

SPFL GENERAL MEETING

12 May 2020

REPORT FOR MEMBER CLUBS

This report has been prepared for the member clubs of the Scottish Professional Football League Limited (SPFL) and must be kept strictly private and confidential by all of those to whom it is circulated.

The report sets out the concerns of The Rangers Football Club Limited (**Rangers**) that have led it to call for an independent investigation into the actions of the SPFL and certain of its Executives. It also includes copies of advice and evidence provided to Rangers.

An Independent Investigation is in Rangers' view the best course to determine whether the actions of those involved was appropriate. Rangers does not believe the report commissioned by two members of the Board of the SPFL was sufficient for this purpose and in preparing this report for Member Clubs is responding to the requests from the Chairman and Chief Executive of the SPFL to share the information it holds.

SPFL GENERAL MEETING

CONTENTS

1	Introduction
2	Executive summary
3	Key issues
3.1	Material information not disclosed to Member Clubs
3.2	Dundee vote
3.3	Poor corporate governance
3.4	Behaviour of SPFL legal advisor
3.5	Threats made to Member Clubs
3.6	SFA/SPFL letter to UEFA
Appendix 1	Briefing paper issued to SPFL Board
Appendix 2	Material contracts
Appendix 3	Briefing paper issued to clubs
Appendix 4	Timeline prior to Board meeting on 8 April
Appendix 5	Timeline re Rangers, Hearts and Inverness resolution
Appendix 6	Transcript of Whats App messages
Appendix 7	Counsel opinion

SPFL GENERAL MEETING

1. Introduction

Following the suspension of all football by the SFA on 13 March 2020, due to the Coronavirus crisis, the SPFL Executive asked the SPFL Board to approve a written resolution to go to the members. The resolution sought approval from the members, to provide the Board with the power to call an end to each of the divisions within the SPFL. On approval of the resolution, the Board would have the immediate power to bring the Championship, League1 and League 2 to an end with the standings at that date to be deemed the final standings. The Board would then be empowered to take the same action with regard to the Premiership, subject to a decision on the Premiership being delayed until after the UEFA Executive Committee meeting scheduled for Thursday 23 April.

This paper has been prepared to provide information to members on what appear to be serious issues in the processes and conduct of the SPFL Executive and certain office bearers of the SPFL in the lead up to the vote, in the period surrounding the deadline for votes to be cast, and in the period between 5.00pm on Friday 10 April until the date of this report. As a consequence, Rangers along with other members of the SPFL, believes an independent investigation should be carried out by an appropriate Expert into the following:

1. The preparation and content of the briefing note and papers sent to Member Clubs with the resolution;
2. The decision to announce the result of an incomplete vote before all votes had been received;
3. The decision to disregard the vote submitted by Dundee FC and allow them to vote a second time;
4. The appropriateness of communications between the Executive of the SPFL and other Football governing bodies in relation to completing season 2019/20;
5. The interaction of SPFL Executives with Clubs during the voting process, including the disclosure to Clubs of how other Member Clubs had voted;
6. Compliance by the SPFL's Directors with the statutory and common law duties owed by them in relation to the Resolution; and
7. Any other matters which the Expert considers relevant.

This report has been prepared for the Member Clubs of the Scottish Professional Football League Limited (**SPFL**) and must be kept strictly private and confidential by all those to whom it is circulated.

The report sets out the concerns of The Rangers Football Club Limited (**Rangers**) that have led it to call for an independent investigation into the actions of the SPFL and certain of its Executives. It also includes copies of advice and evidence provided to Rangers.

An independent investigation is, in Rangers' view, the best course to determine whether the actions of those involved were appropriate. Rangers does not believe the report commissioned by two members of the Board of the SPFL was sufficient for this purpose and, in preparing this report for Member Clubs, is responding to the requests from the Chairman and Chief Executive of the SPFL to share the information it holds.

