investment in an associate.

Garrion Security Services Limited's principal place of business is Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD.

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

12. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Current assets		
Trade receivables	16,342	12,380
Amounts owed by group undertakings	273	295
Other receivables	846	693
Prepayments and accrued income	4,660	7,041
Total trade and other receivables	22,121	20,409

	2022 £'000	2021 £'000
Non-current assets		
Trade receivables	3,463	-
Total trade and other receivables	3,463	-

	2022 £'000	2021 £'000
Ageing of past due but not impaired trade receivables:		
31-60 days	318	-
61-90 days	268	39
91-120 days	290	577
120+ days	-	2,278
	876	2,894

Notes to the financial statements (continued)

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2022	2021
	£'000	£'000
Included within Trade and other receivables are the following player registration receivables:		
Receivables due within one year	5,893	300
Receivables due more than one year	4,179	-
Notional interest effect on deferred payments	(1,003)	-
Carrying value of player registration receivables	9,069	300

Trade receivables includes £3,695,000 (2021: £7,213,000) 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.

13. CASH AND BANK BALANCES

	2022	2021
	£'000	£'000
Balances with banks	13,026	3,222
Cash on hand	59	43
Total cash and bank balances	13,085	3,265

Notes to the financial statements (continued)

14. TRADE AND OTHER PAYABLES

	2022	2021
	£'000	£'000
Current liabilities		
Trade creditors	3,948	11,146
Amounts owed to group undertakings	16,433	8,250
Social security and other taxes	9,461	7,702
Other creditors	927	946
Accruals	5,951	6,852
Total trade and other payables	**36,720**	**34,896**

The average credit taken for trade purchases is 33 days (2021 – 30 days).

	2022	2021
	£'000	£'000
Non-current liabilities		
Trade creditors	-	568
Other creditors	3,102	-
Accruals	1,580	1,652
Total trade and other payables	**4,682**	**2,220**

Non-current liabilities fall due as follows:	2022 Trade creditors	2022 Other creditors	2022 Accruals	2021 Trade creditors	2021 Accruals
	£'000	£'000	£'000	£'000	£'000
Between one and two years	-	663	963	568	1,442
Between two and five years	-	1,086	617	-	210
Over five years	-	1,353	-	-	-
	-	3,102	1,580	568	1,652

	2022	2021
Included within liabilities are the following player registration payables:	£'000	£'000
Current liabilities	5,084	11,809
Non-current liabilities	1,883	2,637
Notional interest effect on deferred payments	(500)	(1,007)
	6,467	13,439

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)

15. LEASE LIABILITIES

The balance sheet shows the following amounts relating to leases:-

Right of use assets

	Carrying value 2021 £'000	Additions £'000	Depreciation £'000	Other movements £'000	Carrying value 2022 £'000
Fixtures & fittings	2,161	271	(119)	(124)	2,189
Total right of use assets	**2,161**	**271**	**(119)**	**(124)**	**2,189**

Right of use assets

	Carrying value 2020 £'000	Additions £'000	Depreciation £'000	Other movements £'000	Carrying value 2021 £'000
Fixtures & fittings	1,367	1,128	(334)	-	2,161
Total right of use assets	**1,367**	**1,128**	**(334)**	**-**	**2,161**

Lease Liabilities

	Total minimum payments 2022 £'000	Future interest payable 2022 £'000	Carrying value 2022 £'000	Carrying value 2021 £'000
Repayment of borrowings on leases fall due as follows:				
Current liabilities	477	(50)	427	549
Non-current liabilities	1,045	(100)	945	1,177
Total lease liabilities	**1,522**	**(150)**	**1,372**	**1,726**

The Income Statement shows the following amounts relating to leases:
Depreciation charge of right of use assets

	2022 £'000	2021 £'000
Fixtures & fittings	119	334

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

Notes to the financial statements (continued)

16. OTHER LOANS

Current liabilities	2022 £'000	2021 £'000
Investor loans repayable – October 2021	-	5,000
Other loans – Bank Loans	264	-
Other loans – Premier Division Support Fund	133	-
Total other loans	**397**	**5,000**

