27 March 2014
Embargoed for 07:00

Rangers International Football Club plc
("Rangers", or the "Company")

Interim Results

Rangers International Football Club plc (AIM:RFC), the holding company for the 'Rangers Football Club Limited ("Club")', is pleased to announce interim results for the six month period to 31 December 2013.

Highlights

- Season ticket sales of approximately 36,000 for the 2013/14 season
- Average home league attendance of over 40,000 during the period; seventh highest ranking UK football attendance
- Revenue of £13.2m up by 38% *(£9.5m for the 7 months ended 31 December 2012*)
    - strong increase in sales from Sports Direct Retail partnership
- Operating expenses of £16.8m *(£16.6m for the 7 months ended 31 December 2012*)
- Reduced loss before tax, excluding non-recurring items of £3.5m (*£7.2m for the 7 months ended 31 December 2012*)
- Cash of £3.5m as at 31 December 2013 *(£21.2m at 31 December 2012)*

Post period highlights

- Winners of the Scottish Professional Football League One for Season 2013/14
- Ramsdens Cup finalists and currently semi-finalists of the William Hill Scottish Cup
- Comprehensive business review due to be completed by end of April

Graham Wallace, CEO of Rangers, commented "I am encouraged with the improved trading performance for the period under review which shows growth over the prior year. However we continue to deal with the impact of the previous short-term focus on managing the business, in particular the management of cash and resulting cash outflows since the IPO. We have recently addressed the short term working capital requirements of the Club and will continue to address the longer term financing needs as part of the wider review of the business. There remain many legacy issues that require resolution and many challenges ahead, however I am pleased to report that we are making good progress in repositioning the Club and business to be capable once again of challenging at the top levels of domestic and European competition. With the continued support from Rangers shareholders and supporters together with a strong sustainable business plan, we are putting in place the foundations for a period of long term success and financial stability."

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About Rangers Football 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, with 36,000 having been sold for the current season. Playing at the 51,082 seat Ibrox Stadium and benefitting from the world class 37 acre Murray Park training facility, the Club has 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 Rangers Group.

The Club has recently been confirmed as SPFL League One Champions for Season 2013/14 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 it remains a desirable destination for foreign and domestic players alike. The first team squad is managed by Alistair McCoist, the former Rangers and Scotland forward, who remains the Club's all-time leading goal scorer.

For more information please visit the website: http://www.rangersinternationalfootballclub.com

Orphan Footnote: *The comparative period is the 7 months ended 31 December 2012.*

Chairman's Statement

The Interim Results cover the trading period for the six months ending 31 December 2013, one of the most tumultuous in the history of Rangers. Over that short time frame there were numerous changes to the Board, a postponed AGM and the appointment of new board members towards the end of the period to join James Easdale, who himself had only joined the Board in July 2013. Against that background I was honoured to be appointed Chairman of Rangers in November 2013. Also joining the Board at that time were high calibre, professional directors, Graham Wallace as Chief Executive Officer and Norman Crighton as non-executive director. Together we were charged with stabilising the business and developing a long-term strategy for the Club, something that was urgently required following a period of boardroom instability. In order to significantly improve oversight and corporate governance, Investment and Remuneration & Nominations Committees were immediately established.

With only a short period between the new Board being ratified at the AGM in December 2013 and the end of the year, our ability to influence this set of financial results was minimal. That said, we have a new mandate and important strategic long-term aims; firstly to develop, support and enhance the success on the pitch and secondly, to ensure that Rangers becomes financially strong and secure. These two aims are inextricably linked.

The Board continues to deal with a number of legacy issues including a number of potentially costly legal cases, including the case referred to in note 15 of the Interim report. The majority of the money raised from the IPO in December 2012 had been spent by June 2013 on IPO related fees and commissions, severance payments, the purchases of the Albion car park and Edmiston House and to fund ongoing operating losses. The Club incurred a further £7.7m of cash expenditure in the six months to 31 December 2013, funding additional fixed asset purchases and operating losses. In total the Club has spent over £4m on fixed assets since the IPO that are not yet generating incremental revenue.

