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Football Manager's Review

I have always regarded the job of being the manager of Rangers Football Club as a great privilege and it is a tremendous honour for me to follow in the footsteps of outstanding Rangers men such as Walter Smith, Bill Struth, William Waddell, John Greig, Jock Wallace and Alex McLeish – all of whom represented the Club with dignity and distinction.

I am delighted to be in a position to tell our supporters that the rebuilding process for this 141-year-old institution is well under way and I am confident we will grow stronger as each season passes.

Our overarching aim is to return Rangers to the highest levels of Scottish football and to see the team compete once again on the great stages in Europe.

Last season we achieved our first objective of earning promotion and winning SFL Division 3. Now the players' registration embargo, imposed by the SFA, has been lifted, we are once again able to field a team of players that will take us to a higher level.

With the approval of Chief Executive Craig Mather, who has been supportive throughout, we have added nine new players to the squad that earned promotion last season - Jon Daly, Nicky Law, Cammy Bell, Richard Foster, Bilel Mohsni, Steven Smith, Nicky Clark, Steve Simonsen and Arnold Peralta – and they will all make a significant and positive contribution throughout 2013/14 and beyond.

Kenny McDowall, Ian Durrant, the playing staff and backroom team are all working tirelessly in order to reward the loyalty of our supporters with continued success and we are determined to return Rangers to the top.

I have always said supporters are the lifeblood of this great Club and on behalf of everyone at Rangers Football Club I would like to thank each and every one for their continued and loyal commitment. It would not be possible to succeed on this journey without that support.

ALISTAIR MCCOIST, Manager
28 September 2013

Business Review (continued)

Chief Executive's Report

INTRODUCTION

In presenting my first annual report as Chief Executive, I am delighted to state that substantial progress is being made in rebuilding the Club.

Rangers is in a very different place to where we were in May 2012. Then, the situation was traumatic and the future uncertain. Now, we enjoy financial stability and have a solid platform from where we can focus all our efforts on achieving success as one of football's great clubs.

The first team squad has strengthened considerably. The Club enjoys a healthy bank balance. The cost base has been reduced significantly. Business performance is improving and, most importantly, the Club continues to benefit enormously from the unwavering commitment of our fans. Without this support, the re-establishment of Rangers could not happen.

Following the acquisition of the Club in June last year and the securing of our position within the Scottish league structure, Rangers was floated successfully on the Alternative Investment Market in December of last year, raising finance in the order of £22m.

The first stage of the recovery process was completed with the team winning the Scottish Football League Division 3 by 24 points. This was achieved despite being severely curtailed in preparation for the season due to uncertainty surrounding the Club's league status and an embargo on player registration.

With nine new players now on board, who should help make the matchday experience more memorable and entertaining, the Club has made a very encouraging start to this season and is leading the new SPFL League One.

The rebuilding process is also continuing apace off the pitch and is wholly consistent with the five-year business plan that was set out to investors ahead of the Initial Public Offering in December. In that plan we forecast that in year one the Club would endure challenging trading conditions given its new league status in Division 3. The commercial impact of being in that division was substantial with revenues from season tickets and hospitality reduced by approximately one third. There was also a reduction in sponsorship values. At no stage was it anticipated or forecast that the business of the football club could return an operating profit in the first year since acquisition. The full recovery of Rangers will take time and I am delighted to report that the Club is firmly on track to achieve this objective.

Financial discipline has been essential and we will continue to keep a firm grip on expenditure. As we strive to progress through the leagues, revenues can be expected to rise and there will be greater opportunity to improve financial performance further.

Given the circumstances of Rangers in recent years, there has continued to be widespread comment and speculation about the financial position of the Club, much of it ill-informed. It has been imperative for us to retain focus. The Group has a very healthy bank balance and very little debt.

There is only £1.6m of finance leases being repaid and the Club has no loans, overdrafts or bank borrowings.

The Club's largest revenue stream is season tickets and the commitment demonstrated by supporters last season and again this season has been gratifying. The Club's business is performing well and there is good cause for optimism.

We have in place significant sponsorship agreements with PUMA, Blackthorn, SportsDirect.com and Coca-Cola among others. Indeed, our sponsorship portfolio contains some of the biggest global brands and we are justified in taking pride in these relationships. It is important to note that we have not stopped innovating and developing with new business and technological initiatives. The Club is confident that these investments will generate essential revenue growth in the future.

Business is getting stronger, people and companies do wish to engage with Rangers again and this Club is gearing up to return to its rightful place in Scottish football. This is made possible because of this Club's fans - men, women and families who have shown outstanding commitment to Rangers.

I am confident that Rangers can deliver enduring success for these people. They deserve nothing less.

The players, the management and the Club staff have all worked tirelessly in order to achieve the progress made so far and remain dedicated to meeting the challenges that lie ahead. The Club's legends, such as Walter Smith and Sandy Jardine, have also played their parts in supporting these efforts.

Business Review (continued)

Rangers are in a position to move forward with growing confidence and within the Club there is a real determination to ensure the future is secure, sustainable and successful.

FOOTBALL BUSINESS

Season 2012/13 was extremely challenging and, of course, provisional membership of the SFA was confirmed only 48 hours prior to our Ramsdens Cup tie against Brechin City. As a consequence the team had no pre-season preparation.

Also, because of the number of players who left the Club for a variety of reasons, nine new players had to be brought in and all, with the exception of David Templeton, were players who were out of contract and did not command a transfer free.

In addition, a number of youth players made the transition into the first team squad, probably at an earlier stage in their development than was initially intended. During the season nine graduates from the Academy made their first team debuts – Tom Walsh, Daniel Stoney, Barrie McKay, Fraser Aird, Chris Hegarty, Kal Naismith, Robbie Crawford, Andy Murdoch and Lewis Macleod - and they, together with other Academy graduates such as Andy Little, Kyle Hutton and Ross Perry, have collectively made over 250 first team appearances.

After winning the Third Division championship, the target was set to improve the quality and the value of the playing squad and at the same time reduce the wage cost of that squad. This was always going to be difficult to achieve given the on-going SFA registration embargo but, looking at the current squad, it is clear that both the quality and value have improved. The footballing wage bill has also been reduced.

The continuing successful development of our youth policy and the number of home grown players in the first team squad is more important than ever and, now that the SFA registration embargo has been lifted, further investment will be required in both the Academy and scouting structure. This will be necessary to ensure that the level of success is maintained and that we remain innovative.

However, the future augurs well with more than 25 Academy players involved in the international scene and high hopes exist for many of the Academy players currently training with the first team. This optimism is further enhanced by the success of our Under 17s, who have won the Glasgow Cup against Celtic in four of the last six years.

The Club is well positioned to continue its progress back to the top league and the results so far this season have been very encouraging. We will also continue to work hard to influence football legislation both domestically and internationally to the benefit of Rangers and the game in general.

In Ally McCoist we have a manager who retains that burning desire to win. He has, as was stated earlier, brought in nine new players and the improvement in their performance is apparent for all to see. However, we must also make sure that our youth development strategy is as near perfect as possible because the future of the Club lies in our ability to find, nurture and promote the best young players wherever we can find them.

They are our investment for tomorrow and we must assess all talent with an eye on future value.

Also, it has been necessary to become much more determined and unwavering in our dealings with players who want to come to Rangers because salaries must reflect exactly where we are at this point in time. That's why there has been another significant reduction in the wage bill over the last few months but even so, the Manager has used his knowledge and extensive contacts to assemble a terrific squad.

The nucleus of a team capable of driving Rangers back to the top flight is in place and there is reason for genuine optimism. The fact that players like Nicky Law, Jon Daly, Cammy Bell, Bilel Mohsni, Nicky Clark, and Arnold Peralta all wanted to come to Rangers is testament to this great Club's stature.

TICKETING

The Board took the decision in season 2012/13 to reduce season ticket prices by 33% to ensure the maximum number of fans came on the journey to support the team and the Club. They did not disappoint.

Once again they demonstrated their unquestionable and unrivalled loyalty and support with more than 38,000 committing to season tickets, despite competing in the Third Division. Season ticket sales increased on the previous year when the Club was participating in the SPL with more than 7,500 completely new season ticket holders committed to supporting their Club during the most difficult of times. There was also a 24% increase in juvenile season ticket holders under 10 which is promising for the future support of the Club.

Rangers continued to break world records with the highest crowd for a fourth tier league fixture against Berwick Rangers for the final game of the season with 50,048 fans. Our average league attendances were 45,744, the fifth highest average attendance in the UK and the 15th highest in Europe.

Sell-out attendances for games including the original Glasgow Derby against Queen's Park and the 140 Year celebration at the Stirling Albion game in December, demonstrated again the tradition and passion of the Rangers support.

Business Review (continued)

The Board continued the strategy of affordable pricing and froze prices for season 2013/14 to maximise the support for the team and take the Club back to the top tier. The season ticket campaign started well with a high percentage of season ticket holders renewing for the season ahead but new sales were hampered by distractions off the field.

At present, there are just under 35,000 season ticket holders and it is anticipated that this will increase to around 37,500 by the end of the season.

HOSPITALITY

The move to the Third Division had a dramatic impact on revenues and despite a 33% decrease in seasonal hospitality prices, sales still reduced, leaving overall income down by over 50%.

