RANGERS INTERNATIONAL FOOTBALL CLUB PLC

Annual Report 2021

Contents

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Business Review

Chairman's Report

It is an honour and a privilege to present my second report as Chairman of Rangers Football Club.

The past year has continued to bring unprecedented challenges to our Club. The full impact of COVID-19 had yet to play out when I penned my previous annual report. The pandemic wrought a profound impact on our Club, both on and off the field of play and its effects continue to be felt.

At this juncture, I repeat my analysis from late 2015. When the current Board wrestled back control of our Club, I viewed this as a 10-year project. In 2021, I still believe that analysis to be accurate. The condition in which our Club was left cannot be underestimated. Yet, painstakingly and with unerring resolve, we have rebuilt and we will continue to do so.

Despite the challenges, we have consistently and noticeably improved. As our Club's recovery has progressed, it has been our intent to strengthen from a position of strength and the past year's transfer activity demonstrates that.

Off the field, we have taken significant strides, further improving the matchday experience throughout our stadium, with projects such as the refurbishment of Club 72. Meanwhile, investment into our world class training facilities has continued.

Our achievements are down to the talent and focus of our people. We have a strong executive team whose task is to continue the rebuild, fashioning Rangers as a modern, pioneering club as we celebrate our 150th anniversary year, the first major European club to reach this milestone.

There is of course, no greater achievement in the past season than securing league title number 55. It is a number special to every Rangers fan.

That we won our record 55th title in such style is testament to the hard work, professionalism and determination of our football management team and our players. Steven Gerrard and his staff are now etched into the history of our great Club and deservedly so. It is fair to say that the impact of Steven and his staff has been as profound as any management team in the modern-day era. He brings with him a profile and ability and has developed both the team on the field as well as his staff off the field. Year on year, we have seen tangible improvements.

The only negative, of course, was the inability of our fans to join us in Ibrox for that special moment as our captain, James Tavernier, lifted the league trophy.

Reaching the Last 16 of the UEFA Europa League for the second season in a row was very pleasing. Nevertheless, we all share the disappointment that we were unable to reach the UEFA Champions League Group Stages at the beginning of the 2021/22 season. That is a clear target for all of us at this Club and we continue to have it in our sights.

Ross Wilson continues his leadership of the Football Department overseeing all activities at our Academy, Women's programme and through to the Men's first team. To the latter we were able to add key signings in the form of John Lundstram, Fashion Sakala and Juninho Bacuna, further strengthening and deepening our squad. We now have at least two players in each position who are capable of a starting berth.

The development of our B team and their entry into the Lowland League underlines the emphasis we put on continued progress for the future. In particular, the emergence of Nathan Patterson as a first team squad member highlights the strong work at our Academy.

The resilience, unity and ambition displayed by our team has been matched once again by the significant investment from our directors and shareholders. Rangers continues to attract investment from across the globe, underlined by over £4.5m raised via our fans share issue in July 2021.

Time and again, our fans step up to show their unrivalled loyalty to our beloved club. For that, as a Board, we remain most grateful.

The marked progress of our commercial and marketing activities under the leadership of James Bisgrove and his team continues to bear fruit in several areas. In a challenging economic environment, we have continued to grow our key revenue pillars and have formed new commercial partnerships with Vitality, Bitci, Fortrade, Uber Eats, Tennent's, Utilita, BioWave, Fridays and Cadbury. The continued backing of existing official partners, the Kindred Group, Castore, SEKO, Carrick Packaging, Tomket Tires and many others, is highly valued by the Rangers Board and our supporters.

In recent months, it has been particularly pleasing to witness the return of season ticket holders and hospitality clients to Ibrox. It was a special moment for me personally to raise our 55th League title flag in front of a full Ibrox Stadium; a reminder if ever I needed one of the backing this club has received. It is all the more remarkable during a season where our supporters couldn't join us in our stadium, our home.

Each and every fan, whether a season ticket holder, MyGers member, RangersTV subscriber or hospitality client played their role in backing the team during what was an unprecedented year for everyone.

Our partnership with Castore is now flourishing and I was delighted to open the new Rangers Store at Ibrox and to see our retail network expand with stores in Glasgow City Centre, Glasgow Airport and Belfast, alongside an online store, built for global distribution.

Rangers now has the largest football club membership scheme in the country, with over 35,000 members enrolled in MyGers. The funds generated from this directly support the first team operations. The Board's investment and focus on our digital transformation strategy has continued to progress at pace, with RangersTV sitting at the heart of our digital ecosystem and providing Rangers supporters in all corners a constant touchpoint with our club.

Business Review

Chairman's Report (continued)

Everyone Anyone continues to be a key pillar of our club. Our diversity and inclusion campaign is now embedded within every aspect of our club. As we have demonstrated in recent months, we will continue to use a zero tolerance approach towards any fan who besmirches the good name of Rangers FC. Nevertheless, those within positions of power and influence must recognise and acknowledge the major strides that we have made, and the leadership we continue to show.

The corporate governance of the SPFL continues to cause us real concern. We need more transparency in the manner in which the game operates. The people in charge are only in those positions due to the existence of the clubs and it is time that they showed the clubs more respect than has been the case in recent years. We believe that Scottish football is a strong product, but it is undervalued and as a result undersold. This must change. The ambition of clubs must be realised and driven forward by those in leadership positions. If not, I believe Scottish football will be left behind.

Our necessary recovery investment and player acquisition programme, combined with the damaging effects of COVID-19, have had clear effects on our financial statements. While this continues into the current financial year, it is important that shareholders are aware that your Board targets profitability at the EBITDA level by year ending June 2022.

The hard work of each and every member of our Board and staff at Rangers continues to drive our Club forward, despite the challenges. Rangers is an international club, built upon good people, who are selfless and who are prepared to go beyond what is expected, day in and day out. With the backing of our huge fanbase, this Club operates and thrives because of those good people.

For that, I am very grateful.

I cannot end my report without paying my own tribute to Walter Smith, who sadly left us on October 26. Quite simply, Walter is the greatest Rangers manager of the modern era.

Rangers have won 55 championships. Walter Smith is responsible for 10 of them and had a part in a further three as assistant manager.

But more importantly than that, as well as being a great friend to not only me, but the wider Board and our current football management team, he is held in the highest respect by everyone across the game of football.

His legacy at Rangers and indeed, in the wider game is assured for generations to come.

Douglas Park, Chairman
27 October 2021

Business Review (continued)

Football Manager's Review

First, while being in danger of repeating myself, it is an honour to be the manager of this special football club, as I write for my fourth annual report.

In all honesty, I thought I knew and understood the size and scale of Rangers, as I wrote my previous report. Then 55 happened, and once again, this Club blew me away. The loyalty of our fanbase continues to raise the bar. It is a privilege to lead this club and the strength of support I have felt has continued to drive me forward.

I vividly remember arriving for the St Mirren game in March. The passion displayed by the crowd brought me right back to Istanbul in 2005. Back then, I never thought I would experience something like that again, but that Saturday morning was quite incredible. It continually irked the team, staff and myself that fans were not able to join us for some very special wins. The grit and determination to come from behind against Motherwell in December, the battle at Hibs in January and some special Old Firm wins were missing something. That something was the presence, pride and passion of our fanbase who follow us near and far. I know that fans part with a substantial share of their income, not only for season tickets but for merchandise, shares and membership schemes. I understand that this is a very meaningful commitment and for that, I and my staff will be forever grateful. Within the squad, I talk about going to the well - that's what our fans do, time and again. We will continue to try to repay that loyalty by doing what we do best - winning football matches.

Our desire for better will never stop. Even though we won our 55th league title in almost record time, with the least goals conceded, I still have a tinge of disappointment when I look back over the last season. Perhaps that epitomises me and my team, but I feel our underperformance in cup competitions is an area we must and will address. That desire for improvement is shared amongst my staff and players. The hunger displayed by senior members such as Allan McGregor and Steven Davis is equally matched by the likes of Nathan and Calvin, as they embark on their second full season as Rangers first team players.

My back room staff, alongside Ross Wilson, continue to improve our resource base, with the addition of skills in psychology and rehabilitation as well as resource dedicated to kit. Our support staff are of vital importance to me and it's an area we will continue to enhance and develop.

The staff at the training centre continue to excel, providing a service to our players to ensure their nutrition, well being and team organisation is as professional as possible. I am very grateful to every member of staff, particularly those who work behind the scenes and whose work is not necessarily obvious to our fans.

Progress can only occur with ongoing support from our Board. Together, we will continue relentlessly in the quest for more silverware. That, of course, means investment into the squad. In particular, the additions of John Lundstram, Juninho Bacuna and Fashion Sakala have continued to improve the quality and balance of our squad. The new additions have settled in well and I'm certain that they will each make strong contributions to our task.

Securing James Tavernier and Glen Kamara on long term deals was very pleasing. It's important that such players commit to long term contracts, a development all parties were delighted with. There will always be room for improvement and I will never cease in my desire for more.

In closing, I would like to put on record my thanks to every supporter who has backed us in the last year. Alongside the Board and our world class staff, we will continue to do everything in our power to make Rangers even better for the future years to come.

Steven Gerrard, Manager

27 October 2021

Business Review (continued)

Operational Report

Overview

The league campaign, winning the Club's 55th league title, was a tremendous achievement for the men's first team. To go unbeaten throughout the league, despite the pressures put on everyone by COVID, and in such an important season, was testament to the resolve of everyone involved with the team and around the Club.

Playing in front of empty Stadia undoubtedly made it a strange season. As we were able to get crowds back in, we greatly enjoyed Flag Day at Ibrox, where we could properly celebrate last year's success.

Although the team went out in the quarter-finals of both domestic cup competitions, we again managed to reach the last-16 of the UEFA Europa League. To top the standings in a very competitive group with Benfica, Standard Liege and Lech Poznan, and to also go through that group unbeaten, was a sign of the further development in the team. European football is so important to the Club, and although we have subsequently not been able to qualify into the UEFA Champions League for the coming season, we will go again in the UEFA Europa League, with some exciting games to look forward to and the team again looking to improve and enjoy the matches.

COVID of course dominated the landscape for the whole of this financial year. Revenues were impacted hugely by the Stadium being closed. No matchday activity for the fans, and restrictions on what could take place around non-matchday activity for much of the year, has had a massive effect on these results for the year. The Club has been claiming on its Business Interruption Insurance for the lost revenues, and although the scale and timing of any further payout is uncertain, we have received two initial payments so far. That the business has been able to continue through this very uncertain time has been a credit to the loyalty of the fans, who purchased season tickets and hospitality despite not knowing if they would be allowed into the games, and to the Board and investors, who have supported the Club again as events have unfolded and circumstances have changed throughout the year.

That support has contributed to the fact that, despite the lost revenues and the impact on the Company's net profit, which would normally have been much improved in a league-winning season with a good European run, that we are again able to comply with UEFA's Financial Fair Play requirements.

The football department continued to operate as best they could to ensure that the players' environment was kept as normal as possible. The medical team and all the support staff deserve great credit for the work put in to maintaining a secure and safe facility which allowed the players to concentrate on their football. The football department, led by Ross Wilson, not only coped with COVID, but in fact has continued to modernise and progress throughout the year, building up its support structure of staff and facilities, so that as we move in to the 2021/22 season, and we hopefully start to move on from COVID, we go in with the best preparation possible.

Around the Stadium, that determination to not only cope with COVID, but to come out the other side stronger, has been mirrored in the work done to improve Ibrox while fans were not able to get in. In the close season of 2021, a new hybrid pitch was laid at Ibrox, and a new artificial grass pitch laid at the Training Centre. Works have been carried out throughout the year on the roof, on the footprint around the Stadium, and on the players' areas in the Main Stand to bring them up to a modern condition. Commercially, new mid-tier LED boards were installed around the front of the upper stands, a new Wi-Fi system has been installed, and many of the hospitality suites have been upgraded. All these outlays will bear fruit with revenue opportunities in the coming years.

