RANGERS INTERNATIONAL FOOTBALL CLUB PLC

ANNUAL REPORT 2015

Contents

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Business Review

Football Manager's Review

I would like to begin by stating how privileged I feel to be the manager of Rangers Football Club. It is of course an honour to follow in the footsteps of outstanding football men such as Walter Smith, Alex McLeish, William Waddell, and Bill Struth.

Rangers is a magnificent Club with a long and rich history of achievement and as a football department we must never lose sight of this fact and always appreciate the expectation that will naturally emanate from our supporters.

To walk into Ibrox is to be reminded of just how important this Club is, not just to football but to Scotland itself. Rangers is an institution with a revered history and to walk the corridors of this magnificent stadium is an opportunity to appreciate just how significant an establishment it remains.

There are constant echoes of the past and of course it is an absolute pleasure to have one of the true legends, John Greig, back at the Club. Mr. Greig epitomises Rangers and to have the opportunity to meet and chat with him on such a regular basis is a privilege.

Rangers as a club is synonymous with dignity and respect and it is these two essential qualities that must never be forgotten as we strive to regain our place at the top of Scottish football. Our every-day behaviour, our actions, must always enhance the reputation of this institution.

There is no need for me to talk about the issues that have blighted the Club in recent times, these have been well enough documented. However it is important for me to stress that as a football department we fully recognise and respect our responsibilities and appreciate the key role we have in reassuring our supporters that we are now moving in the right direction.

To this end, having someone of the legendary status of David Weir working alongside me is a privilege and to have his knowledge of the Club combined with his football experience to call upon every day is truly invaluable. Myself, David and all of the staff are tasked with delivering a squad of players of which our supporters can be proud. To be successful in this task we need to ensure that we create a support network within the football department who possess the qualities and attributes demanded of elite level athletes.

We have already made some significant changes to the backroom staff and we must always strive to add appropriate further quality as and when it becomes available.

Player-wise, we have managed to make a number of additions following the large summer exodus and have also trimmed the squad further by replacing some of the more established senior players with younger loan options. The aim is to maintain a lean and hungry squad with every player seeing a clear pathway to first-team selection. All recruits must 'add value' both on and off the pitch and our job is to ensure they relish the responsibility that will undoubtedly be thrust upon them.

The loan options to whom I refer are only accessible through our maintaining an environment at the Club that is conducive to their continued learning. In this way, the parent Club can be re-assured that their assets are being suitably developed, whilst we in turn establish a reputation for enhancing the progress of talented young players. Of course, such an environment is in place primarily for our own elite players and is built around the foundations of respect, discipline, commitment and our constant striving to create a culture of excellence.

This season has started well and we must continue to push forward on all fronts. I am fortunate not to have to endure many of the problems encountered by my predecessor Ally McCoist and it is important to recognise his work and the role he played in starting the recovery from the depths of recent seasons.

We must now continue and accelerate that drive back to the very top. Ibrox aside, we have a world class training complex at Auchenhowie that is basically our 'place of work'. This is where every player, younger or more senior, must be given the best chance to maximise their undoubted potential. It is a facility of which the Club should rightly be proud and an asset that helps significantly in attracting potential new recruits.

Finally, I would like to reiterate the personal pride I feel at holding the position of Rangers Manager. Myself and all of the senior staff are totally committed to the task at hand and will work tirelessly to succeed in achieving the obvious aims.

Mark Warburton,
Manager

Business Review (continued)

Chairman's Report

The year under review was a difficult one - both on and off the field. It was another year of turmoil for the Company and the Club. The Company's Board and executive management at the Club continued to be disconnected from supporters and this has had a negative impact on the commercial operations. Match attendances and season ticket sales were at a particularly low level. The "fan boycott" contributed to this and, while the boycott was controversial, it did contribute significantly to the removal of the previous Board.

The low revenue from poor ticket sales was compounded by the ongoing unwillingness of supporters to spend the historical levels of money on the Club's retail activities. This is partly because the team is playing in a lower league and there has been no European football to generate interest and excitement. However, even more damaging, has been the well-publicised concerns about the circumstances surrounding the negotiation and implementation of the arrangements with Sports Direct and the commercial terms that were agreed to by the Board at that time. The poor performance of the retail business continues to exercise the collective mind of the Board. Unfortunately, Sports Direct secured a gagging order against the Company and its officers that prevents me from fully expressing my feelings on how this important part of our business has been managed under the stewardship of Sports Direct and its senior management. Certainly, the poor business practices and governance failures are not something I would expect of a large public Company.

The extensive and ongoing coverage of the Club's off-field activities also impacted negatively on the image and reputation of the Club as a result of key individuals resorting to the use of leaked and often false information to the media as a tool to advance the interests of certain stakeholders to the detriment of others. During the fourth quarter of the financial year this was halted after the complete removal of the Board of directors to be replaced by a new Board that has already successfully re-engaged with the support base and has installed a new executive team both on and off the park. Unfortunately, due to resistance from the previous Board, this change in structure was too late to impact on the performance for the year under review.

To some extent, the off-field disruptions must have impacted on the team's performance. It was immensely disappointing that the team found the challenge of winning the SPFL Championship beyond them and subsequently failed to advance even via the playoffs. The new Board immediately set about ensuring that this will not be repeated and the Club now has a management structure in place that understands and accepts that playing in the SPFL Premiership next season is a "non-negotiable". The team has been significantly improved to meet this challenge and plans are already in place to ensure that further improvements will be in place before the start of the 2016/2017 season.

As with any club the size of Rangers, we lost loyal members of our extended family during the past year. Our condolences and best wishes go to the families of Colin Jackson, Sammy Cox, Johnny Hamilton and Stewart Hillis.

A particularly pleasing event for me in my short tenure as Chairman was to welcome John Greig back to the Club. He has now added the title of Honorary Life President to his previously well-earned title as Rangers greatest ever player.

The management and staff throughout the Club have had an extremely difficult couple of years and it is only their loyalty, dedication and optimism that changes might come that has kept them functioning at such a high level. There is already a completely different mood at Ibrox and Auchenhowie and it is great for all of us to be part of a forward-looking Club again.

I also take this opportunity to thank my colleagues on the Board – not only for the support since March 2015 but for the effort and tenacity that was displayed by the hard work in the months leading up to the EGM in March. I am reluctant to single out an individual but feel obliged to recognise the relentless effort that Paul Murray displayed over many years to hold prior Boards to account and to pave the way for the events of March 2015.

The year underway is already much more promising than the year under review and I look forward to this time next year when I can comment on a financial year that is wholly under the influence and guidance of the new Board.

Dave King,
Chairman

28th October 2015

Business Review (continued)

Operational Report

Season 2014/15 was difficult, both on and off the pitch for Rangers Football Club, but with the election of a new Board on 6 March 2015, the Club is now on a firm footing with a clear strategy and operational plan to support its return to the top level of Scottish Football.

The new Board was dismayed at the lack of investment in the stadium infrastructure and the heavy cuts made to staffing levels. It was clear significant investment would be required in both areas of the Club to support the Board's strategy.

Since 6 March the following key actions have been implemented:

- Installed a structure of corporate governance with RIFC plc Board and a fully functioning Operational Board at The Rangers Football Club Limited (TRFCL) level
- Re-instigate a culture of 'Standards' and 'Values'
- Investment in Stadium infrastructure
- Investment in staff resources in all areas of the Club
- Restructure the Football Department with the appointment of Mark Warburton as Manager and David Weir as Assistant Manager
- Enhance the support staff of the Football Department with appointment of quality members of personnel in key positions
- Reduced the age profile of the First Team Squad by releasing 13 players and recruiting 10 new players who should create value for the club
- Invested in the Academy via the recruitment of quality personnel in key positions
- Invested in the Academy and first team recruitment departments
- Re-engaging with Rangers supporters
- Re-engaged with the football authorities at a senior level
- Re-engaging with Government at a local and national level

There is much work to do to return the Club to its former position but excellent progress has been made since the appointment of your Board in March 2015, with much more still to come.

2014/15 was a disappointing season on the pitch with the team finishing third in the SPFL Championship and failing to achieve promotion to the SPFL Premiership with the loss to Motherwell in the play-off final. In December 2014, Ally McCoist indicated that he would be leaving his position as first team Manager and Kenny McDowall acted as caretaker manager until March 2015, to be followed by Stuart McCall, who led the team until the end of the season. The Board thanks all three individuals for their efforts last season amidst very difficult circumstances.

The team lost in the fifth round of the William Hill Scottish Cup and reached the semi-final of the QTS League Cup.

The disappointing performance on the pitch resulted in your Board appointing a new management team of Mark Warburton and David Weir. Mark and David have impressed with their attitude, professionalism, organisational skills and attention to detail and at the time of writing the Club has won its first 11 matches in a row in the Ladbrokes SPFL Championship with the team playing an exciting brand of attacking football.

The clear objective for this season is to win the Ladbrokes SPFL Championship and return to the Ladbrokes SPFL Premiership in 2016/17, with a squad capable of competing at the top level domestically and also in European competition.

There has been a complete restructuring of the Academy with Craig Mulholland being appointed Head of Academy and additional staff members have also been recruited. A new, improved culture has been implemented at the Academy with a focus on 'Standards' and 'Values' to which everyone involved at the Academy must adhere. There was also a change in the Academy playing style with the key principles and behaviours running from the first team through to the youngest Academy teams.

Business Review (continued)

The Academy is one of only two to have been awarded 'Platinum' Status by the SFA and the ambition is for it to become one of the top academies in Europe.

10 Academy graduates played in the first team in 2014/15 with the most prominent being Lewis Macleod, Tom Walsh, Andy Murdoch and Ryan Hardie. More than 40 Academy players were selected throughout the season for international youth squads.

Since the year end, there has also been investment in the facilities at the Academy with new indoor synthetic playing surfaces.

The Rangers ladies team had a good season finishing runner up in the League and reaching the quarter final of the Scottish Cup.

2014/15 witnessed Rangers supporters expressing their dissatisfaction with the previous Board's stewardship of the Club. As a result, the number of season tickets sold was the lowest for more than 25 years at just over 26,500 and this dissatisfaction was also reflected in the average home attendance for 2014/15 for league matches. Numbers dropped to 34,556 from 41,444 in 2013/14.

Your Board is pleased to report that 34,307 season tickets have been sold for 2015/16 so far and this number will increase with the sale of half season tickets in the period up to Christmas. So far this season, the average home attendance for league matches has been 46,097, and the Board, football management team, players and staff are extremely grateful for this support.