New packages at lower price points were created to attract the non-corporate market in volume and in some cases suites had to be closed due to lack of demand.

On the positive side average occupancy was 66% which was 15% up on projections and SFL income was up 83% on budget as a result of customers choosing to cherry-pick their games.

Season 2013/14 has seen a 2% increase in seasonal sales despite a 5% increase in price to reflect the team's promotion. Match-by-match sales have been up on last season and these will traditionally build as the season continues.

All suites have been re-opened this season, including the prestigious Chairman's Club and new products and services continue to be developed including a fans bar in the Ibrox suite which will provide a service to supporters and improve the overall experience on matchdays.

CATERING

Rangers has signed a new 10 year catering agreement with Elior UK which will provide greater revenues and cost savings to the Club in addition to new innovations and developments to the product portfolio.

As a result revenues are expected to increase next season, together with significant savings on Ibrox and Murray Park catering and cleaning provisions.

Season 2012/13 saw the completion of the refurbishment of all fast food outlets in the concourses to provide a better experience and product offering for the fan. This season new signage and product lines have been introduced with more to follow, again providing supporters with greater choice and quality. The Club will involve the fans more in decisions regarding the products on offer going forward and this process is already underway with fan tasting sessions to ensure a matchday food offering that respects old fashioned values whilst meeting the changing demands of today's supporters.

Following the acquisition of Edmiston House various options are currently being considered and costed and these include a fans bar facility.

SPONSORSHIP

Sponsorship revenues have been on the decline since 2009/10. However, in season 2012/13 they were hit dramatically due to a combination of factors including the reduction in shirt sponsorship fee and loss or reduction in other major partnerships as a direct consequence of the transfer of Club licence, which led to Third Division football and no European football.

Despite these factors, the Club was pleased to continue longstanding partnerships with brands including Coca-Cola and Powerade and encourage new ones. Tennent's remained the shirt sponsor for season 2012/13 and Blackthorn Cider was signed as the new main sponsor for season 2013/14. Blackthorn Cider has a track record of successful sports sponsorships and this is the company's first partnership with a Scottish football club.

New partnerships have since been formed, or renewed with platinum sponsors for season 2013/14 including M&H Logistics; E-lites; Marbill Coaches and Bruce Coaches with others currently in the pipeline.

This season the Club has embarked on an exciting new strategy to enhance the business benefits for existing and new business partners and create new relationships and partnerships for the future. The launch of a new 'Rangers Business Alliance' and a 'Rangers By Official Appointment' initiative have provided new platforms for revenue growth as well as real commercial advantages to the Club's corporate clients.

In brief, this initiative is designed to offer companies associated with Rangers Football Club a platform to network with like-minded businesses to build long term relationships.

Profits from the sponsorship business unit are expected to increase in season 2013/14 by more than 70% on season 2012/13.

Business Review (continued)

MEDIA

The Club took control of its own digital platform following administration in 2012. The control and development of the website was brought in-house providing greater opportunity for enhanced revenues and a significant reduction in yearly maintenance fees.

There is no doubt the media strategy has been hampered by the restrictions on our media rights for games which inhibits the potential for revenue growth. The focus therefore has had to be on non-game content, behind the scenes features and documentaries such as 'The Rising'.

We are also moving deeper into the world of new technology and are exploring the many possibilities offered by the digital age. Our Rangers Media platforms have improved and they will undergo further significant changes in the months ahead.

We continue to invest in new technology and this season will see the introduction of Wifi within the stadium which will provide new opportunities for partners, and build the matchday experience. The creation of a new matchday app will provide fans with enhanced content and overall experience on a matchday.

Of course, we do face obstacles because of the nature of the SPFL's broadcast deals which make it difficult for Rangers to do everything we wish on the media front. This Club was not invited to put forward our ideas and neither was the Club asked what we were planning.

We were informed of the deals, their contents and restrictions only after they had been agreed by the clubs in the top flight. Even so, it remains our intention to forge ahead with our media strategy and through negotiation we hope to be able to press the button on as many of our ideas as possible.

It is also the intention to bring the Club and players closer to fans who should be able to get a look at what goes on behind the scenes at Murray Park and Ibrox. Our aim is to roll out a wide range of new programmes and special programmes, some of which no other Club is offering.

Rangers has continued to cultivate and grow its online communities via different social media networks throughout the year as the Club feels that this allows Rangers fans worldwide to take part in an important interactive dialogue between themselves and their club.

On top of growing already successful communities on platforms such as Facebook and Twitter, the Club has also launched a presence on several other burgeoning social networks, such as Instagram, Storify, Vine and continues to experiment with the use of several more to ensure that the Club is always at the cutting edge of trends within this sphere.

Rangers has also recently entered into a partnership with YouTube in order to post videos onto their network and whilst the Club is still in the early stages of using the platform, it has views well in excess of one million and it hopes that the use of this will enhance the RangersTV proposition throughout the coming year.

We were also pleased at the end of last season and the beginning of this season to install an integrated digital advertising and communications system incorporating two new giant screens, a new LED wall and concourse TVs throughout the stadium. These are being developed in conjunction with our new Wifi installation to provide an enhanced matchday experience as well as a new commercial revenue platform.

RETAIL

In August 2012 Rangers announced a partnership with retail giant SportsDirect.com to enable the Club to control its retail operation and give supporters the chance to buy direct from the Club and in doing so, continue to invest in its future.

Rangers Retail, a subsidiary company of Rangers International Football Club plc, was formed with SportsDirect.com to enable the Club to utilise the huge buying power and resources of SportsDirect.com while maintaining the majority stakeholding in the partnership.

This partnership pulls on the strengths of all parties: Rangers' knowledge of the brand, the fan base, our ability to research and survey supporter opinion and input, marketing and communication; allied with SportsDirect.com's retail prowess, buying power, merchandising and distribution reach.

However, the first year has been slow because of issues with stock, historically from the JJB deal folding, but I am pleased to report that trading performance like for like is now strong.

The Club was also delighted to sign a five-year kit deal with leading Sports Lifestyle brand PUMA as the official supplier and licensee of replica merchandise for the Club. The agreement started in July 2013/14 and the PUMA brand now features on all of the Club's team kit, replica kit, training wear and equipment.

Rangers and PUMA are massive global brands and this relationship will undoubtedly improve the distribution of Club merchandise in the UK and overseas.

Business Review (continued)

PUMA are renowned for their technical innovation and expertise in product design and support systems and we look forward to enjoying a productive and successful partnership over the next five years.

There are already positive signs from the new agreement with the 2013/14 home kit launch which is outperforming the previous year home kit launch.

In June 2013 the Club opened two new stores to expand the portfolio and add to the existing Megastore at Ibrox Stadium. A brand new Rangers shop was opened at Glasgow Airport to give fans the chance to buy official Club merchandise ahead of their travels and to further enhance the Light Blues' global appeal. An additional store was opened earlier that month in Belfast city centre to provide fans in Northern Ireland with access to the merchandise range.

Feedback from fans is always welcome and fans were keen for the Club to re-open shops at both locations so we were thrilled to offer our supporters the chance to buy a wide range of Club products in Belfast and at Glasgow Airport once again.

COMMUNITY

The Club's Rangers in the Community programme, now in its 13th season continues to make a difference to people's lives, expanding Rangers reach worldwide and developing the footballers of the future.

Domestically more than 2,000 young people are participating in activities on a weekly basis with new partners such as SAMH (Scottish Association for Mental Health), Prince's Trust, CHP (Community Health Partner) and Action for Children coming on board and over 1,500 participants across Glasgow taking part in activities for free as part of the Club's initiatives.

Through these many initiatives we have a number of young players being identified to join the youth ranks at Murray Park including Charlie Telfer who made his debut for the first team at the end of last year.

The Rangers Soccer Schools brand continues to extend the reach of the Club worldwide with Rangers coaching staff working with players from numerous countries including new additions such as Bermuda, Italy and Tasmania. The International Youth Tournament, now in its 7th year, continues to attract players from around the globe with more than 1,100 attendees in season 2012/13.

Even though Rangers must always strive to be the best and focus on making sure we are in a position to provide the standard of player capable of competing for the top-flight championship, a European berth and the domestic cups we must never forget that there is another side to this massive institution.

There is the social responsibility side and I am proud to say that this Club remains at the forefront of community interaction.

Rangers has a long list of initiatives and projects aimed at helping to make communities better and more inclusive. This Club works extremely hard at helping areas and the people in them and this is something we intend developing even further.

Tens of thousands of people have attended our projects and programmes over the last 13 years and Rangers is proud of its work within the communities where, with the fantastic backing of Government agencies, Glasgow City Council and other bodies we do make a difference to the lives of many people.

At the moment we have more than 20 projects running and although these require funding and huge effort we cannot and should not forget that a Club like Rangers should seek to help change lives for the better. We do not take that responsibility lightly and are proud that we are in the vanguard of work within the communities.

GIRLS AND LADIES

A new head coach, Angie Hind, was appointed from the SFA and the first team is currently sitting third in the table. Also, Rangers won the under-17s league and cup in season 2012/13. We are also under-15s treble winners and under-13s runners up in our first year.

THE RANGERS CHARITY FOUNDATION

The Rangers Charity Foundation, a registered charity supported by the Club, makes a world of difference in the community, nationally and internationally thanks to the unswerving loyalty and support of Rangers fans everywhere.