Furthermore, the most noticeable development at the Stadium has been the start of works to modernise Edmiston House into a leading-edge conference, concert, museum and event space for Glasgow and for Rangers fans. As we move now into the Club's 150th Anniversary year, this exciting development will open up huge opportunities for the next period of the Club's history.

Youth football

The progression of Academy players is central to the future of the Club. As well as the feel-good factor for the fans of having a homegrown player in the first team, any sustainable player trading model needs a steady supply of quality Academy players.

For the 2020/21 season, Carrick Packaging continued as our Main Partner of the Academy, with their logo appearing on the front of all shirts for Academy and Development team matches, including UEFA Youth League games. We are delighted that they have extended this agreement.

The Academy was very proud that two players, Nathan Patterson and Billy Gilmour, who both started at the Club when they were 8, were selected in the Scotland National Squad for the UEFA European Championships over the summer. To achieve this at the young age of 19 is tremendous, and testament to the work done by both, and the education they received. Billy has moved on to continue his development, but Nathan has emerged as an important first team player, making a significant contribution to winning the title last season, playing in Old Firm games and the last 16 of the UEFA Europa League.

Also, in the Scotland 'A' Squad, Academy graduates Liam Kelly, Ross McCrorie and Robby McCrorie were all selected in the year. An incredible ten Rangers Academy players have represented Scotland U21s in the last year. This is a massive increase

Business Review (continued)

Operational Report (continued)

Youth football (continued)

and while representation has always been high at the youngest international age groups the increase across the U19s, U21s and 'A' Squad demonstrates the progress that has been made in Rangers Academy.

This quality of player has a knock on effect to the Club's player trading model, with Dapo Mebude, Nathan Young-Coombes and Ross McCrorie all having moved on in the year.

At the lower age group, the U18s won the SFA CAS League for the third consecutive season, most importantly gaining qualification to the UEFA Youth League also for the third time.

The Club continued to educate its players during lockdown, delivering an industry-leading home learning programme that ensured the Club supported the development of our players and staff both as people and as players. This included equipment deliveries to all homes, sense ball challenges, skills challenges, Coerver activity, on-line game model webinars, masterclasses with first team players, physical development programmes, educational webinars, and much more. The Academy was proud of the support provided by our 'Player Care Team', with our mental health nurse, well-being counsellor and psychiatrist all playing important roles.

Supporters will have seen that the Club has been leading the way in trying to get 'B' teams incorporated in to the SPFL structure. Despite having no success with this for the coming season, we were delighted to be invited to join the Lowland League. The Club believes in this for the development and transition of its players from Academy to Senior football, and will continue to lobby Scottish Football to support what is a common structure in other footballing nations.

Women's football

Due to COVID, the 2020 SWPL season was called-off after one round of fixtures in March 2020. The Scottish FA rescheduled the season from October 2020 to June 2021, committing to a 21-game season.

Although potential qualification into the UEFA Champions League went right down to the last round of fixtures, ultimately the first team finished third in the division.

For the new 2021 season, the Club has again committed to improving the squad, with new players coming into the set-up, one of only two professional teams in the country. The first team are now fully integrated into the Training Centre, working every day alongside the Men's First Team and Academy.

The Club is determined to become the best place in the country for players to play, train and develop their game. Working alongside the previous season's Official Partners, DCP and aFriend, as Front of Shirt and Sleeve sponsors, and a new Partnership in the coming year with BioWave, the programme should continue to go from strength to strength.

Commercial and other operations

Away from the pitch, the Executive and the Board reaffirmed that, along with Ticketing, Player Trading and European football, the Commercial department was one of the four key pillars of its revenue model. The department continues to grow revenues and assist in transitioning the Club into a digital age.

As a key part of this, the Rangers Ready crest was rebranded. The key objective of this, in consultation with the fans, was to make the crest suitable to be used across all our digital platforms. Over 200 pieces of content were designed to launch the new crest, with a launch video voiced by John Greig. This coincided with the new crest being projected over iconic Glasgow sites, in a 'Glasgow take-over'.

Coinciding with the rebrand, we launched a new Rangers.co.uk website, allowing us to transform the way we communicate with fans in an engaging way. The ongoing aim is to modernise, innovate, and to simplify the way that fans are able to purchase club products, and to continue a transition to a single sign-on across all our digital platforms.

Our new multi-year kit and retail partnership with Castore had its first year, which allowed the Club to renovate and re-open The Rangers Store at Ibrox and launch an online webstore, which ships to supporters all across the world. We currently have four dedicated retail sites across the UK. The launch of four unique kits, and a further range of products, has been a tremendous success. As we develop Edmiston House, the new retail space created there will enhance the offering even further for the fans, and we look forward to continuing our partnership with Castore, which was nominated as a Finalist for Partnership of the Year at the Football Business Awards.

Despite the limitations imposed by COVID, the Club led the way in offering commercial partners a new range of advertising space and commercial products. The Club was delighted to welcome a number of new partners in to the stable, such as Bitci.com, which saw its name on the shorts of the men's first team, Seko Logistics became the Club's Back of Shirt Partner, and Tomket Tires became the Club's first ever Sleeve Partner. Utilita, Tennents, Carrick Packaging, Konami and Coca-Cola continued their long-term associations with the Club. The Kindred Group agreed to a multi-year extension of their principal partnership from the 21-22 Season onwards. This sees the partnership as one of the longest serving in European football.

Business Review (continued)

Operational Report (continued)

Commercial and other operations (continued)

Together with the new mid-tier LED boards, RTV allowed the Club to cater for these new partners and other virtual matchday sponsors and advertisers by offering space for partners to reach fans.

RTV saw an increased investment in its broadcast production, using high profile individuals for analysis and commentary like Ally McCoist, Clive Tyldesley, Walter Smith and Graeme Souness, to give supporters and season-ticket holders a product to rival traditional major sports broadcasters. While season-ticket holders couldn't get access to the matches, and were offered free RTV use, it was important that this product was up to standard. The Club was proud to receive a nomination at the Football Business Awards in the Best Use of Technology category.

Supporter relations

The Club continues to give its full backing to its campaign Everyone Anyone, which aims to promote diversity and inclusion, and show Rangers as a modern football club through which fans can come together and support a common cause of equality and understanding. Rangers is for everyone and anyone and this campaign will send a clear message of zero tolerance to all forms of discrimination, on and off the pitch. The Club was also happy to receive excellent audit feedback on the in-depth nature of our Diversity and Inclusion work. We work hard also on our Child Well-being and Protection procedures. Having employed a full-time Child Well-being Officer, excellent procedures and policies have been put in place.

Our Supporter Liaison Officer meets with our recognised supporter groups on a regular basis and attends all matches to assist as a point of contact with all fans, both on a matchday and online before or after the event.

The season 2020/21 saw the first full year of the MyGers Membership, which quickly became the biggest football club membership in Scotland and one of the biggest in the UK. MyGers Membership offers supporters a number of exclusive benefits such as a welcome gift, ticketing priority, discounts and specialised experiences. As part of the platform, we introduced "MyGers Loyalty Points" which rewards supporters for activities like match attendance and purchases of club products such as tickets and RangersTV subscriptions.

The team again received remarkable support from the fans for the 2020/21 season, with over 45,000 season tickets sold and over 1,300 hospitality season tickets initially sold. This was an incredible show of loyalty from the fans given the uncertainty over COVID and access to the games.

Community and charity

The community coaching and international tours and camps run by the Soccer Schools is another important way of reaching the fanbase. The Club now has three strategic partnerships, with Orange County in USA, Bengaluru in India, and Hamburg in Germany. While we were in the main unable to run our international coaching courses over the last year, domestically, dozens of holiday courses took place across Scotland and Northern Ireland once restrictions eased. The Soccer Schools' aim is to become one of the biggest club partnership programmes in world football, expanding throughout Europe, Asia, Oceania and North America, promoting high quality football education courses and spreading the word about our Club.

The Club continues to be a responsible employer and business partner, and to improve in these respects wherever possible. In line with Gender Pay Gap legislation, the Group subsidiary The Rangers Football Club Limited, reported its latest Gender Pay Gap figures in April 2020. This report is available on the Club's website.

As an employer, COVID has created challenges for all businesses. The Club has worked hard to implement and manage the furlough scheme for its employees where necessary, supporting employees where they are away from work or working from home. At the same time, the Club has worked tirelessly to create a safe workplace for when colleagues return or for when fans are allowed back in the stadium.

The Rangers Charity Foundation continues to be a force for good on behalf of the Rangers Family, showing compassion to those in need, tackling inequalities and creating opportunities for people of all ages to change their lives for the better. Their work this year was also heavily impacted by the COVID restrictions, but they continued to support the Rangers Family and the wider community where they could.

During the year, the Foundation delivered a diverse range of over 20 community programmes to over 5,500 people, receiving over 2,000 letters for support. Full details of the Foundation's work can be found in its own Annual Report.

The Club as a whole is in a positive position as we move on from COVID and go into the coming season, which we look forward to.

Business Review (continued)

Finance Report

The year under review was of course heavily affected by COVID, and the impact that had on revenue streams, both matchday and non-matchday. Initial estimates are that the adverse effect on revenues was over £20m, and the effect on the net loss over £10m.

The Group has submitted a claim on its Business Interruption insurance for losses caused by COVID, the curtailment of the 2019/20 season and the closed doors games and the restrictions on Stadium usage throughout the 2020/21 season. The scale and timing of any future claim is uncertain, however we have recognised amounts received from our insurers against our claim to date. That the business has been able to continue through this very uncertain time has been a credit to the loyalty of the fans, who purchased season tickets and hospitality despite not knowing if they would be allowed into the games, and to the Board and investors, who have supported the Club again as events have unfolded and circumstances have changed throughout the year.

As described in the Operational Report, the Group used the period to invest in the Stadium and facilities, and also to continue to invest in the team regardless. This set of accounts shows a further £16.8m invested in the first team squad, as well as further spending since the year end of 30 June. This was in addition to spend of £4.8m on other non-current assets, largely construction and improvement works around the Stadium and Training Ground.

Revenue for the year was £47.7m, a 19% decrease on the previous year.

The men's first team's run to the Round of 16 of the UEFA Europa League was responsible for £11.7m of that turnover. Although again this shows that European progression, with its prize monies, broadcasting rights and matchday revenues, are vital to the current development of the team, this figure was severely impacted by no crowds at those matches.

Despite the uncertainty around access, the fans support was again superb, with season tickets selling out at 44,957. This support also then gives the Club the opportunity to capitalise on its commercial partnerships. Sponsorship revenues increased by 19% from the previous year as we added a host of new Club Partners.

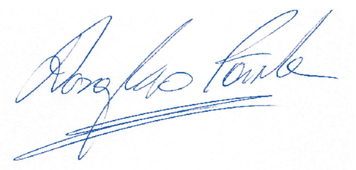
Operating expenses excluding amortisation of players' registrations decreased by £4.5m, from £68.5m to £64.0m. That decrease is driven mostly by the reduced need for matchday costs.

The operating loss for the year increased from £15.9m to £23.5m.

The gain from player sales was £1.7m in the year, compared to £0.7m in the previous year.

During the course of the year the Club was approached with a number investment proposals, notably from the private equity and family office sphere. We are fortunate to have an investor group that is able to match or better the indicative terms from such groups. Thus, the Group has successfully secured a term loan facility from existing investors. It has been the Board's intention to normalise the capital structure of the Group, and this facility, together with the strengthened equity base, marks a significant step in that process.

The Club carried out further share issues during the year, converting £26.1m of shareholder loans to equity and further strengthening the Balance Sheet. The open share issue available to fans and investors in July 2021 will fall into the next set of results.