The Club's ability to grow its Commercial income was negatively impacted by the staff cutbacks made during season 2014/15 by the previous Board. A significant number of revenue generating staff left and were not replaced, resulting in reduced income and poorer levels of customer service, leaving many corporate customers unhappy. Steps have been taken by the new Board to redress this position through staff recruitment and improved service levels and it is pleasing to see hospitality numbers increasing through the course of this season. The staff cutbacks also impacted on advertising and sponsorship income through 2014/15.

The Club was delighted to host the Commonwealth Games Rugby Sevens which were attended by 170,000 spectators over a two day period. The stadium was also utilised to host the Scotland v Georgia Euro 2016 qualifying match. These events provided valuable rental income for the year in question.

It is hoped that with renewed investment in the Commercial Department advertising and sponsorship income will improve. The Club is working to unlock a means to improve the income generated from its retail activities. Retail should be a thriving area for the Club and the role of its main retail partner, Sports Direct International (SDI), will be crucial to achieving this. The Club wants to work with SDI to address the issues which have so badly impacted on the retail income for the Club. SDI will understand the importance of the Rangers brand and the values of its customers. Appealing to those customers and bringing them back to Rangers Retail will require efforts from the Club and its partners. The Club is fully committed to this process.

Immediately prior to the EGM on 6 March 2015 the Company's NOMAD, WH Ireland resigned from its position, resulting in the Company's shares being suspended from trading on the AIM London Stock Exchange. This was followed by AIM removing the Company from the exchange due to the level of complaints which had previously been received regarding the Company. The current Board established a matched bargain platform with JP Jenkins for trading shares in RIFC plc whilst investigating the possibility of listing the Company's shares on the ISDX exchange. After careful consideration the Board has determined that it is not appropriate to proceed with a share issue and listing on the ISDX market until the criminal proceedings being brought against Charles Green, Imran Ahmed, Craig Whyte and others are concluded.

Your Board will seek shareholder approval at the 2015 Annual General Meeting to enable the Company to issue shares both on a non-pre-emptive and pre-emptive basis to ensure maximum flexibility to raise equity finance and to provide the financial capability required to develop the Club in the longer term.

Our fiscal approach is to be prudent, balanced and responsible but we must also recognise that the Club has been deprived of investment in infrastructure and staff for several years. The tasks are undertaken by a Board fully committed to the highest levels of Corporate Governance and custodianship.

Re-engagement with Rangers supporters, both at home and overseas, is a key objective for your Board. After the events of the past few years trust has to be rebuilt between the Board and the fan base. The Board was delighted therefore when proposals were put forward to establish a new over-arching supporters group which would bring together the terrific work done by the various groups over the recent years.

Business Review (continued)

Fan Engagement has improved over the past few months through the hard work of the Club's digital media team who have developed a terrific offering and improved communication with fans through Rangers TV, the new website which was launched last month and club social media channels. It is anticipated that these channels will gain further prominence and importance in the short to medium term.

Representatives of the Board have met with each of the key groups and the formation of a new body should assist with a programme of improved communication between the Board and the supporter base.

The Club has also engaged with the North American Rangers Supporters Association (NARSA) and the Oceanic Rangers Supporters Association (ORSA) and plans are being developed to strengthen relationships between both organisations and the Club.

Thirty-two football camps were held across North America during the year with a national residential camp being held in Atlanta with more than 100 attendees. From this, 16 players were selected to attend a week long training programme in Glasgow.

Through the positive promotion of sport, education and physical activity, the brand of Rangers Football Club has been a powerful force for good across many communities. The Rangers Charity Foundation has a strong track record of success that can be enhanced for wider benefit to improve significantly lives in the communities in which we operate.

We will always recognise our responsibility to the wider community, and are fully committed to using the passion for the Club to make a difference to people's lives in our local and global Rangers communities. Now in its fifteenth season the Club's community programme is being re-invigorated and working with strategic partners, focusing on key areas of community need including:

- Health & Wellbeing
- Education
- Equality & Fairness
- Employability
- Community Safety and Sustainability

Our domestic community projects impact thousands of lives on a weekly basis. We work closely with partners including Glasgow City Council, Alzheimer's Scotland, Princes Trust, Action for Children, East Dunbartonshire Council, Community Health Care Partnership, Helping Heroes, SPFL Trust, Kinder, Scottish Football Partnership and Glasgow Community Safety Services.

The Old Firm Alliance projects have continued to reach around 30,000 individuals per year, increasing physical activity among 12 – 18 year olds; providing healthy lifestyle workshops to children in more than 60 schools and throughout Glasgow and educating on anti-social behaviour.

Recovery with Rangers helped adults with addictions to improve their fitness.

This year again, more than 450 primary school children joined our Tobacco & Young People Project, culminating with an event at Rangers training ground Auchenhowie.

The Rangers Study Centre has partnerships with Glasgow City Council, Action for Children, Glasgow Clyde College and the Rangers Foundation and over 600 young people have benefited from the various courses organised through the Rangers Study Centre.

Of course, while Rangers must always recognise community responsibilities and duties it can never be forgotten that the main focus has to be on the football operation. It is on this front the Club will be judged most, so everything that can be done to make Rangers successful must be done. The management and players must be given every opportunity to succeed.

However, it is also our intention to achieve all our goals with style as well as the levels of pride and dignity which should always be part of the Rangers ethos.

Although good progress is being made on all fronts a great deal remains to be done but this Club will return to the top. We will get there together with our supporters, who deserve nothing less than a Rangers restored to peak condition and setting standards on and off the pitch while once again playing an influential role in the running of the Scottish game.

Business Review (continued)

Finance Report

The results for the year reflect a period of difficulty and challenge for the Club but finish on a note of significant optimism for the future. The decision by sections of the support to demonstrate disaffection with the previous Board had a significant financial impact for most of the season across both matchday revenues and other associated revenues.

The new Board had little opportunity to influence the results for the year as presented. They did however commence the process of bringing financial stability to the Club and resolving the major challenges which still present themselves as barriers to the Club's progression to competing successfully in Scotland's premier division and Europe's competitions. The new football management team has immediately assembled a squad capable of filling the stands and this alone has generated significant progress in the recovery of the Club's finances.

Revenue for the year was £16.5m, an overall decrease of £1.1m from the previous year. Gate receipts and hospitality for normal home fixtures reduced by an overall £1.1m reflecting largely a reduction in season ticket sales. Progression to the semi-final of the League Cup was essentially balanced against an early exit from the Scottish Cup. Participation in the end of season playoffs generated an additional £0.6m of matchday income and helped alleviate other reductions in matchday income. The increase on media income of £0.2m reflects a higher distribution from the SPFL. Sponsorship income for the year was £0.6m, a reduction of £0.9m from the previous year. This reduction largely reflects the difficulty in engaging in commercial relationships in an atmosphere which is not conducive to attracting business partners. The stadium hosted the Commonwealth Games rugby sevens during July and also an SFA International fixture in October. These two events generated a total additional revenue of £1.3m from stadium rental and the provision of event security.

Operating expenses excluding amortisation of players' registrations decreased by £1.0m compared to the comparative year, to £25.8m. Staff costs reduced by £1.1m to a total of £13.3m for the year. This overall reduction was net of an increase of £0.3m in payroll costs incurred in providing event security. It also included a charge of £0.5m on severance payments to former employees and an accrual of £0.3m in relation to the contractual notice periods of current employees. There was an overall decrease in Directors' remuneration and service costs of £0.8m, with further reductions expected for the curent year as the current RIFC plc directors take no remuneration.

The operating loss increased to £9.9m from a loss of £9.8m in the previous year.

Our retail activities generated a net profit after tax of £1.0m for the period to 27 January 2015. The loss of control at that date over Rangers Retail Limited has resulted in the financial performance of the retail business being shown separately from the football club operations. This is shown as "discontinued operations" with adjustments made to prior year figures to ensure comparable presentation.

The overall net loss for the year was £7.5m compared to a loss of £8.1m for the previous year.

The Company raised additional equity by way of an open offer to existing shareholders in September 2014. The gross proceeds of the issue were £3.1m and £2.8m net after expenses of the issue.

Shareholder loans of £3.8m have been advanced to the Club in order to provide working capital facilities to support the Club though the low point in its annual operating cash cycle. A loan of £5m has been advanced by SportsDirect.com Retail Limited, a related party through the existing retail deal.

Dave King,
Chairman

28 October 2015

Strategic Report

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

Rangers Football Club, formed in Scotland in 1872, is one of the world's most successful clubs, having won 54 League titles, 33 Scottish Cups, 27 League Cups and the European Cup Winners' Cup in 1972. The Club's loyal and sizeable supporter base, both in Scotland and around the world, enables the Club to boast one of the highest percentages of season ticket holders in the UK. Playing at the 50,817 seater Ibrox Stadium and benefitting from the world class 37 acre Auchenhowie 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 remained in the Championship of the Scottish Professional Football League (SPFL), however it is still 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 Mark Warburton.

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

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

Strategic Report (continued)

Consolidated Results of Operations

REVENUE

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

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Gate receipts and hospitality	11,612	12,361
Sponsorship and advertising	625	1,466
Broadcasting rights	1,233	1,016
Commercial	258	651
Other revenue	2,742	2,089
Total revenue	**16,470**	**17,583**

Revenue for the year ended 30 June 2015 totalled £16.5 million. Of this total, gate receipts and hospitality income contributed £11.6 million. During the year the Club played eighteen home league matches, three home playoff matches and six home cup matches (2014: eighteen home league matches and four 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 £6.3 million was recognised during the year to 30 June 2015 based on sales of 26,515 season tickets (2014 - £7.7million from 36,039).

Broadcasting revenue during the year was limited by playing in the SPFL Championship, and therefore having a limited number of televised cup matches.

Commercial income of £0.3 million, sponsorship income of £0.6 million and broadcast income of £1.2 million recognised during the year to 30 June 2015 includes revenue earned from agreements with the Club's sponsors and commercial partners, as well as the sale of matchday publications and monies generated from TV and the SPFL for matches televised or broadcast to the public.