After the AGM the Board conducted a detailed review of the business and established that the immediate financial plans needed to be re-assessed. In addition, operating costs had been running at a rate that could not be sustained by the revenue being generated by the Club. For example, in the period under review, nine players were signed at a time when the Club already had the second highest wage bill in Scottish football whilst playing in the third tier.

When the Company was unable to generate short-term funding through planned asset refinancing and banking facilities, it was necessary to establish short term funding in February in order that the Club could continue to operate through the seasonal low point in its annual cash cycle. A solution was provided in the form of two credit facilities totalling £1.5m from shareholders. Longer term it is the Board's aim to develop and implement an appropriate funding model that provides a platform for financial stability and supports the continued development of the Club's football team to ensure progression back to the top of Scottish football and to once again be competitive in Europe.

In implementing a professional basis for managing the Club, it remains a significant concern that external comment and ill-informed opinion continues to create uncertainty with regard to future income and cash flows. In particular, recent public comments suggesting season ticket holders divert payment away from the Club has caused a level of uncertainty over the timing and quantum of season ticket cash flowing into the Club, which as with many other football clubs, is Rangers' primary source of income. If this were to happen then there would be a negative impact on short-term cash balances and it is possible that the Club may need to seek alternative additional short term financing. This clearly would not be in the best interests of Rangers and would likely have a significant impact on our ability to progress the development of the Club in the planned manner.

This possibility results in the existence of a material uncertainty which may cast doubt about Rangers' ability to continue as a going concern and therefore that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making the appropriate enquiries and considering the uncertainties referred to above, the directors have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Interim results.

Since the founding of the Club in 1872, supporters have, year after year, provided the working capital of the Club through ticket sales. Also providing capital were private individuals who subscribed for shares throughout the life of the Club. This model broke down when Rangers entered administration. The Club could only continue to survive and play football with the help of Rangers supporters and those who subscribed for shares at the IPO in December 2012. Many of those shareholders are fans and lifelong supporters. However, the bulk of the funds came from institutional investors. Both groups are stakeholders in the Company and must work together to help rebuild Rangers and ensure it has a successful, stable and sustainable future.

The Club commenced a detailed business review during the period and this is nearing completion. The review will outline a clear strategic focus and vision for the future development of the Club, on and off the field, and the actions needed to deliver upon the vision. In addition, we have indicated previously that the Club will require additional investment to support our future plans. The outcome of the business review will allow the Board to assess the likely level of future investment and how best to structure this.

The recent past has been a challenging time for everyone connected with Rangers. The Board and Club executive team are committed to engaging more regularly and openly with fans and, over time, aim to build confidence and trust in how the Club is being managed. We understand that this will take time given the many challenges of the last few years. I am confident that, working together, we can continue the journey to restore this great institution back to the top of Scottish football and ultimately to compete again in Europe.

David Somers

Chairman

27 March 2014

Chief Executive's Review

As I review the results of the six month period to 31 December 2013, I am delighted to be able to report that Rangers has been confirmed as Champions of SPFL League One for Season 2013/14 and will play in the SPFL Championship next season, one step away from the Club's return to the top flight of Scottish football.

The Club has also progressed to the final of the Ramsdens Challenge Cup against Raith Rovers and the semi-final of the William Hill Scottish Cup against Dundee United, these ties to be played in April 2014. For all Rangers supporters it is very heartening to see that football results are leading the way forward and manager Alistair McCoist, his staff and players should be congratulated on their performances and achievement throughout the period.

Once again the Rangers supporters have demonstrated tremendous backing for their Club with approximately 36,000 season tickets sold and average match day attendances of over 40,000, the seventh highest average in British football. It is a level of support that any club would be proud of.

Against the positive sporting background, it has also, to a degree, been a more positive trading period. Revenues are up by 38% to £13.2m from £9.5m reported in the comparative period and the Operating loss has almost halved to £3.6m from £7.0m in the comparative period.

