

**Private & Confidential**

22 November 2023

Our Ref 00181979-2400(25)

Please ask for: Catherine Taylor  
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Email: catherine.taylor@bdo.co.uk

Dear Sir(s)

**RFC 2012 P.L.C. formerly The Rangers Football Club P.L.C., (“the Company”) - In Liquidation  
Company Number: SC004276  
In the Court of Session, reference P1134/12**

**1. Introduction**

We refer to our appointment as Joint Liquidators of the Company on 31 October 2012. This report should be read in conjunction with our previous update dated 7 December 2022 and our subsequent letter to creditors dated 3 October 2023.

This report addresses the following aspects of the liquidation process:

- In accordance with section 192 of the Insolvency Act 1986 and Rules 7.4 and 7.8 of The Insolvency (Scotland) (Receivership and Winding up) Rules 2018 (“the Rules”), an update to creditors regarding progress in the liquidation to date;
- An update regarding the agreement of HMRC’s claim in the liquidation;
- Further dividends paid to creditors of the Company; and
- Notification of the Joint Liquidators’ remuneration and outlays as approved by the Liquidation Committee (“the Committee”).

As creditors may recall, the Committee was formed at the first statutory meeting of creditors held on 4 December 2012. The five members of the Committee represent the interests of the general body of creditors, and each has signed a confidentiality undertaking given the sensitive nature of the information to which they have access. Since its formation, twenty-seven formal Committee meetings have been held, along with other ad hoc discussions in relation to specific matters as they have arisen, in which the Joint Liquidators’ investigations and the liquidation strategy have been discussed in detail. As all matters in the liquidation were nearing completion, the final Committee meeting took place on 29 September 2023 when the Committee approved final resolutions.

**2. Receipts and Payments**

We attach a summary of our receipts and payments for the twelve-month period to 30 October 2023, together with a cumulative summary for the duration of the liquidation. We are unable to provide statement of affairs comparatives as, despite repeated requests, no statement of affairs has been

submitted by the directors. We have included as comparatives the estimated assets and liabilities as provided by the former Joint Administrators.

The receipts and payments are in the main self-explanatory, but we would like to comment on the following items:

#### Joint Liquidators' Remuneration and Outlays - Approved & Drawn (figures shown net of VAT)

As set out in our last report dated 7 December 2022, which also incorporated a notice requesting any objections from creditors in accordance with Rule 7.12 of the Rules, fees of £325,293.90 (excluding VAT) and outlays of £311.50 (excluding VAT) for the period from 5 March 2022 to 11 November 2022 were approved by the Committee. Following the expiry of the 14-day appeal period, these fees and outlays were drawn on 29 December 2022.

As notified to creditors in our letter of 3 October 2023, fees of £252,938.90 (excluding VAT) for the period from 12 November 2022 to 22 September 2023 were approved by the Committee. Following the expiry of the 14-day appeal period, these fees were drawn on 27 October 2023.

To date the remuneration drawn in the liquidation to the end of the period totals £6,949,792.36, together with outlays of £70,704.10. This excludes the Joint Liquidators' pre-appointment remuneration and outlays totalling £191,364.84.

#### Legal fees - liquidation

To date, the following legal fees, which have been approved by the Committee, have been paid as an expense of the liquidation:

Firm	Fees	Outlays
Brodies	1,631,253.59	685,323.38
Stephenson Harwood	7,714,271.12	699,519.33
Clyde & Co	49,500.00	-
Taylor Wessing	-	11,722.00
Michelmores LLP	10,000.00	-
Bramley Corporation Limited	11,700.00	296.45
Addleshaw Goddard LLP	-	2,400.00
William Wood QC	11,400.00	-
Shepherd & Wedderburn LLP	2,172,403.09	1,145,427.70
Levy & McRae	84,051.34	17,044.04
One Essex Court	-	54,375.00

As previously advised, of the legal fees paid to Stephenson Harwood ("SH"), c£5.4 million relates to the Collyer Bristow litigation.