OPERATING EXPENDITURE

RIFC has incurred the following operating expenses during the year:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Staff costs	13,290	14,355
Other operating charges	10,146	11,001
Hire of plant and machinery	129	129
Depreciation and impairment of property, plant and equipment	2,104	1,139
Amortisation of trade marks	2	2
Amortisation and impairment of players' registrations	1,043	929
Auditor's remuneration	90	155
Total operating expenses	**26,804**	**27,710**

Player costs are RIFC's most significant expenditure, including £6.2 million (2014 - £6.5miliion) in respect of the first team playing squad. First team player salary costs are contractual and each player's salary is unique.

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

Strategic Report (continued)

CASH FLOW

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

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

The following table shows information regarding RIFC's cash flows for the year to 30 June 2015.

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Cash used in operations	(12,218)	(5,742)
Net cash used in investing activities	(145)	(1,546)
Net cash from financing activities	8,847	697
Net (decrease)/increase in cash and cash equivalents	**(3,516)**	**(6,591)**

Due to lower average attendances, reduced number of season tickets sold and working capital movements, there was a net cash out flow of £12.2 million from operating activities compared to £5.7 million in the prior year. This was partially offset through a net cash inflow from financing activities primarily as a result of the proceeds of the share issue and loans received from shareholders and Sports Direct.

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

KEY PERFORMANCE MEASURES

RIFC uses a number of key performance measures in its business, including statutory measures, such as revenue and operating profit/(loss), before and after player trading. The most significant non statutory measures used include the wages/turnover ratio and season ticket sales. Key non-financial measures include on pitch performance and attendance. The table below shows some KPIs for the year to 30 June 2015.

	Year ended 30 June 2015	Year ended 30 June 2014 Restated
Total revenue (£'000s)	16,470	17,583
Operating loss (£'000s)	(9,940)	(9,820)
First Team Wages/Turnover ratio	38%	37%
Number of games played (total)	54	49
Number of games played (SFL home)	18	18
Number of games played (SFL away)	18	18
Number of games played (Playoff home)	3	-
Number of games played (Playoff away)	3	-
Number of games played (Cup home)	6	4
Number of games played (Cup away)	6	8
Number of other games (Friendlies home)	-	1
Number of season tickets sold 2	26,515	36,039
Season ticket sales (£'000s)	6,301	7,726
Average season ticket price (£)	237	214
Average attendance (league home matches)	34,556	41,444

Strategic Report (continued)

CURRENT TRADING AND PROSPECTS

Last season, the Club's first team finished 3rd in the SPFL Championship, and will remain in that Division for the season 2015/16. In addition, the Club's first team reached the Semi Final of the League Cup, and the Semi Final of the Ramsdens Cup. In the current season, the Club currently sits in first place in the Championship.

The Club enjoys a world class stadium and training infrastructure and a loyal and passionate global fan base, which provide a predictable income and the foundation for the Company. The Directors believe that digital media and RIFC's broadcasting arrangements enable RIFC to capitalise on the Club's brand better than has taken place before. Directors are confident 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. Securing promotion to the Premiership will help them in this task.

RISKS AND UNCERTAINTIES

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

Each risk when identified is analysed to determine the likelihood of the risk occurring, the potential impact it may have on the Group if it did occur, and the steps that have been or should be taken to reduce the likelihood of occurrence and mitigate 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:

Future funding

The current and future financial position of the Group, its cash flows and liquidity position have been reviewed by the Directors. The forecasts indicate that further funds will be required early in December 2015. The Board have received undertakings from certain shareholders comfirming that they will provide financial support as it is required. Further information can be found in note 1 to the financial statements.

Litigation

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

Retail revenue

Despite the loss of control over our retail activities, the Club's cash flows are affected by the profitability of Rangers Retail. Retail should be a thriving area for the Club and, as detailed in the Business Review, the Club wants to work hard with SDI to address the issues which have adversely impacted on revenue.

Season ticket revenues

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

Matchday attendances

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

Broadcasting contracts and football competitions

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

Strategic Report (continued)

Player transfer market and wages

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

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

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

PROPERTY MATTERS

The property valuation report from Rushton International dated 14 October 2015 includes a valuation of the company's properties under a depreciated replacement cost method at the same date as follows:

- Ibrox Stadium – £62.2 million; and
- Auchenhowie – £13.35 million. This represents a combined value of £75.55 million.

The Groups's financial statements include all of its properties at an existing use valuation of £40.9 million at 30 June 2015 after provisions for depreciation and impairment.

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 2015, 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 the carrying value of RIFC's tangible and intangible assets of £61.9 million. Accordingly, RIFC's property, which has been revalued under an existing use basis, has been included within the financial statements at £40.9 million with other non-current assets being included at £21.0 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.

GOING CONCERN

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

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

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

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

Strategic Report (continued)

GOING CONCERN (continued)

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

The forecast identifies that the group will require up to £2.5m by way of debt or equity funding by the end of season 2015/2016 in order to meet its liabilities as they fall due. Further funding will be required during the 2016/17 season, the quantum of which is dependent on future football performance and promotion to the SPFL Premiership. The forecast indicates that an initial tranche of funds will be required in December 2015.

The Board of Directors has received undertakings from certain shareholders that they will provide financial support to the Group and have satisfied themselves as to the validity of these undertakings and that the individuals have the means and authority to provide such funding as and when it is required. The Board acknowledge that had these assurances not been secured then a material uncertainty would exist which may cast doubt over the Groups ability to continue as a going concern and therefore it's ability to realise its assets and discharge its liabilities in the normal course of business. The Board is delighted that this uncertainty has been removed and the appropriate assurances obtained.

The financial support to be made available more than covers the projected shortfall for this season and beyond. The Board further understands that additional facilities can be made available as and when required for investment in the team.

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

LIQUIDITY AND CAPITAL RESOURCES

The RIFC Group maintains cash to fund the daily cash requirements of its business. The Group does not have access to any further banking facilities. There is an existing secured loan facility from Sportsdirect Retail.com Limited. The Group has drawn £5m under this facility. The Group has advised the lender that it does not anticipate drawing any further sums pursuant to this facility.

The Group also has a finance lease agreement totalling £0.5 million.

As at 30 June 2015, the Group held £1,091,000 within cash and bank balances.

Approved by the Board and signed on its behalf by:

Dave King,
Chairman

28th October 2015

Directors' Report

The Directors present their report on the affairs of the Group together with the financial statements and Auditor's Report for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Group continue to be the operation of a professional football club in Scotland together with related commercial activities. A review of the Group's business, an indication of the likely future developments of its business and a description of the principal risks and uncertainties facing the Group are contained in the Business Review on pages 5 to 10, and the Strategic Report.

STRATEGIC REPORT

As the Company and its principal subsidiaries are managed and controlled as a single entity, the review of business and future developments, which is set out in the Strategic Report on pages 11 to 16, reflects the performance of the Group. A separate review of the Company would not be meaningful and is therefore not presented.

ENVIRONMENTAL MATTERS AND EMPLOYEE MATTERS

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

RESULTS AND DIVIDENDS

The audited consolidated income statement for the year ended 30 June 2015 is set out on page 23. The Directors have not recommended the payment of a dividend (2014: nil).

DIRECTORS

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

Name	Position	Date of Appointment	Date of Resignation
Graham Wallace	CEO	25 November 2013	26 October 2014
Norman Crighton	Non-exec Director	25 November 2013	9 December 2014
David Somers	Chairman	12 November 2013	2 March 2015
Philip Nash	Finance Director	25 July 2014	24 October 2014
Derek Llambias	Non-exec Director	3 November 2014	6 March 2015
James Easdale	Non-exec Director	11 July 2013	25 February 2015
Barry Leach	Finance Director	5 January 2015	6 March 2015
Paul Murray	Non-exec Director	6 March 2015	
Douglas Park	Non-exec Director	6 March 2015	3 August 2015
John Gilligan	Non-exec Director	6 March 2015	
John Bennett	Non-exec Director	10 March 2015	
Chris Graham	Non-exec Director	10 March 2015	13 March 2015
David King	Chairman	22 May 2015	
Graeme Park	Non-exec Director	3 August 2015	

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 £54k (2014: £22k) to international, UK-based and local charities during the period. The Group made no political donations during the year (2014: nil).

Directors' Report (continued)

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 30 days of the invoice date; however, where discounts are available it is generally the policy to pay earlier and benefit accordingly.

KEY PERFORMANCE INDICATORS

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

EVENTS SINCE THE EDN OF THE YEAR

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

AUDITOR

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

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

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

Approved by the Board and signed on its behalf by:

Dave King,
Chairman

28 October 2015

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 Strategic 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; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

By order of the Board

Dave King,
Chairman

28 October 2015

Corporate Governance Statement

CORPORATE GOVERNANCE

Rangers International Football Club plc directors are committed to delivering high standards of corporate governance to the Company's shareholders and other stakeholders including fans, employees and suppliers.

The Board of Directors operates within the framework discussed below.

The Board meets quarterly to consider all aspects of the Company's activities. A formal schedule of matters reserved for the Board includes overall strategy and approval of major capital expenditure. The Board currently consists of the Chairman, four non-executive directors and a company secretary.

A separate operational Board functions within The Rangers Football Club Limited, which reports to the RIFC plc Board.

INTERNAL CONTROL

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

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

MANAGEMENT CONTROL SYSTEMS

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

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

PERFORMANCE MEASUREMENT

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

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

We have audited the financial statements of Rangers International Football Club plc for the year ended 30 June 2015 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statement of Cash Flows and the related notes. 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 19, 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 (APB'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 Report of the Directors and Financial Statements to identify material inconsistencies with the audited financial statement and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the Group's ability to continue as a going concern. In order to continue operations for the next 12 months the group is dependent upon raising additional finance. Failure to secure additional funding would result in the existence of a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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 as at 30 June 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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.