Ticketing revenue for the period fell slightly from £6.4m to £6.3m, due in part to the decision not to increase prices of season or match day tickets between seasons 2012/13 and 2013/14. Revenue from Cup competitions is £0.6m lower than the comparative period due to an earlier exit from the League Cup although this is offset by an increase in hospitality sales volumes and income from a pre-season friendly game against Newcastle United.

The Club's retail partnership with Sports Direct International, which took effect in September 2012, saw an encouraging increase in revenue to £4.8m from £0.9m which included the impact of three new kit launches.

Commercial and Media revenue of £1.3m is at the same level as the comparative period and included a new one season shirt sponsorship deal with Blackthorn. Other revenue of £0.8m is at a similar level to the comparative period

Operating expenses excluding amortisation of players' registrations increased from £15.7m to £16.3m, this increase was primarily driven by the increase in operating costs attributable to the retail business which increased to £3m from £0.4m.

Excluding the retail business, staff costs of £7.5m are £0.8m lower than the comparative period. This reduction is net of £0.5m severance payments to former employees. Other operating costs of £5.8m are £1.2m lower than the comparative period and include cost reductions in catering, facilities and matchday costs.

The decrease in staff costs and other operating costs referred to above is encouraging, however total operating costs reported in the period still exceed revenue generated by £3.6m indicating that further action is required to address operating performance. Additionally, and of particular significance in this period, there are no exceptional costs reported against a comparative of £3.7m for the same period a year ago which included the IPO.

The Club ended the period with £3.5m of cash compared to £21.2m at 31 December 2012 and £11.2m at 30 June 2013. The cash outflow in the six months to 31 December 2013 of £7.7m included £5.6m from operations and £1.4m capital spend on stadium Wi-Fi, LED advertising boards and stadium screens.

Credit facilities totalling £1.5m have been arranged since the end of the period in order to provide the Club with short-term working capital facilities. It is critical that in the short term we continue the focus on reducing operating losses in order to stabilise the Club's operating cashflow. In the medium term, as part of the developing vision for the future of the Club, we will put in place an appropriate financing structure, responsive to investment needs that will allow the Club to establish itself once again at the top of Scottish football and to be competitive in Europe.

When I joined the Club in the latter stages of the period, I outlined a plan to review and reposition the business for future success and sustainability. I am pleased to report that we have made excellent progress on this and will, in the near future, be outlining our vision for the Club.

However, whilst this longer-term vision is being developed and refined, we have already put in place changes designed to increase revenues, reduce costs and improve business efficiency, positively impacting future financial performance.

Of particular note with respect to the Club's football organisation, is work underway to further develop a best in class football operations structure. This includes scouting and player recruitment, medical and sport science, performance analysis, and academy and youth development. All are designed to identify, recruit and, develop playing talent for the Club and to support the manager as we position the Club to deliver further future on-field success.

On the commercial side of the business, work is well underway to: finalise and implement a new organisation structure to better equip the business for effective growth; refine and re-establish the Rangers brand domestically and internationally; develop a new commercial partnerships programme to attract and retain further leading partners; review the Club's digital assets and digital capability to improve the match day environment; and take the first steps in improved fan engagement.

The success of Rangers will always be measured by the on-field success and whilst the first team is having an excellent season it is also encouraging to see the progress of the Club's youth talent, being developed at the Club's Murray Park complex, one of only two academies in the country to be awarded 6 star status by the SFA. The Club currently has 41 players from our U14 to U19 age-groups who have been called into international squads, and since the start of the season a further three academy graduates have made their first team debuts taking the total of first team debuts for academy graduates to twelve over the past season and a half.

The past several months have unearthed many adverse legacy issues requiring considerable time, effort and resource to address and resolve. These issues have impacted the Club's ability to make progress quickly on the rebuilding process. There still remain a number of matters that are being resolved so that effort can be fully applied to growing and developing the Club to deliver future success.

