Rangers Media Limited

Annual report and financial statements

for the year ended 30 June 2017

Registered number: SC436460

# Rangers Media Limited
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# Rangers Media Limited
# Officers and professional advisers

**Company Registration Number**

SC436460

**Directors**

Paul Murray

Stewart Robertson

Andrew Dickson

**Company Secretary**

James Blair

**Registered Office**

Ibrox Stadium, 150 Edmiston Drive, Glasgow G51 2XD

**Independent Auditor**

Campbell Dallas, Titanium 1, King's Inch Place, Renfrew PA4 8WF

# Rangers Media Limited
## Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements, for the year ended 30 June 2017.

**Principal activities**

The principal activity and core business of the Company is the provision of digital content and production.

The Company is a wholly-owned subsidiary of Rangers International Football Club plc ('RIFC plc'), a company incorporated in the United Kingdom which operates as a Group parent company to a football club. The Group parent company maintains its support to the Company on a long term basis and the Directors have received confirmation of the continued financial support from it for a period of at least 12 months from the date of this report.

**Results and going concern**

The Company reported a profit after tax of £98k for the year and had net liabilities of £25k as at 30 June 2017 (2016: profit after tax of £88k for the year and net liabilities of £122k). The profit after tax has been driven by an increase in take-up of subscription media products, and increased matchday programme sales throughout the year.

The Directors have prepared forecasts covering a period of at least 12 months from the date of this report. The ultimate parent company has provided the Directors with written representation confirming that Rangers International Football Club plc will ensure that it will not call in the inter-company balances due, and will continue to provide financial support for at least 12 months from the date of this report. Having considered this, as well as the going concern disclosures in the ultimate parent company's financial statements regarding the projected working capital shortfall, the Directors acknowledge that had these assurances not been secured then a material uncertainty would exist which may cast doubt over the Company'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.

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

**Directors**

The Directors, who served throughout the period except as noted, were as follows:

| | |
|---|---|
| Paul Murray | |
| John Gilligan | resigned 1 August 2017 |
| Stewart Robertson | appointed 31 August 2017 |
| Andrew Dickson | appointed 31 August 2017 |

**Statement of disclosure of information to auditors**

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The appointed auditors, Campbell Dallas LLP, tendered their resignation and were replaced by Campbell Dallas Audit Services. Appropriate arrangements have been put in place for Campbell Dallas Audit Services to be reappointed for another term in the absence of an Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved on behalf of the Directors and signed:

Andrew Dickson, Director

23 November 2017

# Rangers Media Limited
## Directors' responsibilities statement

The Directors are responsible for preparing the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements 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, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Independent auditor's report to the members of Rangers Media Limited (continued)

**Opinion**
We have audited the financial statements of Rangers Media Limited (the 'company') for the year ended 30 June 2017 on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of Companies Act 2006.

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

**Emphasis of matter - going concern**
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures in note 1 to the financial statements concerning the Company's ability to continue as a going concern. In order to continue operations for the next 12 months the Company is dependent on its ultimate parent entity raising additional finance and continuing to provide support to the Company. Failure to secure additional funding by the ultimate parent entity would result in the existence of a material uncertainty which may cast significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**Other information**
The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption form the requirement to prepare a Stategic Report or in preparing the Report of the Directors.

# Independent auditor's report to the members of Rangers Media Limited (continued)

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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.

**Our 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Campbell Dallas

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

23 November 2017

# Rangers Media Limited

## Statement of comprehensive income
## Year ended 30 June 2017

| | Note | Year ended 30 June 2017 £ | Year ended 30 June 2016 £ |
|---|---|---|---|
| Revenue | | 786,504 | 734,417 |
| Cost of sales | | (336,005) | (394,929) |
| **Gross profit** | | 450,499 | 339,488 |
| Administrative expenses | | (330,276) | (278,108) |
| **Operating profit/(loss) on ordinary activities before taxation** | 2 | 120,223 | 61,380 |
| Tax on loss on ordinary activities | 8 | (21,937) | 26,986 |
| **Profit/(loss) on ordinary activities after taxation** | | 98,286 | 88,366 |
| **Profit/(loss) for the financial year** | 7 | 98,286 | 88,366 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 98,286 | 88,366 |

All activities relate to continuing operations.