Non-Current liabilities	**2022** **£'000**	**2021** **£'000**
Other loans – Bank Loans	1,105	-
Other loans – Premier Division Support Fund	1,889	1,926
Total other loans	**2,994**	**1,926**

Analysis of loans - 2022

	Loans £'000	Effect of discounting using effective interest rate method	2022 £'000
Other loans – Bank Loans	1,369	-	1,369
Other loans – Premier Division Support Fund	3,200	(1,178)	2,022
	4,569	(1,178)	3,391

Analysis of loans - 2021

	Loans £'000	Effect of discounting using effective interest rate method	2021 £'000
Investor loans repayable – October 2021	5,000	-	5,000
Other loans – Premier Division Support Fund	3,200	(1,274)	1,926
	8,200	(1,274)	6,926

Secured debts

Book value of non-current assets pledged as security	**2022** **£'000**	**2021** **£'000**
Non-current assets – finance leases	2,189	2,202

17. DEFERRED INCOME

Notes to the financial statements (continued)

	2022	2021
	£'000	£'000
Income deferred less than one year	26,773	24,341
Income deferred more than one year	2,250	122
Total deferred income	**29,023**	**24,463**

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 2022/23 financial year. Deferred income more than one year relates to income received in advance from commercial contracts.

18. DEFERRED TAXATION

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

Balances:

	2022	2021
	£'000	£'000
Non-current assets – temporary differences	7,069	7,157
Deferred tax liability	7,069	7,157

Movements in the year:

	2022	2021
	£'000	£'000
At 1 July	(7,157)	(5,388)
Recognised in Income Statement	88	102
Recognised in Other Comprehensive Income	-	(1,871)
At 30 June	(7,069)	(7,157)

At the Balance Sheet date, the Company has unrecognised tax losses of £89.6m creating an unrecognised deferred tax asset of £22.9m (2021 - £85.3m creating an unrecognised deferred tax asset of £21.3m). There is also an unrecognised deferred tax liability of £0.32m (2021 - £0.18m) in respect of temporary tax differences in non-current assets for which losses would be available to offset.

Notes to the financial statements (continued)

19. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that entities in the Company 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 Company's stated objectives. The Board reviews financial capital reports on a regular basis and the Company finance function do so on a daily basis ensuring that the Company has adequate liquidity. The Board's consideration of going concern is detailed in the Strategic Report. The capital structure of the Company 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 21 to 24 and the Statement of Changes in Equity.

Financial risk management objectives and policies

The Company's financial assets include cash and cash equivalents and other short-term deposits. The main purpose of these financial instruments is to finance the Company's operations. The Company 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 Company 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 Company are met. The financial assets of the Company 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 2022 £'000	Total At 30 June 2021 £'000
Non-current assets	3,463	79,557	83,020	85,643
Trade receivables and similar items	16,342	-	16,342	12,380
Cash and cash equivalents	13,085	-	13,085	3,265
Other current assets	5,779	-	5,779	8,029
Total assets	38,669	79,557	118,226	109,317
Financial liabilities				
Trade and other payables	41,402	-	41,402	37,116
Other liabilities	34,211	7,069	41,280	43,022
Total liabilities	75,613	7,069	82,682	80,138
Net (liabilities)/assets	(36,944)	72,488	35,544	29,179

The Company 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 Company 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 Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

Notes to the financial statements (continued)

19. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Market risk

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

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

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

	Trade & other payables 2022 £'000	Cash & cash equivalents 2022 £'000	Trade & other payables 2021 £'000	Cash & cash equivalents 2021 £'000
Euro	(808)	7,882	(6,987)	49
USD	-	24	(12)	16

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 2022 £'000	Euro 2021 £'000	USD 2022 £'000	USD 2021 £'000
Profit / (loss)	(818)	694	(3)	1

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Of the total trade receivable balance of £19,805,000, £8,645,000 relates to amounts receivable from other football clubs in relation to player trading, and £3,695,000 relates to amounts due from merchant service providers.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECL in full using the simplified model. Where applicable the expected credit losses on trade receivables are estimated by reference to past credit experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum risk exposure relates to a football debt. The creditor club is a premier League club, and member club of the FA, and meets the credit rating criteria of the Board. Management reviews the financial status of providers on an ongoing basis.