Significant challenges remain ahead for Rangers, however we are now in the process of finalising the right operating and management structure and business model to deliver long term sustainable success both on and off the field. Rangers fans have been tremendous in their support for the Club in recent times in particular and should be assured that my colleagues on the Board and I are focussed on delivering future success for the Club.

Graham Wallace

Chief Executive

27 March 2014

INDEPENDENT REVIEW REPORT TO RANGERS INTERNATIONAL FOOTBALL CLUB PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2013 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 16. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have been prepared in accordance with the accounting policies the company intends to use in preparing its next annual financial statements.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter – Going concern

In arriving at our review conclusion, which is not qualified, we have considered the adequacy of the disclosures in note 2 to the condensed set of financial statements in the half yearly report for the six months ending 31 December 2013 concerning the Company's ability to continue as a going concern. The Company has made key assumptions in relation to the timing of season ticket monies, the volume and pricing of season ticket sales, increase in matchday income and sponsorship, the timing and value of dividends from Rangers Retail Limited and further cost reductions.

Emphasis of matter – Going concern (continued)

This condition relating to the timing of receipt of season ticket monies, along with the details provided in note 2 to the condensed set of financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Emphasis of matter – Uncertain outcome of potential litigation

In arriving at our review conclusion, which is not qualified, we have considered the adequacy of the disclosures made in note 15 to the condensed set of financial statements concerning the uncertain outcome of the potential litigation following the receipt of two letters before claim from legal advisors 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 enquiry, and considers that the claims have no legal merit. The Company has also engaged Allen & Ovary to defend against these potential claims, and the Company has had no communications with Messrs Whyte and Earley or their legal advisors since 30 May 2013. The ultimate outcome of this matter cannot currently be determined, and accordingly no adjustments have been made to the financial statements as a result of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2013 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, Scotland
27 March 2014

Condensed consolidated Income Statement
For the 6 month period to 31 December 2013

	Note	*6 month period to 31 December 2013*	*7 month period to 31 December 2012*
	Note	*£'000*	*£'000*
Revenue	3	13,160	9,524
Operating expenses			
- Amortisation of players' registrations	8	(484)	(860)
- Other		(16,319)	(15,712)
Total operating expenses		(16,803)	(16,572)
Operating loss		**(3,643)**	**(7,048)**
Profit on disposal of player registrations		140	62
Non-recurring items			
- Release of negative goodwill	4	-	20,465
- Other	4	-	(3,725)
Total non-recurring items		-	16,740
Finance costs		(31)	(234)
(Loss)/profit on ordinary activities before taxation		**(3,534)**	**9,520**
Taxation	6	(182)	-
(Loss)/profit for the period		**(3,716)**	**9,520**
Attributable to:			
Owners of the Company		(4,281)	9,314
Non-controlling interests		565	206
		(3,716)	**9,520**
Basic earnings per ordinary share	5	(6.6p)	31.8p

Condensed consolidated Statement of Comprehensive Income
For the 6 month period from to 31 December 2013

	6 month period to 31 December 2013	*7 month period to 31 December 2012*
	£'000	*£'000*
(Loss)/profit for the period	(3,716)	9,520
Items that will not be reclassified subsequently to income statement		
Gains on property revaluation	-	33,988
Deferred tax relating to components of other comprehensive income	1,019	(7,817)
Other comprehensive income for the period	1,019	26,171
Total comprehensive (loss) / income for the period	(2,697)	35,691
Attributable to:		
Owners of the Company	(3,262)	35,485
Non-controlling interests	565	206
	(2,697)	35,691