Douglas Park, Chairman
27 October 2021

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 55 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 Rangers Training Centre, Rangers have been a leading force in Scottish football for decades. This world class stadium, training infrastructure and a loyal and passionate global fanbase provide an excellent foundation for the Company.

The Club won the SPFL (Scottish Professional Football League) Premiership in season 2020/21. 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 Steven Gerrard.

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.

Directors Duties

The Directors of the Group, as those of all UK companies, must act in accordance with a set of general rules. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

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

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

Strategic Report (continued)

Consolidated Results of Operations

REVENUE

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Gate receipts and hospitality	18,239	35,696
Sponsorship and advertising	4,708	3,136
Broadcasting rights	7,659	4,645
Commercial and retail activities	4,587	3,862
UEFA prize money and solidarity	11,196	8,897
Other revenue	1,357	2,797
Total revenue	**47,746**	**59,033**

Revenue for the year ended 30 June 2021 totalled £47.7 million. Of this total, gate receipts and hospitality income contributed £18.2 million. During the year, played behind closed doors due to COVID, the Club played nineteen home league matches, three home cup match, six home European ties and two home friendlies (2020: fourteen home league matches, one home cup match, nine home European ties and five home friendlies). No revenue is recognised in respect of away fixtures except for a small share of ticket revenue from away cup matches.

A decrease to turnover of £11.3 million is driven by playing matches being closed doors. Despite again reaching the Round of 16 of the UEFA Europa League, and having improved prize monies from UEFA due to improved results and co-efficient, overall European revenues, including matchday, were down £9.5 million, to £11.2 million (2020: £20.7 million). Season ticket income of £17.0 million was recognised during the year to 30 June 2021 based on sales of 44,957 season tickets (2020: £17.3 million from 45,664).

Broadcasting revenues were boosted by Sky sharing the broadcast rights to home league matches while fans were kept out of matches. UEFA prize money and solidarity were all boosted by improved performance and co-efficient in European competition, as well as an increase to the central funds received from the SPFL for winning the league.

Commercial income of £0.4 million, sponsorship income of £4.7 million and broadcast income of £7.7 million recognised during the year to 30 June 2021 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.

Retail income of £4.2 million relates to this season's merchandising arrangements.

Other revenue includes income from membership schemes, catering, tours, and events.

OPERATING EXPENDITURE

RIFC has incurred the following operating expenses during the year:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Staff costs	47,690	43,340
Other operating charges	14,408	23,233
Hire of plant and machinery	113	108
Depreciation of property, plant and equipment	1,678	1,762
Amortisation of trademarks & other intangibles	17	2
Amortisation and impairment of players' registrations	10,616	8,402
Auditor's remuneration	82	75
Total operating expenses	**74,604**	**76,922**

Player costs are RIFC's most significant expenditure, including £33.5 million (2020: £29.7 million) in respect of the first team playing squad. First team player salary costs are contractual and each player's salary is unique.

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

Strategic Report (continued)

CASH FLOW

The main sources of income for 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 2021.

	Year ended 30 June 2021 £'000	**Year ended 30 June 2020 £'000**
Net cash used in operating activities	(7,203)	381
Net cash used in investing activities	(21,428)	(11,586)
Net cash from financing activities	20,770	21,294
Net (decrease)/increase in cash and cash equivalents	**(7,861)**	**10,089**

There was a net cash outflow of £7.2 million from operating activities compared to an inflow of £0.4 million in the prior year. Net cash outflow on investing activities amounted to £21.4 million, compared to £11.6 million in the prior year.

Included within financing activities is the net receipt of loans from investors totaling £21.0 million and net receipt of loans from external providers of £0.3 million. These balances were used to fund the Club's working capital requirements.

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 2021.

	Year ended 30 June 2021	**Year ended 30 June 2020**
Total revenue (£'000s)	47,746	59,033
Operating loss (£'000s)	(23,475)	(15,897)
Operational EBITDA (£'000s)*	(11,163)	(5,732)
First Team Wages/Turnover ratio	70%	50%
Number of games played (total)	59	58
Number of games played (SPFL home)	19	14
Number of games played (SPFL away)	19	15
Number of games played (Cup home)	3	1
Number of games played (Cup away)	2	6
Number of games played (Euro home)	6	9
Number of games played (Euro away)	7	8
Number of other games (Friendlies home)	2	5
Number of other games (Friendlies away)	1	0
Number of season tickets sold	44,957	45,664
Season ticket sales (£'000s)	16,986	17,314
Average season ticket price ex. VAT (£)	378	379
Average attendance (league home matches)	0	49,238

**Operational EBITDA (earnings before interest, tax, depreciation and amortisation) is the Group's Operating profit / (loss) from the year adjusted for any non-recurring, depreciation, amortisation and financial items not already shown below this line.*

Strategic Report (continued)

CURRENT TRADING AND PROSPECTS

Last season, the Club's first team finished 1st in the Ladbrokes SPFL Premiership, a season dominated by COVID. In addition, the Club reached the quarter-final of the Betfred League Cup and the quarter-final of the William Hill Scottish Cup. In the current season, the Club sits in 1st place in the Premiership, at the time of writing.

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 Group. The Directors are confident that the future of the Group is bright and are encouraged as they seek to achieve their goal of securing Rangers as a leading club in world football. Having won the domestic league last season, the task is to repeat that achievement this year and secure what is expected to be direct entry to the UEFA Champions League.

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 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 any potential impact. Management personnel are responsible for managing these risks and the required steps to be taken are subject to direction and on-going review by executive management and Directors.

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

Future funding

Building a team to challenge for the SPFL Premiership and compete in European competition requires continued investment before success in these areas will generate a significant contribution to the revenues and cash flows of the Club. Until such time, the Group continues to require funding support from its investors. To this effect, 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 funds are required to support the Club for the rest of the season 2021/22. The Board have received undertakings from the investors confirming that they will provide financial support as it is required. Further information can be found in the Going Concern section of this report and in note 1 to the financial statements.

Litigation

The Group 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

The sale of replica strips in the year ended was the first year of our new manufacturing deal. Having signed up with a new Retail and Manufacturing Partner, the Club is better able to make use of its stadium megastore, a new online platform, and the intention for additional stores going forward. Any litigation currently ongoing relating to previous deals will not affect this capability.

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. For the season under review, the Stadium was closed for the entirety.

Broadcasting contracts and football competitions

The SPFL sells domestic broadcasting rights centrally. The Club currently competes in the SPFL Premiership, and the SPFL provide revenue streams to the Group. The Club also competes in European competition and UEFA provide revenue streams to the Club in these circumstances. The future level of revenue is not contractually guaranteed and is subject to influence from third parties.

Player transfer market and wages

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

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

Strategic Report (continued)

RISKS AND UNCERTAINTIES (CONTINUED)

COVID-19

The outbreak of the pandemic in early 2020 had a significant impact on many aspects of the Group's operations and activities; including through limitations on the use of Ibrox Stadium and the Training Ground, through restrictions on customers coming to matches at the Stadium, or through regulatory and government advice on the playing of matches.

STRATEGY

The Board have reviewed the operating strategy of the Club to ensure that business is maintained, and disruption is minimised, through the following:-

- access to the Club is maintained between fans and customers wherever possible, through our digital channels, including Rangers TV, social media and our new website.
- players and coaching staff are operating within a bio-secure environment.
- management of the Club is involved in the football ruling bodies to ensure safety as fans return to stadiums and to ensure that safety guidelines are met.
- staff are able to work from home where necessary, using technology solutions, and working around their domestic situations, to maintain the operations of the business.
- mitigating any financial exposure to COVID-19 through insurance.
- prompt supplier payment terms to ensure good relationships are maintained and to aid supplier cash flow.
- ongoing financial budgeting and cash flow planning as restrictions change and scenarios develop.

The Club is well-placed to cope with the disruption due to the nature of its cash-cycle, as well as the loyalty of its fan base. The Group's main source of generating cash is through season tickets and seasonal hospitality. Both sources of income have been maintained through the incredible loyalty of the Club's supporters, who have again sold out matchdays, even with the uncertainty around their access to the Stadium at the time of purchase.

CASH

The Group has worked to maintain its cash despite disruption to its activities by:-

- changing of our merchant providers, to improve the terms on our season ticket cash flows, supplying cash up front instead of across the season.
- utilisation of government schemes and assistance, including payment deferrals for VAT and employment taxes and the job retention scheme for non-playing staff.
- the deferral of wage payments for high earning staff.

INCOME

The Club's main income streams have been maintained or protected in the following ways:-

Ticketing and Hospitality – ticket purchasers have been offered free access via Rangers TV to see all home league matches, ensuring they receive a great product for their purchase.

Retail – a new Retail Partner agreement was signed just before lockdown, and through innovative and quality products, exciting marketing and our online sales channels, our new strip launches were extremely successful. With product launches timed to satisfy peak demand, this income stream shows no sign of disruption.

Sponsorship and commercial partnerships - the Club has added to its stable of Club Partners, and has been able to meet its contractual obligations in most cases, or where it has been unable to, for example by hosting Partners at matches, other rights have been offered to maintain relationships. Through our global digital reach and fan base, our Partners were able to achieve value despite no matches.

Governing Bodies Distributions – the Club has applied for and received Scottish Government assistance where available.

COSTS

The Club has been able to manage its costs through the period of the pandemic by:-

- performing an immediate cost review, to reduce third-party, overhead and discretionary spending, as well as nonessential capital expenditure.
- Furloughing colleagues and topping up their wages to 100% where possible.
- Reducing the number of employees in the short term where deemed absolutely necessary to allow for current circumstances. However, longer term it is anticipated the size of the workforce will be increased as the industry recovers.

Strategic Report (continued)

RISKS AND UNCERTAINTIES (CONTINUED)

COVID-19 (continued)

MAINTAINING ASSETS

The Group has been able to maintain its assets through the following means:-

- Supporting football playing staff with practical living support as well as continued fitness work to maintain their value.
- A bio-secure environment has been achieved for the playing staff so that they can operate to the highest standard, in line with regulatory requirements.
- Taking the opportunity to improve and work on the Stadium and other facilities during a period of downtime, where appropriate from a cost perspective and where work can be carried out safely.
- Continuing to protect the Club's assets from cyber crime and fraud by maintaining and improving IT solutions.

FUTURE OUTLOOK

Whilst it is still too early to predict the full long-term impact of COVID-19 on the Scottish and wider European market, the Group is confident that it is well placed, both financially and operationally, to deal with the ongoing uncertainty and challenges this presents; particularly in relation to the stadium re-opening to fans. The club continues to follow Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied and risk to players and staff is mitigated.

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 20 to the financial statements.

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 has 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, bank loans, investor loans and 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. These forecasts have been prepared for a range of possible scenarios with sensitivity analysis applied to the key revenue streams and costs.

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

At the time of preparation, the forecast identified that the Group would require £7.5m by way of debt or equity funding by the end of season 2021/22 in order to meet its liabilities as they fall due with further funding of £0.4m required by the end of season 2022/23. The first tranche of funding is required from investors before the end of December 2021. However, the final amount required is dependent on future football performance, European football participation and player trading amongst other factors.

The Board of Directors have discussed the Club's forecast cash flow shortfall and have reached agreement with Douglas Park and John Bennett whereby they will provide additional loan facilities as necessary to meet shortfalls to the above requirements and any further amounts that may be required a result of variances to forecast cash flows.

Strategic Report (continued)

GOING CONCERN (CONTINUED)

The Board has considered the level and timing of additional funding that may be needed and is satisfied that any such amounts will be made available as and when required.

The Board acknowledge that the uncertainty over the level of additional funds that will be required and a lack of a binding debt facility indicate that a material uncertainty exists which may cast doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, having secured the offer of further loan funding 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.