Campbell Dallas LLP

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

29 October 2015

Consolidated Income Statement

For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
CONTINUING OPERATIONS			
REVENUE	2	16,470	17,583
OPERATING EXPENSES			
Amortisation and impairment of players' registrations	3	(1,043)	(929)
Other operating expenses	3	(25,761)	(26,781)
Total operating expenses		**(26,804)**	**(27,710)**
Other operating income	3	**394**	**307**
OPERATING LOSS		(9,940)	(9,820)
Share of income from associates		87	-
Profit/(loss) on disposal of player registrations		1,180	395
Finance costs	7	(56)	(119)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,729)	(9,544)
Taxation	8	178	301
(LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**(8,551)**	**(9,243)**
DISCONTINUED OPERATIONS			
(Loss)/profit for the year from discontinued operations (net of tax)	9	1,016	1,158
(LOSS)/PROFIT FOR THE YEAR		**(7,535)**	**(8,085)**
(Loss)/profit for the year attributable to:			
Owners of the Company		(8,337)	(8,652)
Non-controlling interests		802	567
		(7,535)	**(8,085)**
Basic and diluted earnings per ordinary share	33	(10.66p)	(13.29p)
Basic and diluted earnings per ordinary share on continuing operations	33	(10.93p)	(14.20p)

The notes on pages 30 to 61 form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2015

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
(LOSS)/PROFIT FOR THE YEAR	**(7,535)**	**(8,085)**
Items that will not be reclassified subsequently to the income statement		
Deferred tax relating to components of other comprehensive income (Note 22)	-	1,011
Other comprehensive income for the year	-	1,011
Total comprehensive (loss)/income for the year	(7,535)	(7,074)
Total comprehensive (loss)/income for the year attributable to:		
Owners of the Company	(8,337)	(7,641)
Non-controlling interests	802	567
	(7,535)	(7,074)

Consolidated Balance Sheet

As at 30 June 2015

	Notes	2015 £'000	2014 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	44,931	47,134
Intangible assets	11	16,957	17,797
Interests in associates	13	587	-
		62,475	**64,931**
CURRENT ASSETS			
Inventories	14	-	184
Trade and other receivables	15	6,600	3,405
Cash and bank balances	16	1,091	4,607
		7,691	**8,196**
TOTAL ASSETS		**70,166**	**73,127**
CURRENT LIABILITIES			
Other loans	17	(3,750)	(1,500)
Trade and other payables	18	(4,342)	(6,666)
Obligations under finance leases	20	(438)	(477)
Deferred income	21	(6,246)	(6,156)
Provisions for liabilities	19	-	(552)
		(14,776)	**(15,351)**
NET CURRENT (LIABILITIES)/ASSETS		**(7,085)**	**(7,155)**
NON-CURRENT LIABILITIES			
Other loans	17	(5,000)	-
Trade and other payables	18	(59)	(364)
Obligations under finance leases	20	(38)	(476)
Deferred tax liability	22	(6,329)	(6,685)
Provisions for liabilities	19	-	(281)
		(11,426)	**(7,806)**
TOTAL LIABILITIES		**(26,202)**	**(23,157)**
NET ASSETS		43,964	49,970
EQUITY			
Share capital	25	815	651
Share premium account	26	32,008	29,139
Revaluation reserve	28	26,376	26,738
Retained earnings	29	(15,235)	(7,260)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		43,964	49,268
Non-controlling interests		-	702
TOTAL EQUITY		43,964	49,970

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 28 October 2015. They were signed on its behalf by:

Dave King, Chairman
28 October 2015

The notes on pages 30 to 61 form an integral part of these financial statements.

Company Balance Sheet

As at 30 June 2015

	Notes	2015 £'000	2014 £'000
NON-CURRENT ASSETS			
Investment in subsidiaries	12	13,295	13,295
		13,295	**13,295**
CURRENT ASSETS			
Amounts due from subsidiary undertakings	15	18,099	15,647
NET ASSETS		**31,394**	**28,942**
EQUITY			
Share capital	25	815	651
Share premium account	26	19,048	16,179
Merger reserve	27	12,960	12,960
Retained earnings	29	(1,429)	(848)
TOTAL EQUITY		**31,394**	**28,942**

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 28 October 2015. They were signed on its behalf by:

Dave King,
Chairman

28 October 2015

The notes on pages 30 to 61 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year to 30 June 2015

	Share capital £'000	Share premium £'000	Retained earnings £'000	Revaluation reserve £'000	Total £'000	Non controlling interests £'000	Total equity £'000
As at 30 June 2013	651	29,139	1,236	25,883	56,909	244	57,153
(Loss)/profit for the year to 30 June 2014	-	-	(8,652)	-	(8,652)	567	(8,085)
Dividends	-	-	-	-	-	(109)	(109)
Deferred tax liability relating to components of other comprehensive income	-	-	-	1,011	1,011	-	1,011
Deferred tax liability relating to depreciation of components of other comprehensive income	-	-	(121)	121	-	-	-
Transfer from revaluation reserve to retained earnings	-	-	277	(277)	-	-	-
As at 30 June 2014	**651**	**29,139**	**(7,260)**	**26,738**	**49,268**	**702**	**49,970**
(Loss)/profit for the year to 30 June 2015	-	-	(8,337)	-	(8,337)	802	(7,535)
Shares issued	164	2,869	-	-	3,033	-	3,033
Dividends	-	-	-	-	-	(770)	(770)
Deferred tax liability relating to depreciation of components of other comprehensive income	-	-	(91)	91	-	-	-
Transfer from revaluation reserve to retained earnings	-	-	453	(453)	-	-	-
Disposal on loss of control of Rangers Retail Limited	-	-	-	-	-	(734)	(734)
As at 30 June 2015	**815**	**32,008**	**(15,235)**	**26,376**	**43,964**	**-**	**43,964**

Company Statement of Changes in Equity

For the year to 30 June 2015

	Share capital £'000	Share premium £'000	Retained earnings £'000	Merger reserve £'000	Total £'000
As at 30 June 2013	651	16,179	(332)	12,960	29,458
(Loss)/profit for the year to 30 June 2014	-	-	(516)	-	(516)
As at 30 June 2014	**651**	**16,179**	**(848)**	**12,960**	**28,942**
(Loss)/profit for the year to 30 June 2015	-	-	(581)	-	(581)
Shares issued	164	2,869	-	-	3,033
As at 30 June 2015	**815**	**19,048**	**(1,429)**	**12,960**	**31,394**

Company Statement of Cash Flows

For the year to 30 June 2015

	Notes	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
CASH USED IN OPERATIONS	30	(2,844)	-
CASH USED IN INVESTING ACTIVITIES		-	-
CASH USED IN FINANCING ACTIVITIES		-	-
Proceeds from issue of shares		2,844	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		**2,844**	**-**
Net (decrease)/increase in cash and cash equivalents		2,844	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-
		-	-

Consolidated Statement of Cash Flows

For the year to 30 June 2015

	Notes	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
CASH USED IN OPERATIONS	30	(12,218)	(5,742)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(217)	(345)
Purchase of property, plant and equipment		(126)	(1,487)
Proceeds from sale of intangible assets		1,411	360
Interest paid		(73)	(74)
Receipt of dividend from associate		300	-
Disposal of subsidiary	9	(1,440)	-
NET CASH USED IN INVESTING ACTIVITIES		**(145)**	**(1,546)**
FINANCING ACTIVITIES:			
Repayment of lease finance		(477)	(694)
Proceeds from issue of shares		2,844	-
Loans received		8,750	1,500
Loans repaid		(1,500)	-
Distribution of minority interest dividends	9	(770)	(109)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**8,847**	**697**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3,516)**	**(6,591)**
Cash and cash equivalents at the beginning of the period		4,607	11,198
Cash and cash equivalents at the end of the period		1,091	4,607
		(3,516)	**(6,591)**

Notes to the financial statements

1. ACCOUNTING POLICIES

GENERAL INFORMATION

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

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

The financial information is presented in pounds sterling, the currency of the primary economic environment in which the Group operates. All activities of the Group are performed in the United Kingdom.

BASIS OF PREPARATION

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

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGMENTS

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

USE OF ESTIMATES AND JUDGEMENTS

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The Annual Report comprises the Strategic Report, Directors Report and the Annual Accounts. The Annual Accounts comprise the Consolidated Income Statement, Consolidated and Parent Company Balance sheet, Consolidated and Parent Company Statement of Cash Flows, Consolidated and Parent Company Statement of Changes in Equity, and note disclosures for the Group and Parent Company. The accounting year is the year to 30 June 2015.

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

The principal accounting policies adopted are set out below.

Going concern

The Board of Directors ("the Board") are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business. In satisfaction of this responsibility the Board have considered the Group's ability to meet its liabilities as they fall due. The Group's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The Strategic Report also describes how the Group manages its capital, its liquidity risk and its exposure to credit risk. The Group meets its day to day working capital requirements through existing cash facilities, shareholder loans and finance leases. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity. The Board acknowledges that there is a level of uncertainty in the general economic environment which may impact the trading position of its customers and suppliers.

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

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

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

- Continued progression through the Scottish league structure. The Group's forecast assumes the Club will achieve promotion to the SPFL Premiership at the conclusion of the 2015/16 season and will consolidate its position in the SPFL Premiership in 2016/17.
- Season ticket sales, the timing and amount of which are consistent with the Club's historic experience. The forecasts include an uplift in season ticket numbers and prices from season 2015/16 to reflect the expected return to the SPFL Premiership (while still remaining below the levels when the Club was previously in the SPL).
- Matchday income, which is projected to grow as the Club progresses through the Scottish League structure.
- Sponsorship, commercial and other non-matchday income reflecting customer confidence returning and increased hospitality demand.
- The exclusion of cash flows from dividends from Rangers Retail Limited, as the Board considers that it has limited visibility as regards the timing of anyof these cash inflows.
- Continued overhead 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 in perspective to its assumptions around league progression. The forecast cash flows assume conservative amounts generated from player sales.
- The Group's ability to secure further debt or equity finance to allow the Group to continue to meet its liabilities as they fall due.

The current and future financial position of the Group, its cash flows and liquidity position have been reviewed by the Board.

The Board recognises that achievement of the forecast is critically dependent on the football performance for the rest of the current season and next season. Consequently, sensitivities have been applied to the forecast based on a variety of football performance factors.

The forecast identifies that the group will require up to £2.5m by way of debt or equity funding by the end of season 2015/2016 in order to meet its liabilities as they fall due. Further funding will be required during the 2016/17 season, the quantum of which is dependent on future football performance and promotion to the SPFL Premiership. The forecast indicates that an initial tranche of funds will be required in December 2015.

The Board of Directors has received undertakings from certain shareholders that they will provide financial support to the Group and have satisfied themselves as to the validity of these undertakings and that the individuals have the means and authority to provide such funding as and when it is required. The Board acknowledge that had these assurances not been secured then a material uncertainty would exist which may cast doubt over the Groups ability to continue as a going concern and therefore it's ability to realise its assets and discharge its liabilities in the normal course of business. The Board is delighted that this uncertainty has been removed and the appropriate assurances obtained.

The financial support to be made available more than covers the projected shortfall for this season and beyond.

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

Consolidation

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

Subsidiaries

The Group's consolidated accounts comprise the accounts of companies in which the parent company or subsidiaries have control over.