Condensed consolidated Balance Sheet
As at 31 December 2013

	Notes	*As at 31 December 2013*	*As at 31 December 2012*	*As at 30 June 2013*
		£'000	*£'000*	*£'000*
Non-current assets				
Property, plant and equipment	7	47,861	43,770	46,616
Intangible assets	8	18,273	19,316	18,436
		66,134	63,086	65,052
Current assets				
Inventories		85	-	85
Trade and other receivables		4,644	3,268	5,231
Cash and bank balances		3,475	21,191	11,198
		8,204	24,459	16,514
Total assets		74,338	87,545	81,566
Current liabilities				
Trade and other payables		6,134	5,549	6,273
Obligations under finance leases		607	649	694
Deferred income	9	5,300	5,621	8,156
		12,041	11,819	15,123
Net current (liabilities)/assets		(3,837)	12,640	1,391
Non-current liabilities				
Trade and other payables		362	141	520
Obligations under finance leases		681	1,279	953
Deferred tax liability	10	6,798	7,817	7,817
		7,841	9,237	9,290
Total liabilities		19,882	21,056	24,413
Net assets		54,456	66,489	57,153
Equity				
Share capital	11	651	651	651
Share premium account	12	29,139	30,147	29,139
Revaluation reserve	13	26,763	26,016	25,883
Retained earnings		(2,906)	9,469	1,236
Equity attributable to equity holders of the parent		53,647	66,283	56,909
Non-controlling interests		809	206	244
Total Equity		54,456	66,489	57,153

Condensed consolidated Statement of Changes in Equity
For the 6 month period to 31 December 2013

Attributable to equity holders of the parent

	Share capital £'000	*Share premium £'000*	*Retained earnings £'000*	*Revaluation reserve £'000*	*Total £'000*
Equity shareholders' funds at 1 January 2013	651	30,147	9,469	26,016	66,283
Share capital issue costs	-	(1,008)	-	-	(1,008)
Loss for the period	-	-	(8,366)	-	(8,366)
Transfer from revaluation reserve to retained earnings	-	-	133	(133)	-
Other comprehensive income	-	-	(8,233)	(133)	(8,366)
Equity shareholders' funds at 30 June 2013	651	29,139	1,236	25,883	56,909
Loss for the period	-	-	(4,281)	-	(4,281)
Deferred tax rate change in relation to revaluation of heritable freehold properties	-	-	-	1,019	1,019
Transfer from revaluation reserve to retained earnings	-	-	139	(139)	-
Other comprehensive income	-	-	(4,142)	880	(3,262)
Equity shareholders' funds at 31 December 2013	651	29,139	(2,906)	26,763	53,647

Condensed consolidated Statement of Cash Flows
For the 6 month period to 31 December 2013

	Notes	6 month period to 31 December 2013	7 month period to 31 December 2012
		£'000	£'000
Cash used in operations	14	(5,573)	(713)
Cash flows from investing activities:			
Purchase of trade and assets		-	(6,750)
Purchase of intangible assets		(281)	(1,276)
Purchase of property, plant and equipment		(1,383)	(2,161)
Proceeds from sale of intangible assets		161	887
Repayment of RFC 2012 plc football debt		(251)	(1,288)
Net interest paid		(37)	(234)
Net cash used in investing activities		(1,791)	(10,822)
Financing activities			
Lease finance advances		-	2,152
Repayment of lease finance		(359)	(224)
Proceeds from issue of shares		-	30,798
Loans received		-	1,815
Loans repaid		-	(1,815)
Net cash (used in) / from financing activities		(359)	32,726
Net (decrease) / increase in cash and cash equivalents		(7,723)	21,191
Cash and cash equivalents at the beginning of the period		11,198	-
Cash and cash equivalents at the end of the period		3,475	21,191
		(7,723)	21,191

Included within cash balances is £1,669,000 relating to Rangers Retail Limited, which is not immediately available as working capital to the Group as a whole.

