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TO ALL KNOWN CREDITORS

e-mail:
rangers@duffandphelps.com

10 July 2012

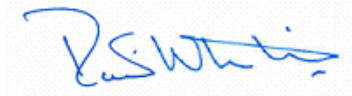
Dear Sirs

The Rangers Football Club Plc (In Administration) (“the Company” and “the Club”)

On 14 February 2012 I was appointed Joint Administrator of the Company together with my Partner, Paul Clark.

The purpose of this report is to provide creditors with an update on the progress of the Administration of the Company and to provide sufficient information for creditors to approve or reject the Joint Administrators' remuneration for the period up to 29 June 2012 in accordance with Rule 2.39 of the Insolvency (Scotland) Rules 1986.

Yours faithfully
For and on behalf of
The Rangers Football Club Plc



David Whitehouse
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Paul John Clark and David John Whitehouse who act as agents for the Company and without personal liability. They are both licensed by the Insolvency Practitioners Association.

Interim Report to Creditors

10 July 2012

The Rangers Football Club Plc (In Administration)

Joint Administrators' account of outlays and remuneration
in accordance with Rule 2.39 Insolvency (Scotland) Rules 1986

Names of Joint Administrators: Paul John Clark ("Paul Clark")
David John Whitehouse ("David Whitehouse")

Date of Appointment: 14 February 2012

Date of Report: 10 July 2012

Appointed by: The Court of Session
Parliament House
Parliament Square
Edinburgh
Scotland
EH1 1RQ

Court Reference P221/12

Duff & Phelps Ltd.
43-45 Portman Square
London
W1H 6LY

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1. Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended);
Ansarada	Ansarada UK Limited, 288 Bishopsgate, London, EC2M 4QP, a firm instructed to provide an online Electronic Data Room to facilitate the sale process;
the Appointment Date	14 February 2012 being the date of appointment of the Joint Administrators as granted by a Court Order from the Edinburgh Court of Session on 19 March 2012;
Biggart Baillie	Biggart Baillie LLP, Dalmore House, 310 St Vincent Street, Glasgow G2 5QR, the Joint Administrators' Scottish legal advisors;
Category 2 Disbursements	The Joint Administrators' firm's internal costs and expenses in dealing with the Administration;
CDDA	Company Directors Disqualification Act 1986;
Collyer Bristow	Collyer Bristow LLP, 4 Bedford Row, London WC1R 4TF, Solicitors acting for RFC Group;
the Company and the Club	The Rangers Football Club Plc (In Administration), Ibrox Stadium, Glasgow, G51 2XD (Company number SC004276);
CVA	Company Voluntary Arrangement in accordance with the Act;
CVA Meeting	The meeting of creditors of the Company and the meeting of shareholders of the Company held on 14 June 2012 at 10am and 1pm respectively in order to consider the CVA Proposal;
CVA Proposal	The Company Voluntary Arrangement proposed to creditors by the Nominees on 29 May 2012;
CVL	Creditors' Voluntary Liquidation in accordance with the Act;
Disciplinary Tribunal	The disciplinary tribunal of the SFA's Judicial Panel;
the Directors	Craig Whyte, Andrew Ellis and David King;
Duff & Phelps	Duff & Phelps Ltd., 43-45 Portman Square London, W1H 6LY;
EC Regulation	EC Regulation on Insolvency Proceedings 2000;
HMRC	Her Majesty's Revenue & Customs;
Ibrox Stadium	The Club's stadium and freehold property situated at 150 Edmiston Drive, Glasgow G51 2XD;
IPA	Insolvency Practitioners' Association, Valiant House, 4-10 Heneage Lane, London EC3A 5DQ;
the Joint Administrators	Paul John Clark of Duff & Phelps Ltd., 43-45 Portman Square, London W1H 6LY and David John Whitehouse of Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW;

Lambert Smith	Lambert Smith Hampton, 227 West George Street, Glasgow, G2 2ND independent agents who were instructed by the Joint Administrators to value the Company's property assets;
Member Share	Each member club's entitlement to participate in the SPL derives from its Member Share;
Murray Park	The Club's training ground and freehold property situated at Auchenhowie Road, Milngavie, Glasgow, G62 6EJ;
Nominee(s)	The Joint Administrator(s) acting as Nominee(s) in respect of the CVA Proposals;
Non-Playing Staff	Those whose function is to support the operational and administrative running of the Company and who are not registered as players by the SFA;
Playing Staff	Those whose principal activity for the Company is playing football and are registered with the SFA to do so;
Pritchard	Pritchard Stockbrokers Limited, Roddis House, 4-12 Old Christchurch Rd, Bournemouth BH1 1LG;
Proposals	The Joint Administrators' report to creditors and proposals issued on 5 April 2012;
Rangers / the Company / the Club	The Rangers Football Club Plc (In Administration), Ibrox Stadium, Glasgow, G51 2XD (Company number SC004276);
RFC Group	The Rangers FC Group Limited (Formerly Wavetower Limited), 4 Bedford Row, London, WC1R 4DF, the Company's majority shareholder and assignee of the Bank's qualifying floating charge security registered at Companies House;
the Rules	The Insolvency (Scotland) Rules 1986 (as amended);
Scheme of Arrangement	Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006;
Scottish Football Authorities	Comprising the SPL and SFA;
The Secured Creditors	RFC Group, Kelvinside, The SS Council, Premier Property and Close Leasing;
Sevco	Sevco Scotland Limited of Ibrox Stadium, Glasgow G51 2XD (Company number SC425159);
SIP 9	Statement of Insolvency Practice 9 (Scotland), Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements;
the SFA	The Scottish Football Association Limited, Hampden Park, Glasgow, G42 9DE;
SPA	Sale and Purchase Agreement to document the sale of a business and its assets from one legal entity to another;

the SPL	The Scottish Premier League Limited, Hampden Park, Glasgow, G42 9DE;
Sweeney Kincaid	Sweeney Kincaid Limited, 9 Colquhoun Avenue, Hillington, Glasgow, G52 4BN, independent agents who were instructed by the Joint Administrators to value the Company's plant & equipment and certain current assets;
Taylor Wessing	Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW, the Joint Administrators' English legal advisors;
Ticketus	Ticketus LLP & Ticketus 2 LLP, 20 Old Bailey, London EC4M 7AN, party to an arrangement regarding future season income with the Company;
Transfer Embargo	Pursuant to the Disciplinary Tribunal a prohibition on "seeking registration with the SFA of any player not currently registered with the Club, excluding any player under the age of 18 years";
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006;
UEFA	The Union of European Football Associations, Route de Genève 46, Case postal, CH-1260 Nyon 2, Switzerland.