As at 30 June 2021, there are loans with investors amounting to £10.3 million, other commercial loans of £1.9 million, whilst the Group also has lease agreements totalling £1.7 million.

As at 30 June 2021, the Group held £3.3 million within cash and bank balances.

Approved by the Board and signed on its behalf by:

Douglas Park, Chairman
27 October 2021

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 2021.

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 11, 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 12 to 18, 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.

The Club has chosen to adopt the voluntary Living Wage rate as a minimum for employees over the age of 25.

RESULTS AND DIVIDENDS

The audited consolidated income statement for the year ended 30 June 2021 is set out on page 26. The Directors have not recommended the payment of a dividend (2020: nil).

DIRECTORS

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

Name	Position
Douglas Park	Chairman
John Bennett	Vice-chairman
Graeme Park	Non-exec Director
Alastair Johnston	Non-exec Director
Julian Juul Wolhardt	Non-exec Director
Barry Scott	Non-exec Director

OTHER INFORMATION

The Directors have included other information, in accordance with S414(C) of the Companies Act 2006, within the Strategic Report, being information on the exposure to risks and uncertainties.

DIRECTORS' INDEMNITIES

The 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 £80k (2020: £76k) to international, UK-based and local charities during the period. The Group made no political donations during the year (2020: nil).

DISABLED EMPLOYEES

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

Directors' Report (continued)

EMPLOYEES CONSULTATION

The Group places considerable value on the involvement of its employees throughout the business. Employees are kept well-informed on matters affecting them as employees and on the various factors affecting the Group, such as performance. This is achieved by regular departmental meetings, email correspondence 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 END OF THE YEAR

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

ENERGY AND CARBON REPORTING

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

Recent improvements include replacing office space lighting with LED alternatives; replacing old boiler systems with ecodesign intelligent heaters; and draught exclusion work in the Stadium.

The total Kwh consumption across all our properties is 8,200,000 Kwh for the year ended 30 June 2021. This is split between electricity (4,000,000 Kwh) and Gas (4,200,000 Kwh). This converted into emissions in tonnes of carbon dioxide equivalent (CO2e) equates to 1,700 tonnes, which is a tonne per £28,000 of revenue in the year. The methodology used by the group to calculate UK energy CO2 emission was taken from the UK Government GHG Conversion Factors for Company Reporting advisory.

AUDITOR

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

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

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

A resolution to reappoint Azets Audit Services will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Douglas Park

Douglas Park, Chairman
27 October 2021

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have chosen to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether IFRS as adopted by the UK has been followed subject to any material departures disclosed or explained in the financial statements;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006, and as regards the Group accounts, article 4 of the IAS Regulations. They are also responsible for safeguarding the assets of the Company and Group 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.

Douglas Park, Chairman
27 October 2021

Corporate Governance Statement

CORPORATE GOVERNANCE

The Board of Rangers International Football Club plc are committed to maintaining principles of strong corporate governance and standards of good practice that are appropriate to the size of the Company and that meet the standards expected of the Company's shareholders and other stakeholders including fans, employees and suppliers.

THE BOARD OF DIRECTORS

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 is maintained and includes overall strategy, approval of major capital expenditure and consideration of significant financial and operational matters. The Board currently consists of the Chairman, Vice-Chairman, four non-executive Directors and a company secretary.

OPERATIONAL BOARD

A separate operational Board functions within The Rangers Football Club Limited, and liaises directly with the RIFC plc Board. The operational Board consists of members of executive management and is responsible for implementing the Board's strategy and for monitoring the day to day operations of the Club.

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

OPINION

We have audited the financial statements of Rangers International Football Club plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2021 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom, and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2021 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 United Kingdom;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in *the Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to information in note 1 in 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 to cover projected cash shortfalls in season 2021/22 and 2022/23. The precise level of funding required is uncertain as it is inherently dependent on a number of key variables, including the achievement of forecast football performance and player trading. As stated in note 1 the risk that key cash flows are not achieved as forecast, along with the absence of a binding debt facility for any shortfalls, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 21, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable to preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

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

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

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD (CONTINUED)

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

USE OF OUR REPORT

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

Azets Audit Services

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

27 October 2021

Consolidated Income Statement

For the year ended 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
REVENUE	2	**47,746**	**59,033**
Operating expenses	3	(63,988)	(68,520)
		(16,242)	(9,487)
Other operating income	3	3,383	1,992
OPERATING LOSS BEFORE PLAYER AMORTISATION		**(12,859)**	**(7,495)**
Amortisation and impairment of player registrations	3	(10,616)	(8,402)
OPERATING LOSS		**(23,475)**	**(15,897)**
Profit on disposal of player registrations	3	1,724	684
Other charges	7	–	(206)
Finance costs	7	(2,997)	(2,374)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(24,748)**	**(17,793)**
Taxation	8	595	331
LOSS FOR THE YEAR		**(24,153)**	**(17,462)**
Loss for the year attributable to:			
Owners of the Company		(24,153)	(17,462)
Non-controlling interests		–	–
		(24,153)	**(17,462)**
Basic and diluted earnings per ordinary share	29	(7.30p)	(7.21p)

All profits and losses are derived from continuing operations.

The notes on pages 32 to 62 form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
LOSS FOR THE YEAR		**(24,153)**	**(17,462)**
Deferred tax relating to components of other comprehensive income	8	(1,871)	(640)
Other comprehensive income for the year		(1,871)	(640)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(26,024)**	**(18,102)**
Total comprehensive loss for the year attributable to:			
Owners of the Company		(26,024)	(18,102)
Non-controlling interests		-	-
		(26,024)	(18,102)

Consolidated Balance Sheet

As at 30 June 2021

	Notes	2021 £'000	2020 £'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	49,468	46,351
Intangible assets	10	37,390	31,397
		86,858	77,748
CURRENT ASSETS			
Trade and other receivables	13	20,345	29,912
Cash and bank balances	14	3,265	11,126
		23,610	41,038
TOTAL ASSETS		**110,468**	**118,786**
CURRENT LIABILITIES			
Other loans	15	(5,724)	(13,197)
Trade and other payables	16	(27,421)	(31,076)
Lease liabilities	17	(570)	(411)
Deferred income	18	(25,014)	(24,504)
Provisions	28	(2,750)	(3,150)
		(61,479)	(72,338)
NET CURRENT (LIABILITIES)/ASSETS		**(37,869)**	**(31,300)**
NON-CURRENT LIABILITIES			
Other loans	15	(6,452)	(5,000)
Trade and other payables	16	(2,220)	(3,347)
Lease liabilities	17	(1,177)	(661)
Deferred income	18	(122)	(244)
Deferred tax liability	19	(7,178)	(5,402)
		(17,149)	(14,654)
TOTAL LIABILITIES		**(78,628)**	**(86,992)**
NET ASSETS		**31,840**	**31,794**
EQUITY			
Share capital	22	3,910	2,606
Share premium account	23	77,854	53,088
Merger reserve	23	12,960	12,960
Revaluation reserve	24	22,781	25,014
Retained earnings	25	(85,665)	(61,874)
TOTAL EQUITY		**31,840**	**31,794**

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 27 October 2021. They were signed on its behalf by:

Douglas Park, Chairman

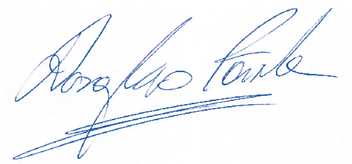
The notes on pages 32 to 62 form an integral part of these financial statements.

Company Balance Sheet

As at 30 June 2021

	Notes	2021 £'000	2020 £'000
NON-CURRENT ASSETS			
Investment in subsidiaries	11	53,255	47,550
CURRENT ASSETS			
Amounts due from subsidiary undertakings		5,093	-
TOTAL ASSETS		**58,348**	**47,550**
CURRENT LIABILITIES			
Amounts due to subsidiary undertakings		-	(138)
Other loans	15	(724)	(10,322)
Accruals		(190)	-
		(914)	(10,460)
NET CURRENT (LIABILITIES)/ASSETS		**4,179**	**37,090**
NON-CURRENT LIABILITIES			
Other loans	15	(4,526)	-
TOTAL LIABILITIES		**(5,440)**	**(10,460)**
NET ASSETS		**52,908**	**37,090**
EQUITY			
Share capital	22	3,910	2,606
Share premium account	23	77,854	53,088
Merger reserve	23	12,960	12,960
Retained earnings	25	(41,816)	(31,564)
TOTAL EQUITY		**52,908**	**37,090**

The financial statements of Rangers International Football Club plc (registered number SC437060) were approved by the Directors and authorised for issue on 27 October 2021. They were signed on its behalf by:



Douglas Park, Chairman

The notes on pages 32 to 62 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year to 30 June 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Capital contribution £'000	Revaluation reserve £'000	Total equity £'000
As at 30 June 2019	**1,722**	**36,279**	**12,960**	**(46,792)**	**2,699**	**26,016**	**32,884**
Loss for the year to 30 June 2020	-	-	-	(17,462)	-	-	(17,462)
Deferred tax liability relating to components of other comprehensive income	-	-	-	-	-	(640)	(640)
Share issues	884	16,809	-	-	-	-	17,693
Transfer from revaluation reserve to retained earnings	-	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	-	(91)	-	91	-
Transfer on repayment or conversion to shares of interest-free loans	-	-	-	2,018	(2,699)	-	(681)
As at 30 June 2020	**2,606**	**53,088**	**12,960**	**(61,874)**	**-**	**25,014**	**31,794**
Loss for the year to 30 June 2021	-	-	-	(24,153)	-	-	(24,153)
Deferred tax liability relating to components of other comprehensive income	-	-	-	-	-	(1,871)	(1,871)
Share issues	1,304	24,766	-	-	-	-	26,070
Transfer from revaluation reserve to retained earnings	-	-	-	453	-	(453)	-
Deferred tax liability on transfer from revaluation reserve to retained earnings	-	-	-	(91)	-	91	-
As at 30 June 2021	**3,910**	**77,854**	**12,960**	**(85,665)**	**-**	**22,781**	**31,840**

Company Statement of Changes in Equity

For the year to 30 June 2021

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Capital contribution £'000	Total equity £'000
As at 30 June 2019	**1,722**	**36,279**	**12,960**	**(3,353)**	**2,699**	**50,307**
Loss for the year to 30 June 2020	-	-	-	(30,229)	-	(30,229)
Share issues	884	16,809	-	-	-	17,693
Transfer on repayment of interest-free loans	-	-	-	2,018	(2,699)	(681)
As at 30 June 2020	**2,606**	**53,088**	**12,960**	**(31,564)**	**-**	**37,090**
Loss for the year to 30 June 2021	-	-	-	(10,252)	-	(10,252)
Share issues	1,304	24,766	-	-	-	26,070
As at 30 June 2021	**3,910**	**77,854**	**12,960**	**(41,816)**	**-**	**52,908**

Consolidated Statement of Cash Flows

For the year to 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
CASH USED IN OPERATIONS	26	**(7,203)**	**381**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(19,896)	(8,841)
Purchase of property, plant and equipment		(2,386)	(2,763)
Proceeds from sale of intangible assets		1,770	693
Interest paid		(916)	(675)
NET CASH USED IN INVESTING ACTIVITIES		**(21,428)**	**(11,586)**
FINANCING ACTIVITIES:			
Payment of lease finance liabilities		(515)	(443)
Loans received		29,660	23,619
Loans repaid		(8,375)	(1,882)
NET CASH INFLOW FROM FINANCING ACTIVITIES	26	**20,770**	**21,294**
Net (decrease)/increase in cash and cash equivalents		**(7,861)**	**10,089**
Cash and cash equivalents at the beginning of the period		11,126	1,037
Cash and cash equivalents at the end of the period		3,265	11,126
		(7,861)	**10,089**

Company Statement of Cash Flows

For the year to 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
CASH USED IN OPERATIONS	26	–	–
CASH FLOWS FROM INVESTING ACTIVITIES:		–	–
CASH USED IN FINANCING ACTIVITIES:			
Proceeds from issue of shares		–	–
Loans received		26,460	18,619
Loans repaid		(5,500)	(1,757)
Funds passed to subsidiary		(20,960)	(16,862)
NET CASH INFLOW FROM FINANCING ACTIVITIES		–	–
Net (decrease)/increase in cash and cash equivalents		**-**	**-**
Cash and cash equivalents at the beginning of the period		–	–
Cash and cash equivalents at the end of the period		–	–
		–	–

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, 150 Edmiston Drive, 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, and is rounded to the nearest thousand (£'000). 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 UK, the IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS

The following accounting policies have been identified by the 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 Statement of Comprehensive Income, 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 2021. A separate Income Statement for the Parent Company has not been presented, as permitted by s408 of the Companies Act 2006.