Notes to the Interim Report for the 6 month period to 31 December 2013

1. Basis of Preparation

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as would be applied if the Group's annual audited financial statements were being prepared. While the financial figures included in this half-yearly report have been prepared in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The information for the period ended 30 June 2013 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, but did include an emphasis of matter in relation to the uncertain outcome of potential litigation without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

General Information

The Rangers Football Club Ltd (RFCL) was incorporated on 29 May 2012 and on 14 June 2012 purchased the trade and assets of RFC 2012 plc which had been placed in liquidation. On 7 December 2012 Rangers International Football Club plc (RIFC) was created and floated on the Alternate Investment Market, incorporating in its Group The Rangers Football Club Ltd, the existing shares of which were swapped on a one for one basis with those of RIFC. Transactions relating to both The Rangers Football Club Ltd and Rangers International Football Club plc are hereafter referred to as the Group where the transactions or reference is not specific to a distinct legal entity.

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 Company'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. All activities of the Group are performed in the United Kingdom.

2. Significant Accounting Policies

Basis of accounting

This condensed set of financial statements has been prepared in accordance with accounting policies consistent with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Other than the Group's property which has been revalued, the financial information has 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 are required to prepare the half yearly financial report on the going concern basis unless it is inappropriate to presume that the Group 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 Group meets its day to day working capital requirements through existing cash facilities, loan 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 Directors have 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 biggest single source of income. The critical assumptions made are
  - the timing of season ticket renewals in line with the Club's historic experience before the turbulent events of recent seasons;
  - Progressive increases in season ticket prices as the club moves towards the Scottish Premiership, while still remaining below those when the Club was previously in the SPL;
  - Modest increases in season ticket numbers for 2014/15 and beyond; and
  - Sensitivity analysis has been applied to the volume and timing of the season ticket income received, and under these more pessimistic assumptions the Group would continue to operate with positive cash balances.
- Matchday income, which is projected to grow steadily as the Club progresses through the Scottish League structure.
- Increased sponsorship and other commercial income reflecting customer confidence returning, increased hospitality demand and new commercial offerings that build on the power of the brand and the strong and loyal fan and customer base.
- The timing and value of dividends and cash received from Rangers Retail Limited, a subsidiary undertaking.
- Further cost management measures to reflect the Group's operations returning to a more stable operating environment.
- 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, working capital facilities and contracted finance lease arrangements, and therefore the Group is able to meet its liabilities as they become due.

The Directors are aware of recent public comment suggesting fans defer, withhold or ring fence their season ticket monies. These comments are particularly unhelpful as they have the potential to destabilise and damage the Club – if this were to happen, it would force the Club to operate in a manner different from every other Football Club, where the receipt of season ticket monies in advance of games taking place is an established and accepted part of the normal working capital cycle of a Football Club.

The projections the Directors have prepared show that the Group is able to operate with positive cash balances throughout the twelve month period from the date of approval of these financial statements under a normal season ticket renewal cycle. In the event that the receipt of season ticket monies was delayed, or only made available to the Group under a "pay as they play" approach, the Directors would require to seek alternative short term sources of finance to bridge the period between normal season ticket renewal and the season ticket funds being received by the Group. While the Directors believe that this would be possible given the significant unencumbered asset base of the Group, they are firmly of the belief that this would not be in the best interests of the Group's long term success.

These conditions result in the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making the enquiries and considering the uncertainties referred to above the directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing this report.

Basis of consolidation

The Group's half-yearly financial report incorporates the financial information of Rangers International Football Club plc and entities controlled by the Company (its subsidiaries) for the six months accounting period to 31 December 2013 through the application of merger accounting. Under these principles the financial statements of the Group have been prepared by combining the results of the combining entities for the interim 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.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method, with the exception of The Rangers Football Club Limited, for which merger accounting has been applied. 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 acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree'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.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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 acquiree's identifiable net assets exceeds 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 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 match day 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 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 Group'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 condensed consolidated Balance Sheet that have been acquired. Acquired brands are carried at cost, being estimated fair value on acquisition, on the condensed Consolidated Balance Sheet. 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 installments, 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.

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.

Freehold land is not depreciated. Leasehold property is amortised 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 Group that are regularly reviewed by the Directors to allocate resources to the segments and to assess their performance.

The Directors have concluded that in the period to 31 December 2013 the Group 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 ticket 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.