2. Introduction

- 2.1 The Joint Administrators were appointed with effect from the Appointment Date by the Court of Session.
- 2.2 The Joint Administrators are licensed to act as insolvency practitioners by the IPA.
- 2.3 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators may be exercised joint and severally.
- 2.4 This report sets out the progress of the Administration for the period 31 March 2012 up to 29 June 2012. This report is intended to be read in conjunction with all other previous reports and updates issued by the Joint Administrators, including those documents relating to their role as Nominees in respect of the CVA proposal.

3. EC Regulation

- 3.1 It is the Joint Administrators' opinion that the EC Regulation applies to the Administration and these proceedings are main proceedings as defined in Article 3 of the EC Regulation.
- 3.2 The centre of main interest of the Company is in the United Kingdom. Therefore the Administration will be conducted according to the Scottish Insolvency Legislation and is not governed by the insolvency law of any other European Council member.

4. Progress of the Administration to Date

- 4.1 The Club continued to trade under the control of the Joint Administrators up to the date of the sale of the business and assets of the Company to Sevco on 14 June 2012. During this period, the Club was able to complete all of its remaining SPL fixtures and achieved second place in the final SPL standings for the 2011/2012 season.
- 4.2 The continuation of trading operations enabled the Joint Administrators to put the CVA Proposal to the creditors of the Company and after the CVA Proposal was rejected by creditors, the Joint Administrators were able to secure a going concern sale of the business, history and assets of the Company to Sevco (see Section 5 for further details).
- 4.3 Throughout this period, the Joint Administrators remained in regular dialogue with all major stakeholders, who were kept advised of the progress of the Administration, including the Club's Non-Playing Staff and Playing Staff, the Scottish Football Authorities and major business partners.
- 4.4 Following the sale of business and assets of the Company, the responsibility for maintaining all trading operations passed to Sevco which continues to operate the Club. The Joint Administrators have completed a handover of operational matters to Sevco and are now undertaking an exercise to finalise all outstanding issues relating to the Administration trading period.
- 4.5 The corporate entity which remains under the control of the Joint Administrators i.e. the Company, will be placed into CVL once all outstanding issues have been attended to. It is likely to be several weeks before this occurs.

Receipts and Payments

- 4.6 A summarised receipts and payments account for the period of this report is shown at Appendix 2. This shows an estate balance of £6,300,287 as at 29 June 2012, including an amount of £5,500,000 received from Sevco in relation to its acquisition of the business, history and assets of the Company (see Section 5 for additional details in relation to the sale process).

- 4.7 As previously reported, the tangible assets of the Club held limited value and as such the sale consideration received represents the perceived future potential of the business to deliver profit. Based upon recent financial performance, the uncertainty surrounding future European participation and the offers received during the sale process, the Joint Administrators regard the sale price achieved to be the best result possible for creditors following the rejection of the CVA Proposal.
- 4.8 Debtor receipts include £975,000 received from Everton FC in relation to the second tranche of the transfer fee for the sale Nikica Jelavic and £46,712 received from Blackpool FC in relation to arrears due for loan players. The balance is made up of amounts due in respect of hospitality and Sponsorship at the Appointment Date.

Trading Receipts and Payments

- 4.9 Attached at Appendix 2 is a separate trading receipts and payments account for the same period. This provides additional detail on transactions relating to trading activities up to and including 29 June 2012 and shows a deficit of £3,956,375. The Joint Administrators have a cash-backed indemnity from Sevco for the proportion of the shortfall incurred whilst the CVA was proposed. The extent of the final Administration trading deficit will be determined once all the Joint Administrators' trading accounts have been finalised.
- 4.10 The Club completed all of its remaining SPL fixtures for the 2011/2012 season and a significant amount of trading income was generated from matchday activities, including ticket sales, hospitality packages and the sale of food and beverages as outlined in the account. Corresponding matchday expenditure is also outlined in the account, including security, ticketing and broadcasting costs.
- 4.11 Additional revenue was generated from sponsorship and the receipt of an interim distribution from the SPL in respect of the 2011/2012 fees. Other sales include revenue generated from Rangers TV, merchandising and other non matchday items.
- 4.12 The account also breaks down non matchday operating costs associated with the Club's administrative functions, ticketing services, PR and Media and operations at Ibrox and Murray Park.
- 4.13 The Joint Administrators are of the opinion that the impact of any shortfall in trading will be outweighed by the significantly enhanced realisations derived from a successful exit from Administration. The alternative being closure of the Club which would have resulted in a very substantial increase in costs.
- 4.14 Please note that this is a trading cash account and subject to ongoing reconciliation.

Football regulatory matters

- 4.15 The Joint Administrators have continued to liaise closely with the Scottish Football Authorities during the Administration regarding the sale process, insolvency policies and the licensing requirements of these bodies.

SFA licensing submission

- 4.16 As noted in the Proposals, the Club submitted a licence application to the SFA for both national and UEFA licences prior to the 31 March 2012 deadline. However both licence applications were refused by the licensing committee of the SFA due principally to the fact that because of the Company's insolvency it could not complete its annual, audited accounts for the year to 30 June 2011. In addition, in breach of UEFA licensing regulations, the Company had overdue sums due to other football clubs and overdue PAYE/NIC amounts, which had arisen as a consequence of the Company's insolvent position.

- 4.17 Due to the Administration, it was not possible for the Company to satisfy these outstanding matters in order to obtain the licences, however the failure to receive a national licence had no practical effect on the Club's playing activities for the remainder of the season. The failure to obtain a UEFA licence for the following season did however impact upon the level of interest from prospective purchasers.

Disciplinary Matters

- 4.18 As has been widely reported, several charges were brought against the Club for breaches of the SFA Articles and these charges were heard by the Disciplinary Tribunal in a hearing held on 17, 18, 20 and 23 April 2012.
- 4.19 Of the seven charges brought against the Club, one was found not proven however the remaining six were found proven resulting in three censures, fines totalling £160,000 (payable within 12 months) and a Transfer Embargo.
- 4.20 Following a review of the Disciplinary Tribunal's Note of Reasons and having taken legal advice, the Club appealed the Disciplinary Tribunal's determination in respect of the Transfer Embargo. This appeal was on several grounds, most notably that the Disciplinary Tribunal had acted outwith its powers in determining such a sanction.
- 4.21 The Club's appeal was heard by an Appellate Tribunal (i.e. a new group of individuals drawn from the SFA Judicial Panel pool) on 16 May 2012. However the Appellate Tribunal's decision was to unanimously affirm the decision of the original Disciplinary Tribunal.
- 4.22 The impact that the Transfer Embargo would have on the Club's football operations, and in particular on the ongoing sale process, was significant. Given that the Club's firm legal advice maintained that the Transfer Embargo was outwith the scope of the Disciplinary Tribunal's powers, the Club sought legal advice on further steps that could be taken to challenge the Transfer Embargo.
- 4.23 Consequently, the Club sought a Judicial Review of the Appellate Tribunal's decision at the Court of Session and this Review was heard by Lord Glennie on 29 May 2012. In accordance with the Club's legal advice, Lord Glennie's opinion was that the Transfer Embargo was a sanction that was outwith the powers of the SFA Judicial Panel Protocol and he therefore concluded that the sanction could not be held against the Club and the matter should be returned to the Appellate Tribunal for reconsideration.
- 4.24 The Appellate Tribunal has yet to be reconvened to consider this matter further and, given the recent sale of the Company's business and assets noted above, a timescale for resolution of this matter by the Appellate Tribunal is unclear.