The notes on pages 9 to 14 form an integral part of these financial statements.

# Rangers Media Limited (registered number: SC436460)

## Balance Sheet
## At 30 June 2017

| | Note | 2017 £ | 2016 £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Plant and equipment | 3 | 20,959 | 4,323 |
| **Current assets** | | | |
| Debtors | 4 | 7,889 | 27,491 |
| **Creditors: Amounts falling due within one year** | 5 | (53,522) | (154,774) |
| **Net current (liabilities)/assets** | | (45,633) | (127,283) |
| **Total assets less current liabilities** | | (24,674) | (122,960) |
| **Net (liabilities)/assets** | | (24,674) | (122,960) |
| **Capital and reserves** | | | |
| Called-up share capital | 6 | 1 | 1 |
| Profit and loss account | 7 | (24,675) | (122,961) |
| **Shareholders' (deficit)/funds** | | (24,674) | (122,960) |

The financial statements of Rangers Media Limited (registered number SC436460) were approved by the Directors and authorised for issue on 23 November 2017.

Andrew Dickson, Director

The notes on pages 9 to 14 form an integral part of these financial statements.

Rangers Media Limited

# Statement of changes in equity
At 30 June 2017

| | Share capital £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|
| **As at 30 June 2015** | **1** | **(211,327)** | **(211,326)** |
| Comprehensive income for the year to 30 June 2016 | - | 88,366 | 88,366 |
| **As at 30 June 2016** | **1** | **(122,961)** | **(122,960)** |
| Comprehensive income for the year to 30 June 2017 | - | 98,286 | 98,286 |
| **As at 30 June 2017** | **1** | **(24,675)** | **(24,674)** |

# Notes to the financial statements
# For the year ended 30 June 2017

**1. Accounting policies**

**General information**

Rangers Media Limited is a limited liability company incorporated in Scotland with registration number SC436460. The address of the registered office is Ibrox Stadium, Glasgow, G51 2XD.

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

**Basis of accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

**Going concern**

The Directors have prepared forecasts covering a period of at least 12 months from the date of this report. The ultimate parent company has provided the Directors with written representation confirming that Rangers International Football Club plc will ensure that it will not call in the inter-company balances due, and will continue to provide financial support for at least 12 months from the date of this report. Having considered this, as well as the going concern disclosures in the ultimate parent company's financial statements regarding the projected working capital shortfall and requirement for additional finance from its investors,, the Directors acknowledge that had assurances from the investors and Rangers International Football Club plc not been secured then a material uncertainty would exist which may cast doubt over the Company'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.

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

**Use of estimated 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. There were no significant estimates and judgements made in applying accounting policies that had a material impact on the financial statements of the Company.

**1. Accounting Policies (continued)**

**Assets and liabilities**

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

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

**Financial instruments**

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

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

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

**Trade and other receivables**

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

**Other financial liabilities**

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

**Impairment of financial instruments**

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

**Offsetting financial instruments**

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

# Notes to the financial statements (continued)
# For the year ended 30 June 2017

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

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

**Revenue recognition**

Revenue is stated net of VAT and trade discounts. Revenue from the sale of services is recognised when the services are physically provided to the customer. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

**Fixed assets**

Depreciation is provided at the following annual rates in order to write off an asset over its estimated useful life:

Plant & equipment - 20%

**2. Operating profit on ordinary activities before taxation**

| | Year ended 30 June 2017 | Year ended 30 June 2016 |
|---|---|---|
| | £ | £ |
| Profit for the period has been arrived at after charging: | | |
| Related company recharges | 276,620 | 261,092 |
| Depreciation of plant and equipment | 7,320 | 1,000 |
| Other administrative expenses | 46,336 | 16,015 |

Related company recharges reflect staff costs which are borne by The Rangers Football Club Limited and then recharged to Rangers Media Limited based on the number staff working on Media activities and the proportion of time spent on those activities.