Control

A company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to govern the financial and operating policies of the entity.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Control (continued)

A company losses control over an entity when it losses any of the above components. The loss of control can occur with or without a change in absolute or relative ownership levels.

The subsidiary company, Rangers Retail Limited, was treated as a company under the control of Rangers International Football Club plc, up until 27 January 2015. On that day, the Group transferred 26% of the share capital in Rangers Retail Limited to SportsDirect.com Retail Limited upon receipt of, and for the duration of, the loan facility provided. Provisions within that transfer agreement are such that the Directors consider there to be a loss of control over Rangers Retail Limited on this date.

From this date, Rangers Retail Limited is being treated as an associate of the Group. The Consolidated Income Statement includes the results of the subsidiary up to the date of disposal as a discontinued operation. In accordance with IFRS 10, on loss of control of a subsidiary, the Group:

- Derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet;
- Recognises any investment retained in the former subsidiary when control is lost. That retained interest is remeasured to fair value and this is regarded as the cost on initial recognition of an investment in an associate or joint venture;
- Recognises the gain or loss associated with the loss of control attributable to the former controlling

Associates

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

Investments in associates are initially recognised at cost.

Thereafter the equity method of accounting applies and the Group's proportionate share of the after tax profits or losses are recognised in the Consolidated Income Statement in a separate line. This share adds to or reduces the value of the investment in the Consolidated Balance Sheet. Distributions (dividends) received reduce the carrying amount of the investment.

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

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

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

Elimination of intra-Group transactions

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

Business combinations

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

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

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

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

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

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

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

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

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

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

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

Assets and liabilities

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

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

Equity

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

Financial instruments

Financial instruments are classified as debt or equity in accordance with theirunderlying economic reality. Costs directly attributable to the issue of debt are shown as a deduction from the debt issued.

Interest, dividends, gains or losses related to a financial instrument that is classified as debt, will be presented as an expense or income in the Income Statement.

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

Loans and other receivables

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

Loans and other receivables comprise Cash and Bank balances, Trade receivables and Other receivables.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Cash and bank balances

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

Other financial liabilities

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

Other financial liabilities includes Other loans and Trade and other payables.

Impairment of financial instruments

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

Offsetting financial instruments

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

Leasing

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

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

Discontinued operations

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

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

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

In certain circumstances a disposal of a subsidiary may not meet the classification criteria as a discontinued operation. However, in assessing this the Directors have evaluated whether the loss of control over Rangers Retail Limited results in a major impact on the Group's operations and financial results. The Directors consider that, in their judgement, the loss of control over Rangers Retail Limited results in a discontinued operation.

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

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

When an operation is classified as discontinued, the comparative figures for the Consolidated Statements of Cash Flows and Consolidated Income Statement are restated as if the discontinuation occurred at the start of the preceding period. Consolidation procedures are not affected by the fact that a discontinued operation is presented.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

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

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 Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is the tax expected to be payable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is charged or credited in the income statement or in the statement of comprehensive income, where appropriate. The Group's liability for deferred tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Brand intangible assets

The Group only carries brand intangible assets that have been acquired on the Consolidated Balance Sheet. Acquired brands are carried at cost, being estimated fair value on acquisition. Subject to an impairment review, no amortisation is charged on those brand intangible assets which the Board believes have an indefinite life.

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. Likewise, any additional assets that are realised after selling players are recognised as debtors when it becomes probable that the conditions in the sale agreement will be met.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

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	1.33%
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.

During the year the Group reassessed the estimated useful life of the Stadium and subsequently increased the amortisation rate from 1% to 1.33%. This is a change in estimate and is accounted for accordingly under IAS8. This resulted in additional depreciation of £105k.

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. Provision is made for obsolete, slow-moving or defective items where necessary.

Segmental accounting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Directors to allocate resources to the segments and to assess their performance.

The Directors have concluded that in the year to 30 June 2015 the Group has only operated in one segment, namely the operation of a football club, and therefore no operating segment note has been prepared.

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.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible and intangible assets excluding goodwill

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

If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Impairment losses are reported separately in the Consolidated Income Statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets. In determining fair value less costs to sell, an appropriate valuation model is used.

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

Intangible assets with indefinite useful lives are not amortised but are instead subject to an annual impairment review. The Group considers its Brand to have indefinite useful life.

Furthermore, the Group tests its tangible and intangible assets for impairment more frequently if there are indicators that the assets could be impaired.

Impairment testing procedures

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

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

The estimated cash flow is based on the Group's forecasted results and margins, including the necessary capital expenditure to meet anticipated performance. The assumptions used represent Management's best estimate and are based on past experience and internal information held by the Group.

Key assumptions

Football team performance -	short term (1)	Obtain promotion to the SPFL Premiership in season 2015/16
Football team performance -	medium to long term (1)	Predictions of expected football results beyond season 2015/16 i.e. league placings, cup progressions, match day attendance, and future European participation from 2017/18 onwards.
Cash generating unit (2)		Football club operations
Budget period (3)		5 years
Discount rate (4)		13% pre tax
Growth rate (5)		2.4%

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

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Key assumptions (continued)

(2) The group considers that the only cash generating unit is the operation of the football club. Due to the loss of control over retail operations, all income, costs and associated cash flows in this respect have been excluded from the impairment review.

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

(3) The basis for the estimated cash flow is the confirmed budgets for 2015/16 and the cash flow forecasts for the next four years after. In the calculation, cash flows beyond this period are extrapolated using the estimated growth rate.

(4) A discount rate of 13% reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted. The discount rate used in 2014 was 14%. The Group considers that risk profile of the business as a whole has diminished following the appointment of the new Board of Directors, progress made on bringing financial stability to the Club, and the strengthening of the corporate management team and football department.

(5) The growth rate utilised is based on expected inflationary growth in the UK beyond the period of forecasting.

Indications of impairment

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

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

Critical values in sensitivities

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

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

Sensitivity applied	***Critical value – resulting in impairment charge***
Discount factor	An increase in discount factor to 13.7%.
Player costs	An increase in net player spend of 30% in addition to that included in the cash flow projections.
Domestic and European football performance	Failure to participate in European competition from 2017/18 onwards.
Operating cash flows	A 25% reduction in operating cash flows generated over the 5 year period of the cash flow forecasts.

Provisions, contingent assets and liabilities

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

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

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

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards

New and amended IFRS standards applicable for the year to 30 June 2015.

Title	Key Issues	Effective Date	Impact on RIFC plc
IFRS 10 Consolidated Financial Statements	Establishes a single basis – control – to determine whether an entity should be included in the consolidated financial statements. Provides additional guidance to assist in the determination of control in circumstances in which this is difficult to assess.	Periods beginning on or after 1 January 2014 for EU preparers.	See accounting policies note on control.
IFRS 11 Joint Arrangements	Introduces an amended approach to joint arrangements, which focuses on rights and obligations rather than legal form, and provides amended guidance on how joint operations and joint ventures should be accounted for. Proportionate consolidation is no longer permitted.	Periods beginning on or after 1 January 2014 for EU preparers.	No impact
IFRS 12 Disclosure of Interests in Other Entities	A new and comprehensive standard providing disclosure requirements for all forms of interests in other entities including subsidiaries, joint arrangements, associates etc.	Periods beginning on or after 1 January 2014 for EU preparers.	Additional disclosures provided where appropriate.
IAS 27 Separate Financial Statements	Contains the accounting and disclosure requirements for investments in subsidiaries, joint arrangements and associates when an entity prepares separate financial statements.	Periods beginning on or after 1 January 2014 for EU preparers.	No impact
IAS 28 Investments in Associates and Joint Ventures	Prescribes the accounting treatment for investments in associates and joint ventures, and slightly modifies the accounting required when a portion of an investment in an associate or joint venture is held for sale.	Periods beginning on or after 1 January 2014 for EU preparers.	No impact
Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance.	Provides additional transition relief in IFRS 10, 11 and 12 by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.	Periods beginning on or after 1 January 2014 for U preparers.	As per IFRS 12 above

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards (continued)

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:

Title	Key Issues	Effective Date	Impact on RIFC plc
IAS 1 Disclosure Initiative	Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial statements. Provides clarification that information should not be obscured by aggregating or providing immaterial information and that materiality considerations apply to all parts of the financial statements, even when a standard requires a specific disclosure.	Periods beginning 1 January 2016	Presentational considerations only.
IFRS 15 Revenue from Contracts with Customers	The new standard is a single global revenue standard and replaces IAS11, IAS18, IFRIC 13, IFRIC 18 and SIC 31. The standard contains a single model that applies to two approaches, being at point in time and over time. For complex transactions with multiple components, variable consideration or extended periods, application of the standard can lead to revenue being accelerated or deferred in comparison to current IFRS.	Periods beginning 1 January 2018 deferred from 1 January 2017)	RIFC plc's key income streams are unlikely to be substantially affected.
IFRS 9 Financial Instruments	IFRS 9 was introduced in 2014 as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets.	Periods beginning 1 January 2018	An impact assessment has yet to be carried out.

2. REVENUE

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Gate receipts and hospitality	11,612	12,361
Sponsorship and advertising	625	1,466
Broadcasting rights	1,233	1,016
Commercial	258	651
Other operating income	2,742	2,089
	16,470	**17,583**

Notes to the financial statements (continued)

3. LOSS FOR THE YEAR

	Notes	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Loss for the year has been arrived at after charging/(crediting):-			
Staff costs	5	13,290	14,355
Other operating charges		10,146	10,871
Hire of plant and machinery		129	129
Depreciation and impairment of property, plant and equipment	10	2,104	1,269
Amortisation of trademarks	11	2	2
Auditor's remuneration	4	90	155
Other operating expenses		**25,761**	**26,781**
Revenue grants		(394)	(307)
Amortisation and impairment of player registrations	11	1,043	929

4. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Fees payable to the company's auditor for the audit of the company's annual accounts:		
Audit of the Company's financial statements	50	80
Audit of the Company's subsidiaries	40	75
Total audit fees	**90**	**155**
Fees payable to the company's auditor for other services to the Group:		
Audit-related assurance services	-	15
Other tax advisory and compliance services	15	35
Total non-audit fees	**15**	**50**

No services were provided pursuant to contingent fee arrangements.