5. Sale of the Business and Assets

Interested Parties

- 5.1 As detailed in the Proposals, after undertaking a widely publicised marketing campaign indicative offers for the business were requested by 16 March 2012 with best and final offers to be received on 4 April 2012.
- 5.2 The Joint Administrators are bound by statutory provisions to accept the offer which yields the highest return to creditors of the Company.
- 5.3 A large number of unsubstantiated offers were received but each party seeking to submit an offer was asked to provide proof of available funding and an outline of the terms of the offer. Of the offers received, three credible indicative offers were received on 16 March 2012 deadline and one further credible offer was received on 23 March 2012. The key terms of each of these offers are summarised overleaf:

Offer 1 – Party 1

5.4 A sale of the Company's business and assets for £25m. No CVA proposal required.

Offer 2 – Party 2

5.5 Consideration of £5m to be introduced to the Company subject to a successful CVA proposal.

Offer 3 – Party 3

5.6 Consideration of £10m to be introduced to the Company subject to a successful CVA proposal. Party 3 would obtain Company's shares directly. Ticketus would not claim as an unsecured creditor in the process.

Offer 4 – Party 4

5.7 Consideration of £10m to be introduced to the Company subject to a successful CVA proposal. Party 4 would obtain Company's shares directly.

5.8 Of the offers received at this point, analysis demonstrated that Offer 1 produced the highest return to creditors by a substantial margin.

Matters Requiring Clarification

5.9 These offers could not be finalised by the prospective purchasers until clarity was reached on a number of issues, the critical ones being:

- i) Whether the Ticketus agreement could be terminated; and
- ii) How the Club's shares would be acquired if the offer required a CVA; and
- iii) How the Club's major creditors would vote in a CVA; and
- iv) The extent of any additional sanctions to be levied against the Club by the SPL and SFA, if any; and
- v) If a CVA was not possible whether the SPL would permit the transfer of the Club's Member Share from the Company to a newly incorporated entity; and
- vi) Whether the Club would be eligible for participation in European Football during the 2012/2013 season and beyond.

5.10 Further explanation of each of these points is provided below:

i) The Ticketus Agreement

5.11 The Joint Administrators had already submitted a directions application to the Court of Session in order to seek clarity on the Ticketus agreement. On 23 March 2012, Lord Hodge provided his guidance which confirmed that the Joint Administrators were able to terminate the agreement, if it was in the best interests of creditors to do so. Whilst this guidance did confirm the position as the Joint Administrators' had previously asserted, the uncertainty as regards the status of Ticketus in the intervening period caused concern to purchasers.

ii) The Company's Shares

5.12 Party 3 and Party 4 both stated that their offer would assume that they would come to a separate arrangement with the Company's major shareholder in order to acquire the shares to facilitate a CVA. This would not require the Joint Administrators to take steps to obtain the Company's shares. Offer 1 was not conditional upon a successful CVA being proposed and therefore

acquiring the shareholding was not relevant for this party. Party 2's offer required the Joint Administrators to facilitate a share transfer as part of the offer received.

- 5.13 Legal advice was sought and it was confirmed that there are no provisions within the Act which could enable the Joint Administrators to compel delivery of the Company's shares from the Company's major shareholder(s). It was also confirmed that whilst there were other courses of action available including a Scheme of Arrangement, these would take several months to implement and there was no guarantee of success. With the end of the season a target date for completion the Joint Administrators could not and did not undertake to deliver the Company's shares to any purchaser and therefore the interested parties were asked to make their own arrangements with the majority shareholder(s) directly. The other sanction available to the Joint Administrators would have been to enforce against the majority shareholder, RFC Group in relation to monies due to the Club.

iii) CVA Proposal

- 5.14 Ongoing dialogue was maintained with the Company's major creditor HMRC as it was apparent that HMRC's vote would most likely prevent any CVA proposal being approved due to the size of HMRC's unsecured claim. HMRC's stated position was that it would consider any CVA proposal put to it but would not commit to any decision until a CVA proposal had been formally put to all creditors.

iv) Extent of Further SFA & SPL Sanctions

- 5.15 As reported in the Proposals and in Section 4, the Club was subject to a number of ongoing disciplinary proceedings. Prospective purchasers wished to understand the implications of any sanctions being imposed on the Club before being in a position to commit to an acquisition of the Club and/or its assets. As a number of these proceedings had yet to conclude it was unclear what these sanctions would be and when they would be instigated.

v) Transfer of the Member Share and SFA Requirements

- 5.16 In the event that a CVA was not possible, prospective purchasers wished to understand how the Club's Member Share transferred from the Company to a new corporate entity. This transfer would be required to enable any newly incorporated company to participate in the SPL league. Prospective purchasers also wished to understand whether there were any implications with the SFA and its registration requirements. The Joint Administrators wrote to the SPL and SFA on a confidential basis in order to understand the processes, any limitations and the criteria which would be applied. Following responses received from both of these parties, all prospective purchasers were advised to contact the SPL and SFA for guidance. A number of the parties spent some time with the Scottish football authorities, other bidders made no contact whatsoever.

vi) Participation in European Competition

- 5.17 As stated above, the Company's auditors were unable to finalise and sign off on the Company's financial statements for the 12 months to 30 June 2011 as a consequence of the Company's financial position. This was a key requirement for UEFA and the absence of these signed accounts meant that participation in European competition would not be possible in the 2011/2012 season. The Joint Administrators discussed the matter with UEFA directly on 27 March 2012 at which point it was confirmed by UEFA that there would be no exception available to the Club. A further question arose as to whether European participation would be possible for any of the purchasers wishing to acquire the business, history and assets of the Company. The usual UEFA requirement is for 3 years of trading history to be presented to them. Any newly incorporated company acquiring the business, history and assets of the Company would not be able to meet this requirement. No commitment was received from UEFA in this regard.

Best and Final Offers

- 5.18 It was apparent that although Offer 1 offered the highest return to creditors, given the uncertainties detailed above there were no unconditional offers, nor were there any offers which were deliverable at this stage in the process.
- 5.19 Despite the inherent uncertainty, in order to progress matters all parties were well informed of the risks and best and final offers were invited on 4 April 2012 with a view to announcing the preferred bidder shortly thereafter.
- 5.20 The following offers were received by the deadline:

Offer 1 – Bill Miller

- 5.21 Following further negotiation Mr Miller declared himself to be the only individual remaining from Party one and subsequently lodged an offer of £10m for a purchase of the Company's business, history and assets. There was no requirement for a CVA.