Audit fees of £3,000 (2016: £3,000) are borne by another group company.

Neither the current Directors nor previous Directors received any remuneration directly attributable to their services provided as a Director of the company.

# Notes to the financial statements (continued)
## For the year ended 30 June 2017

### 3. Non-Current assets – Plant and Equipment

| **Cost** | **Plant and equipment** |
|---|---|
| **Cost at 1 July 2016** | **5,323** |
| Additions | 23,956 |
| Disposals | - |
| At 30 June 2017 | 29,279 |
| **Accumulated depreciation** | |
| At 1 July 2016 | 1,000 |
| Charge for the year | 7,320 |
| At 30 June 2017 | 8,320 |
| **Carrying amount** | |
| **At 30 June 2017** | **20,959** |
| At 30 June 2016 | 4,323 |

### 4. Debtors

| | **2017** | **2016** |
|---|---|---|
| | **£** | **£** |
| Amounts falling due within one year: | | |
| Trade debtors | 2,839 | 504 |
| Called-up share capital not paid | 1 | 1 |
| Deferred taxation | 5,049 | 26,986 |
| | 7,889 | 27,491 |

# Notes to the financial statements (continued)
For the year ended 30 June 2017

## 5. Creditors: amounts falling due within one year

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Trade creditors | 3,804 | 2,105 |
| Amounts owed to group undertakings | 43,784 | 138,963 |
| Accruals and deferred income | 5,934 | 13,706 |
| | 53,522 | 154,774 |

Amounts due to group undertakings are unsecured, repayable on demand and do not accrue interest.

## 6. Called-up share capital

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| **Allotted and called-up** | | |
| One ordinary share of £1 | 1 | 1 |

## 7. Reserves

| | Profit and loss account £ |
|---|---|
| At 30 June 2016 | (122,961) |
| Profit for the financial year | 98,286 |
| At 30 June 2017 | (24,675) |

**8. Taxation**

| | Year ended 30 June 2017 £ | Year ended 30 June 2016 £ |
|---|---|---|
| **Profit / (Loss) on ordinary activities before tax** | 120,223 | 61,380 |
| Tax on loss on ordinary activities at standard Corporation Tax rate of 19.75% (2016: 20%) | 23,744 | 12,276 |
| Losses utilised | | (12,276) |
| Change in rates | (1,807) | - |
| Recognition of previously unrecognised deferred tax | | (26,986) |
| **Tax charge / (credit) for the year** | 21,937 | (26,986) |

The company had unrelieved tax losses of £50,657 at 30 June 2017 (2016: £154,244).

Current tax is calculated at 19.75% of the estimated taxable profit / (loss) for the year (2016 – 20%). Finance Act 2016 was 'substantively enacted' and 'fully enacted' on 6 and 15 September 2016 respectively. This reduced the main rate of corporation tax applicable to 17% from 1 April 2020, replacing the 18% 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.

A deferred tax asset has been recognised on tax losses brought forward as the Directors anticipate the company generating sufficient taxable profits in the near future with which to utilise these losses brought forward.

**9. Deferred taxation**

| | £ |
|---|---|
| At 30 June 2016 | 26,986 |
| Charge to Income statement | (21,937) |
| At 30 June 2017 | 5,049 |

**10. Controlling party**

The company's ultimate parent undertaking is Rangers International Football Club plc, a company incorporated in Scotland. Rangers International Football Club plc prepares group financial statements and copies can be obtained from Ibrox Stadium, 150 Edmiston Drive, Glasgow, G51 2XD. The Directors are of the opinion that there is no individual controlling party of Rangers International Football Club plc. Rangers International Football Club plc is the smallest and largest group into which the results of the company are consolidated.