Notes to the financial statements (continued)

5. STAFF NUMBERS AND COSTS

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

	Year ended 30 June 2015 Number	Year ended 30 June 2014 Number
Football players	52	53
Others	106	122
	158	**175**

In addition, the Group employed an average of 619 part-time employees during the year (2014: 319).

The aggregate remuneration comprised:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Wages and salaries	11,809	12,776
Social security costs	1,313	1,395
Other pension costs	168	184
	13,290	**14,355**

Notes to the financial statements (continued)

6. DIRECTORS' EMOLUMENTS

	Salary and Payroll Benefits £	Fees £	Severance payments £	Pensions £	Gain on share options £	Benefit in kind £	Year to 30 June 2015 £	Year to 30 June 2014 £ Restated
Executive								
Brian Stockbridge	-	-	-	-	-	-	-	217,675
Craig Mather	-	-	-	-	-	-	-	84,980
Graham Wallace	110,250	-	100,000	10,056	-	4,788	225,094	377,827
David Somers	40,000	-	-	-	-	-	40,000	50,000
Philip Nash	-	-	-	-	-	-	-	-
Derek Llambias	45,726	-	-	-	-	-	45,726	-
Barry Leach	35,416	-	-	-	-	-	35,416	-
Non-Executive								
Ian Hart	-	-	-	-	-	-	-	13,872
Bryan Smart	-	-	-	-	-	-	-	14,809
Philip Cartmell	-	-	-	-	-	-	-	1,154
James Easdale	-	-	-	-	-	-	-	-
Norman Crighton	17,742	-	20,000	-	-	-	37,742	26,664
Paul Murray	-	-	-	-	-	-	-	-
John Gilligan	-	-	-	-	-	-	-	-
Douglas Park	-	-	-	-	-	-	-	-
John Bennett	-	-	-	-	-	-	-	-
Chris Graham	-	-	-	-	-	-	-	-
David King	-	-	-	-	-	-	-	-
Graeme Park	-	-	-	-	-	-	-	-
Total	**249,134**	**-**	**120,000**	**10,056**	**-**	**4,788**	**383,978**	**786,981**
Key management personnel	**94,670**	**-**	**-**	**8,277**	**-**	**-**	**102,947**	**102,947**

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

Management have individual contracts that regulate salaries, bonuses, post-employment benefits and termination benefits. They were remunerated from The Rangers Football Club Limited throughout the year to 30 June 2015.

The aggregate emoluments and pension contributions of the highest paid director were £215,038 (2014: £358,846) and £10,056 (2014: £18,981) respectively.

The following directors earned consultancy fees for services performed while they were directors of RIFC:

Philip Nash £103,873

The following directors earned consultancy fees for services performed before they were appointed directors of RIFC:

Derek Llambias £22,661

Barry Leach £26,251

Notes to the financial statements (continued)

7. FINANCE COSTS

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Interest on loans	-	45
Interest payable on lease finance agreements	57	91
Interest received	(1)	(17)
Total interest charged to income statement	**56**	**119**

8. TAXATION

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Corporation tax:		
Current tax	178	(180)
Deferred tax (note 22)	(356)	(121)
	(178)	**(301)**

Corporation tax is calculated at 20.75% of the estimated taxable profit for the year (2014 – 22.50%).

The credit for the year can be reconciled to the loss per the income statement as follows:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Continuing		
(Loss)/profit on ordinary activities before tax	(9,349)	(9,544)
Tax at the UK corporation tax rate of 20.75% (2014 – 22.5%))	(1,940)	(2,147)
Tax effect of expenses that are not deductible in determining taxable profit	30	135
Tax effect of income not taxable in determining taxable profit	(18)	-
Capital allowances in excess of depreciation/(depreciation in excess of capital allowances)	437	87
Capital allowances in excess of depreciation/(depreciation in excess of capital allowances) prior year adjustment	-	(66)
Prior year adjustment to current tax	178	-
Change in recognised deductible temporary differences	(356)	-
Tax losses carried forward	1,491	1,690
Tax expense / (credit) for the year on continuing operations	**(178)**	**(301)**

Finance Act 2014, which was enacted on 17 July 2014, reduced the main rate of corporation tax to 20% for the financial year commencing 1 April 2015. The closing deferred tax assets and liabilities have been calculated in accordance with the rates substantively enacted at the balance sheet date.

Notes to the financial statements (continued)

8. TAXATION (continued)

Including the items charged or credited directly to other comprehensive income and the expense (credit) from continuing and discontinued operations, the income tax expense (credit) consists of the following:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000 Restated
Consolidated Income Statement		
Tax expense / (credit) for the year on continuing operations	(178)	(301)
Tax expense / (credit) for the year on discontinued operations	459	362
	281	**61**
Consolidated Statement of Comprehensive Income		
Deferred tax rate change in relation to revaluation of heritable freehold properties from 23% to 20%	-	(1,011)
Total tax expense / (credit) for the year	**281**	**(950)**

The directors are of the opinion that there is insufficient evidence to support recognition in the short term of the unrecognised deferred tax asset disclosed in note 22.

Notes to the financial statements (continued)

9. RESULTS OF DISCONTINUED OPERATIONS

All discontinued operations relate to the loss of control over Rangers Retail Limited.

	Period to 27 Jan 2015 £'000	Year ended 30 June 2014 £'000
Revenue	4,127	7,647
Net operating costs	2,032	6,127
Results from operating activities	**2,095**	**1,520**
Tax	459	362
Results from operating activities (net of tax) to date of disposal	**1,636**	**1,158**
Consideration received		
Fair value of 25% investment in associate acquired	391	-
Fair value of call option acquired on 26% issued share capital	409	-
Assets disposed		
Net assets disposed of on loss of control	(1,534)	-
Non-controlling interest disposed	734	-
Other costs incurred		
Cost of store closures paid by Rangers Football Club	(620)	-
Profit for the period to 27 January 2015	**1,016**	**1,158**
Earnings and diluted earnings per ordinary share on discontinued operations	1.30p	1.78p

Effect of disposal on the financial position of the Group	27 Jan 2015 £'000
Non-current assets	-
Current assets	3,010
Current liabilities	(1,412)
Provisions	(64)
Net assets at 27 January 2015	**1,534**

Cash flows from discontinued operations

	Period to 27 Jan 2015 £'000	Year ended 30 June 2014 £'000
Net cash used in operating activities		
(Loss)/profit for the year	1,016	1,158
Decrease/(increase) in inventory	184	(99)
Decrease/(increase) in receivables	(1,438)	(445)
Increase/(decrease) in payables	(932)	1,507
Taxation	459	260
Net Cash Used In Operating Activities	**(711)**	**2,381**
Net cash used in investing activities		
Cash held on date of disposal	(1,440)	-
Net Cash Used In Investing Activities	**(1,440)**	-
Net cash used in Financing Activities		
Dividends paid to non-controlling interest	(770)	(109)
Net Cash Used In Financing Activities	**(770)**	**(109)**
Net cash flows for the year from discontinued operations	**(2,921)**	**2,272**

Notes to the financial statements (continued)

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

	Freehold properties £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation			
Cost or valuation at 1 July 2013	42,950	4,431	47,381
Additions	123	1,664	1,787
Cost or valuation at 1 July 2014	43,073	6,095	49,168
Additions	-	126	126
Disposals	-	(225)	(225)
At 30 June 2015	**43,073**	**5,996**	**49,069**
Accumulated depreciation:			
At 1 July 2013	414	351	765
Charge for the period to 30 June 2014	411	858	1,269
At 1 July 2014	825	1,209	2,034
Charge for the period to 30 June 2015	516	802	1,318
Provision for impairment	786	-	786
At 30 June 2015	**2,127**	**2,011**	**4,138**
Carrying amount			
At 30 June 2015	40,946	3,985	44,931
At 30 June 2014	42,248	4,886	47,134
At 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 2015	-	1,075	1,075
Net book value at 30 June 2014	-	1,249	1,249
Depreciation provided in the period at 30 June 2015	-	174	174
Depreciation provided in the period at 30 June 2014	-	173	173

On 30 June 2015 the Directors valued the Freehold Properties, comprising Ibrox Stadium and Auchenhowie training facility based on a value in use calculation of the net present values of future operating cash flows. The key assumptions in that calculation were the expected future cash flows and the use of a weighted average cost of capital of 13 per cent. The value in use calculation related 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 represented a combined value of £75.55m at 14 October 2015, was performed by Rushton International, independent valuers, not connected to the Group.

Impairment tests for specific fixed assets are performed when there are indications of impairment. Where these assets do not form part of the overall CGU of Football operations, they are assessed in isolation. The impairment loss recognised above relates to a provision made on Edmiston House. As the property is currently in need of restoration, non-income generating, and not contributing to football operations, this was assessed separately for impairment. This is based on the estimated fair value of the highest and best possible use in its current condition at the year end.

Notes to the financial statements (continued)

11. INTANGIBLE ASSETS

	Player Registrations £'000	Brand £'000	Total £'000
Cost:			
Cost or valuation at 1 July 2013	3,524	16,054	19,578
Additions	346	6	352
Disposals	(272)	-	(272)
Cost or valuation at 1 July 2014	3,598	16,060	19,658
Additions	285	6	291
Disposals	(814)	-	(814)
At 30 June 2015	3,069	16,066	19,135
Amortisation:			
At 1 July 2013	1,141	1	1,142
Charge for the period to 30 June 2014	929	2	931
Eliminated on disposal	(212)	-	(212)
At 1 July 2014	1,858	3	1,861
Charge for the period to 30 June 2015	778	2	780
Eliminated on disposal	(728)	-	(728)
Provision for impairment	265	-	265
At 30 June 2015	**2,173**	**5**	**2,178**
Net book value at 30 June 2015	**896**	**16,061**	**16,957**
Net book value at 30 June 2014	1,740	16,057	17,797
Net book value at 30 June 2013	2,383	16,053	18,436

In the year, capitalised player registrations were impaired by £265k. Impairment losses occurred where the Group considered there to be a permanent diminution in value.

One registration accounts for a material proportion of the net book value of player registrations capitalised.

12. INVESTMENTS IN SUBSIDIARIES

	Total £'000
Cost and Net book value at 1 July 2014 and 30 June 2015	13,295

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

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

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

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

Notes to the financial statements (continued)

13. INVESTMENTS IN ASSOCIATES

	£'000
Group	
At 1 July 2014	-
Acquired through loss of control of subsidiary	800
Share of profits since acquisition	87
Dividends received since acquisition	(300)
At 30 June 2015	587

Rangers Retail Limited is an entity whose principal activity is the retail of the Club's branded sports and leisure goods.