Offer 2 – Party 2

- 5.22 No further offer was received however the original offer was not withdrawn.

Offer 3 – Party 3

- 5.23 The original offer was reconfirmed.

Offer 4 – Party 4

- 5.24 A revised offer of £12m plus additional deferred consideration contingent upon future European participation/success.

Offer 5 – Party 5 (a new bidder)

- 5.25 Consideration of £30m subject to a successful CVA proposal. No proof of funding was provided.

Financial Fair Play Proposals

- 5.26 An announcement as to the preferred bidder was scheduled to be made during the week commencing 9 April 2012 however during the Bank Holiday weekend 6 to 9 April 2012 the Joint Administrators were formally advised of the proposed Financial Fair Play amendments to be issued by the SPL. A vote was scheduled to be cast on 30 April 2012.
- 5.27 The SPL proposals as they were drafted would have had far reaching consequences for any of the purchasers of the Club and/or its business whether it was to be via a CVA or otherwise and as such no preferred bidder announcement could be made as originally hoped whilst prospective purchasers looked to fully understand the implications and reformulate their offers accordingly.
- 5.28 Bill Miller confirmed that he would pay a refundable £500k deposit for exclusivity however, his offer was entirely contingent upon an outright rejection of the SPL resolutions on 30 April 2012.
- 5.29 Party 2 did not make a further offer or increase the quantum of its offer at this time.
- 5.30 Party 3 comprised of a consortium of individuals whose offer was to be underwritten by a third party investor ("the Investor"). During a telephone call on 12 April 2012 the Joint Administrators were told that terms had not yet been agreed either between the individuals in the consortium or between the consortium and the Investor. This cast considerable doubt over the ability of Party 3 to complete upon any agreement within the terms it had stipulated. However, the Investor confirmed that it would provide the Joint Administrators with a £500k non-refundable deposit in order that Party 3 be given a period of exclusivity to complete the transaction.

- 5.31 On 13 April 2012 Party 3 withdrew its offer of a non-refundable deposit, just prior to a likely decision to grant them preferred bidder status.
- 5.32 Party 4 withdrew its offer on 20 April 2012 citing the uncertainties facing the Club and the difficulties surrounding the acquisition of the Company's shareholding which would be required for a CVA. However, its advisors verbally confirmed that it would contemplate making an offer for the business and assets of the Club at a later date via a SPA should a CVA not prove possible.
- 5.33 Party 5 failed to provide proof of funding or disclose details of its professional advisors. This party was the least advanced of the bidders.
- 5.34 Bill Miller's offer and Offer 3 were the offers which delivered the best return to creditors; however on 23 April 2012 the SFA published its disciplinary hearing outcome imposing the Transfer Embargo. As this sanction was later shown by the Court of Session to be unlawful, it was unexpected and it therefore caused a further delay to the process whilst the prospective purchasers considered the implications. Bill Miller asked for further time to consider his position. Party 2 also requested further time from the Joint Administrators with which to formulate a revised bid and undertake due diligence despite using the media to call for the Joint Administrators to announce the name of a successful purchaser.
- 5.35 On 28 April 2012 Party 2 and Party 3 together submitted a joint second offer, subject to a CVA, of £5.5m. The Investor had by this point stepped away from the consortium of individuals. This offer assumed that pre-existing football debtors be included in the sale. Football debtors held a value of circa. £3.8m which left this offer at a level of £1.7m, when compared to competing bids. In addition, a proposal was requested from Party 2 as to how the Club would be funded whilst a CVA proposal was put to creditors. No such funding offer was received. This new offer was made on the basis that this purchaser could and would facilitate the transfer of the Company's shares.
- 5.36 Following further discussions and analysis of the remaining offers, the Joint Administrators concluded that Bill Miller's offer provided the best return to the Company's creditors and was most likely to proceed to completion. On 3 May 2012 he was announced as the preferred bidder, but with no exclusivity arrangement.
- 5.37 On 4 May 2012, a late entrant into the sale process, Sevco, provided an indicative offer setting out the terms on which it would acquire the Company which following a number of discussions was agreed upon as follows:

Offer 6 – Sevco

- 5.38 Consideration of £8.25m on successful implementation of a CVA contingent upon Champions League participation during the next three seasons. Should the CVA fail, a binding agreement to purchase the business, history and assets of the Club for £5.5m using a newly incorporated company. Trading the Club whilst a CVA was proposed was to be funded utilising future revenue and football debtor monies, as appropriate.

Final Sale Process

- 5.39 On the May Bank Holiday weekend, following dialogue with the SFA and the SPL it became apparent that Mr Miller was considering the withdrawal of his offer. As such, a draft SPA was sent to Party 4 and Sevco. An SPA was not sent to Party 2/3 as it had not indicated that it would consider submitting any offer other than in conjunction with a CVA.
- 5.40 On 8 May 2012 Mr Miller withdrew his offer.
- 5.41 On 10 May 2012, Party 4's advisors made a verbal offer of £5m for the business and assets of the Club at which point Party 2/3 submitted a funding proposal for trading the Club whilst a CVA was proposed however the quantum of this party's offer remained below the Sevco offer.
- 5.42 The final remaining offers were therefore:

Offer 2/3

- 5.43 The final offer was for £5.5m however the purchaser wished to retain the football debtor balance of £3.8m leaving a net benefit to the estate of £1.7m. A funding proposal was put to the Joint Administrators whilst a CVA was proposed to creditors however this offer remained uncompetitive.

Offer 4

- 5.44 A verbal offer for the business and assets of the Company was received for £5m. No CVA proposal was required.

Offer 6

- 5.45 £8.25m to fund a CVA, if the CVA failed then it would revert to an SPA with a sale price of £5.5m. An exclusivity payment of £200k and provision of funding whilst a CVA was proposed.
- 5.46 Having regard to the remaining offers the Joint Administrators were satisfied that the Sevco offer provided the best potential return to creditors of the Company. Therefore on 12 May 2012 the Joint Administrators accepted the Sevco offer.
- 5.47 As discussed in Section 6 below the CVA Proposal was rejected by creditors at the meeting held on 14 June 2012 and a sale of the business and assets of the Club completed shortly afterwards to Sevco.
- 5.48 Following the CVA creditors' meeting on 14 June 2012, the Joint Administrators were approached by a party verbally offering £6m for the business and assets of the Company. No offer had been received by this party in the previous 17 weeks. The person making the offer was believed to be part of the Party 3 consortium. Notwithstanding the verbal offer, the Joint Administrators confirmed that a binding contractual agreement with Sevco had been reached and the business, history and assets were subsequently transferred from the Company to Sevco.