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

The principal accounting policies adopted are set out below.

Going concern

The Board of Directors ("the Board") are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the 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, bank loans, investor loans and 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

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

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. These forecasts have been prepared for a range of possible scenarios with sensitivity analysis applied to the key revenue streams and costs.

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

- Football performance, the forecast assumes the Club will finish 1st or 2nd in the SPFL Premiership in 2021/22 and participate in the group stages of a European competition in the season thereafter;
- Season ticket sales, the timing and amount of which are consistent with the Club's historic experience. The forecasts include an uplift in season ticket prices to reflect annual inflationary increases and forecast improved football performance;
- Matchday income, which is projected to grow significantly as a result of lifting COVID-19 restrictions and improving footballing performance and success;
- Sponsorship, commercial and other non-matchday income;
- The amount and timing of cash flows from retail activities;
- The forecast overhead cost base of the Club;
- Payroll costs reflecting the 2021/22 squad size and composition in perspective to its assumptions around football performance;
- The quantum of future transfer receivables and payables;
- The capital expenditure necessary to maintain and improve the stadium, training facility and general Ibrox vicinity;
- The Group's ability to secure further debt or equity finance from investors to allow the Group to continue to meet its liabilities as they fall due.

The Board recognises that achievement of its forecast is critically dependent on a number of the key assumptions noted above.

At the time of preparation, the forecast identified that the Group would require £7.5m by way of debt or equity funding by the end of season 2021/22 in order to meet its liabilities as they fall due with further funding of £0.4m required by the end of season 2022/23. The first tranche of funding is required from investors before the end of December 2021. However, the final amount required is dependent on future football performance, European football participation and player trading amongst other factors.

The Board of Directors have discussed the Club's forecast cash flow shortfall and have reached agreement with Douglas Park and John Bennett whereby they will provide additional loan facilities as necessary to meet shortfalls to the above requirements and any further amounts that may be required a result of variances to forecast cash flows.

The Board has considered the level and timing of additional funding that may be needed and is satisfied that any such amounts will be made available as and when required.

The Board acknowledge that the uncertainty over the level of additional funds that will be required and a lack of a binding debt facility indicate that a material uncertainty exists which may cast doubt over the Group's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, having secured the offer of further loan funding 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 flows 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.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

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

Rangers Retail Limited was granted rights as part of the retail operations, distribution and IP licence agreement entered into with SDI Retail Services Limited on 21 June 2017 as may reasonably be required to effect the run off and cessation of that entity. SDI Retail Services Limited's A shares grant it twice as many voting rights on all financial matters including any day to day decisions in relation to carrying out the business in its ordinary course. As such, the Board maintain that the Group does not possess the ability to govern the financial and operating policies of Rangers Retail Limited, and therefore does not control the entity.

Rangers Retail Limited continues to be treated as an associate of the Group.

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 investments in associates are accounted for using the equity method of accounting, less any impairment losses. The Group's proportionate share of the after tax profits or losses is 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 that 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.

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 and 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 liabilities.

Financial instruments

Financial instruments are classified as debt or equity in accordance with their underlying economic reality. Costs directly attributable to the issue of debt are shown as a deduction from the debt issued. Interest, dividends, gains or losses related to a financial instrument that is classified as debt, will be presented as an expense or income in the Income Statement.

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

Trade and other receivables

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

Where these are provided interest-free or below market rate, the market value on initial recognition is required to be estimated by discounting the loan amount to the present value of future payments using an equivalent rate of a similar instrument.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Other financial liabilities

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

Other financial liabilities includes Other loans and Trade and other payables. Where these are provided interest-free or below market rate, the market value on initial recognition is required to be estimated by discounting the loan amount to the present value of future payments using an equivalent rate of a similar instrument.

The difference arising between the fair value of investor loans and the redemption value is deemed as a capital contribution and taken direct to equity.

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.

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 that 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.

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 that 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.

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.

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.

Revenue recognition

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

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

Sponsorship and advertising revenue is recognised over the duration of the respective contracts.

The fixed element of Broadcasting revenue is recognised over the duration of the football season whilst facility fees received for live coverage or highlights are taken when earned. Merit awards for league placing are accounted for on an accruals basis when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

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

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

Other revenue includes income from catering, tours and events and is recognised at a point in time as the service delivery is completed.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is charged or credited in the Income Statement or in the Statement of Other Comprehensive Income, where appropriate. The Group's liability for deferred tax is calculated using tax rates that have been substantively enacted by the Balance Sheet date. Where changes in tax rates occur that affect a deferred tax asset or liability relating to an item previously recognised in Other Comprehensive Income or direct to Equity, such changes are recognised within that applicable area. All other changes in tax rates are reflected within the Income Statement.

Deferred tax assets and liabilities require management judgement in determining such amounts to be recognised. In particular, significant judgement around the timing and quantum of future taxable income available is required when assessing the extent to which deferred tax assets should be recognised.

Brand intangible assets

The 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 on the basis that there is no foreseeable limit on the period of time for which the intangible asset is expected to generate cash flows.

The 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 (FVLCS) and its value in use (VIU).

Player registrations

The costs associated with acquiring players' registrations, or extending their contracts, including agents' fees, are capitalised and amortised, in equal instalments, over the period of the respective players' contracts. Where players are acquired on deferred payment terms, these are deemed to be a financing transaction with a deemed interest rate applied. In such cases, the amount capitalised is the present value of future payments discounted using the deemed interest rate. When a contract life is renegotiated, the unamortised costs, together with the new costs relating to the contract extension, are amortised over the term of the new contract. Where the acquisition of a player registration involves a non-cash consideration, such as an exchange for another player registration, the transaction is accounted for using an estimate of market value for the non-cash consideration.

Under the conditions of certain transfer agreements, further fees will be payable in the event of the players concerned making a certain number of first team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these fees are accounted for when it becomes probable that the number of appearance es will be achieved or the specified future events will occur. These additional costs are capitalised and amortised as above. Likewise, any additional assets that are realised after selling players are recognised as debtors when it becomes probable that the conditions in the sale agreement will be met.

Government assistance

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

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

Amounts totalling £3.2m were received from The Scottish Ministers, as part of the Premier Division Support Fund on an interest free basis repayable over a period of 20 years. This loan is considered to be below market rate with the difference between the fair value and book value recorded as grant income.

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 (CGU) to which the asset belongs. Impairment losses recognised with respect to CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis.

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

Impairment losses are reported separately in the 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.

The best evidence of FVLCS is the value obtained from an active market or binding sale agreement. Where neither exists, FVLCS is based on the best information available to reflect the amount the Company could receive for the CGU in an arm's length transaction. In determining FVLCS, fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs. Under this approach, the expected future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

A previously recognised impairment loss is reversed only if there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the 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 using the Income approach by assessing the net present value of future expected cash flows (on the basis of the continued operation of the cash generating unit) and comparing this to the carrying amount of net assets held by the cash generating unit.

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

The expected cash flow is based on the 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. Given that the calculations for recoverable amounts require the use of estimates and assumptions, it is possible that the assumptions may change, which may impact the carrying value of the CGU and result in impairment.

Key assumptions

Football team performance - short term (1)	Finish in top-2 of SPFL Premiership
Football team performance - medium to long term (1)	Predictions of expected football results beyond season 2022/23 i.e. league placings, cup progressions, matchday attendance, and future European participation.
Cash generating unit (2)	Football club operations
Budget period (3)	5 years
Discount rate (4)	13% pre tax
Growth rate (5)	1.8%
UEFA Club Competitions revenue distribution system (6)	Revenue available to Scottish clubs from future UEFA competitions to be at least equal to that available from the current cycle

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Key assumptions (continued)

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

(2) The group considers that the only cash generating unit is the operation of the football club. All income, costs and associated cash flows from retail operations are included in the impairment review.

Individual player registrations are included within the cash generating unit unless there are certain circumstances arising which would exclude them from the playing squad (such as sustaining a significant long term injury or not being part of the first team managers plans). In such circumstances, the players are unlikely to contribute to the future economic benefits of the cash generating unit and, as such, the carrying value of the player is removed from the cash generating unit. This is then assessed for impairment in isolation against the 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 is made as appropriate.

(3) The basis for the expected cash flow are the confirmed budgets for 2021/22 & 2022/23 and the cash flow forecasts for the next three years after. Expected cash flows are calculated using a weighted average of possible outcomes based on football team performance.

(4) In management's judgement, a discount rate of 13% reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted. The discount rate used in the prior year was 13%.

(5) The growth rate utilised is based on expected inflationary growth in the UK beyond the period of forecasting. The growth rate used in the prior year was 1.8%.

(6) The financial distributions available from UEFA competitions in the forecast period are based on distributions available from the current UEFA cycle. The competitions available, and the entry point used, in the forecast period beyond the 2022/23 competition are to be determined by future Scottish club coefficient rankings. As these stand, two Scottish teams will enter the qualification rounds for the UEFA Champions League which increases the opportunity to reach the lucrative UEFA Champions League Group stages. Failure to progress through the UEFA Champions League qualifying rounds would, as a minimum, result in entry to the UEFA Europa League qualifying rounds and failure to progress through these would, as a minimum, result in entry to the UEFA Europa Conference League play-off round. The financial distributions available from the 2022/23 competitions have not yet been released, therefore in management's judgement the most appropriate estimate of future distributions are those available in the current cycle. While the distributions from the future UEFA competitions are currently unknown it is envisaged that the new structure of European competition will result in more financial distributions being available to participating Scottish clubs.

Indications of impairment

As part of the impairment testing, a sensitivity analysis was performed with changes (both positive and negative) to Domestic and European football related performance, player salaries and transfers, retail revenue, discount rate and growth rate. These are considered by the 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.

The valuation model showed headroom of approximately £3.1m. 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.

Critical sensitivities

Sensitivity applied	***Critical value – resulting in impairment charge***
Domestic and European football performance	Failure to participate in Europa League group stages a minimum of two times during the forecast period after season 2021/22.
Discount factor	An increase in discount rate to 13.73%.
Player costs & transfers	An increase in the annual player salary costs by 1.77% above those projected in the cash flows.
	An increase in the annual transfer spend by 5.29% above those projected in the cash flows.
	A decrease in the annual transfer receipts by 3.66% below those projected in the cash flows.
Retail revenue	A reduction in forecast annual retail revenue by 12.21%.
Growth rate	A reduction in growth rate to 0.7%.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

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

At the date of revaluation, the Group estimates the fair value of the cash-generating unit (CGU) to which Land and buildings belong. The best evidence of fair value is the value obtained from an active market or binding sale agreement. Where neither exists, fair value is based on the best information available to reflect the amount the Group could receive for the CGU in an arm's length transaction.

Fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs. Under this approach, the expected future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or group of assets.

Further details with regard to the cash flow model used can be found within the Impairment testing section above. Relatively small changes in the assumptions could have a significant impact on the valuation of the CGU. For example, a reduction in discount rate applied, by 1%, would increase the value of the CGU by £7.6m.