#### Corporation Tax

Colleagues from BDO's tax team assisted the Joint Liquidators in finalising the corporation tax return to 31 October 2022 and submitting it to HMRC. The Joint Liquidators have now agreed the post-appointment corporation tax position with HMRC, and the final liability arising from post-appointment receipts, in the sum of £539.03, has been settled, as shown on the attached summary of our receipts and payments.

### 3. EBT/HMRC

As at the date of our last update on 7 December 2022, we reported that in relation to HMRC's prior claim of £64.514m, the Joint Liquidators, along with colleagues from BDO's Tax Dispute Resolution team and our legal advisors, carried out extensive and collaborative discussions with HMRC to reach a negotiated resolution in relation to certain remaining elements of the claim.

A composite settlement of £56m was agreed with HMRC, which reflected the outcome of the Supreme Court decision in 2017, and can be summarised as follows:

	£'000
EBT/ IHT	41,648
Small tax claims	4,079
Craig Whyte era	<u>10,273</u>
	<u>56,000</u>

Although the broad terms of the settlement had been agreed as at the date of the last annual report, the formal Settlement Agreement, ensuring that HMRC would not raise any further claims in the liquidation, was not fully finalised and signed until 23 July 2023.

As a result of the claim being finalised, the Joint Liquidators were able to release funds previously held in relation to HMRC's claim; HMRC had previously only received dividends on the admitted elements of its claim which totalled £13.352m.

HMRC was, therefore, due an equalising dividend in respect of the balance of its claim and which it would have received had its claim been agreed at the time of the Joint Liquidators issuing the first and second dividends. Accordingly, the sum of £2,946,970 was paid to HMRC in July 2023.

## 5. Dividend Prospects

To date, we have paid dividends totalling 14.43p in the £ to all admitted creditors on approval of Schemes of Division by the Committee. 13.91p in the £ has been paid to 30 October 2023, with the final dividend of 0.52p in the £ having been paid shortly after the end of the period covered by this report.

The first distribution of 3.91p in the £ was made in November 2017 and we have recorded £31,482.59 of payments not banked from this distribution.

The second distribution of 3p in the £ was made in March 2020 and we have recorded £47,923.16 of payments not banked from this distribution.

The third distribution of 7p in the £ was made in August 2023 and we have to date recorded £111,187.78 payments not banked from this latest distribution.

As all costs have since been finalised, the final dividend to all admitted creditors has now been paid.

Any dividends unclaimed at the end of the liquidation will be consigned to the Accountant of Court.

## 6. Joint Liquidators' Remuneration and Outlays

Further fee approvals since the last report are detailed in section 2. All fees are approved by the Creditors' Committee in this liquidation.

The basis of remuneration in this case is a time cost basis. We enclose at Appendix 2 a SIP9 summary of our time costs since the last approval, covering the period from 23 September 2023 to the end of the reporting period 30 October 2023. Also enclosed is a summary of all time costs incurred in the liquidation from the date of appointment to the end of the period covered by this report, 30 October 2023.

The Committee has approved that the Joint Liquidators may draw fees incurred from 23 September 2023 to the closure of the liquidation in line with a budget presented to the Committee on 29 September 2023, totalling no more than £75,500.00 (excluding VAT), subject to those time costs having been properly incurred.

As and when any such time costs have been incurred, the Joint Liquidators will issue notice to creditors to give them the opportunity to appeal against the determination under Rule 7.12 of the Rules. These fees will not be drawn before any such notice is given and the subsequent appeal period has expired.

## 7. Conclusions

We have attended to all statutory requirements throughout the course of the liquidation to date.

The Joint Liquidators have paid the final dividend just after the period end, and subsequently will be in a position to close the case on consignment of any unclaimed dividends. Therefore, the next report to the creditors in this matter will be the final report.

## 8. Insolvency Ethics & Complaints

As Insolvency Practitioners, we are bound by the Insolvency Code of Ethics, of which the fundamental principles are:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

A full copy of the code is available at: <http://www.insolvency-practitioners.org.uk/regulation-and-guidance/ethics-code>.

The Insolvency Service has established a central gateway for considering complaints in respect of insolvency practitioners. In the event that you make a complaint to us and are unsatisfied with our response, you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you find further information on how you may pursue your complaint.