6. CVA Proposal and Meetings

CVA Proposal

- 6.1 As set out in the Proposals, a CVA would have enabled the corporate entity formed in 1899 in which the business and assets of the Club vest, to continue to trade. This may have enabled the Club to continue to participate in European football as a UEFA requirement is to demonstrate 3 years of trading history. If the business and assets of the Club were transferred to a new corporate entity then there would be no trading history and therefore a probable UEFA prohibition on entering into European competition.
- 6.2 In addition, a CVA would entitle the Club to continue to play in the SPL (subject to ongoing sanctions) as a transfer of its Member Share would not be required.
- 6.3 Participation in European football has historically generated significant revenues for the Club and coupled with more straightforward approach with the SPL a CVA was therefore an attractive framework for the Club to continue to trade in its current guise.
- 6.4 The CVA Proposal was drafted and circulated to creditors on 29 May 2012 and the Creditors' and Shareholders' meetings were convened for 14 June 2012.
- 6.5 Any CVA proposal requires the support of 75% or more of creditors (by value) who vote in order for the CVA to be approved. The size of HMRC's vote, even excluding those liabilities arising from the Tier 1 Tax Tribunal provided HMRC with an effective right of veto in the event that they did not wish to support the CVA.

- 6.6 In the few days prior to the meetings HMRC confirmed that having had the opportunity to consider the CVA Proposal, its vote to be cast on the day of the meetings, would be to reject the Proposal in order to allow the subsequent appointment of Liquidators. Liquidators have a number of investigatory powers not available to Administrators which will provide the opportunity to pursue (former) Directors of the Company accordingly. A CVA and liquidation cannot run concurrently in these circumstances.
- 6.7 As a consequence of HMRC's vote, the meetings held on 14 June 2012 were a formality to declare that the CVA Proposal had not been passed by creditors.

7. Other Assets

Arsenal Holdings Shares

- 7.1 As noted in the Joint Administrators' Proposals, the shares were disposed of by Pritchard, on the Company's behalf, during January 2012 and Pritchard was placed into Administration on 9 March 2012.
- 7.2 The Joint Administrators have submitted a claim on the Company's behalf for £223,214 to the Administrators of Pritchard. A meeting of the creditors of Pritchard was held on 14 May 2012 at which the Company was elected to be a member of the creditors' committee of Pritchard, being one of the larger creditors.
- 7.3 The Administrators of Pritchard have indicated that there will be a significant dividend to its creditors, in excess of 50p in the £, although the quantum of timing of any receipt by the Company is currently uncertain.

Arrestment orders

- 7.4 Further to the Joint Administrators' Proposals, the only unresolved element of the arrestments made pre-Administration relates to £120,000 of SPL monies which has yet to be released to the Company but which the Joint Administrators have actively pursued.

Debtors

- 7.5 As at the Appointment Date, the Company was owed £3.8m from other football clubs in respect of deferred transfer fees which will fall due over a period of time up to 31 May 2014. Of these as detailed in Section 4 above £1,021,712 has been received.
- 7.6 Other debtors of approximately £538,846 at the Appointment Date largely consist of amounts due in respect of Hospitality and Sponsorship. A total of £483,317 has been collected to date and the Joint Administrators continue to pursue collection of the residual amounts.

8. Investigations and Litigation

- 8.1 The Joint Administrators' investigations into the Company's affairs are ongoing and all files will be passed to the Joint Liquidators once appointed, whose decision it will be as to what further steps should be taken in relation to any of the ongoing legal matters.

Collyer Bristow

- 8.2 As detailed in the Proposals, the Company and the Joint Administrators are involved in ongoing legal proceedings against Collyer Bristow and The RFC Group.
- 8.3 Since the date of the Proposals, Mr Gary Withey of Collyer Bristow has applied to be joined to the litigation, and Collyer Bristow have sought to make their own claims against Mr Craig Whyte, Liberty Capital Limited and Merchant Turnaround Plc. As a result, the trial previously set for

October 2012 has been vacated and it is expected to be re-listed for a date in the Summer or Autumn of 2013.

- 8.4 As these proceedings are continuing, the Joint Administrators do not wish to potentially prejudice those actions by revealing substantive details. However, the Joint Administrators can confirm that the total value of the claims for the benefit of the Company could be in excess of £25,000,000.

Ticketus

- 8.5 As reported in the Proposals, investigations continue into the circumstances surrounding the agreements entered into around the time of the purchase of the Club by RFC Group.

Conflict of Interest

- 8.6 There have been certain unsubstantiated reports in the media, notably from the BBC regarding an alleged conflict of interest concerning the Joint Administrators and Duff & Phelps. Regrettably gross factual inaccuracies featured heavily in media reports. Following the broadcast of a BBC television program which made reference to this matter, Lord Hodge requested the Joint Administrators to provide information to the Court of Session regarding Duff & Phelps prior involvement with the Company and detailing the Joint Administrators' conflict review procedures which were undertaken prior to the Administration. This report is in the process of being prepared.
- 8.7 A detailed letter setting out the same has also been provided to the Joint Administrators' regulatory body.
- 8.8 It should also be noted that upon appointment the Joint Liquidators will review the conduct of the Joint Administrators. The Joint Liquidators are an independent accountancy firm nominated by the creditors of the Company.
- 8.9 The Joint Administrators have an ongoing responsibility to consider whether any conflict of interest exists. They are confident that the above processes will confirm that no conflict of interest existed in relation to the Administrators' conduct.

9. Statement of Pre-Administration Costs

- 9.1 A breakdown of the Joint Administrators' pre-appointment time costs of £42,760 is attached at Appendix 4 for the period between 6 and 14 February 2012. This includes undertaking work incidental to the appointment of the Joint Administrators including assistance with the preparation of the appointment documentation, discussions with the Director and planning for the Company to be placed into Administration.
- 9.2 The Joint Administrators confirm that payment of the unpaid pre-appointment costs, as an expense of the Administration, is subject to approval under Rule 2.39C of the Rules, and not part of the Proposals subject to approval under Paragraph 53 of Schedule B1 to the Act.