As set out in note 1, The Board of Directors consider the investment in Rangers Retail Limited to represent an investment in an associate, and have applied the equity method of accounting.

Entity	Rangers Retail Limited
Registered	Scotland
Reporting date (1)	27 April
% Issued share capital held (2)	25%
Year to 27 April 2015	**£'000**
Non-current assets	-
Current assets	2,209
Current liabilities	(1,550)
Provisions	(130)
Net assets	**529**
Revenue	4,262
Net operating expenses	(1,533)
Profit before tax	**2,729**
Tax	(556)
Profit after tax	**2,173**

(1) The financial reporting date for Rangers Retail Limited is 27 April, in line with SportsDirect.com. The audit of Rangers Retail Limited has yet to be completed by their auditors at the date of approval of these financial statements. The information presented is for the whole financial year to 27 April 2015.

(2) Following the transfer agreement, the Group held 25% of the ordinary share capital. The voting rights relative to these shares vary, and maybe less than the pro-rata equivalent on certain matters.

The Group's investment in the entity consists of 25% of the ordinary share capital and a call option over 26% of the shares transferred to Sportsdirect.com Retail Limited. The call option can be exercised upon repayment or partial repayment of the loan facility, pro rata to the amount of loan repaid. The fair value of this call option has been included within the acquisition investment cost. The acquisition investment cost is represented by Group's assessment of the fair value of the assets and liabilities acquired at the date of acquisition.

Rangers Retail Limited is not a publicly quoted company and as such, no quoted market price is available.

14. INVENTORIES

	2015 £'000	2014 £'000
Group		
Finished Goods	-	184
	-	184

Provision is made for obsolete, slow-moving or defective items where necessary.

Notes to the financial statements (continued)

15. TRADE AND OTHER RECEIVABLES

	2015 £'000 Group	2014 £'000 Group	2015 £'000 Company	2014 £'000 Company
Trade Debtors	5,774	2,287	-	-
Less/provision for doubtful debts	(5)	(160)	-	-
	5,769	2,127	-	-
Other debtors	138	120	-	-
Prepayments and accrued income	693	1,158	-	-
Amounts due from subsidiary undertakings	-	-	18,099	15,647
	6,600	3,405	18,099	15,647

Ageing of past due but not impaired receivables:	2015 £'000 Group	2014 £'000 Group
31-60 days	15	7
61-90 days	4	14
91-120 days	5	9
	24	30

All trade and other receivables are due within one year.

Trade receivables above include £34,000 (2014 - £108,000) in relation to the disposal of player registrations and £5,255,000 (2014: £926,000) in respect of season tickets which are paid by supporters using deferred payment plans or merchant services.

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

16. CASH AND BANK BALANCES

	2015 £'000	2014 £'000
Group		
Balances with banks	1,063	4,588
Cash on hand	28	19
	1,091	4,607

Notes to the financial statements (continued)

17. OTHER LOANS

Group

Current Liabilities

	2015 £'000	2014 £'000
Shareholder loans	3,750	1,500
	3,750	1,500

NON-CURRENT LIABILITIES

	2015 £'000	2014 £'000
SportsDirect.com Retail Limited loan	5,000	-
	5,000	-

SportsDirect.com Retail Limited - £10m Credit Facility

The club has an ongoing credit facility of £10m available from SportsDirect.com Retail Limited. The Facility is structured in two separate interest-free tranches, £5m of which has been drawn down. There is no specified repayment period for the first tranche of the Facility.

The Facility is secured by (1) a floating charge over the Club's assets, (2) fixed charges over Auchenhowie Edmiston House, Albion Car Park, and the Club's registered trademarks and (3) charge over the shares under call option. The securities exclude Ibrox Stadium. The second tranche of £5m was to be used, if required, for working capital purposes and is subject to due diligence by SportsDirect.com prior to any draw down.

The Board announced on 23 March 2015 that it would not be continuing the process of drawing down this second tranche.

Due to the unspecified repayment date, the Director's consider that book value approximates to amortised cost.

Shareholder loans

Details regarding shareholder loans can be found on note 31 to the financial statements.

Other security

In addition to the security granted as noted above, The Scottish Sports Council (Sports Scotland) have a standard security over Auchenhowie. This is subject to a ranking agreement with SportsDirect.com Retail Limited. Finance leases are secured over the assets to which they relate.

Book value of non-current assets pledged as security	2015 £'000	2014 £'000
Non current assets – standard security	24,736	25,615
Non current assets – finance leases	1,075	1,249

Notes to the financial statements (continued)

18. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Group		
Current liabilities		
Trade creditors	1,002	2,852
Social security and other taxes	1,498	1,286
Corporation tax	-	182
Other creditors	26	347
Accruals and other deferred income	1,816	1,999
	4,342	**6,666**

The average credit taken for trade purchases is 33 days (2014 - 29 days).

	2015 £'000	2014 £'000
Accruals	59	364
Accruals which are non-current liabilities fall due as follows:		
Between one and two years	41	235
Between two and five years	18	129
	59	364

Accruals above include £59,000 in relation to the acquisition of player registrations.

19. PROVISIONS FOR LIABILITIES

	Provision for stock purchase obligation (1) £'000	Onerous lease provision (2) £'000
Group		
Opening balance	411	422
Amounts credited to Consolidated Income Statement	(347)	(422)
Disposed of on loss of control of subsidiary	(64)	-
Balance at 30 June 2015	-	-

(1) Provision was made in the prior year to recognise an obligation of Rangers Retail Limited to purchase stock at a cost higher than its resale value.

(2) The Group paid SDI Retail Services Limited £620,000 in respect of the costs of closure of stores previously trading within Rangers Retail Limited. Provision had been made in the prior year amounting to £422,000. This amount was released in full during the year.

Notes to the financial statements (continued)

20. OBLIGATIONS UNDER FINANCE LEASES

Group

Borrowings are repayable as follows:	**2015 £'000**	**2014 £'000**
Repayment of borrowings on finance leases fall due as follows:		
In one year or less	438	477
Between one and two years	38	438
Between two and five years	-	38
	476	953

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.

Other Comitments

The Group has a rolling annual operating lease commitment amounting to £44,000. No other operating lease commitments have been entered into.

21. DEFERRED INCOME

	2015 £'000	**2014 £'000**
Group		
Income deferred less than one year	6,246	6,156

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 2015/16 progresses.

Notes to the financial statements (continued)

22. DEFERRED TAX

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

	2015 £'000
At 30 June 2013	7,817
Deferred tax prior year adjustment in relation to depreciation of revalued heritable freehold properties	(66)
Deferred tax rate change in relation to revaluation of heritable freehold properties from 23% to 20%	(1,011)
Deferred tax change in relation to depreciation of revalued heritable freehold properties	(55)
At 30 June 2014	6,685
Deferred tax change in relation to depreciation of revalued heritable freehold properties	(91)
Change in recognised deductible temporary differences	(265)
At 30 June 2015	6,329

Specification of Basis for Deferred Tax/Tax Assets	**20%**	**2015**	**2014**
(Tax increasing)/reducing temporary differences	**£'000**	**£'000**	**£'000**
Non-current assets	6,352	31,761	34,280
Current assets	-	-	-
Tax losses carried forward	(6,146)	(30,729)	(22,912)
Tax losses unrecognised	5,755	28,774	20,870
Unrecognised deferred tax asset on depreciation in excess of capital allowances	368	1,841	1,187
Total temporary differences (net)	**6,329**	**31,647**	**33,425**
Calculated deferred tax, tax rate 20% (2014: 20%)			
Deferred tax asset/(liability) in the Consolidated Balance Sheet		**(6,329)**	**(6,685)**

At the balance sheet date, the Group has unrecognised tax losses of £28.77m which amount to an unrecognised deferred tax asset of £5.75m (2014 - £4.58m). There is also an unrecognised deferred tax asset of £0.37m (2014: £0.24m) in respect of timing differences relating to depreciation in excess of capital allowances. No deferred tax assets have been booked due to uncertainty over when sufficient taxable profits will arise to offset these losses.

23. FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maintaining a capital structure adequate for the risk profile of the business. Strong financial capital management is an integral part of the 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 Strategic Report. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and retained earnings as disclosed in notes 25 to 29 and the statement of changes in equity.

Financial risk management objectives and policies

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

Notes to the financial statements (continued)

23. FINANCIAL INSTRUMENTS (continued)

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 At 30 June 2015 £'000	Total At 30 June 2014 £'000
Non-current assets	-	62,475	62,475	64,931
Trade receivables and similar items	5,769	-	5,769	2,127
Cash and cash equivalents	1,091	-	1,091	4,607
Other current assets	831	-	831	1,462
Total assets	7,691	62,475	70,166	73,127
Financial liabilities				
Trade and other payables	11,289	-	11,289	8,999
Other liabilities	8,584	6,594	15,178	14,158
Total liabilities	19,873	6,594	26,467	23,157
Net (liabilities)/assets	(12,182)	55,881	43,699	49,970

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

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

(i) market risk;

(ii) credit risk; and

(iii) liquidity risk.

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

(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 2015 £'000	Assets 2015 £'000	Liabilities 2014 £'000	Assets 2014 £'000
Euro	-	5	-	4
Swiss Francs	-	1	-	-
USD	-	38	-	10

Notes to the financial statements (continued)

23. FINANCIAL INSTRUMENTS (continued)

(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 £5,769,000, £34,000 relates to amounts receivable from various other football clubs in relation to player trading, and £5,735,000 relates to amounts due from merchant service providers. The maximum credit exposure relates to the total of cash and cash equivalents and trade receivables, and is £6,860,000.

There are no other significant concentrations of credit risk within the Group. The maximum risk exposure relates to the merchant services provider.

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. At 30 June 2015, the Group has external loans of £8.75 million (note 17), and finance leases of £0.5m.

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 regularly monitor and manage current and future liquidity. Further information in respect of liquidity risk can be found within note 1 to the financial statements and in the Strategic Report.

24. FAIR VALUES

	Carrying value £'000	Category £'000
Non financial assets		
Property, plant & equipment	40,946	40,946

See note 10 for details of property, plant & equipment held at fair value. The Group considers this to be a recurring measurement using a level 3 valuation method.