The world's leading children's charity UNICEF has been the Foundation's International Charity Partner since 2008. Following the successful completion of two major initiatives with UNICEF in West Africa and India, the Foundation announced in 2012 an ambitious new three-year campaign which will fund one million vaccines at a cost of £300,000. The 'One In A Million' initiative is helping to protect some of the world's most vulnerable children from a range of deadly but preventable diseases.

Business Review (continued)

Closer to home, the Foundation donated £35,000 to ABF The Soldiers' Charity - £10,000 over the projected target for the partnership. The funds are supporting the charity's core activities and helping to provide practical assistance to the brave men and women who serve in the British Army. The Charity distribute grants that cover war widows and family support, annuities and care home fees, mobility assistance and home modifications, education bursaries and in dire cases, even debt relief.

The Foundation continues to work with Community Partner, The Prince & Princess of Wales Hospice on a long-term project which we believe will provide a lasting and significant legacy to the people of Glasgow. The Foundation is supporting the creation of a 21st century, state-of-the-art palliative care facility for Glasgow for generations to come and has so far donated £35,000 towards the project, with the aim of raising £100,000 in total towards this amazing new facility.

Hundreds of other charitable causes also benefit from in-kind support from the Foundation and all these inspirational, life-changing projects have been possible thanks to the generosity and support of Rangers fans and everyone connected with Rangers Football Club.

It is entirely fitting for a Club formed in 1872 and which remains one of the world's most successful clubs having won 54 League titles, 33 Scottish Cups, 27 League Cups and the European Cup Winners' Cup in 1972, that we should be involved at various levels of our communities.

Although Rangers is currently on a journey back to the pinnacle of the game this club remains a force in Scottish football with a world-class stadium, training infrastructure and a loyal and passionate global fanbase. This is the bedrock of this company.

Of course the success of a business like this will always be defined by what the team achieves on the pitch and until we are back in European competition, a platform temporarily closed to Rangers, we cannot rest. The Champions League is where this Club belongs and where we aspire to compete.

It is also where the Club aspires to be for commercial reasons. When Rangers last played in the Champions League (2010/2011) the revenue earned was close to £20m. Everything we do at all levels of the Company is to achieve the same goal – a return to the very top of football. Our fans, our staff and our shareholders deserve no less.

CRAIG MATHER, Chief Executive
28 September 2013

Business Review (continued)

Finance Director's Report

Financial stability at Rangers has been imperative since the Club was acquired from administrators in June 2012. I am pleased to report that there are many reasons for everyone connected with Rangers to believe a corner has been turned. Despite the football environment which remains challenging in terms of revenue streams, steady progress is being made in rebuilding the Club and it has never been envisaged that this could be achieved in a short timescale. The Board have always had a long-term plan to deliver financial stability and sporting success and despite the prolonged and persistent uncertainty caused by external influences we are firmly on track with our financial plan to return to profitability. With the exception of retail, which was below expectation caused by a delay in the launch of the new strip and the financial collapse of JJB, the trading results for the period ended 30 June 2013 are in line with our expectations. After the period end, retail has performed well. This season the trading performance of the Club is set to continue to improve significantly.

At June 30 2013, the Club had £11.2 million cash at bank, with only £4.5m of this representing season ticket renewals. Operational debt from equipment finance leases lies at approximately £1.6million and the Club has no bank debt. The business strategy remains for the Club to keep Ibrox Stadium and Murray Park free from any kind of security over bank debt. These assets will continue to remain under the full ownership of the Club. As expected, and set out in the company's business plan, the Club incurred operating losses over the last year given its exceptional circumstances. Revenues totalled £19.1m, and while there was significant progress made in terms reducing First Team wages/Turnover ratio, to 43% last year. Operating losses still totalled £14m. First Team players' wages were reduced to £7.8m and £4.2m of expenditure is non-recurring. Profit on ordinary activities before taxation totalled £1.3m leaving a profit for the period of £1.2m.

A total of £35.2m of finance was raised before the deduction of issue costs, including £22.2m from the very successful IPO. In addition to acquiring the Club, the monies raised and cash generated by the Club have been used to fund the operations of the Club and to invest in its future. The inherited annual cost base of the Club was considerable, the largest element of this being the player and staff wage bill. Whilst it is not possible to reduce certain cost items in the very short-term (without incurring additional cost and damaging the infrastructure) tremendous progress has been made towards reducing ongoing operational costs. A number of factors have placed a financial burden on the Club. Lower season ticket prices reflecting the league status meant a drop of nearly 33% in season ticket revenues. Media revenues fell and there were financial consequences of the collapse of JJB Sports resulting in the Club receiving none of the expected £3m from JJB. There were also substantial payments of £2.4m made to clear football debts to other Clubs incurred pre-administration which the management of the Club was committed to addressing.

It should also be noted that we have committed to investing £1.8m in stadium Wifi, trackside LED screens and the Jumbo screens to improve fan experience. This should also help generate additional revenue streams and it is the intention to make profitable use of Edmiston House, which was brought back into the Club's ownership along with the Albion Car Park for £2.5m.

Significant savings have been made but it has to be remembered that Rangers exists because it plays football and it has to be successful. Without an adequate squad and good players that would not be achievable. As in any football club the largest cost is wages but these outgoings cannot be addressed overnight. The overall staff costs for the Club have been reduced from £30.0m to £17.9m. It will be reduced further for next season and non-playing staff numbers have decreased by 15.

Operational costs have been reduced to £13.3m, with savings of over £2m across the business. We have negotiated a rates saving of £0.4m and secured other savings on insurance and the discontinuation of the company car fleet.

Significant cuts have been made in the costs of facilities which have been brought in-house, enabling better control over the amounts paid. Security has also been brought in-house and this has led to a saving of £0.2m with double that amount expected this season. Security is now a revenue generating division offering security services to other Clubs and this is also set to increase in the coming year.

Our catering contract was also renegotiated bringing savings of £0.8m in the current season, which will be reflected in 2014's figures.

On the other hand there were non-recurring cash costs like the cost of investigation and legal costs defending unfounded claims made by Craig Whyte which ran to £0.6m and the very firm independent view is that this person has no claim and that the current board are clear of any involvement or wrongdoing.

Business Review (continued)

Legal and professional fees for the acquisition of the Club, fund-raising, Whyte claims and dealing with the football authorities have totalled £2.0m.

Inherited contracts from pre-administration included termination payments of £1.7m for expensive players and their agents, which would have cost the Club £2.5m for the current season had we not acted when we did.

However, as has been made clear, these are all exceptional cash costs which will not be repeated and so going forward we can look to costs continuing to narrow and sponsorship developing. This current season, sponsorship is forecast to be £0.5m better than last and there will be additional revenue opportunities from the restructuring of Rangers Media as well as income from Wifi and a betting partner.

We are currently considering plans to introduce a new Fanzone and Rangers will be ready to maximise any opportunities which could come from a relaxation of the ban on alcohol sales at football.

Whilst an operating loss of £14m was made on a turnover of £19.1m in the period, it will not be repeated this season. Turnover in retail this season is expected to be much higher than the £1.6m received. Operational costs are now significantly lower than they were at the start of the period and additional revenue streams are being generated. In addition there were exceptional cash costs of £4.2m which will not be repeated.

The Club is financially stable and will be ready to make the most of all the opportunities which will be presented as we move ever closer to the top of Scottish football.

BRIAN STOCKBRIDGE, Finance Director
28 September 2013

Business Review (continued)

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

Rangers Football Club, formed in Scotland in 1872, is one of the world's most successful clubs, having won 54 League titles, 33 Scottish Cups, 27 League Cups and the European Cup Winners' Cup in 1972. The Club's loyal and sizeable supporter base, both in Scotland and around the world, enables the Club to boast one of the highest percentages of season ticket holders in the UK. Playing at the 51,082 seater Ibrox Stadium and benefitting from the world class 37 acre Murray Park training facility, Rangers have been a dominant force in Scottish football for decades. This world class stadium, training infrastructure and a loyal and passionate global fanbase provide an excellent foundation for the Company.

The Club recently secured the Division 3 title of the Scottish Football League (SFL), and it is the intention of the Directors and the Manager for the Club to return to top level football as soon as possible. The history, facilities and ambition of the Club are such that the Club remains a desirable destination for foreign and domestic players alike. The first team squad is managed by Alistair McCoist, the former Rangers forward, who remains the Club's all-time leading goal scorer.

The directors, in preparing this Business Review, have complied with s417 of the Companies Act 2006.

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

Business Review (continued)

Consolidated Results of Operations

REVENUE

The table below sets out the Group's revenue since incorporation:

	13 month period to 30 June 2013 £'000
Gate receipts and hospitality	13,224
Sponsorship and advertising	819
Retail	1,607
Broadcasting rights	778
Commercial	974
Other revenue	1,705
Total revenue	**19,107**

Revenue for the period ended 30 June 2013 totalled £19.1 million. Of this total, gate receipts and hospitality income contributed £13.2 million. During the period the Club played eighteen home league matches and seven home cup matches. No revenue is recognised in respect of away fixtures except for a small share of ticket revenue from away cup matches.