10. Joint Administrators' Costs and Remuneration Charged

- 10.1 In accordance with Rule 2.25(j) of the Rules, it is proposed that the basis upon which the Joint Administrators' remuneration should be fixed is by reference to the time properly given by them and their staff in attending to matters arising in the Administration.
- 10.2 The Joint Administrators' time costs for the period 14 February 2012 up to and including 29 June 2012 totals £2,930,644. This has been separately recorded as £2,826,035.50 in respect of general duties relating to the Administration (as described in further detail below) and £104,608.50 relating to the Joint Administrators' costs for proposing the CVA. It should be noted that the Proposals as approved by creditors provided the requisite authority for the Joint Administrators to

- prepare and submit the CVA proposal to creditors. A schedule of these time costs is set out at Appendix 3.
- 10.3 The Joint Administrators choice of staffing was dictated by the complexity of the issues facing the Club and the transactions which had occurred in the months leading up to the appointment. The Joint Administrators' time costs are charged to the case on hourly rates (at 6 minute intervals) depending upon the level of skill and experience of that staff member. Information regarding the fees of the Joint Administrators called "A Creditors' guide to Administrators' fees" can be found on our website at www.duffandphelps.com/uk-restructuring. Should any creditor require a paper copy, please contact the Joint Administrators' office.
- 10.4 For the reasons set out in the Proposals, the CVA Proposal and this report, this appointment is considered to be the highest profile sports club Administration in Scotland (and probably the whole of the UK) and has involved a large number of complex elements. The Administration was reported and commented upon in many national newspapers in Scotland for much of the duration of the appointment.
- 10.5 A successful sale of the business, history and assets of the Company was achieved by the Joint Administrators despite the large number of complexities introduced by various stakeholders in the Club. It should also be noted that as a consequence of these complexities the Joint Administrators are satisfied that a sale of the business was achieved in a timely manner.
- 10.6 The Joint Administrators successfully negotiated Playing Staff salary reductions of up to 75% which enabled sufficient time to deal with the issues facing the Club as they arose and ultimately led to a successful sale. This cost reduction allowed the Club to survive financially whilst the bidding process progressed.
- 10.7 The Joint Administrators were also able to defeat a claim from Ticketus which could otherwise have resulted in the Club recommencing trading in the new season carrying a legacy debt in excess of £27m.
- 10.8 Following the SFA disciplinary hearing the Joint Administrators successfully challenged the Transfer Embargo which would also have been extremely damaging for the Club.
- 10.9 The history and spirit of the Club have been preserved by the sale which completed on 14 June 2012 and it is now the responsibility of the new owners to secure its future.
- 10.10 Further details regarding major areas of time recorded are provided below.
- 10.11 Time costs of £884,165 have been incurred under the heading Strategy Management and Control. This largely includes dealing with the SFA, the SPL and UEFA, high level discussions with parties interested in purchasing the Club or its assets and discussions with stakeholders including politicians and supports associations. A large element of this category of time cost also relates to dealing with media enquiries, understanding historic transactions and formulating ongoing strategies regarding the several strands of litigation which the Joint Administrators are involved in for the benefit of the Club and its creditors.
- 10.12 Significant time has been expended in this category in liaising with both Scottish and English legal advisors and Counsel in order to make sure that the strongest case be presented to the Courts. It also represents time incurred ensuring that statutory deadlines were met and in managing the affairs of the Club whilst it continued to trade.
- 10.13 There are £679,215 of time costs incurred in the period which relate to the Trading Operations of the Club. This includes negotiating and meeting with suppliers to ensure that the Club could continue to function, undertaking ongoing costs review and ongoing day to day trading of the Club.

- 10.14 In total £489,910.50 of time costs relates to the sale process undertaken by the Joint Administrators. As set out above this process was protracted for a number of reasons by third party intervention or factors beyond the Club's control. A large quantity of information was gathered for interested parties in order that they may satisfactorily complete due diligence during the sale process.
- 10.15 Also included are costs of ensuring that the Club could continue to meet its match day requirements which ensured that season ticket holders would continue to be able to attend games after the Administration. There was also time incurred dealing with all of the various income streams for the Club which include hospitality, retail and match day ticket revenue.
- 10.16 In addition £114,401.00 of time costs were incurred in dealing with employees, salaries and payroll taxes and reviewing the ongoing staffing requirement of the Club including negotiating player salaries and understanding value in the playing squad.
- 10.17 Accounting for the revenue and costs of the business whilst it traded in Administration accounted for £122,782.75 of time costs. This included day to day accounting and forecasting and modelling the final trading position of the Company in order to ensure that sufficient funds were available to continue to meet fixtures in the event that a purchaser could not be found for the Club or its assets.
- 10.18 The time costs in the Financial Review and Investigations section of £100,453.75 derive from the more detailed analysis of transactions occurring prior to the appointment of Joint Administrators in order to provide the necessary understanding and evidence in order to bring legal actions where it was appropriate to do so.
- 10.19 Additionally, this category of time cost includes time incurred making available documentation for those parties undertaking third party investigations into the affairs of the Club including the SPL, SFA and Strathclyde Police. There are also specific investigatory duties incumbent upon the Joint Administrators relating to their obligations under the CDDA and other legislation.
- 10.20 Any creditor (with the support of at least 25% in value of the creditors or the permission of the court), may apply to the court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrator are considered to be excessive. This application must be made no later than 8 weeks after receipt of the progress report for the accounting period in which the charging of the remuneration or the incurring of expenses in question occurs. For the avoidance of doubt this report and request for remuneration is an interim claim in respect of the accounting period 14 February 2012 to 13 August 2012.
- 10.21 Attached at Appendix 4 is a schedule of the Agents and Solicitors appointed by the Joint Administrators since the Appointment Date.
- 10.22 The Joint Administrators' choice of Agents and Solicitors instructed was based on their perception of the Agents' and Solicitors' ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them.

11. Dividend Prospects / Prescribed Part

- 11.1 As referred to in previous reports the funds available to unsecured non-preferential creditors will depend upon the extent of further realisations from ongoing litigation. Any distribution to this class of creditor will be made by the Joint Liquidators following their appointment.

12. Creditors' Meeting

- 12.1 In accordance with Paragraph 58 of Schedule B1 to the Insolvency Act 1986 and Rule 2.28 of the Rules, in view of the costs associated with a meeting of creditors, rather than holding a physical meeting to consider the resolutions in Section 13 below, creditors can vote by way of correspondence. A Notice of Conduct of Business by Correspondence is attached at Appendix 5. Votes must be received by 12 noon on 26 July 2012 to be counted.

13. Resolutions

- 13.1 The following resolutions are proposed by the Joint Administrators and should be voted upon using the form at Appendix 5. Remuneration relates to the Joint Administrators' time properly incurred, whilst outlays include costs of other professionals, services and products incurred on behalf of the Club and the Joint Administrators details of which are provided at Appendices 2 and 4.

RESOLUTION (1)

- 13.2 That the Joint Administrators may draw remuneration of £42,760 and £2,930,644 for the periods up to 14 February 2012 and 14 February 2012 to 29 June 2012 being their respective pre-appointment and post appointment time costs to date.

RESOLUTION (2)

- 13.3 That creditors agree to the Joint Administrators' outlays for the period 14 February 2012 to 29 June 2012.

14. Other Matters

- 14.1 The next report will be a formal progress report and will be issued following the six month anniversary of the Appointment Date or sooner depending upon when the Company is placed into CVL.
- 14.2 If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, then they should be pleased to hear from them.
- 14.3 If you require further information or assistance, please email rangers@duffandphelps.com.