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

25. SHARE CAPITAL

	As at 30 June 2015 £'000
Group and Company	
At 1 July 2014 allotted, called up and fully paid 65,096,056 Ordinary shares of 1p each	651
Share options exercised	7
Open offer of equity shares	157
At 30 June 2015 allotted, called up and fully paid 81,478,201 Ordinary shares of 1p each	815

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

Share options

On 1 July 2014, 714,285 new ordinary shares of 1p each were issued pursuant to an exercise of the options granted to Brian Stockbridge (a former Director of the Company) in accordance with Mr. Stockbridge's original contract of employment with The Rangers Football Club Limited dated 17 September 2012.

Open Offer

On 18 September 2014, the Company raised gross proceeds of £3.13m (net proceeds after costs £2.85m) as a result of an open offer to existing shareholders. A total of 15,667,860 ordinary shares of 1p each were issued at an issue price of 20p.

Therefore at that date there were a total of 81,478,201 shares in issue.

Notes to the financial statements (continued)

26. SHARE PREMIUM

	As at 30 June 2015 Group £'000	As at 30 June 2015 Company £'000
Balance at 1 July 2014	29,139	16,179
Premium arising on issue of equity shares	3,166	3,166
Costs incurred in relation to issue of equity shares	(297)	(297)
Balance at 30 June 2015	**32,008**	**19,048**

27. MERGER RESERVE

In the company balance sheet, a merger reserve of £12,960,000 (2014 - £12,960,000) was created following the share for share exchange with The Rangers Football Club Limited in 2012.

28. REVALUATION RESERVE

	As at 30 June 2015 £'000
Group	
Balance at 30 June 2013	25,883
Transfer from revaluation reserve to retained earnings in respect of depreciation	(277)
Change in deferred tax rate from 23% to 20%	1,132
Balance at 30 June 2014	26,738
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to depreciation of components of other comprehensive income	91
Balance at June 2015	**26,376**

29. RETAINED EARNINGS

	As at 30 June 2015 Group £'000	As at 30 June 2015 Company £'000
Balance at 30 June 2014	(7,260)	(848)
Loss for the year ended 30 June 2015	(8,337)	(581)
Release of revaluation reserve for the year ended 30 June 2015	453	-
Depreciation on release of revaluation reserve for the year ended 30 June 2015	(91)	-
Balance at 30 June 2015	**(15,235)**	**(1,429)**

The parent company is exempt from disclosing a company-only income statement. Its loss for the year was £581,000 (2014- £516,000).

Notes to the financial statements (continued)

30. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group		Company	
	Year to 30 June 2015 £'000	Year to 30 June 2014 £'000	Year to 30 June 2015 £'000	Year to 30 June 2014 £'000
(Loss)/profit for the year	(8,551)	(9,243)	(516)	(581)
Amortisation and impairment of intangible fixed assets	1,043	931	-	-
Depreciation and impairment of property, plant and equipment	2,104	1,149	-	-
(Gain)/Loss on disposal of players' registrations	(1,180)	(395)	-	-
Financing costs	56	119	-	-
Share of Income from Associates	(87)	-	-	-
Decrease/(increase) in trade and other receivables	(3,791)	2,257	3,360	581
(Decrease)/increase in trade and other payables and deferred income	(923)	(2,640)	-	-
Taxation	(178)	(301)	-	-
Cashflows from discontinued operations (note 9)	(711)	2,381	-	-
Cash used in operations	(12,218)	(5,742)	(2,844)	-

31. RELATED PARTY TRANSACTIONS

Douglas Park, George Letham and George Taylor

Shareholders

On 23 March 2015, the company entered into loan agreements with the above mentioned parties for facilities totalling £1.5m. The proceeds of the loans are available generally for the purposes of the Group and will be used for working capital. The loans were originally being made available until 31 December 2015 to provide the Group with time to deliver a longer term funding solution. On 28 April 2015, these facilities were increased to £2.25m and this full amount remains outstanding at the year end. No interest or fees are to be charged in respect of the facilities and the loans are being provided on an unsecured basis. The parties providing these loans to the Group have advised that they will extend the facilities available whilst the funds are required by the Club.

During the year, the Group repaid loans totaling £1.0m to Mr. George Letham. This loan was interest free, and was repaid on 29 September 2014.

New Oasis Asset Limited

Shareholder

On 22 May 2015, the company entered into a loan agreement with New Oasis Asset Limited totalling £1.5m, all of which remains outstanding at the year end. New Oasis Asset Limited is a company controlled by the Group Chairman, Mr D King. No interest or fees are to be charged in respect of the facilities and the loan is being provided on an unsecured basis. The party providing the loan to the Group has advised that they will extend the facilities available whilst the funds are required by the Club.

Mr. A Easdale

Former director of The Rangers Football Club Limited

During the year, the Group repaid loans totaling £0.5m to Mr. Alexander Easdale. This loan was interest free, and was repaid on 5 January 2015.

MASH Holdings Limited

Shareholder in RIFC plc.

During the year, the Group entered into a credit facility agreement with MASH Holdings Limited. On 27 October 2014, the first credit facility of £2m was agreed, for a period of six months, interest-free. The facility was secured by standard security over the properties of Edmiston House and Albion car park.

On 12 November 2014, an extension to this facility of £1m was agreed, under the same terms.

On 27 January 2015, the MASH Holdings Limited entered was repaid in full and all rights and security associated with the facility were cancelled upon receipt of the facility from SportsDirect.com.

Notes to the financial statements (continued)

31. RELATED PARTY TRANSACTIONS (continued)

The Rangers Football Club Limited

Subsidiary

At the year end, the company was due £18.1m from its subsidiary TRFCL. This loan is interest-free, and due on demand.

SportsDirect.com Retail Limited

On 27 January 2015, the Group announced that it had entered into agreements with SportsDirect.com Retail Limited and associated companies, to provide a long term on-going credit facility of up to £10m. The Facility is structured in two separate interest-free tranches. £5m was made available immediately for working capital purposes and for the repayment of the credit facilities with MASH Holdings Limited. Security has been provided on the SportsDirect.com Retail Limited loan as detailed on note 18 to the financial statements.

Rangers Retail Limited

Associate entity

During the year, TRFCL sold goods and services amounting to £186,000 to Rangers Retail Limited. At the year end, TRFCL was due £38,000 in trade receivables.

On 27 January 2015, TRFCL entered into a new IP License and rights agreement which replaced the existing agreement with its associate entity, Rangers Retail Limited. This agreement licenses the exclusive intellectual property rights and trade marks to Rangers Retail Limited. The agreement was entered into as part of the overall arrangements with SportsDirect.com Retail Limited at that date.

Keith Bishop Associates

During the year, the Group incurred costs of £54,300 to Keith Bishop Public Relations Limited trading as Keith Bishop Associates, a company of which the former director Derek Llambias was also a director.

32. CONTINGENT LIABILITIES

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 then Chief Executive and Commercial Director.

A letter before claim was received by the Company from legal advisers to Craig Whyte and Aidan 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 was 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 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. This letter is now 26 months old and no further correspondence or information in respect of this matter has been received in that time.

Notes to the financial statements (continued)

32. CONTINGENT LIABILITIES (continued)

Injunction and Damages Claim

The day before June's EGM an Injunction was granted preventing RIFC plc disclosing publishing or communicating various matters relative to discussions, agreements or arrangements between members of the Group and Sports Direct International plc (SDI) and members of its group. The injunction was granted on an interim basis until final judgement on the application raised by SDI against RIFC plc for injunction and damages. The application is being defended by RIFC plc both in respect of the requirement for an injunction and the damages sought. The amount of damages sought has yet to be quantified.

SDI have made an application claiming RIFC plc and Dave King are in breach of the injunction. RIFC plc are in the process of applying to have the terms of the injunction varied or set aside pending final judgement. A hearing has been scheduled for the High Court in London.

EBT Fine

In 2012, the SPL raised proceedings against The Rangers Football Club plc (Oldco) in relation to the use of EBTs and following a hearing in February 2013 a fine of £250,000 and costs of £150,000 were levied against Oldco. As part the agreement to allow Rangers to participate in Scottish Football, there was a clause inserted where it was agreed that Rangers would become liable and responsible for the imposition of any sanctions by the SPL for any breach of SPL Rules and or articles by Oldco/Rangers FC (i.e. the £250,000 fine). The Club believes that the SPFL has, through documents and actions, waived all and any right it may have had to insist upon payment under the clause, thereby holding the Club harmless in relation to the sanctions. This is disputed by the SPFL.

Within the current SPFL rules there is a provision (known as the offset rule) whereby if any amounts are due to the SPFL, the Board of the SPFL are entitled to withhold amounts due to the Club up to the value of the amount outstanding. The Board of the SPFL have determined that it shall use the offset rule to recover the £250,000 fine from the Club.

As a result of this decision, the Club has invoked Article 99 of the SFA Articles seeking a determination by an Arbitral Tribunal appointed by the SFA that the sum is not due to the SPFL. The matter will proceed to full hearing on 29th and 30th October.

Whilst the Board of Directors based on legal advice are confident that the case will be settled in its favour, should the Club lose the case, then the Club will be liable for the £250,000 fine plus interest and associated costs.

33. EARNINGS PER ORDINARY SHARE

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

	Year to 30 June 2015	Year to 30 June 2014 Restated
(Loss)/profit for the year attributable to owners of the company (£'000)		
Earnings for the purpose of basic and diluted earnings per share	(8,337)	(8,652)
Earnings for the purpose of basic and diluted earnings per share from continuing operations	(8,551)	(9,243)
Weighted average number of shares for the purpose of basic and diluted earnings per share	78,214,064	65,095,856
Basic and diluted earnings per ordinary share	(10.66p)	(13.29p)
Basic and diluted earnings per ordinary share	(10.93p)	(14.20p)

34. POST BALANCE SHEET EVENTS

Mr C Green legal fees

In early October 2015, a claim was lodged at the Court of Session in Edinburgh for declarator that, in brief, RIFC plc should meet any reasonable professional costs and expenses incurred by Charles Green in respect of his defence of criminal proceedings commenced against him by Her Majesty's Advocate. These costs and expenses, whilst almost impossible to quantify at this time, could run to several hundred thousand pounds. The claim is being defended.

Directors' movements

On 3 August 2015, non-executive director Douglas Park resigned from the Boards of Rangers International Football Club plc and The Rangers Football Club Limited. He was replaced on both Boards by his son, Graeme Park.

Acquisitions of player registrations

Subsequent to the year end, the Group contracted for the purchase of five player registrations. The sums payable, including agent costs, amount to £671,000.