Season ticket income of £8.0 million was recognised during the period to 30 June 2013 based on sales of approximately 38,000 season tickets, despite the Club's admittance to SFL Division 3.

Broadcasting revenue during the period was limited by playing in SFL Division 3, and therefore having reduced televised matches.

Commercial income of £1.0 million and sponsorship income of £0.8 million recognised during the period to 30 June 2013 includes revenue earned from agreements with the Club's sponsors and commercial partners, as well as the sale of matchday publications and monies generated from TV and the SFL for matches televised or broadcast to the public.

Retail income of £1.6 million was recognised in the period, as the Club's partnership with SportsDirect.com to distribute the Club's merchandise and strips started during the period. No strip launches were included in the reported figures, with the 2013/14 replica strip range being released after the balance sheet date.

OPERATING EXPENDITURE

RIFC has incurred the following operating expenses during the period:

	13 month period to 30 June 2013 £'000
Staff costs	17,943
Other operating charges	13,317
Hire of plant and machinery	194
Depreciation of property, plant and equipment	765
Revenue grants	(374)
Amortisation of trade marks	1
Amortisation of players' registrations	1,718
Auditor's remuneration	105
Total operating expenses	**33,668**

Player costs are RIFC's most significant expenditure, including £7.8 million in respect of the first team playing squad. Only seven of the 2011/12 squad remained with the Club, with a further two players going out on loan last season. First team player salary costs are contractual and each player's salary is unique.

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

Business Review (continued)

NON-RECURRING ITEMS

RIFC has incurred the following non-recurring items since incorporation:

	13 month period to 30 June 2013 £'000
Repayment of RFC 2012 plc football debt	2,721
Release of negative goodwill to income	(20,465)
IPO fund-raising expenses	332
Investigation expenses	599
Acquisition expenses	609
Non-recurring items	**(16,204)**

Non-recurring expenditure includes £2.7 m of repayments in respect of football creditors taken on from RFC 2012 plc, which RIFC were committed to paying.

The negative goodwill release of £20.5 million is a credit to the income statement based on a calculation showing the fair value of net assets acquired of £27.2 million and a consideration of £6.7 million.

Acquisition expenses of £0.6 million relate to one off costs paid on acquisition of the trade and assets of RFC 2012 plc.

LIQUIDITY AND CAPITAL RESOURCES

RIFC meets its daily cash requirements using a balance of cash. Whilst it is not anticipated to be required, RIFC has access to an unsecured facility of £2.5m.

As at 30 June 2013, the Group held £11.2m of cash.

CASH FLOW

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

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

The following table shows information regarding RIFC's cash flows for the thirteen month period from incorporation to 30 June 2013.

	13 month period to 30 June 2013 £'000
Cash used in operations	(7,561)
Net cash used in investing activities	(10,526)
Net cash from financing activities	29,285
Net increase in cash and cash equivalents	**11,198**

Cash used in operations in the thirteen month period to 30 June 2013 totalled £7.6 million, including cash received from season tickets, other matchday revenue, as well as operating expenditure.

Net cash used in investing activities of £10.5 million mainly included payments of £6.7 million relating to the completion of the acquisition of the trade and assets of RFC 2012 plc, £3.3 million net spend on property, plant and equipment and £1.3m on players acquisition and agent fees.

The net cash inflow from financing activities of £29.3 million included £29.7 million generated from the issue of share capital offset by £0.5m of finance lease re-payments; £1.8 million of loans were drawn down and repaid in the period.

Season ticket cash inflows are predominantly received between May and September each year as this is when season tickets are renewed.

Business Review (continued)

KEY PERFORMANCE MEASURES

RIFC uses a number of key performance measures in its business, including statutory measures, such as revenue and operating profit, 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 period to 30 June 2013.

	13 month period to 30 June 2013 £'000
Total revenue	19,107
Operating loss	(14,361)
First Team Wages/Turnover ratio	43%
Number of games played (total)	49
Number of games played (SFL home)	18
Number of games played (SFL away)	18
Number of games played (Cup home)	7
Number of games played (Cup away)	4
Number of other games (Friendlies)	2
Number of season tickets sold 2012/13	38,228
Season ticket sales (£'000s)	8,056
Average season ticket price (£)	210
Average attendance (all home matches)	39,335

CURRENT TRADING AND PROSPECTS

Last season, the Club's first team successfully claimed the SFL 3rd division title. In addition, the Club's first team reached the Quarter Final of the Scottish League Cup, defeating Motherwell of the Scottish Premier League prior to its exit and reached the Fifth Round of the Scottish Cup. In the current season, the Club play in the newly formed SPFL League 1 and currently sit at the top of the league.

The Club enjoys a world class stadium and training infrastructure and a loyal and passionate global fanbase, which provide a predictable income and the foundation for the Company. The Directors believe that digital media and RIFC's broadcasting arrangements enable RIFC to capitalise on the Club's brand better than has taken place before. This, coupled with the level of season ticket sales and attendances at the Club's matches since the start of last season, gives the Directors confidence that the future of the Company is bright and encourages them as they seek to achieve their goal of securing Rangers as a leading club in world football.

RISKS AND UNCERTAINTIES

The Board sets out below the principal risks and uncertainties that it considers to be associated with the running of a professional football club. Due to the nature of professional football there are many risks and inherent uncertainties due to the nature of participating in competitive sport. These risks are regularly reviewed internally by executive management and overseen by the Audit Committee.

Each risk when identified is analysed to determine the likelihood of the risk occurring, the potential impact it may have on the Group if it did occur, and the steps that have been or should be taken to reduce the likelihood of occurrence and mitigate the impact if it did occur. Management personnel are responsible for managing these risks and the required steps to be taken are subject to direction and on-going review by executive management and directors.

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

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. The quality on the pitch, the standard of matchday entertainment, the level of success from the previous season, the level of opposition, together with pricing all have an effect on the decision to buy. Many of these factors are beyond the control of the Group.

Matchday attendances

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

Business Review (continued)

Broadcasting contracts and football competitions

The SPFL sells domestic broadcasting rights centrally. The Club currently competes in SPFL1, which provides lower revenue streams than the Group aims to receive in future years. The future level revenue is not contractually guaranteed, and is subject to influence from third parties.

Player transfer market and wages

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

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

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

PROPERTY MATTERS

The property valuation report from DM Hall dated 10 October 2012 includes a valuation of the company's properties under a depreciated replacement cost method at 31 August 2012 as follows:

- Ibrox Stadium – £65.2 million; and
- Murray Park – £14 million. This represents a combined value of £79.2 million.

The Company's financial statements includes the properties at an existing use valuation of £42.5 million at 30 June 2013 after charging depreciation of £0.4 million.

At each balance sheet date, RIFC will review the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss by reference to their carrying values (including their revalued amounts). As at 30 June 2013, the Directors completed an impairment review by reference to discounted cash flows to ascertain the value at which the property and other non-current assets could be supported.

This exercise supported a carrying value of RIFC's non-current assets of £65.1m. Accordingly, RIFC's property, which has been revalued under an existing use basis, has been included within the financial statements at £42.5 million with other non-current assets being included at £22.6 million. The Directors will re-visit this exercise at each subsequent balance sheet date to consider whether the value in use calculation can support a higher value of RIFC's properties.

The Group has invested a total of £5.3m in property and other fixed assets during the year. Heritable property acquisitions consists of the purchasing of the Albion car Park from Lloyds Banking Group for £1.6m and Edmiston House from MIH Group for £0.8m, with a further £0.1m being incurred on internal works on the property. The Fast Food refurbishments and Stadium PA systems were purchased from the RFC 2012 plc fixed charge holders for £1.6m and £0.6m respectively. Initial installments of £0.6m were made towards the replacement of the stadium Jumbo screens and trackside perimeter advertising boards with LED technology. The total cost of this investment will rise in season 2013/14 to £1.1m.

CAPITAL RESOURCES

The RIFC Company maintains cash to fund the daily cash requirements of its business. The Company does not have access to any further banking facilities, although it does have access to an unsecured facility of £2.5m.

The Company also has two finance lease agreements totalling £1.6 million.

As at 30 June 2013, the Company held £11,198,000 of cash.

Directors' Report

The Directors present their report on the affairs of the Group together with the financial statements and Auditor's Report for the thirteen month period ended 30 June 2013.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

BUSINESS REVIEW

As the Company and its principal subsidiaries are managed and controlled as a single entity, the review of business and future developments, which is set out in the Business Review on pages 3 to 15, reflects the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

ENVIRONMENTAL MATTERS AND EMPLOYEE MATTERS

The Company aims to operate as a responsible employer. We seek to minimise the 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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Group's business the financial risk that the Directors consider particularly relevant to the Group is cash flow risk. The Group addresses cash flow risk by carefully managing its working capital inflows and outflows. The Group manages its working capital inflows and outflows to minimise any material foreign exchange risk. The Group does not enter into complex financial instruments for speculative purposes. Further information is provided in note 21 to the financial statements.

RESULTS AND DIVIDENDS

The audited consolidated income statement for the thirteen months ended 30 June 2013 is set out on pages 22 and 23. The Directors have not recommended the payment of a dividend.

SHARE CAPITAL

RIFC was incorporated on 16 November 2012 with issued share capital of £1.

In the period to 30 June 2013, a total of 65,095,856 shares were issued for a total consideration of £29,790,000.