Yours faithfully
For and on behalf of
The Rangers Football Club Plc



David Whitehouse
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Paul John Clark and David John Whitehouse, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation 27 May 1899

Registered Number SC004276

Company Directors in the last 3 years

Director	Appointed	Resigned
Andrew Ellis	20 January 2012	N/A
David King	30 March 2000	N/A
Craig Whyte	6 May 2011	N/A
Martin Bain	6 September 2001	23 June 2011
Philip Betts	6 May 2011	20 January 2012
John Greig	6 February 2004	16 October 2011
Alastair Johnson	6 February 2004	23 May 2011
John McClelland	14 September 2000	16 October 2011
Michael McGill	16 October 2009	6 May 2011
Donald McIntyre	12 June 2006	7 October 2011
Donald Muir	16 October 2009	6 May 2011
David Murray	18 January 1989	26 August 2009
Paul Murray	20 September 2007	23 May 2011

Company Secretary Gary Withey

Majority Shareholder The Rangers FC Group Limited

Trading Address Ibrox Stadium
150 Edmiston Drive
Glasgow

Registered Office Ibrox Stadium
150 Edmiston Drive
Glasgow

Appendix 2

Receipts and Payments Accounts

Receipts and Payments Account

14 February 2012

The Rangers Football Club Plc

to 29 June 2012

In Administration

£

Assets Realisations

Goodwill	1
The SPL Share	1
The SFA Membership	1
Leashold Interests	1
Player Contracts & Registrations	2,749,990
Stock	1
Subsidiary Companies Share Capital	5
Heritable Properties	1,500,000
Plant & Machinery	1,250,000
Cash at Bank	3,403,762
Debtors	1,505,029
Insurance Refund	500
Player Transfer Fees	61,945
Bank Interest	985
Petty Cash	2,000
Football in the Community Grants	1,262
Sundry Receipts	6,968

10,482,451

Less

Trading Shortfall	3,956,375
Legal Disbursements	129,294
Property Agents Fees	25,000
Stationery Postage/Statutory Reporting	47,408
Statutory Advertising	17,156
Retention of Title Settlement	924
Bank Charges	6,007

4,182,164

Balance

6,300,287

Made up as Follows

VAT Receivable	82,887
General Trading Account	524,210
Ticket Office Account - Home Fixtures	33,848
Ticket Office Account - Away Fixtures	14,573
Debtors Control Account	153,252
VAT Payable	(30,004)
VAT Control Account	21,511
Exclusivity Fee	200,010
Taylor Wessing Client Account	5,300,000

6,300,287

* A statement of affairs has yet to be provided therefore comparison figures are not available

* This document outlines transactions up to and including Friday 29 June 2012

Trading Receipts and Payments Account

The Rangers Football Club Plc
In Administration

14 February 2012
to 29 June 2012

Income	£
Ticket Sales	2,014,404
Programme Sales	71,797
Hospitality Sales	267,728
Food and Beverage Sales	388,973
Stadium Tours	23,001
Sponsorship Income	753,033
SPL Income	519,200
Other Sales	394,850
	4,432,986
Expenditure	
Direct Matchday Costs - Home Games	102,609
Direct Matchday Costs - Away Games	55,317
Payments to Football Clubs - Away Tickets	508,604
Security / Policing	515,157
Programme Costs	18,765
Audio Visual Costs	59,286
Media costs	54,070
Medical Costs	9,254
Football in the Community Costs	43,831
Charity Match Costs	153,512
Friendly Match Costs	15,445
Player Agents Fees	6,270
Legal Costs/SFA Appeal Hearing	24,800
Pre Administration Wages/Salaries	479,513
Post Administration Wages/Salaries	2,299,658
Sub Contractors	24,400
Staff Expenses	34,319
Player Accommodation	53,078
Other Employee Costs	31,589
Pension Contributions	107,802
PAYE/NIC	1,752,972
Facility Costs / Repairs and Maintenance	221,505
Catering / Food and Beverage	991,155
Lease / Hire Purchase Payments	343,046
Utilities	256,219
Merchant Services Commission/Charges	22,677
Cash Collection/Banking Services	2,870
Stationery/Postage	31,810
Software Licences/Trademarks	111,116
Waste Disposal	50,665
Fuel Costs	97
Petty Cash	7,700
Sundry Payments	250
	8,389,361
Trading Surplus/(Shortfall)	<u>(3,956,375)</u>

* Please note that this is a cash account subject to reconciliation

* This document outlines transactions up to and including Friday 29 June 2012

Appendix 3

Analysis of Time Charged and Expenses Incurred

The Rangers Football Club Plc (In Administration)

Analysis of Pre-Administration time costs

Classification of Work	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning							£	£
Strategy Planning & Control	34.40	30.90	2.30			67.60	32,741.50	484.34
Dealings with Directors and Management	14.50					14.50	6,960.00	480.00
Financial Review		3.60				3.60	1,566.00	435.00
Dealing with Notice of Intention to Appoint			1.80			1.80	432.00	240.00
Cashiering & Accounting			0.20	0.10		0.30	79.50	265.00
Case Specific Matters								
Legal Matters	1.80					1.80	981.00	545.00
Total Hours	50.70	34.50	4.30	0.10	0.00	89.60		477.23
Total Fees Claimed (£)	26,689.00	15,007.50	1,042.00	21.50	0.00		42,760.00	

Category 2 Disbursements:

There are no category 2 disbursements for this case to date.

The Rangers Football Club Plc (In Administration)

Analysis of Joint Administrators' time costs for the period 14 February 2012 to 29 June 2012