Should you have any queries in respect of this report please contact Catherine Taylor on 0141 249 5256.

Yours faithfully  
For and on behalf of  
RFC 2012 P.L.C. (formerly The Rangers Football Club P.L.C.)



**James B Stephen**  
Joint Liquidator



**Malcolm Cohen**  
Joint Liquidator

James Bernard Stephen and Malcolm Cohen are authorised to act as insolvency practitioners in the UK by the Institute of Chartered Accountants in England & Wales. Office holder numbers 9273 and 6825, respectively.

The Joint Liquidators are Data Controllers as defined by the General Data Protection Regulations. Personal data will be kept secure and processed only for matters relating to the liquidation. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/legal-privacy/privacy-notice>

This report has been prepared by the Joint Liquidators solely to comply with their statutory duty under the Insolvency Act and Rules to provide members and creditors with an update of the liquidation. This report is not suitable to be relied upon by any other person, or for any other purpose or in any other context including any decision in relation to any debt or financial interest in the Company. Any person that chooses to rely on this report for any other purpose or in any other context other than under the Insolvency Act and Rules does so at their own risk. Any estimated outcome for creditors included in this report is illustrative and cannot be relied upon as guidance as to the actual outcome for individual creditors.

## Appendix 1 - Joint Liquidators' Receipts &amp; Payments

 RFC 2012 P.L.C. (formerly The Rangers Football Club P.L.C.)  
 (In Liquidation)

 Summary of the Joint Liquidators' Receipts and Payments for the period from 31 October 2012 to  
 30 October 2023

Statement of Affairs	From 31/10/2022 To 30/10/2023	From 31/10/2012 To 30/10/2023
£	£	£
<b>ASSET REALISATIONS</b>		
	NIL	70,000.00
1,871,000.00	NIL	2,355,961.58
Uncertain	NIL	2,521,150.32
Uncertain	NIL	NIL
Uncertain	NIL	24,000,000.00
	NIL	90,742.38
	NIL	550,000.00
	NIL	7,511,928.33
Uncertain	NIL	NIL
	85,206.70	367,727.60
	NIL	6,748.95
	NIL	3,713.27
	85,206.70	37,477,972.43
<b>COST OF REALISATIONS</b>		
	NIL	555.00
	NIL	86,469.06
	557,864.84	6,949,792.36
	311.53	70,704.10
	NIL	191,364.84
	NIL	36,204.11
	NIL	9,577.00
	NIL	190,432.53
	NIL	2,926,640.00
	15,930.87	6,303,329.14
	7,125.00	2,259,951.71
	539.03	2,348.83
	NIL	130,000.00
	NIL	170,000.00
	NIL	47,885.00
	NIL	257,799.88
	NIL	3,174.20
	NIL	3,629.68
	NIL	3,986.66
	595.33	2,712.57
	NIL	287,327.78
	NIL	439.68
	NIL	5,381,250.00
	NIL	356,156.19
	NIL	25,000.00
	NIL	240,000.00
	(0.42)	892.35
	NIL	1,123.54
	(582,366.18)	(25,938,746.21)

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(In Liquidation)

Summary of the Joint Liquidators' Receipts and Payments for the period from 31 October 2012 to 30 October 2023