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the company.

DIRECTORS AND THEIR INTERESTS IN THE COMPANY'S SHARE CAPITAL

The Directors serving throughout the period and at 30 June 2013 and their interests, including those of connected persons, in the share capital of the Company were as follows:

Name	Position	Date of Appointment	Date of Resignation	Ordinary Shares of 1p each at 30 June 2013
Craig Mather	CEO	(30 April 2013)		1,800,000
Charles Green	CEO	(4 December 2012)	(4 June 2013)	5,000,200
Malcolm Murray	Chairman	(14 December 2012)	(9 July 2013)	200,000
Walter Smith	Chairman	(14 December 2012)	(2 September 2013)	71,429
Brian Stockbridge	Finance Director	(4 December 2012)		71,429
Ian Hart	Non-exec Director	(14 December 2012)		561,429
Bryan Smart	Non-exec Director	(14 December 2012)		-
Philip Cartmell	Non-exec Director	(14 December 2012)	(9 July 2013)	25,800
James Easdale	Non-exec Director	(11 July 2013)		357,143

Directors' Report (continued)

DIRECTORS' INDEMNITIES

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

CHARITABLE AND POLITICAL DONATIONS

The Group made cash donations of £165k to international, UK-based and local charities during the period. The Group made no political donations during the year.

DISABLED EMPLOYEES

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

EMPLOYEES CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the Group. This is achieved by departmental meetings and intranet notices.

SUPPLIER PAYMENT POLICY

The Group's policy on payment of creditors is to negotiate payment terms when agreeing the terms of each transaction. In the majority of cases this involves payment within 20 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 Business Review.

INDEPENDENT INVESTIGATION

On 15 April 2013, the Board of RIFC plc announced that it was commissioning an independent examination and report relating to allegations made by Craig Whyte, the previous owner of Rangers Football Club plc, concerning RIFC's Chief Executive and Commercial Director.

A letter before claim was received by the Company from legal advisers to Craig Whyte and Aiden Early. The Company engaged the services of Allen & Overy LLP to defend against this possible claim. In addition, the non-executive directors of the Company (the "Investigation Committee") engaged the law firm Pinsent Masons LLP to investigate the connections between Craig Whyte and former and current personnel of the Company and its subsidiaries (the "Investigation").

The Investigation was overseen by Roy Martin QC.

On 30 May 2013, the Company announced that the Investigation had been concluded on 17 May 2013 and Pinsent Masons and Roy Martin QC have reported to the Investigation Committee. The Investigation Committee is satisfied that a thorough investigation was conducted despite the inherent limitations of a private inquiry.

Based on the assessment of the available evidence, the Company considers that the Investigation found no evidence that Craig Whyte had any involvement with Sevco Scotland Limited (now called The Rangers Football Club Limited), the company which ultimately acquired the business and assets of The Rangers Football Club plc from its administrators; nor which would suggest that Craig Whyte invested in The Rangers Football Club Limited or Rangers International Football Club plc, either directly or indirectly through any third party companies or vehicles.

On 28 May 2013, a further letter before claim was sent to (inter alia) The Rangers Football Club Limited and Rangers International Football Club plc on behalf of Craig Whyte, Aidan Earley and (purportedly) Sevco 5088 Limited. The Board is of the view that the claims set out in the letter before claim are entirely unsubstantiated based on legal advice received to date by the Board and the outcome of the Investigation.

Directors' Report (continued)

GOING CONCERN

The Directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business. In satisfaction of this responsibility the Directors have considered the Group'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 this Directors' Report. The Directors' Report also describes how the Group manages its capital, its liquidity risk and its exposure to credit risk.

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

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

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

- Season ticket sales, the timing and amount of which are consistent with the Club's historic experience
- Matchday income, which is projected to grow steadily as the Club progresses through the Scottish League structure
- Sponsorship and other commercial income reflecting customer confidence returning and increased hospitality demand
- The timing and amount of cash flows from the Group's merchandise sales through Rangers Retail
- Further cost reduction measures to reflect the Club's operations returning to a more stable operating environment
- Payroll costs reflecting the current squad size and composition. The forecast cash flows do not assume any amounts generated from player sales

The current and future financial position of the Group, its cash flow and liquidity position have been reviewed by the directors. The forecasts show positive cash balances throughout the twelve month period from the date of approval of these financial statements. After applying what the directors consider to be reasonable downside scenarios to the key assumptions underpinning the forecasts, the Directors are satisfied that the Group would continue to operate within the existing cash balances and contracted finance lease arrangements, and therefore the Group is able to meet its liabilities as they become due.

After making the enquiries referred to above the directors have concluded that there is a reasonable expectation that the Group and Parent Company 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 statutory financial statements.

AUDITOR

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

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

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

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

BRIAN STOCKBRIDGE, Finance Director
28 September 2013

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual 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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. 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:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- 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
- make an assessment of the company's ability to continue as a going concern.

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.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Independent Auditor's Report to the Members of Rangers International Football Club PLC

We have audited the financial statements of Rangers International Football Club plc for the 13 month period ended 30 June 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs at 30 June 2013, and of the Group's profit for the 13-month period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006: and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – UNCERTAIN OUTCOME OF POTENTIAL LITIGATION

In forming our opinion on the consolidated financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 29 to the financial statements concerning the uncertain outcome of the potential litigation following the receipt of two letters before claim from legal advisers to Craig Whyte and Aidan Earley. The Company commissioned an independent investigation ('the Investigation') to investigate the first letter before claim, which was concluded on 17 May 2013. On 30 May 2013, following the receipt of a second letter before claim, the Company announced that the Investigation had been concluded. The Company is satisfied that a thorough investigation was conducted despite the inherent limitations of a private inquiry, and considers the claims have no legal merit. The Company has also engaged the services of Allen & Overy to defend against these possible claims, and the Company has had no communication with Messrs Whyte & Earley or their legal advisers since 30 May 2013. The ultimate outcome of this matter cannot presently be determined, and accordingly no adjustments have been made to these financial statements as a result of this matter.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

The company has passed a resolution in accordance with section 506 of the Companies Act 2006 that the auditors name should not be stated.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom
28 September 2013

Consolidated Income Statement

For the 13 month period to 30 June 2013

	Notes	13 month period to 30 June 2013 £'000
REVENUE	2	19,107
OPERATING EXPENSES		
Amortisation of players' registrations		(1,718)
Other		(31,950)
Total operating expenses		**(33,668)**
Other operating income		**200**
OPERATING LOSS		(14,361)
Loss on disposal of player registrations		(352)
Non-recurring items		
- Release of negative goodwill	5	20,465
- Other	5	(4,261)
Total non-recurring items		16,204
Finance costs	8	(233)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,258
Taxation	9	(66)
PROFIT FOR THE PERIOD		**1,192**
Attributable to:		
Owners of the Company		948
Non-controlling interests		244
		1,192
Earnings per ordinary share	30	2.09p

All results arise from continuing operations.
The notes on pages 28 to 46 form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the 13 month period from incorporation to 30 June 2013

	13 month period to 30 June 2013 £'000
Profit for the period	1,192
Gains on property revaluation	33,988
Deferred tax relating to components of other comprehensive income	(7,817)
Other comprehensive income for the period	26,171
Total comprehensive income for the period	27,363
Attributable to:	
Owners of the Company	27,119
Non-controlling interests	244
	27,363

Consolidated Balance Sheet

As at 30 June 2013

	Notes	As at 30 June 2013 £'000
NON-CURRENT ASSETS		
Property, plant and equipment	11	46,616
Intangible assets	12	18,436
		65,052
CURRENT ASSETS		
Inventories	14	85
Trade and other receivables	15	5,231
Cash and bank balances	16	11,198
		16,514
TOTAL ASSETS		**81,566**
CURRENT LIABILITIES		
Trade and other payables	17	6,273
Obligations under finance leases	18	694
Deferred income	19	8,156
		15,123
NET CURRENT ASSETS		**1,391**
NON-CURRENT LIABILITIES		
Trade and other payables	17	520
Obligations under finance leases	18	953
Deferred tax liability	20	7,817
		9,290
TOTAL LIABILITIES		**24,413**
NET ASSETS		**57,153**
EQUITY		
Share capital	22	651
Share premium account	23	29,139
Revaluation reserve	25	25,883
Retained earnings	26	1,236
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		56,909
Non-controlling interests		244
TOTAL EQUITY		**57,153**

The notes on pages 28 to 46 form an integral part of the these financial statements.

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 28 September 2013. They were signed on its behalf by:

BRIAN STOCKBRIDGE, Director

Company Balance Sheet

As at 30 June 2013

	Notes	As at 30 June 2013 £'000
NON-CURRENT ASSETS		
Investment in subsidiaries	13	13,295
		13,295
CURRENT ASSETS		
Amounts due from subsidiary undertakings	15	16,163
NET ASSETS		**29,458**
EQUITY		
Share capital	22	651
Share premium account	23	16,179
Merger reserve	24	12,960
Retained earnings		(332)
TOTAL EQUITY		**29,458**

The notes on pages 28 to 46 form an integral part of the these financial statements.