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	12.80	5.00	49.00	2.00	4.50	73.30	22,088.50	301.34
Cashiering & accounting	10.30	27.25	107.35	29.40	31.40	205.70	57,465.50	279.37
Dealings with Directors and Management	100.30	1.10	7.10	0.40	3.10	112.00	51,562.50	460.38
IFS set up & maintenance	-	0.30	1.30	12.40	-	14.00	1,808.00	129.14
Insurance	-	2.10	0.25	-	-	2.35	986.00	419.57
Statement of affairs	-	-	0.30	-	1.30	1.60	293.00	183.13
Statutory matters (Meetings & Reports & Notices)	134.10	177.60	105.00	10.40	0.90	428.00	165,125.50	385.81
Strategy planning & control	1,368.40	283.30	132.00	10.50	32.10	1,826.30	884,165.00	484.13
Tax Compliance/Planning	8.95	-	3.60	-	2.10	14.65	5,627.00	384.10
Creditors								
Communications with Creditors/Employees	39.60	29.05	28.60	17.10	4.10	118.45	40,939.25	345.62
Creditors committee	15.15	-	-	-	-	15.15	7,272.00	480.00
Non Pref Creditor claims adjudication and dist'n	1.50	-	0.20	0.50	-	2.20	833.00	378.64
Non Pref Creditors/Employee claims handling	4.50	4.10	75.20	12.10	4.40	100.30	26,870.50	267.90
Secured Creditors	14.80	-	2.50	-	-	17.30	7,808.00	451.33
Investigations								
CDDA & reports & Communication	8.90	3.25	9.20	0.30	-	21.65	8,484.75	391.91
Financial review and investigations (S238/239 etc)	111.40	102.15	18.50	9.50	-	241.55	100,453.75	415.87
Forensic Sales Ledger Investigation	2.10	-	-	-	-	2.10	1,144.50	545.00
Realisation of Assets								
Book debts	5.50	7.25	14.90	-	1.20	28.85	9,583.75	332.19
Freehold and Leasehold Property	2.00	-	10.35	-	1.40	13.75	4,144.50	301.42
Hire Purchase and Lease Assets	2.00	1.10	5.80	1.30	-	10.20	3,341.50	327.60
Other Intangible Assets	5.60	1.60	-	-	-	7.20	3,384.00	470.00
Other Tangible Assets	12.10	-	18.40	-	-	30.50	11,134.00	365.05
Plant & Machinery & Fixtures & Motor Vehicles	-	-	3.60	-	-	3.60	1,014.00	281.67
Sale of business	555.70	298.20	328.10	4.30	0.30	1,186.60	489,910.50	412.87
Trading								
Trading - Accounting	10.50	90.70	258.75	-	120.10	480.05	122,782.75	255.77
Trading - Employees	104.20	103.20	75.70	-	4.60	287.70	114,401.00	397.64
Trading - Hire Purchase Matters	1.90	0.90	0.40	-	-	3.20	1,409.50	440.47
Trading - Insurance	-	0.20	3.90	-	-	4.10	1,175.00	286.59
Trading - Operations	64.70	876.15	961.95	21.20	90.30	2,014.30	679,215.25	337.20
Trading - Retention of Title & Claims handling	-	-	2.30	1.80	4.40	8.50	1,613.00	189.76
Total Hours:	2,597.00	2,014.50	2,224.25	133.20	306.20	7,275.15		388.45
Total Fees Claimed:	1,335,064.00	826,803.50	592,815.50	19,298.50	52,054.00		2,826,035.50	

Category 2 Disbursements:

There are no category 2 disbursements for this case to date.

The Rangers Football Club Plc (In Administration)

Analysis of Joint Administrators' time costs for the period 14 February 2012 to 29 June 2012

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Nominee's Costs re CVA								
Cashiering & accounting	-	0.10	-	-	-	0.10	39.00	390.00
General admin	-	12.85	-	-	-	12.85	5,589.75	435.00
IPS set up & maintenance	-	0.50	-	-	-	0.50	217.50	435.00
Meetings	12.90	15.00	-	-	-	27.90	12,342.00	442.37
Proposals	5.80	35.90	65.10	-	-	106.80	36,639.50	343.07
Statutory matters (Meetings & Reports & Notices)	3.60	18.60	42.00	5.30	-	69.50	20,800.00	299.28
Strategy planning & control	8.90	54.05	4.30	-	-	67.25	28,980.75	430.94
	31.20	137.00	111.40	5.30	0.00	284.90		367.18
	14,976.00	59,215.50	29,516.00	901.00	0.00		104,608.50	

Appendix 4

Joint Administrators' Agents and Solicitors

Company	Role	Costs Paid to 29 June 2012 (net of VAT)	Accrued Unpaid Charges to 29 June 2012 (net of VAT)
Sweeney Kincaid	Chattels agents – Preparing a valuation of the chattel assets. Fixed fee basis.	Nil	£16,000
Lambert Smith Hampton	Property agents – Preparing a valuation of Ibrox Stadium and Murray Park. Fixed fee basis.	£25,000	Nil
Biggart Baillie	Solicitors – Assist with placing the Company into Administration, statutory issues and legal matters including the Ticketus Direction. Time cost basis.	Nil	£398,400 Fees £6,251 Disbursements £116,700 Counsel Fees
Taylor Wessing	Solicitors – Assisting with legal matters in English law including action regarding Collyer Bristow. Time cost basis.	£129,544 Counsel	£1,283,102 Fees £18,975 Disbursements £231,988 Counsel
Accurate Mailing	Mailing agent – Print and send by post correspondence to the Company's creditors. Fixed fee basis.	Nil	£40,000*
Ansarada	Data room provider – Provide an online data room for the purposes of delivering details in relation to the sale process to interested parties quickly, cost effectively and securely. Fixed fee basis.	Nil	£20,000*
Media House	Media consultancy in relation to the Company.	Nil	£124,000*
Spreckley	Media consultancy in relation to the Administration.	Nil	£20,000*
Base Soccer	Players agents fees	£6,270	Nil

*Estimates provided as no final invoice received.

The Joint Administrators' choice of those instructed was based on their perception of the ability and experience to perform this type of work, the complexity and nature of the assignment and the basis of the Joint Administrators' fee arrangement with them.

Appendix 5

Notice of Conduct of Meeting by Correspondence

Rule 2.28 (Scot)

Notice of conduct of business by correspondence

Name of Company The Rangers Football Club Plc	Company number SC004276
In the Court of Session <small>(full name of court)</small>	<i>Court case number</i> P221/12.

(a) Insert full name(s) and address(es) of administrator(s)

Notice is hereby given by (a) Paul John Clark and David John Whitehouse of Duff and Phelps Limited of 43-45 Portman Square, London, W1H 6LY and The Chancery, 58 Spring Gardens, Manchester M2 1EW respectively.

(b) Insert full name and address of registered office of the company

To the creditors of (b) The Rangers Football Club Plc of Ibrox Stadium, 150 Edmiston Drive, Glasgow G51 2XD

(c) Insert number of resolutions enclosed

That, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) two (2) resolutions for your consideration. Please indicate below whether you are in favour or against each resolution.

(d) Insert address to which form is to be delivered

This form must be received at (d) c/o Duff & Phelps, 43-45 Portman Square, London W1H 6LY

(e) Insert closing date

By 12.00 noon on (e) 26 July 2012 in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded.

* For each resolution please circle 'in Favour' if you are in favour and 'Against' if you do not support the resolution.

Resolution (1) I am * in Favour / Against
Resolution (2) I am * in Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor: _____

Signature of creditor : _____
(if signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me/us at the address above.



Signed _____
Joint Administrator

Dated 10 JULY 2012

Appendix 6

Creditors' Request for a Meeting

Rule 2.31 (Scot)

Creditor's request for a meeting

Name of Company The Rangers Football Club Plc

Company number SC004276

In the Court of Session

Court case number P221/12

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of The Rangers Football Club Plc

(b) Registered Office: Ibrox Stadium, 150 Edmiston Drive, Glasgow G51 2XD

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the Requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence.

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated