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

Movement in provision for expected credit losses

	2022 £'000	2021 £'000
Balance brought forward	591	432
Balances written-off	(421)	-
Change in provision	57	159
At 30 June 2022	**227**	**591**

Notes to the financial statements (continued)

19. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Liquidity risk

The Company's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and leases as applicable. At 30 June 2022, the Company had external loans of £3.4m (note 16), and leases of £1.4m (note 15).

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 Company's contracted liabilities and exposure to liquidity risk is detailed below:

	Due on demand or less than one year	Due 1-2 years	Due 2-5 years	Due >5 years	Carrying value as at 30 June 2022	Carrying value as at 30 June 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Other loans	(397)	(424)	(1,272)	(1,298)	(3,391)	(6,926)
Trade and other payables	(35,793)	(963)	(617)	-	(37,373)	(37,116)
Other creditors	(927)	(663)	(1,086)	(1,353)	(4,029)	(4,032)
Lease liabilities	(427)	(348)	(597)	-	(1,372)	(1,726)
Total	(37,544)	(2,398)	(3,572)	(2,651)	(46,165)	(45,768)

20. FAIR VALUES

	Carrying value at 30 June 2022	Carrying value at 30 June 2021
	£'000	£'000
Non-financial assets		
Property, plant & equipment	37,793	38,322

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 Company 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.

Notes to the financial statements (continued)

21. SHARE CAPITAL

	As at 30 June 2022 £'000
At 1 July 2021 and 30 June 2022 allotted, called up and fully paid 33,415,000 Ordinary shares of 1p each	334

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

22. SHARE PREMIUM

	As at 30 June 2022 £'000
Balance at 1 July 2021 and 30 June 2022	12,960

23. OTHER RESERVES

Revaluation reserve

	As at 30 June 2022 £'000
Balance at 30 June 2020	25,014
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	91
Deferred tax liability relating to components of other comprehensive income	(1,871)
Balance at 30 June 2021	22,781
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	112
Deferred tax liability relating to components of other comprehensive income	-
Balance at 30 June 2022	22,440

Capital contribution reserve

	As at 30 June 2022 £'000
Balance at 30 June 2020	64,254
Shareholder contributions received	15,753
Balance at 30 June 2021	80,007
Shareholder contributions received	9,880
Balance at 30 June 2022	89,887

Notes to the financial statements (continued)

24. RETAINED EARNINGS

	As at 30 June 2022 £'000
Balance at 30 June 2020	(61,684)
Loss for the year ended 30 June 2021	(25,581)
Release of revaluation reserve for the year ended 30 June 2021	453
Depreciation on release of revaluation reserve for the year ended 30 June 2021	(91)
Balance at 30 June 2021	(86,903)
Loss for the year ended 30 June 2022	(3,515)
Release of revaluation reserve for the year ended 30 June 2022	453
Depreciation on release of revaluation reserve for the year ended 30 June 2022	(112)
Balance at 30 June 2022	**(90,077)**

25. NOTES TO THE STATEMENTS OF CASH FLOWS

	Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
Loss for the year	(3,515)	(25,581)
Amortisation and impairment of intangible fixed assets	11,824	10,618
Depreciation and impairment of property, plant and equipment	2,111	1,661
(Gain)/loss on disposal of players' registrations	(11,170)	(1,724)
Financing costs and other charges	1,527	2,377
Other income	-	(1,274)
Decrease/(increase) in trade and other receivables	4,145	13,156
(Decrease)/increase in trade and other payables and deferred income	14,312	(882)
Taxation	37	(602)
Cash inflow / used in operations	**19,271**	**(2,251)**

	Current liabilities		Non-current liabilities		
Change in liabilities from financing activities	Lease liabilities £'000	Loans £'000	Lease finance £'000	Loans £'000	Total £'000
Opening liabilities	549	5,000	1,177	1,926	8,652
Movement due to cash flows	(428)	(5,000)	-	1,369	(4,059)
Non cash movements					
Reallocation from non-current to current liabilities	249	397	(249)	(397)	-
Acquisition of plant & equipment on lease finance	57	-	214	-	271
Effective interest rate	-	-	(197)	96	(101)
Closing liabilities	427	397	945	2,994	4,763

Notes to the financial statements (continued)

26. RELATED PARTY TRANSACTIONS

Balances with Group entities

At the year end the Company held short term receivables due from Garrion Security Services Limited amounting to £1,277,000 (2021: £1,027,000). *The balance due from Garrion Security Services Limited has been fully provided against in these financial statements.*

At the year end, the Company had a short term payable due to Rangers Media Limited amounting to £4,601,000 (2021: £3,157,000).