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 28 September 2013. They were signed on its behalf by:

BRIAN STOCKBRIDGE, Director

Consolidated Statement of Changes in Equity

As at 30 June 2013

	Share capital £'000	Share premium £'000	Retained earnings £'000	Revaluation reserve £'000	Total £'000	Non controlling interests £'000	Total equity £'000
Share capital issued	651	29,139	-	-	29,790	-	29,790
Profit for the period	-	-	948	-	948	244	1,192
Revaluation movement	-	-	-	33,988	33,988	-	33,988
Deferred tax liability relating to components of other comprehensive income	-	-	-	(7,817)	(7,817)	-	(7,817)
Transfer from revaluation reserve to retained earnings	-	-	288	(288)	-	-	-
Equity shareholders' funds at 30 June 2013	**651**	**29,139**	**1,236**	**25,883**	**56,909**	**244**	**57,153**

Consolidated Statement of Cash Flows

For the 13 month period to 30 June 2013

	Notes	As at 30 June 2013 £'000
CASH USED IN OPERATIONS	27	(7,561)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of trade and assets		(6,750)
Purchase of intangible assets		(1,329)
Purchase of property, plant and equipment		(3,271)
Proceeds from sale of intangible assets		1,052
Interest paid		(228)
NET CASH USED IN INVESTING ACTIVITIES		**(10,526)**
FINANCING ACTIVITIES		
Repayment of lease finance		(505)
Proceeds from issue of shares		29,790
Loans received		1,815
Loans repaid		(1,815)
Net cash from financing activities		**29,285**
Net increase in cash and cash equivalents		**11,198**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		11,198
		11,198

Notes to the Financial Statements

For the 13 month period to 30 June 2013

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), adopted by the EU and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

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

GENERAL INFORMATION

Rangers International Football Club plc is a Company incorporated in Scotland. The address of the registered office is Ibrox Stadium, Glasgow, G51 2XD. The nature of the Group's operations is that of a football club.

The financial information is presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. As these are the first financial statements of the Group, no comparative figures are disclosed. All activities of the Group are performed in the United Kingdom.

SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Other than the Group's property which has been revalued, the financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

For further details on going concern refer to page 18 in the Directors' Report.

Basis of consolidation

The Group's set of financial statements incorporates the financial information of Rangers International Football Club plc and entities controlled by the Company (its subsidiaries) for the accounting period from 29 May 2012 until 30 June 2013 through the application of merger accounting. The use of merger accounting applied to the acquisition of The Rangers Football Club Ltd. Under these principles the statutory financial statements of the Group have been prepared by combining the results of the combining entities for the period under review. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method, other than for The Rangers Football Club Ltd. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquirer. Acquisition-related costs are recognised in profit or loss as incurred.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

1. ACCOUNTING POLICIES (continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquirer's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquirer and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in the consolidated income statement as a release of negative goodwill.

Revenue recognition

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

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

Gate receipts and other matchday revenue are recognised as the games are played. Prize money in respect of cup competitions is recognised when earned. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards for league placing are accounted for only when known at the end of the football season.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the period. Taxable profits differ from net profit as reported in the income statement because they exclude items of income or expense that are taxable or deductible in other years and they further exclude items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been substantively 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 is charged or credited in the income statement or in the statement of comprehensive income, where appropriate.

Brand intangible assets

The Group only carries brand intangible assets on the consolidated Balance Sheet that have been acquired. 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.

The Group carries out an impairment review on the brand intangible assets, at least annually, or when a change in circumstances or situation indicates that those assets have suffered an impairment loss. Impairment is measured by comparing the carrying amount of an intangible asset with the 'recoverable amount' that is the higher of its fair value less costs to sell and its 'value in use'. 'Value in use' is calculated by discounting the expected future cash flows, using a discount rate based on an estimate of the rate that the market would expect on an investment of comparable risk.

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. 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 as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur. These additional costs are capitalised and amortised as above.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

1. ACCOUNTING POLICIES (continued)

SIGNIFICANT 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.

Any revaluation increase arising on the revaluation of such land and buildings 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, in which case 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% – 1.33%
Motor vehicles	20%
General plant and equipment	10% – 33%

The Group capitalises costs in relation to an asset when 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.

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 period since incorporation to 30 June 2013 the Company has only operated in one segment, therefore no operating segment note has been prepared.

Critical accounting judgments and estimates

In the application of the Group's accounting policies, which are described earlier in this note, the Directors are required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The principal balances in the financial statements where changes in estimates and assumptions may have a material impact are:

Recoverable amount of non-current assets

All non-current assets, including property, plant and equipment and intangible assets are reviewed for potential impairment using estimates of the future economic benefits attributable to them. Such estimates involve assumptions in relation to future levels of income, media and sponsorship revenue and on pitch performance. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect the recoverable value of the asset.

Non-recurring items

Items which are deemed to be non-recurring by virtue of their nature or size are separately identified on the consolidated income statement to assist in understanding the financial performance of the Group.

Inventory

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future 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 for which the estimates of future cash flows have not been adjusted. The discount rate used at 30 June 2013 was 14%.

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. An impairment loss is recognised immediately 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Determining whether publishing titles are impaired requires an estimation of the value in use of the cash generating units (CGUs) to which these assets are allocated. Key areas of judgement in the value in use calculation include the identification of appropriate CGUs, estimation of future cash flows expected to arise from each CGU, the long-term growth rates and a suitable discount rate to apply to cash flows in order to calculate present value. The Group has identified its CGUs based on the seven geographic regions in which it operates. This is considered to be the lowest level at which cash inflows generated are largely independent of the cash inflows from other groups of assets and has been consistently applied in the current and prior periods. The carrying value of assets subject to impairment review at 30 June 2013 was £65,052,000.

Details of the impairment reviews that the Group performs are provided in Note 12.

Fair values of business acquisitions

The fair value of businesses acquired, where market values are not easily available, are determined by various valuation techniques. In these cases, the fair values are estimated from observable data in respect of similar businesses or models, and third-party experts are used.

Provision for legal claims

The Group only recognises liabilities where there is a present obligation from a past event, a transfer of economic benefits is probable and the amount of costs of the transfer can be reliably estimated. In such instances a provision is calculated and recorded in the financial statements. In instances where these criteria are not met, a contingent liability may be disclosed in the notes to the financial statements.

Adoption of new and revised Standards

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

IFRS 9	Financial instruments
IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 1 (amended)	Presentation of items of other comprehensive income
IAS 27 (revised)	Separate financial statements
IAS 28 (revised)	Investments in associates and financial liabilities
IAS 32 (amended)	Offsetting financial assets and financial liabilities
IAS 36 (amended)	Recoverable amount disclosures for non-financial assets

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

2. REVENUE

	13 month period to 30 June 2013 £'000
Gate receipts and hospitality	13,224
Sponsorship and advertising	819
Retail	1,607
Broadcasting rights	778
Commercial	974
Other operating income	1,705
	19,107

3. PROFIT FOR THE PERIOD

	Notes	13 month period to 30 June 2013 £'000
Profit for the period has been arrived at after charging / (crediting):-		
Staff costs		17,943
Other operating charges		13,317
Hire of plant and machinery		193
Cost of inventories recognised as an expense		691
Depreciation of property, plant and equipment	11	765
Revenue grants		(574)
Amortisation of trade marks	12	1
Amortisation of players' registrations	12	1,719
Release of negative goodwill to income		(20,465)
Auditor's remuneration	4	90

4. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:	13 month period to 30 June 2013 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts:	
Audit of the Company's financial statements	90
Total audit fees	**90**
Fees payable to the company's auditor for other services to the Group:	
Audit-related assurance services	35
Other tax advisory services	117
Corporate finance services in relation to flotation	314
Accounting investigation services	128
Total non-audit fees	**594**

The company's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity was safeguarded was controlled by the Audit Committee. No services were provided pursuant to contingent fee arrangements.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

5. NON-RECURRING ITEMS

	13 month period to 30 June 2013 £'000
Repayment of RFC 2012 plc football debt	2,721
Release of negative goodwill to income	(20,465)
IPO fund-raising expenses	332
Investigation expenses	599
Acquisition expenses	609
Non-recurring expenditure	**(16,204)**

The undertaking of RFC 2012 plc football debts relates to football club creditors of RFC 2012 plc that have been taken on by the Group.

The release of negative goodwill relates to negative goodwill arising from the purchase of the trade and assets as set out in note 10.

Acquisition expenses relate to one-off costs paid on acquisition of the trade and assets on 14 June 2012 from RFC 2012 plc.

Investigation expenses relate to professional fees incurred by the Group after the Board committed to an independent investigation following legal claims made by Craig Whyte and Aidan Earley.

6. STAFF NUMBERS AND COSTS

The average monthly number of full-time employees (including executive Directors) was made up as follows:	**Number**
Football players	50
Others	146
	196

In addition, the Company employed an average of 80 part-time employees during the period.