Provision for legal cases

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.

Recognition of tax assets

No deferred tax asset will be recognised unless it is considered probable that there will be future taxable profits available in the foreseeable future to utilise the losses.

3. Revenue	*6 month period to 31 December 2013*	*7 month period to 31 December 2012*
	£'000	*£'000*
Gate receipts and hospitality	6,256	6,411
Sponsorship and advertising	712	381
Broadcasting rights	296	391
Commercial	355	552
Retail	4,750	941
Other operating income	791	848
	13,160	9,524

In the opinion of the Directors all business is related to one activity and as such no segmental disclosures have been provided. Revenue is derived entirely in the United Kingdom and is shown exclusive of VAT.

4. Non-Recurring Items

	6 month period to 31 December 2013	*7 month period to 31 December 2012*
	£'000	*£'000*
Release of negative goodwill	-	(20,465)
Undertaking of RFC 2012 plc football debt	-	2,832
Costs in relation to corporate structuring	-	284
Acquisition expenses	-	609
	-	(16,740)

The undertaking of RFC 2012 plc football debts in the prior year related to football club creditors of RFC 2012 plc that were taken on by the Group. All such creditors assumed have now been paid in full.

The release of negative goodwill in the prior year related to negative goodwill arising from the purchase of the trade and assets of RFC 2012 plc.

Acquisition expenses in the prior year related to one off costs paid on acquisition of the trade and assets on 14 June 2012 from RFC 2012 plc.

5. Earnings per Ordinary Share

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

	6 month period to 31 December 2013	*7 month period to 31 December 2012*
(Loss)/earnings for the purpose of basic earnings per share, being (loss)/profit for the period (£'000**)**	(4,281)	9,314
Weighted average number of shares for the purpose of basic earnings per share	65,095,856	29,307,654
(Loss)/earnings per ordinary share	(6.6p)	31.8p

6. Taxation

Corporation tax is calculated at 23% of the estimated taxable profit for the year.

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

	6 month period to 31 December 2013	*7 month period to 31 December 2012*
	£'000	£'000
(Loss)/profit on ordinary activities before tax	(3,534)	9,520
Tax (Credit)/Charge at the UK corporation tax rate of 23%/24%	(813)	2,285
Tax effect of expenses that are not deductible in determining taxable profit	59	54
Tax effect of income not taxable in determining taxable profit	-	(4,018)
Capital allowances in excess of depreciation	(43)	(40)
Tax losses carried forward	979	1,719
Tax expense for the period	182	-

The Tax charge of £182,000 relates to Corporation Tax incurred on the profits of the retail joint venture net of the surrender of losses by other Group companies. The Rangers Group tax charge relating to its share of these profits has been reduced to nil due to the surrender of losses.

7. Non-Current Assets – Property, Plant and Equipment

Cost or Valuation:	*Freehold Properties*	*Fixtures and Fittings*	*Total*
	£'000	*£'000*	*£'000*
Cost or Valuation at 1 January 2013	40,488	3,631	44,119
Additions	2,462	800	3,262
Cost or Valuation at 30 June 2013	42,950	4,431	47,381
Additions	123	1,611	1,734
At 31 December 2013	43,073	6,042	49,115
Depreciation:			
At 1 January 2013	223	126	349
Charge for period	191	225	416
At 30 June 2013	414	351	765
Charge for period	210	279	489
At 31 December 2013	624	630	1,254
Net Book Value:			
Net book value at 1 January 2013	40,265	3,505	43,770
Net book value 30 June 2013	42,536	4,080	46,616
Net book value 31 December 2013	42,449	5,412	47,861

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

Net Book value at 30 June 2013	—	1,967	1,967
Depreciation provided in the period	—	128	128
Net Book value at 31 December 2013	—	1,850	1,850
Depreciation provided in the period	—	117	117

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, has been performed by DM Hall LLP, independent valuers, not connected to the Group.