At the year end, the Company had short term receivable from New Edmiston House Limited amounting to £273,000 (2021: £295,000).

At the year end, the Company had a short term payable due to Rangers International Football Club plc amounting to £11,832,000 (2021: £5,093,000).

Key management personnel

Key management personnel are the members of the Executive Board. Details regarding key management personnel remuneration are disclosed in note 6 to these financial statements.

27. PROVISIONS AND OTHER CREDITORS

During the year the club entered into a settlement arrangement resolving litigation relating to a previous retail arrangement. The Club has agreed to pay the sums as set out in the table below. Amounts outstanding at the year-end are included withing these financial statements as other creditors

The Club is currently involved in a number of other legal disputes. The Directors' best estimate of the Club's liabilities in respect of these claims is also shown in the table below. Uncertainties relate to whether the disputes will be resolved as they progress, settled on an amicable basis ,or if not, whether the Club is successful in whole or part in defending the claims. The amounts provided may be less or more than the sums at which matters are ultimately resolved. The Directors have not disclosed further information on the basis that they believe that this would be seriously prejudicial to the Club's position in achieving the best outcome on these matters.

	Provisions	Other Creditors	Total
	£'000	£'000	£'000
At 1 July 2021	2,750	-	2,750
Resolution (including costs)	-	8,250	8,250
Notional interest effect on deferred payments	-	(3,430)	(3,430)
Unwinding of notional interest effect	-	529	529
Payments made during year	-	(1,500)	(1,500)
Additional provisions	425	-	425
Released in period	(2,750)	-	(2,750)
	425	3,849	4,274

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

Non-recurring costs
The total costs relating to legal disputes included as non-recurring items are:

	£'000
Resolution (including costs)	8,250
Notional interest effect on deferred payments	(3,430)
Net impact of other legal disputes	1,250
	6,070

28. CONTINGENT LIABILITIES

Retail

Subsequent to the year end, a claim for was raised by a former retail partner against the club in respect of previous commercial contracts. On 24th November 2022, that party appointed administrators. The court proceedings have been sisted and, as at the date of approval of these financial statements, it is not known whether the appointed administrators will pursue the claim. In the event that the action is recommenced, the club will strenuously defend the claim. In any event, the directors believe that amounts due to the club from the former retail partner outweigh any amounts due by the club to it. Accordingly, no provision has been made in respect of this claim.

Commercial

On the 25th November 2022, a commercial partner submitted a claim to the Federal Court of Australia against the club following the termination of an agreement which had been entered into between the parties regarding Rangers' proposed participation in the Sydney Super Cup. The claim has not been served on the club and consequently the directors have no information on the basis on which it is made. The directors do not believe any sums are due to the entity. Assuming the claim is served on the club, it will be strenuously defended. No provision has been made in respect of this claim.

29. POST BALANCE SHEET EVENTS

The following events have occurred subsequent to the year end:

Movement in respect of player registrations and football management team

During the subsequent two transfer windows, the Company contracted for the purchase of twelve permanent player registrations. The Company also disposed of seven player registrations on a permanent basis and seven registrations on loan. In November 2022, the football management team of Giovanni van Bronckhorst and his backroom team were relieved of their duties.

The net amount payable of these movements, after adjustment for the notional effect on deferred payments, is £0.9m.

Funding

The Company has entered into a revolving credit facility with existing lenders. This facility will be available until 31 July 2028.

30. CAPITAL COMMITMENTS

At the year end, the Company had contracted for stadium improvements amounting to £1.52m.

31. CONTROLLING PARTY

The controlling party of The Rangers Football Club Limited is Rangers International Football Club plc, as 100% shareholder. Its registered company number is SC437060. Copies of this company's financial statements are available from Companies House, or from its own website www.rangers.co.uk.