The aggregate remuneration comprised:	**13 month period to 30 June 2013 £'000**
Wages and salaries	15,885
Social security costs	1,846
Other pension costs	212
	17,943

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

7. DIRECTORS' EMOLUMENTS

Executive	Salary and Payroll Benefits £	Fees £	Severance Payments £	Bonus £	Benefits in Kind £	13 month period to 30 June 2013 £
Brian Stockbridge	179,170	30,000	-	200,000	138	409,308
Charles Green	333,077	-	217,850	360,000	22,449	933,376
Malcolm Murray	-	52,222	-	-	-	52,222
Craig Mather	58,557	-	-	-	-	58,557
Non-Executive						
Walter Smith	-	50,000	-	-	-	50,000
Ian Hart	-	28,228	-	-	-	28,228
Bryan Smart	-	28,228	-	-	-	28,228
Philip Cartmell	-	29,168	-	-	-	29,168
James Easdale	-	-	-	-	-	-
	570,804	**217,846**	**217,850**	**560,000**	**22,587**	**1,589,087**

The aggregate emoluments and pension contributions of the highest paid director were £933,376 and Nil respectively.

8. FINANCE COSTS

	13 month period to 30 June 2013 £'000
Interest on loans	152
Interest payable on lease finance agreements	117
Discounting charges	31
Interest received	(67)
Total interest charged to income statement	233

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

9. TAXATION

	13 month period to 30 June 2013 £'000
Corporation tax:	
Current tax	66
Deferred tax (note 20)	-
	66

Corporation tax is calculated at 23.77% of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	13 month period to 30 June 2013 £'000
Profit on ordinary activities before tax	1,258
Tax at the UK corporation tax rate of 23.77%	299
Tax effect of expenses that are not deductible in determining taxable profit	121
Tax effect of income not taxable in determining taxable profit	(3,994)
Capital allowances in excess of depreciation	(132)
Tax losses carried forward	3,772
Tax expense for the period	66

The Finance Act 2012, which provided a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012.

The Government intends to enact future reduction in the main tax rate down to 20% by 1 April 2015. As this tax rate was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements, as it is a non-adjusting event occurring after the reporting period.

The company is unaware of any factor outwith normal business activities which will have a material impact on future tax charges.

The directors are of the opinion that there is insufficient evidence to support recognition of the unrecognised deferred tax asset disclosed in note 21. Such an asset would only be realised in the event of the Group generating sufficient future taxable profits from which accumulated losses could be deducted.

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised in other comprehensive income:

Deferred Tax	13 month period to 30 June 2013 £'000
Arising on income and expenses recognised in other comprehensive income:	
Revaluation of property	7,817
Total deferred tax recognised in other comprehensive income	7,817

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

10. ACQUISITION

On 14 June 2012 The Rangers Football Club Ltd, a subsidiary of RIFC, purchased the trade and assets of RFC 2012 plc, which was in administration. Under the sale and purchase agreement (SPA) the total acquisition cost of the assets was recorded as £5.5 million. Fair value adjustments have been made as per below.

	SPA cost £'000	Other items £'000	Fair value adjustment £'000	Fair value to Group £'000
Properties, plant and equipment:				
Stadium and training facility	1,500	-	5,000	6,500
Other properties, plant and equipment	1,250	-	220	1,470
Intangibles assets:				
Player registrations	2,750	-	825	3,575
Brand	-	-	16,042	16,042
Liabilities:				
Cost of player disposals	-	-	(372)	(372)
Liability acquired	-	(1,200)	1,200	-
	5,500	(1,200)	22,915	27,215
Negative goodwill				(20,465)
Total consideration				**6,750**
Satisfied by:				
Cash				5,500
Preacquisition costs				1,250
Total consideration transferred				**6,750**

Details of the fair value adjustments are as follows:

(1) Property plant and equipment

The majority of the tangible asset value relates to the Ibrox Stadium and training grounds. A value in alternative use approach was used to value these assets on acquisition (14 June 2012). The valuation was performed by DM Hall LLP, independent valuer, not connected with the Group.

(2) Intangible assets

The player registration intangible asset was valued using a market approach valuation methodology. This involved an assessment of the fair market value of each player and consideration was given to historical transfer fees for the players, recent transfer fees for similar players and offers received for players from other clubs.

In addition the brand of Rangers Football Club was valued using an estimate of future cash inflows, using the Royalty relief method. This asset is considered by the Directors to have an indefinite useful life.

The valuations were performed by Jeffreys Henry LLP, independent valuer, not connected with the Group, as at 14 June 2012.

(3) Liabilities

The liability acquired relates to liabilities due to Rangers Youth Development Ltd and Rangers.co.uk Limited, and as these companies have now been dissolved, the liabilities are not payable.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

11. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold Properties £'000	Fixtures and Fittings £'000	Total £'000
Cost:				
At incorporation		-	-	-
Acquisition	10	6,500	1,470	7,970
Additions		2,462	2,961	5,423
Revaluations	25	33,988	-	33,988
At 30 June 2013		42,950	4,431	47,381
Depreciation:				
At incorporation		-	-	-
Charge for period		414	351	765
At 30 June 2013		414	351	765
Net book value at incorporation		**-**	**-**	**-**
Net book value 30 June 2013		**42,536**	**4,080**	**46,616**

Amounts in respect of assets of the Group held under finance leases are as follows:

Net book value at 30 June 2013	**-**	**1,422**	**1,422**
Depreciation provided in the period	**-**	**144**	**144**

At 31 August 2012 the Directors valued the Freehold Properties, comprising Ibrox Stadium and Murray Park training facility based on a value in use calculation of the net present values of future operating cash flows. The key assumptions in this calculation are the expected future cash flows and the use of a weighted average cost of capital of 12.25 per cent. The value in use calculation relates to all fixed assets of the Group, including Intangible Assets. If required the property, plant and equipment valuation would be capped at the depreciated replacement cost (DRC) valuation as the stadium and training facilities are specialist assets. The DRC valuation, which represents a combined value of £79.2m at 31 August 2012, was performed by DM Hall LLP, independent valuers, not connected to the Group. The Directors consider that these valuations remain appropriate at 30 June 2013.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

12. INTANGIBLE ASSETS

	Note	Player Registrations £'000	Brand £'000	Total £'000
Cost:				
At incorporation		-	-	-
Acquisition	10	3,575	16,042	19,617
Additions		1,601	12	1,613
Disposals		(1,652)	-	(1,652)
At 30 June 2013		3,524	16,054	19,578
Amortisation:				
At incorporation		-	-	-
Charge for period		1,718	1	1,719
Eliminated on disposal		(577)	-	(577)
At 30 June 2013		1,141	1	1,142
Net book value at incorporation		**-**	**-**	**-**
Net book value 30 June 2013		**2,383**	**16,053**	**18,436**

The recoverable amounts are determined using value-in-use calculations. The key assumptions for the value-in-use calculations are:

- a discount rate of 14%
- a growth rate of 2%
- a prediction of expected football results i.e. league placings, cup progressions, match day attendances, and future European participation, based on previous experience and evidence of the Club.

Management estimates discount rates using pre-tax rates that reflect the current market assessments of the time value of money and the risks specific to the Group's one cash-generating unit (CGU). The discount rate reflects management's view of the current risk profile of the underlying assets being valued with regard to the current economic environment and the risks that the football game as a whole are facing.

Discounted cash flow forecasts are prepared using:

- the most recent budgets and projections approved by management for season 2013/14 to 2017/18.
- Capital expenditure cash flows that reflect the cycle of capital investment required.

The Group has also conducted sensitivity analysis on the impairment test of the CGU's carrying value.

13. INVESTMENTS

The company's subsidiary undertakings are The Rangers Football Club Ltd, the main activity of which is the operation of a Professional Football Club, and Rangers Media Limited, which is a dormant company.

The shares in The Rangers Football Club Ltd were purchased in a share-for-share exchange on 19 December 2012, the date of the Parent Company's IPO.

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

Name of company	Holding	Proportion of Shares Held	Nature of Business
Garrion Security Services Ltd	Preference Shares	100%	Security
Rangers Retail Ltd	Ordinary Shares	51%	Retail

These companies are all registered in the United Kingdom and their results are included in these consolidated financial statements.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

14. INVENTORIES

	As at 30 June 2013 £'000
Finished Goods	85
	85

15. TRADE AND OTHER RECEIVABLES

	As at 30 June 2013 £'000	As at 30 June 2013 £'000
	Group	**Company**
Trade Debtors	4,239	-
Less provision for doubtful debts	(38)	-
	4,201	-
Other debtors	300	-
Prepayments and accrued income	730	-
Amounts due from subsidiary undertakings	-	16,163
	5,231	16,163

All trade and other receivables are due within one year.

Trade receivables above include £25,000 in relation to the disposal of player registrations and £2,409,000 in respect of season tickets which are paid by supporters using a deferred payment plan.

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

Amounts due to RIFC from The Rangers Football Club Ltd represents the proceeds of the Initial Public Offering less costs incurred in the fundraising. The net funds from this activity have been made available to the subsidiary as working capital.

16. CASH AND BANK BALANCES

	As at 30 June 2013 £'000
Balances with banks	11,181
Cash on hand	17
	11,198

Included within cash and bank balances is £946,000 relating to Rangers Retail Limited, which is not immediately available as working capital to the Group as a whole.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

17. TRADE AND OTHER PAYABLES

	As at 30 June 2013 £'000
Current liabilities	
Trade creditors	2,010
Social security and other taxes	1,783
Corporation tax	66
Other creditors	549
Accruals and other deferred income	1,865
	6,273

The average credit taken for trade purchases is 32 days.

Football club creditors of RFC 2012 plc taken on by the Group of £251,000 are included within other creditors.