The fair value of the CGU is allocated pro rata across the individual assets within the CGU, including Land and buildings. Management then perform a review of the individual fair values and consider whether this allocation is reflective of the current condition of the assets in question. Where they consider that the fair value allocated does not reflect the true condition of the assets, judgement is applied to correct this allocation to a more appropriate basis.

Any revaluation increase arising on the revaluation of Land and buildings to fair value is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense. Under such circumstances, the increase is credited to the Income Statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such Land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to the Income Statement. On the subsequent sale or scrappage of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. There is also an annual transfer from revaluation reserve to retained earnings relating to annual depreciation.

Freehold land is not depreciated. Leasehold property is depreciated over the term of the lease. Other fixed assets are depreciated on a straight-line basis at annual rates appropriate to their estimated useful lives as follows:

Freehold properties 1.33%

General plant and equipment 2.5% – 33%

The Group capitalises costs in relation to an asset when an economic benefit from the asset is considered probable. Assets under the course of construction are carried at cost and include professional fees. Depreciation commences when the assets are ready for their intended use.

Provisions, contingent assets and liabilities

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

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

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

Segmental accounting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the 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 2021 the Group has only operated in one segment, namely the operation of a football club, and therefore no operating segment note has been prepared.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (CONTINUED)

Leasing

For any new contracts entered into after 1st July 2019, the Group assess whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the lease commencement date, the entity recognises a lease liability (being the present value of lease payments that are not paid at that date using the interest rate implicit in the lease) and a right of use asset (measured at cost, being the lease liability adjusted for any lease payments made in advance, any incentives received and initial directors costs incurred.) The Group has decided not to apply the new leasing standard to player registration loan agreements as permitted by paragraph 4 of IFRS 16 and as such, continues to apply IAS 38 to these arrangements.

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

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

Insurance claims

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

Adoption of new and revised Standards

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

At the date of authorisation of these financial statements, there are no standards nor interpretations which were in issue but not yet effective that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Research and development credit

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

2. REVENUE

	Year ended 30 June 2021 £’000	Year ended 30 June 2020 £’000
Gate receipts and hospitality	18,239	35,696
Sponsorship and advertising	4,708	3,136
Broadcasting rights	7,659	4,645
Commercial and retail activities	4,587	3,862
UEFA prize money and solidarity	11,196	8,897
Other revenue	1,357	2,797
Total revenue	**47,746**	**59,033**

Notes to the financial statements (continued)

3. LOSS FOR THE YEAR

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Loss for the year has been arrived at after charging / (crediting):-			
Staff costs	5	47,690	43,340
Other operating charges		14,408	23,233
Hire of plant and machinery		113	108
Depreciation and impairment of property, plant and equipment	9	1,678	1,762
Amortisation of trademarks & other intangibles	10	17	2
Auditor's remuneration	4	82	75
Other operating expenses		**63,988**	**68,520**
Revenue grants		(2,133)	(742)
Insurance claims		(1,250)	(1,250)
Other operating income		**(3,383)**	**(1,992)**
Amortisation of player registrations	10	10,616	7,569
Impairment of player registrations	10	–	833
Gain on sale of player registrations	10	(1,724)	(684)
Total net result from player transfers, amortisation and impairment		**8,892**	**7,718**

Other operating charges includes overheads, and matchday costs, such as policing, stewarding and pitch costs. Included within revenue grants is the difference between the fair value and book value of the Premier Division Support Fund amounting to £1.3m.

4. AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Fees payable to the company's auditor for the audit of the Company's annual accounts:		
Audit of the Consolidated and Company's financial statements	42	40
Audit of the Company's subsidiaries	40	35
Total audit fees	**82**	**75**
Fees payable to the company's auditor for other services to the Group:		
Audit-related assurance services	12	12
Other tax advisory and compliance services	13	13
Other services	5	6
Total non-audit fees	**30**	**31**

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 2021 Number	Year ended 30 June 2020 Number
Football players	98	83
Others	159	172
Total	**257**	**255**

In addition, the Group employed an average of 446 part-time employees during the year (2020: 503), to assist on matchdays or other events.

The aggregate remuneration comprised:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Wages, salaries and benefits	42,084	38,660
Social security costs	5,307	4,369
Other pension costs - defined contribution plans	299	311
Total staff costs	**47,690**	**43,340**

6. DIRECTORS' EMOLUMENTS

	Salary and Payroll Benefits £	Bonus £	Pensions £	Benefit in kind £	Year to 30 June 2021 £	Year to 30 June 2020 £
Non-Executive						
Douglas Park	-	-	-	-	-	-
John Bennett	-	-	-	-	-	-
Graeme Park	-	-	-	-	-	-
Alastair Johnston	-	-	-	-	-	-
Julian Juul Wolhardt	-	-	-	-	-	-
Barry Scott	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Key management personnel	**1,209,859**	**100,000**	**27,903**	**14,760**	**1,352,522**	**1,377,534**

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

Management representatives 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 2021.

Notes to the financial statements (continued)

7. FINANCE COSTS AND OTHER CHARGES

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Finance costs		
Interest payable on lease finance agreements	54	52
Other interest	863	624
Interest received	(1)	(1)
Notional interest on deferred player receivables	(16)	(17)
Notional interest on deferred player payables	2,097	1,716
Total finance costs	2,997	2,374
Other charges		
Amortisation of investor loans using effective interest rate method	–	206
Total other charges	–	206
Total finance costs and other charges	**2,997**	**2,580**

All finance costs and other charges relate to financial assets or financial liabilities held at amortised cost.

Notes to the financial statements (continued)

8. TAXATION

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Tax charged to the Income Statement:		
Current tax	(500)	(188)
Deferred tax (note 19)		
Origination and reversal of temporary differences	(95)	(143)
	(595)	**(331)**
Tax charged to Other Comprehensive income:		
Deferred tax (note 19)		
Deferred tax rate change on opening balances	1,871	640
Total tax charged in the year	**1,276**	**309**

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Continuing Operations		
(Loss)/profit on ordinary activities before tax	(24,748)	(17,793)
Tax at the UK corporation tax rate of 19% (2020: 19%)	(4,702)	(3,381)
Tax effect of expenses that are not deductible in determining taxable profit	81	82
Tax effect of income not taxable in determining taxable profit	15	14
Tax losses unutilised and other temporary differences not recognised	4,511	3,142
R&D Tax credits	(500)	(188)
Tax expense / (credit) for the year	**(595)**	**(331)**

Current tax is calculated at 19% of the estimated taxable profit / (loss) for the year (2020 – 19%). Finance Act 2021 was 'substantively enacted' on 24 May 2021. This increased the main rate of corporation tax applicable to 25% from 1 April 2023, replacing the 20% rate previously effective from that date. The closing deferred tax assets and liabilities have been calculated in accordance with the rates substantively enacted at the Balance Sheet date.

The Board 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 19.

Notes to the financial statements (continued)

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

Group	Freehold properties	Assets Under Contruction	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
Cost or valuation at 1 July 2019	43,647	-	11,958	55,605
Additions	71	-	2,056	2,127
Disposals	-	-	-	-
Cost or valuation at 1 July 2020	43,718	-	14,014	57,732
Assets transferred	-	124	(124)	-
Additions	-	819	3,976	4,795
Disposals	-	-	(1,661)	(1,661)
At 30 June 2021	**43,718**	**943**	**16,205**	**60,866**
Accumulated depreciation				
At 1 July 2019	4,148	-	5,471	9,619
Charge for the period to 30 June 2020	532	-	1,230	1,762
Eliminated on disposal	-	-	-	-
At 1 July 2020	4,680	-	6,701	11,381
Charge for the period to 30 June 2021	527	-	1,151	1,678
Eliminated on disposal	-	-	(1,661)	(1,661)
At 30 June 2021	**5,207**	**-**	**6,191**	**11,398**
Net book value				
At 30 June 2021	**38,511**	**943**	**10,014**	**49,468**
At 30 June 2020	39,038	-	7,313	46,351
At 30 June 2019	39,499	-	6,487	45,986

Details of right-of-use assets held under lease, can be found in Note 17.

On 30 June 2021 the Directors valued the Freehold Properties, comprising Ibrox Stadium and the Training Centre at Fair value. Fair value has been measured using the Income approach, in accordance with IFRS 13, and is categorised into level 3 in the fair value hierarchy as the inputs include unobservable inputs.

The discounted cash flow model and Income approach that was used in the impairment review has been used to determine the fair value of CGU including the properties. Further details in respect of the key assumptions, estimates and sensitivities in this assessment can be found in note 1 to these financial statements.

Whilst the cash flow model indicated that the CGU had a fair value in excess of carrying value by approximately £3.1m, it was concluded that this excess did not relate to Freehold properties. As such, there has been no revaluation adjustment in the current year as the carrying value is deemed to be equivalent to its fair value.

Impairment tests for specific fixed assets are performed when there are indications of impairment. Where these assets do not form part of the overall CGU of Football operations, they are assessed in isolation.

Notes to the financial statements (continued)

10. INTANGIBLE ASSETS

Group	Player Registrations £'000	Brand £'000	Website & Media Design £'000	Total £'000
Cost:				
Cost or valuation at 1 July 2019	25,178	16,083	–	41,261
Additions	11,046	7	–	11,053
Disposals	(10,912)	–	–	–
Cost or valuation at 1 July 2020	25,312	16,090	–	41,402
Additions	16,837	23	73	16,933
Disposals	(2,784)	–	–	(2,784)
At 30 June 2021	**39,365**	**16,113**	**73**	**55,551**
Amortisation:				
At 1 July 2019	12,083	13	–	12,096
Charge for period to 30 June 2020	7,569	2	–	7,571
Provision for impairment	833	–	–	833
Eliminated on disposal	(10,495)	–	–	(10,495)
At 1 July 2020	9,990	15	–	10,005
Charge for period to 30 June 2021	10,616	2	15	10,633
Provision for impairment	–	–	–	–
Eliminated on disposal	(2,477)	–	–	(2,477)
At 30 June 2021	**18,129**	**17**	**15**	**18,161**
Net book value				
At 30 June 2021	**21,236**	**16,096**	**58**	**37,390**
At 30 June 2020	15,322	16,075	–	31,397
At 30 June 2019	13,095	16,070	–	29,165

The profit on disposal of player registrations amounted to £1,724,000 (2020: £684,000). This amount relates to players sold or released from their contracts.

The Group has 8 player registrations with individual carrying values of over £500,000 representing 83% of the 2021 net book value of player registrations. The average amortisation period remaining for those players is 29 months.

In the prior year the Group had 8 player registrations with individual carrying values of over £500,000 representing 84% of the 2020 net book value of player registrations. The average amortisation period was 34 months.

Notes to the financial statements (continued)

11. INVESTMENTS IN SUBSIDIARIES

Company	Investment in shares £'000	Capital contribution £'000	Total £'000
Cost or valuation at 1 July 2019	13,296	47,392	60,688
Additions	–	16,862	16,862
Disposals	–	–	–
Cost or valuation at 1 July 2020	13,296	64,254	77,550
Additions	–	15,705	15,705
Disposals	–	–	–
Cost or valuation at 30 June 2021	**13,296**	**79,959**	**93,255**
Impairment			
At 1 July 2019	–	–	–
Provision for impairment	–	30,000	30,000
At 30 June 2020	–	30,000	30,000
Provision for impairment	–	10,000	10,000
At 30 June 2021	–	40,000	40,000
Net book value			
At 30 June 2021	**13,296**	**39,959**	**53,255**
At 30 June 2020	13,296	34,254	47,550
At 30 June 2019	13,296	47,392	60,688

The Company's subsidiary undertakings are The Rangers Football Club Ltd, the main activity of which is the operation of a professional football club, New Edmiston House Limited, which is a conference and event facility, and Rangers Media Limited, which is a company operating the production and content of media services for the Club. All of these companies are owned 100%.