8. Intangible Assets

	Player Registrations	*Brand*	*Total*
	£'000	*£'000*	*£'000*
At Cost:			
At 1 January 2013	4,134	16,042	20,176
Additions	17	12	29
Eliminated on disposal	(627)	-	(627)
At 30 June 2013	3,524	16,054	19,578
Additions	320	2	322
At 31 December 2013	3,844	16,056	19,900
Amortisation:			
At 1 January 2013	860	-	860
Charge for period	858	1	859
Eliminated on disposal	(577)	-	(577)
At 30 June 2013	1,141	1	1,142
Charge for period	484	1	485
At 31 December 2013	1,625	2	1,627
Net Book Value:			
Net book value at 1 January 2013	3,274	16,042	19,316
Net book value 30 June 2013	2,383	16,053	18,436
Net book value 31 December 2013	2,219	16,054	18,273

9. Deferred Income

	£'000
As at 31 December 2012	5,621
As at 30 June 2013	8,156
As at 31 December 2013	5,300

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 progresses.

A reclassification of deferred income for the period ended December 2012 has resulted in £2,496,000 being reallocated between deferred income and trade and other payables. The previously reported balances at December 2012 for deferred income and trade and other payables was £8,117,000 and £3,053,000 respectively.

10. Deferred Tax

The following deferred tax liabilities are recognised by the Group:

	£'000
As at 1 January 2013	(7,817)
As at 30 June 2013	(7,817)
Deferred tax rate change in relation to revaluation of heritable freehold properties from 23% to 20%	1,019
As at 31 December 2013	(6,798)

The deferred tax liability arises in relation to the revaluation of heritable freehold properties by the Group.

No deferred tax asset has been recognised in respect of accumulated tax losses of £20,099,000 at 31 December 2013. The directors are of the opinion that there is insufficient evidence to support recognition of these losses as an asset due to uncertainty of the Group generating sufficient future taxable profits from which accumulated losses could be deducted.

11. Share Capital

	As at 31 December 2013	*As at 31 December 2012*	*As at 30 June 2013*
	£'000	*£'000*	*£'000*
Allotted, called up and fully paid 65,095,856 Ordinary shares of 1p each	651	651	651

12. Share Premium

	£'000
As at 1 January 2013	30,147
Costs incurred in relation to fund raising	(1,308)
As at 30 June and 31 December 2013	29,139

13. Revaluation Reserve

	£'000
As at 1 January 2013	26,016
Transfer from revaluation reserve to retained earnings in respect of depreciation	(133)
As at 30 June 2013	25,883
Change in deferred tax rate from 23% to 20%	1,019
Transfer from revaluation reserve to retained earnings in respect of depreciation	(139)
As at 31 December 2013	26,763

14. Notes to the Consolidated Statement of Cash flows

	6 Month Period To 31 December 2013	*7 month period To 31 December 2012*
	£'000	*£'000*
(Loss)/Profit for the period	(3,716)	9,520
Amortisation of intangible fixed assets	485	860
Depreciation of property, plant and equipment	489	349
Profit on disposal of players' registrations	(140)	(62)
Financing costs	31	234
Negative goodwill released to income statement	-	(20,465)
Decrease/(Increase) in trade and other receivables	566	(3,068)
(Decrease)/Increase in trade and other payables	(3,288)	11,919
Cash used in operations	(5,573)	(713)

15. Contingent Liabilities

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 former Chief Executive and former Commercial Director.

A letter before claim was received by the Company from legal advisers to Craig Whyte and Aiden Earley. 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 RFC 2012 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.

There has been no further correspondence received from Messrs Whyte and Earley to the date of these accounts.

16. Post Balance Sheet Events

On 24 January 2014 Brian Stockbridge resigned as a director of the Company and its subsidiaries.

Since the period end, the Company has also obtained access to loan facilities totaling £1.5m. £500,000 of the facility is interest free. £1,000,000 of the facility incurs a facility fee of £45,000 and carries a potential annualised interest charge of 10% should repayment not be made before 2 July 2014.