Statement of Affairs £	From 31/10/2022 To 30/10/2023 £	From 31/10/2012 To 30/10/2023 £
<b>PREFERENTIAL CREDITORS</b>		
	NIL	2,121.42
(1,000.00) Preferential N.I.C.& Tax	NIL	742.32
(7,000.00) RPO	NIL	6,401.73
(7,000.00) Employees' Preferential Claims	NIL	6,401.73
	NIL	(9,265.47)
<b>UNSECURED CREDITORS</b>		
(7,033,666.84) Trade & Expense Creditors	124,106.63	503,457.73
(7,736,000.00) Debenture Holders	117,745.44	225,879.90
Uncertain	1,615.75	3,208.66
(20,030,000.00) Unsecured E.P.A.	156.29	156.29
(20,030,000.00) Directors	156.29	156.29
(27,211,671.63) Ticketus	827,302.10	1,587,402.10
(3,344,432.04) Football Creditors	28,234.00	54,575.63
(94,426,217.22) HMRC	3,628,711.45	8,081,319.19
NIL Wavetower/The Rangers FC Group Ltd	NIL	962,500.00
	4,727,871.66	(11,418,499.50)
<b>DISTRIBUTIONS</b>		
(10,879,400.00) Ordinary Shareholders	NIL	NIL
	NIL	NIL
<b>(168,798,387.73)</b>	<b>4,230,712.18</b>	<b>111,461.25</b>
<b>REPRESENTED BY</b>		
		51,644.35
VAT Input		NIL
VAT Output		NIL
VAT Control Account		NIL
The Royal Bank of Scotland		349,751.43
Bank of Scotland - 32 Day Notice		NIL
Santander Client Account		NIL
Funds to be consigned		(191,165.12)
Funds set aside in respect of held claims		NIL
Dividend suspense		(48,181.63)
Trade creditors		(50,587.78)
		<b>111,461.25</b>

\* The Company is VAT registered. Receipts and payments are shown net of VAT

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Appendix 2 - SIP 9 Summary





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A creditor's guide to office holder remuneration and a copy of BDO LLP's charging and expenses policy can be accessed via:

<https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

## BDO LLP REMUNERATION AND DISBURSEMENTS POLICY

In accordance with best practice, I provide below details of policies of BDO LLP in respect of fees and expenses for work in relation to the liquidation.

The current charge out rates per hour of staff within my firm who may be involved in working on the liquidation follows. This in no way implies that staff at all such grades will work on the case.

### Charge Out Rates

STAFF GRADE	From 1 July 2023		From 5 July 2022		From 3 January 2022	
	<u>Glasgow</u>	<u>London</u>	<u>Glasgow</u>	<u>London</u>	<u>Glasgow</u>	<u>London</u>
	£	£	£	£	£	£
Partner	621	994	575	920	523	836
Principal	621	994	575	920	523	836
Director / Senior Manager	521 - 625	694 - 834	402 - 483	643 - 772	366 - 439	585 - 702
Manager	380	507	294	470	267	427
Assistant Manager	286	333	221	353	201	321
Semi-Senior Administrator	228 - 266	304 - 354	205	329	186	299
Administrator	140	186	177	281	161	256
Support staff/Secretary	93	93	86	108	78	98

The rates charged by BDO LLP are reviewed each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:

- Pre Appointment
- Steps upon Appointment
- Planning and Strategy
- General Administration
- Asset Realisation/Management
- Trading Related Matters
- Employee Matters
- Creditor Claims
- Reporting
- Distribution and Closure
- Other Issues

Under each of the above categories the work is recorded in greater detail in subcategories. Please note that the 11 categories provide greater detail than the 6 categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring insolvency practitioners.

Where an officeholder's remuneration is approved on a time cost basis, the time invoiced to the case will be subject to VAT at the prevailing rate.

Where remuneration has been approved on a time costs basis, a periodic report will be provided to any committee appointed by the creditors, or in the absence of a committee, to the creditors. The report will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs.

Where expenses are incurred in respect of the insolvent estate they will be recharged. Such expenses can be divided into 2 categories:

**Category 1 Disbursements**

This heading covers expenses where BDO LLP has met a specific cost in respect of the insolvent estate where payment has been made to a third party. Such expenses may include items such as advertising, travel (by public transport), couriers, searches at company house, land registry searches, fees in respect of swearing legal documents, external printing costs etc. In each case the recharge will be reimbursement of a specific expense incurred.

**Category 2 Disbursements**

We propose to recover from the liquidation the cost of travel where staff use either their own vehicles or company cars in travelling connected with the insolvency. In these cases a charge of 45p per mile is raised which is in line with the Inland Revenue Approved Mileage Rates (median - less than 10,000 miles per annum) which is the amount the firm pays to staff. Where costs are incurred in respect of mileage, approval will be sought in accordance with the Rules to recover this disbursement.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.