As a result of the losses sustained by The Rangers Football Club Ltd, the carrying value of Rangers International Football Club plc's investment in that entity was subjected to an impairment review. This impairment review utilised the same cash flow model and assumptions referred to within the Impairment testing section of the accounting policies. This impairment has been assigned to the capital contributions made to The Rangers Football Club Limited and will be eliminated from the group results.

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. Their principal place of business is Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD.

Notes to the financial statements (continued)

12. INTERESTS IN ASSOCIATES

Group	£'000
Cost and Net Book Value at 1 July 2020 and 30 June 2021	-

Rangers Retail Limited is a non-trading entity. All of its operations were previously discontinued and no financial results have been presented as a result.

The Group's investment value represents its share of the net assets of Rangers Retail Limited at 30th June 2021. Although the company has ceased trading it has still to be formally wound up. Upon conclusion of the winding up of the company, a small dividend may be paid.

The Group holds 25.5 % of the voting rights in the company as a result of the previously reported share allotment error. Rangers Retail Limited and its shareholders recognise that this should be corrected to 51%.

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

As set out in note 1, the Board of Directors consider that they do not control the entity. As such, they consider that, the investment in Rangers Retail Limited represents an investment in an associate, and have applied the equity method of accounting. Rangers Retail Limited is not a publicly quoted company and as such, no quoted market price is available.

13. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Group		
Trade receivables	12,536	22,161
Other receivables	693	315
Prepayments and accrued income	7,116	7,436
Total trade and other receivables	**20,345**	**29,912**

	2021 £'000	2020 £'000
Ageing of past due but not impaired trade receivables:		
31-60 days	-	155
61-90 days	39	48
91-120 days	577	155
120+ days	2,278	2,278
	2,894	2,636

Included within overdue trade receivables not impaired is a debt for £1.901m due from a single debtor. This balance has been reviewed and considered against the likelihood of recovery. No impairment has been made against this debtor as the amount is considered to be recoverable and the Club has commenced legal proceedings to recover this amount.

Included within Trade and other receivables are the following Player registration receivables:	2021 £'000	2020 £'000
Receivables due within one year	300	268
Receivables due more than one year	-	-
Carrying value of player registration receivables	300	268

Trade receivables includes £7,213,000 (2020: £14,906,000) in respect of season tickets that are paid by supporters using deferred payment plans or merchant services.

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

Notes to the financial statements (continued)

14. CASH AND BANK BALANCES

	2021 £'000	2020 £'000
Group		
Balances with banks	3,222	11,089
Cash on hand	43	37
Total cash and bank balances	**3,265**	**11,126**

15. OTHER LOANS

Current liabilities	**Group 2021 £'000**	**Group 2020 £'000**	**Company 2021 £'000**	**Company 2020 £'000**
Investor loans at amortised cost	5,724	10,322	724	10,322
Other loans	-	2,875	-	-
Total other loans	**5,724**	**13,197**	**724**	**10,322**

Non-current liabilities	**Group 2021 £'000**	**Group 2020 £'000**	**Company 2021 £'000**	**Company 2020 £'000**
Investor loans at amortised cost	4,526	5,000	4,526	-
Other loans	1,926	-	-	-
Total other loans	**6,452**	**5,000**	**4,526**	**-**

Analysis of loans 2021 - Group	**Loans £'000**	**Effect of discounting using effective interest rate method £'000**	**Amortised cost £'000**
Investor loans repayable by installments	5,250	-	5,250
Investor loans repayable - October 2021	5,000	-	5,000
Other loans - Premier Division Support Fund	3,200	(1,274)	1,926
	13,450	(1,274)	12,176

Analysis of loans 2020 - Group	**Loans £'000**	**Effect of discounting using effective interest rate method £'000**	**Amortised cost £'000**
Investor loans on demand	10,322	-	10,322
Investor loans repayable - October 2021	5,000	-	5,000
Other loans	2,875	-	2,875
	18,197	-	18,197

Notes to the financial statements (continued)

15. OTHER LOANS (CONTINUED)

Investor loans

Further details regarding investor loans can be found in note 27 to the financial statements.

Secured debts

The Scottish Sports Council (Sports Scotland) has a standard security over the Training Centre. Leases are secured over the assets to which they relate.

Book value of non-current assets pledged as security	2021 £'000	2020 £'000
Non-current assets – standard security	8,158	8,242
Non-current assets – leases	2,202	1,367
Non-current assets – floating charge	-	2,097

16. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Group		
Current liabilities		
Trade creditors	11,623	12,616
Social security and other taxes	7,712	9,702
Other creditors	948	74
Accruals	7,138	8,684
Total trade and other payables	**27,421**	**31,076**

The average credit taken for trade purchases is 33 days (2020 - 29 days).

	2021 £'000	2020 £'000
Non-current liabilities		
Trade creditors	568	1,653
Accruals	1,652	1,694
Total trade and other payables	**2,220**	**3,347**

	2021 Trade creditors £'000	2021 Accruals £'000	2020 Trade creditors £'000	2020 Accruals £'000
Non-current liabilities fall due as follows:				
Between one and two years	568	1,442	1,653	1,694
Between two and five years	-	210	-	-
	568	1,652	1,653	1,694

Notes to the financial statements (continued)

16. TRADE AND OTHER PAYABLES (CONTINUED)

Included within liabilities are the following player registration payables:	2021 £'000	2020 £'000
Current liabilities	11,809	11,459
Non-current liabilities	2,637	4,025
Notional interest effect on deferred payments	(1,007)	(1,180)
	13,439	14,304

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

17. LEASES

The Balance Sheet shows the following amounts relating to leases;

Right of use assets <u>Group</u>	Net book value 2020 £'000	Additions £'000	Depreciation £'000	Net book value 2021 £'000
Fixtures & fittings	1,367	1,128	(334)	2,161
Total right of use assets	**1,367**	**1,128**	**(334)**	**2,161**

Lease Liabilities <u>Group</u>	Total minimum payments 2021 £'000	Future interest payable 2021 £'000	Carrying value 2021 £'000	Carrying value 2020 £'000
Repayment of borrowings on leases fall due as follows:				
Current liabilities	620	(50)	570	411
Non-current liabilities	1,277	(100)	1,177	661
Total lease liabilities	**1,897**	**(150)**	**1,747**	**1,072**

The Income Statement shows the following amounts relating to leases:

Depreciation charge of right of use assets <u>Group</u>	2021 £'000	2020 £'000
Fixtures & fittings	334	371

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

Notes to the financial statements (continued)

18. DEFERRED INCOME

	2021 £'000	2020 £'000
Group		
Deferred income less than one year	25,014	24,504
Deferred income more than one year	122	244
Total deferred income	**25,136**	**24,748**

Deferred income less than one year comprises season tickets, sponsorship, hospitality and other elements of income that have been received in advance and will be recognised as revenue in the 2021/22 financial year. Deferred income more than one year relates to income received in advance from catering service contracts.

19. DEFERRED TAX

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

Specification of Basis for Deferred Tax	Opening balance 2021 £'000	Recognised in Income Statement 2021 £'000	Recognised in Other Comprehensive income 2021 £'000	Closing balance 2021 £'000
Non-current assets – temporary differences	5,402	(95)	1,871	7,178
Deferred tax liability	**5,402**	**(95)**	**1,871**	**7,178**

Specification of Basis for Deferred Tax	Opening balance 2020 £'000	Recognised in Income Statement 2020 £'000	Recognised in Other Comprehensive income 2020 £'000	Closing balance 2020 £'000
Non-current assets – temporary differences	4,909	(147)	640	5,402
Deferred tax liability	**4,909**	**(147)**	**640**	**5,402**

At the Balance Sheet date, the Group has unrecognised tax losses of £86.8m creating an unrecognised deferred tax asset of £21.7m. There is also an unrecognised deferred tax liability of £0.18m in respect of temporary tax differences in non-current assets for which losses would be available to offset. No deferred tax assets have been booked due to uncertainty in the short term over when sufficient taxable profits will arise to offset these losses.

Notes to the financial statements (continued)

20. 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 Board's strategy to achieve the Group's stated objectives. The Board reviews 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 Board's 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 22 to 25 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, subject to acceptable credit liquidity and price risk, whilst ensuring that the short-term cash flow requirements of the Group are met. The financial assets of the Group are classified as loans and receivables whilst its financial liabilities are classified as financial liabilities measured at amortised cost.

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

	Financial £'000	Non financial £'000	Total At 30 June 2021 £'000	Total At 30 June 2020 £'000
Non-current assets	-	86,858	86,858	77,748
Trade receivables and similar items	12,536	-	12,536	22,161
Cash and cash equivalents	3,265	-	3,265	11,126
Other current assets	7,809	-	7,809	7,751
Total assets	23,610	86,858	110,468	118,786
Financial liabilities				
Trade and other payables	29,641	-	29,641	34,423
Other liabilities	41,809	7,178	48,987	52,569
Total liabilities	71,450	7,178	78,628	86,992
Net (liabilities)/assets	(47,840)	79,680	31,840	31,794

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.

Notes to the financial statements (continued)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(i) Market risk

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

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

	Trade & other payables 2021 £'000	Cash & cash equivalents 2021 £'000	Trade & other payables 2020 £'000	Cash & cash equivalents 2020 £'000
Euro	(6,987)	49	(3,178)	312
USD	(12)	16	(16)	25

The following table details the Company's sensitivity to a 10% increase and decrease in GBP against the relevant foreign currencies. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where GBP strengthens 10% against the relevant currency. For a 10% weakening of GBP against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	Euro 2021 £'000	Euro 2020 £'000	USD 2021 £'000	USD 2020 £'000
Profit/(loss)	694	313	1	1

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Of the total trade receivable balance of £12,536,000, £300,000 relates to amounts receivable from other football clubs in relation to player trading, and £7,213,000 relates to amounts due from merchant service providers.

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

The maximum risk exposure relates to the merchant services provider. The merchant services provider holds the amounts due to the club in a ring-fenced account and meets the credit rating criteria of the Board. Management reviews the financial status of provider on an ongoing basis.

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.

Movements in provision for expected credit losses	2021 £'000	2020 £'000
Group		
Balance brought forward	432	521
Balances written-off	-	(60)
Change in provision	159	(29)
At 30 June 2021	591	432

Notes to the financial statements (continued)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(iii) Liquidity risk

The Group's policy is to maintain a balance of continuity of funding and flexibility through the use of loans and leases as applicable. At 30 June 2021, the Group had external loans of £12.2 million (note 15), and leases of £1.7m (note 17).

Ultimate responsibility for liquidity risk management rests with the Board. The Board uses management information tools including budgets and cash flow forecasts to be able to regularly monitor and manage current and future liquidity. Further information in respect of liquidity risk can be found within note 1 to the financial statements and in the Strategic Report.

A maturity analysis of the Group's contracted liabilities and exposure to liquidity risk is detailed below:

	Due on demand or less than one year £'000	Due 1-2 years £'000	Due 2-5 years £'000	Due >5 years £'000	Carrying value at 30 June 2021 £'000	Carrying value at 30 June 2020 £'000
Other loans	-	(133)	(480)	(1,313)	(1,926)	(2,875)
Investor loans	(5,724)	(724)	(2,172)	(1,630)	(10,250)	(15,322)
Trade and other payables	(27,421)	(2,010)	(210)	-	(29,641)	(34,962)
Lease liabilities	(570)	(570)	(607)	-	(1,747)	(1,072)
Total	(33,715)	(3,437)	(3,469)	(2,943)	(43,564)	(54,231)

21. FAIR VALUES

	Carrying value at 30 June 2021 £'000	Carrying value at 30 June 2020 £'000
Non financial assets		
Property, plant & equipment	38,511	39,038

See note 9 for details of property, plant & equipment held at fair value. During the year there were no transfers between the levels of fair value hierarchy. The 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 at the Balance Sheet date.