The Directors consider the carrying amount of trade and other payables approximates to their fair value.

	As at 30 June 2013 £'000
Non current liabilities	
Accruals	520
Accruals which are non current liabilities fall due as follows:	
Between one and two years	182
Between two and five years	338
	520

Accruals above include £315,000 in relation to the acquisition and termination of player registrations.

18. OBLIGATIONS UNDER FINANCE LEASES

Borrowings are repayable as follows:	As at 30 June 2013 £'000
Repayment of borrowings on finance leases fall due as follows:	
In one year or less	694
Between one and two years	477
Between two and five years	476
	1,647

The finance leases relate to funding of the refurbishment of the stadium fast food outlets.

A standard fixed security has been granted over these assets.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

19. DEFERRED INCOME

	As at 30 June 2013 £'000
Income deferred less than one year	8,156

Deferred income comprises season tickets, sponsorship, hospitality and other elements of income which have been received in advance and will be recognised as revenue as the season 2013/14 progresses.

20. DEFERRED TAX

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

	Revaluation of property £'000
At incorporation	-
Charge to other comprehensive income relating to revaluation of property	7,817
At 30 June 2013	7,817

At the balance sheet date, the Group has unused tax losses of £3,772,000 available for offset against future profits. No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available in the foreseeable future to utilise the losses.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

21. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. Strong financial capital management is an integral part of the Directors' strategy to achieve the Group's stated objectives. The Directors review financial capital reports on a regular basis and the Group finance function do so on a daily basis ensuring that the Group has adequate liquidity. The Directors' consideration of going concern is detailed in the Directors' Report. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in notes 22 to 26 and the statement of changes in equity.

Financial risk management objectives and policies

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

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

	Financial assets £'000	Non financial assets £'000	Total £'000
Financial assets			
Non-current assets	-	65,052	65,052
Trade receivables and similar items	4,201	-	4,201
Cash and cash equivalents	11,198	-	11,198
Other current assets	1,030	85	1,115
Total assets	16,429	65,137	81,566
Financial liabilities			
Trade and other payables	6,793	-	6,793
Other liabilities	9,803	7,817	17,620
Total liabilities	16,596	7,817	24,413
Net (liabilities)/assets	(167)	57,320	57,153

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

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

(i) market risk;

(ii) credit risk; and

(iii) liquidity risk.

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

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

21. FINANCIAL INSTRUMENTS (continued)

(i) Market risk

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

Foreign currency management

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

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

	Liabilities 2013 £'000	Assets 2013 £'000
Euro	-	3
USD	-	68

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Of the total trade receivable balance of £4,239,000, £316,000 relates to amounts receivable from various other football clubs in relation to player trading. The maximum credit exposure relates to the total of cash and cash equivalents and trade receivables, and is £15,430,000.

There are no other significant concentrations of credit risk within the Group. The maximum risk exposure relates to football debtors but this is mitigated by the governing bodies of international and national football associations.

Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum credit risk exposure of the Group comprises the amounts presented in the balance sheet which are stated net of provisions for doubtful debts. The Group does not consider that it has significant concentration of credit risk.

(iii) Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and finance leases as applicable. However as at 30 June 2013 the Group has no external loans.

Ultimate responsibility for liquidity risk management rests with the Directors. The Directors use management information tools including budgets and cash flow forecasts to be able to constantly monitor and manage current and future liquidity.

22. SHARE CAPITAL

	As at 30 June 2013 £'000
Allotted, called up and fully paid 65,095,856 Ordinary shares of 1p each	651

Rangers International Football Club plc was incorporated on 16 November 2012 with issued share capital of £1.

In the period to 30 June 2013, a total of 65,095,856 shares were issued for a total consideration of £29,790,000.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

23. SHARE PREMIUM

	As at 30 June 2013 Group £'000	As at 30 June 2013 Company £'000
Premium arising on issue of equity shares	34,820	21,860
Costs incurred in relation to fundraising	(5,681)	(5,681)
Balance at 30 June 2013	29,139	16,179

24. MERGER RESERVE

In the company balance sheet, a merger reserve of £12,960,000 has been created following the share for share exchange with The Rangers Football Club Limited.

25. REVALUATION RESERVE

	As at 30 June 2013 £'000
Balance at incorporation	-
Revaluation increase on land and buildings	33,988
Transfer from revaluation reserve to retained earnings in respect of depreciation	(288)
Deferred tax on revaluation	(7,817)
Balance at 30 June 2013	25,883

26. RETAINED EARNINGS

	As at 30 June 2013 £'000
Balance at incorporation	-
Profit for the period	948
Release of revaluation reserve for the period	288
Balance at 30 June 2013	1,236

The parent company is exempt from disclosing a company-only income statement. Its loss for the period was £332,000.

27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	13 month period to 30 June 2013 £'000
Profit for the period	1,192
Amortisation of intangible fixed assets	1,719
Depreciation of property, plant and equipment	765
Loss on disposal of players' registrations	352
Increase in inventories	85
Financing costs	233
Negative goodwill released to income	(20,465)
Increase in trade and other receivables	(5,265)
Increase in trade and other payables and deferred income	13,823
Cash used in operations	**(7,561)**

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

28. RELATED PARTY TRANSACTIONS

On 6 August 2012, Brian Stockbridge, a Director of RIFC provided a loan of £50,000 to The Rangers Football Club Ltd (RFCL). No interest accrued on this balance which was repaid on 7 August 2012.

Craig Mather received £69,150 in fees relating to consultancy services provided to the Group prior to his appointment as a director.

The following balances were novated from Sevco 5088 Limited (a company of which Charles Green was the sole shareholder and hence a related party) on 29 May 2012 to RFCL, hence the dates are before incorporation of RIFC plc:

- On 11 May 2012, Imran Ahmad, an ex-director of RFCL, provided a loan of £200,000. £178,000 was repaid on 15 August 2012 and £22,000 was converted into ordinary share capital of RFCL. Imran Ahmad also received an arrangement fee of £50,000 relating to this loan.
- On 21 May 2012, Charles Green, the ex-CEO of the Group's Parent Company provided a loan of £25,000. No interest accrued on this balance and this was repaid on 15 August 2012.

On 14 June 2012, Sevco 5088 Limited entered into agreements for no consideration to legally reassign its beneficial interest in funding placing letters held and to novate the trade and assets purchase agreement with RFC 2012 plc (in administration), to Sevco Scotland Limited (now The Rangers Football Club Ltd).

Remuneration of key management personnel

Key management personnel are defined as the Directors of the Company, the Directors of The Rangers Football Club Ltd, and the first team manager.

The remuneration of key management personnel within the Group for the 13-month period to 30 June 2013 other than those disclosed in Note 7 was as follows:

	Salary and Payroll Benefits £	Fees £	Severance Payments £	Bonus £	Benefits in Kind £	13 month period to 30 June 2013 £
Imran Ahmad (ex-Commercial Director of The Rangers Football Club Ltd)	127,667	-	-	175,000	580	303,247
Alistair McCoist (First Team Manager)	824,697	-	-	-	1,161	825,858

29. CONTINGENT LIABILITIES

Independent Investigation

On 15 April 2013, the Board of RIFC plc announced that it was commissioning an independent examination and report relating to allegations made by Craig Whyte, the previous owner of Rangers Football Club plc, concerning RIFC's Chief Executive and Commercial Director.

A letter before claim was received by the Company from legal advisers to Craig Whyte and Aiden Early. The Company engaged the services of Allen & Overy LLP to defend against this possible claim. In addition, the non-executive directors of the Company (the "Investigation Committee") engaged the law firm Pinsent Masons LLP to investigate the connections between Craig Whyte and former and current personnel of the Company and its subsidiaries (the "Investigation").

The Investigation was overseen by Roy Martin QC.

On 30 May 2013, the Company announced that the Investigation had been concluded on 17 May 2013 and Pinsent Masons and Roy Martin QC have reported to the Investigation Committee. The Investigation Committee is satisfied that a thorough investigation was conducted despite the inherent limitations of a private inquiry.

Based on the assessment of the available evidence, the Company considers that the Investigation found no evidence that Craig Whyte had any involvement with Sevco Scotland Limited (now called The Rangers Football Club Limited), the company which ultimately acquired the business and assets of The Rangers Football Club plc from its administrators; nor which would suggest that Craig Whyte invested in The Rangers Football Club Limited or Rangers International Football Club plc, either directly or indirectly through any third party companies or vehicles.

Notes to the Financial Statements (continued)

For the 13 month period to 30 June 2013

29. CONTINGENT LIABILITIES (continued)

On 28 May 2013, a further letter before claim was sent to (inter alia) The Rangers Football Club Limited and Rangers International Football Club plc on behalf of Craig Whyte, Aidan Earley and (purportedly) Sevco 5088 Limited. The Board is of the view that the claims set out in the letter before claim are entirely unsubstantiated based on legal advice received to date by the Board and the outcome of the Investigation.

30. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share has been calculated in accordance with IAS 33 as follows. No share options or convertible shares are held within the Group, therefore no diluted Earnings per Share calculation is required.

	13 month period to 30 June 2013
Earnings for the purpose of basic earnings per share, being profit for the period (£'000)	948
Weighted average number of shares for the purpose of basic earnings per share	45,426,085
Earnings per ordinary share	2.09p