22. SHARE CAPITAL

Group and Company	As at 30 June 2021 £'000	As at 30 June 2020 £'000
Allotted, called up and fully paid 260,631,982 Ordinary shares of 1p each	2,606	1,722
Shares issued during period 130,376,875 Ordinary shares of 1p each	1,304	884
Allotted, called up and fully paid	3,910	2,606

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

Notes to the financial statements (continued)

23. SHARE PREMIUM AND MERGER RESERVE

Group and Company	As at 30 June 2021 £'000
Share premium	
Balance at 30 June 2019	36,279
Shares issued during period	16,809
Balance at 30 June 2020	53,088
Shares issued during period	24,771
Costs incurred in relation to share issues	(5)
Balance at 30 June 2021	**77,854**

During the year, 130,376,875 Ordinary Shares of 1p each were issued at a price of 20p per share, creating a share premium of £24.77m.

Group and Company	As at 30 June 2021 £'000
Merger reserve	
Balance at 30 June 2019	12,960
Movement in year	-
Balance at 30 June 2020	12,960
Movement in year	-
Balance at 30 June 2021	**12,960**

The merger reserve of £12,960,000 (2020 - £12,960,000) was created following the share for share exchange with The Rangers Football Club Limited in 2012.

Notes to the financial statements (continued)

24. OTHER RESERVES

Revaluation reserve	As at 30 June 2021 £'000
Group	
Balance at 30 June 2019	26,016
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	91
Deferred tax liability relating to components of other comprehensive income	(640)
Balance at 30 June 2020	25,014
Transfer from revaluation reserve to retained earnings in respect of depreciation	(453)
Deferred tax liability relating to transfer from revaluation reserve	91
Deferred tax liability relating to components of other comprehensive income	(1,871)
Balance at 30 June 2021	**22,781**

25. RETAINED EARNINGS

	Group £'000	Company £'000
Balance at 30 June 2019	(46,792)	(3,353)
Loss for the year ended 30 June 2020	(17,462)	(30,229)
Release of revaluation reserve for the year ended 30 June 2020	453	-
Depreciation on release of revaluation reserve for the year ended 30 June 2020	(91)	-
Transfer on repayment of interest-free loans	2,018	2,018
Balance at 30 June 2020	(61,874)	(31,564)
Loss for the year ended 30 June 2021	(24,153)	(10,252)
Release of revaluation reserve for the year ended 30 June 2021	453	-
Depreciation on release of revaluation reserve for the year ended 30 June 2021	(91)	-
Balance at 30 June 2021	**(85,665)**	**(41,816)**

The Parent Company is exempt from disclosing a company-only income statement. Its loss for the year was £10,252,000 (2020 - £30,229,000).

Notes to the financial statements (continued)

26. NOTES TO THE STATEMENTS OF CASH FLOWS

	Group		Company	
	Year to 30 June 2021 £'000	Year to 30 June 2020 £'000	Year to 30 June 2021 £'000	Year to 30 June 2020 £'000
Loss for the year	(24,153)	(17,462)	(10,252)	(30,229)
Amortisation and impairment of intangible fixed assets	10,633	8,404	-	-
Impairment of investment in subsidiaries	-	-	10,000	30,000
Depreciation and impairment of property, plant and equipment	1,678	1,762	-	-
(Gain)/Loss on disposal of players' registrations	(1,724)	(684)	-	-
Financing costs and other charges	2,380	2,580	233	206
Decrease/(increase) in trade and other receivables	(5,804)	(2,611)	-	-
(Decrease)/increase in trade payables, deferred income and provisions	10,382	8,723	19	23
Taxation	(595)	(331)	-	-
Cash used in operations	**(7,203)**	**381**	**-**	**-**

	Current liabilities		Non-current liabilities		
Change in liabilities from financing activities	Lease liabilities £'000	loans £'000	Lease finance £'000	loans £'000	Total £'000
Opening liabilities	411	13,197	661	5,000	19,269
Movement due to cash flows	(515)	13,559	-	7,726	20,770
Non cash movements					
Reallocation from non-current to current liabilities	327	5,000	(327)	(5,000)	-
Acquisition of fixtures and fittings on lease	243	-	885	-	1,128
Conversion to equity	-	(26,075)	-	-	(26,075)
Effective interest rate	104	43	(42)	(1,274)	(1,169)
Closing liabilities	570	5,724	1,177	6,452	13,953

Significant non-cash financing transactions relate to the extension and conversion of investor loan facilities and acquisition of fixtures and fittings through leasing.

Notes to the financial statements (continued)

27. RELATED PARTY TRANSACTIONS

Investor loans

	2021 £'000 Laird Investments (PTY) Limited	2021 £'000 Director loans	2021 £'000 Other related party loans	2021 £'000 Total Investor loans	2020 £'000 Total Investor loans
Opening balance	5,000	6,197	4,125	15,322	11,153
Loans repaid	–	(5,500)	–	(5,500)	(1,757)
Loans converted to shares	–	(7,407)	(18,625)	(26,032)	(17,693)
Loans provided	–	11,960	14,500	26,460	23,619
Closing balance	5,000	5,250	–	10,250	15,322

Split as follows:

	2021 £'000 Laird Investments (PTY) Limited	2021 £'000 Director loans	2021 £'000 Other related party loans	2021 £'000 Total Investor loans	2020 £'000 Total Investor loans
Date repayable:					
October 2021	5,000	–	–	5,000	5,000
< 1 year	–	724	–	724	10,322
1-2 years	–	724	–	724	–
2-5 years	–	2,172	–	2,172	–
> 5 years	–	1,630	–	1,630	–
	5,000	5,250	–	10,250	15,322

During the year, the Group received £20.96m (net of repayments) from Directors, existing shareholders and other parties. This entire amount was made available for working capital purposes

Laird Investments (PTY) Limited ("Laird")

Shareholder

A facility provided by Laird to the Company of £5m is being charged interest at 8% on an accruing basis. This is due for repayment in October 2021.

Director loans

John Bennett, Barry Scott, Douglas Park, Alastair Johnston and Julian Juul Wolhardt

A facility provided by Mr J Bennett, Mr A Johnston and Mr J Wolhardt to the Company of £5.25m is being charged interest at 6% on an accruing basis. Repayments of this, over a 7 year period, commenced in August 2021.

Loan facilities of £1.5m provided by Mr J Bennett prior to the commencement of the period, as well as a further £0.2m provided during the year, were converted to equity in the year. A further £1.5m provided prior to the commencement of the period, as well as a further £4.0m provided during the year, were repaid.

Loan facilities of £0.7m provided by Mr D Park prior to the commencement of the period, as well as a further £2.51m provided during the year, were converted to equity in the year.

Loan facilities of £0.75m provided by Mr A Johnston prior to the commencement of the period were converted to equity in the year.

Borita Investments Limited is a company in which Mr J Wolhardt and his wife are interested. Loan facilities of £1.5m provided by Mr J Wolhardt prior to the commencement of the period were converted to equity in the year.

Loan facilities of £0.25m provided by Mr B Scott prior to the commencement of the period were converted to equity in the year.

Notes to the financial statements (continued)

27. RELATED PARTY TRANSACTIONS (CONTINUED)

Other related party loans - *Shareholders and other investors*

Barry McLeish, George Letham, Stuart Gibson, Club 1872, Alan McLeish, Scott Forrest, Kirk Beaton, Perron Investments LLC, George Taylor, Daniel McKinlay, Neil Hosie.

No interest or fees were charged on the loan facilities provided by the above individuals and organisations.

Mr B McLeish provided £0.25m of loans during the period, which were converted to equity in the year.

Mr G Letham provided £0.5m of loans prior to the commencement of the period, and a further £0.5m of loans during the year, all of which were converted to equity in the year.

Mr S Gibson provided £1.0m of loans prior to the commencement of the period, and a further £7.0m during the period, all of which were converted to equity in the year.

Club 1872 provided £0.5m of loans during the period, which were converted to equity in the year.

Mr A McLeish provided £0.5m of loans prior to the commencement of the period, and a further £0.5m during the period, all of which were converted to equity in the year.

Mr S Forrest provided £0.25m of loans during the period, which were converted to equity in the year.

Mr K Beaton provided £0.75m of loans during the period, which were converted to equity in the year.

Perron Investments LLC provided £3.25m of loans during the period, which were converted to equity in the year.

Mr G Taylor provided £1.5m of loans prior to the commencement of the period, and a further £1.5m during the period, all of which were converted to equity in the year.

Mr D McKinlay provided £0.5m of loans prior to the commencement of the period, which were converted to equity in the year.

Mr N Hosie provided £0.125m of loans prior to the commencement of the period, which were converted to equity in the year.

Key management personnel remuneration

Details in respect of the remuneration of the Board of Directors and Key management personnel are disclosed in note 6 to the financial statements.

28. CONTINGENT LIABILITIES AND PROVISIONS

Provisions

	Legal disputes £'000	Total £'000
At 1 July 2020	3,150	3,150
Charged to the income statement	-	-
Other movements	(400)	(400)
	2,750	2,750

The Club is currently involved in a number of legal disputes. Having taken legal advice, the amount provided represents the directors' best estimate of the Club's liabilities in respect of these disputes. Uncertainties relate to whether claims will be settled out of court or if not whether the Group is successful in defending any action. The amount provided may be less or more than the sums at which matters are ultimately resolved. Because of the nature of the disputes, the directors have not disclosed further information on the basis that they believe that this would be seriously prejudicial to the Club's position in achieving the best outcome on these matters.

Contingent liabilities

Legal proceedings are ongoing with a former employee who made a claim against the Club for unjustified termination of their employment agreement. The final ruling on this dispute is pending and having taken legal advice the Club is confident that the ruling will find in its favour. If the outcome finds against the former employee this would result in a compensation payment being awarded to the Club.

SDI Retail Services Limited

The company is engaged in ongoing legal proceedings relating to its previous retail arrangements. Judgment has been granted against the Company in respect of certain breaches of contract but, at this stage, the extent of the Company's liability other than with regard to legal fees has not been decided by the Court. As negotiations are ongoing regarding the legal proceedings, the Directors are of the view that it would be seriously prejudicial if it were to disclose the information usually required by IAS 37 (Provisions, Contingent liabilities and contingent assets). The Company has dealt with its estimated liabilities, insofar as it is practicable for its Directors to estimate them at this stage, when calculating its accruals.

Notes to the financial statements (continued)

29. EARNINGS PER ORDINARY SHARE

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

Loss for the year attributable to owners of the company (£'000)	**Year to 30 June 2021**	**Year to 30 June 2020**
Earnings for the purpose of basic and diluted earnings per share	(24,153)	(17,462)
Weighted average number of shares for the purpose of basic and diluted earnings per share	330,970,397	242,201,998
Basic and diluted earnings per ordinary share	(7.30p)	(7.21p)

If the Company's share issues had occurred prior to the year end, the number of ordinary shares in issue would have been 408,938,857. The Company's basic and diluted earnings per share would have been (5.91p) had these shares been in issue for the whole year.

30. POST BALANCE SHEET EVENTS

The following events have occurred subsequent to the year end:

Acquisition and disposal of player registrations

The Group contracted for the purchase of seven permanent player registrations. The amount payable in respect of the above amounts to £2.7m, after taking account of direct costs.

The Group also disposed of five player registrations on a permanent basis and ten registrations on loan. The amount receivable in respect of above totaled £1.1m.

Share Issue

A share issue made open to all fans and investors generated gross income of £4.5m in August 2021.

Investor Loans

Subsequent to the year end, the Company received further investor loans amounting to £8.5m.

31. CAPITAL COMMITMENTS

At the year end, The Group had contracted for stadium improvements amounting to £1.03 million.