2. Executive Summary

- Rangers, having taken Counsel's advice, (see Appendix 7) has concerns that the Chief Executive of the SPFL, Neil Doncaster ("ND"), may have breached his duties as a Director of the SPFL. Rangers understands that ND was the guiding hand who determined the SPFL's actions, but this is a matter that should be checked and determined by the Expert. In particular, based on the information available to it at this time, Rangers believes that:
 - The SPFL did not provide Member Clubs with all material information available to it to allow members to make a fully informed decision on the written resolution presented to them;
 - The SPFL misrepresented the situation to its members through material non-disclosure;
 - ND as a Director and the Chief Executive of the SPFL breached his duty to exercise the care, skill and diligence expected of a person in his position;
 - There are reasonable grounds for suspecting that ND may have breached his fiduciary duty as a Director of the SPFL.

There is a large number of questions remaining unanswered in each of the areas detailed below and an Independent Investigation is required to provide satisfactory answers.

- Material information not disclosed to Member Clubs
 - £10m of potential liabilities resulting from approval of resolution was not disclosed to members:
 - Potential refunds of up to £10m could be due from the SPFL to broadcasters and sponsors. £10m represents 40% of the total 2019/20 members' fee payments from the SPFL. **Why was this not disclosed?**
 - Future SPFL revenues that can be distributed to members will be restricted if "settlements" are negotiated with broadcasters and sponsors, which involve the SPFL parting with other SPFL marketable properties without payment, e.g. league sponsorship rights. **Why was this not disclosed?**
 - There could be a huge financial impact on clubs' budgets for 2020/21 due to a reduction in fees receivable from the SPFL because of potential claims. **Why was this not disclosed?**
 - Clubs erroneously told they could only receive cash by voting for the SPFL resolution
 - This was a clear misrepresentation and was given as the reason why the resolution was being processed with such haste by ND. There were other means by which the SPFL could have distributed funds to its members. **Why was this not disclosed?**
 - Further advances on club payments could have been provided, thereby giving members more time to consider the options available together with all relevant information. This was denied by ND and the SPFL's legal advisor Rod McKenzie ("RMck") who seemed determined to follow their agenda and showed no appetite for exploring alternative options. **Why was this not disclosed?**

- Alternative ways of getting cash to clubs was raised in SPFL Board meetings by Rangers' Managing Director, Stewart Robertson ("SR"), and he was told by both ND and RMcK that this would require a change to the SPFL's Articles. Such a response was misleading as significant payments could have been made to clubs without such a change. A resolution could have been proposed to make final payments to clubs independent of a resolution to call an end to the season but the SPFL chose to conflate the two issues, risking the approval of providing urgently needed payments to clubs.
- **League restructuring**
 - The briefing paper given to the SPFL Board referred to "substantial problems" involved with league restructuring, but details of these problems were omitted from the briefing paper to clubs. **Why was this not disclosed?**
 - The consent of the SPFL's broadcasting partners is required for a restructuring. The significant difficulty in obtaining this consent whilst retaining the favourable terms previously negotiated with Sky was disclosed to the SPFL Board but omitted from the briefing paper given to clubs. **Why was this not disclosed?**

As highlighted above, significant material information was excluded from the briefing paper given to Member Clubs.

Rangers' Counsel's advice (Appendix7) is that this represents material misrepresentation by omission for which ND as Chief Executive of the SPFL seems to bear primary responsibility, subject to further investigation into the authorship and control of the briefing paper.

- **Poor Corporate Governance**

- **The SPFL Board did not approve the briefing paper sent to the clubs.**
 - The briefing paper omitted material information, as outlined above. It was sent out by ND without Board approval. It is Rangers' understanding that the briefing paper was prepared by ND and RMcK, but this should be verified through the independent investigation.
- Aberdeen negotiated a concession from ND prior to voting, that the Premiership clubs would be consulted prior to the SPFL Board calling the Premiership. **Why was this not disclosed to the other members voting on the resolution?** This means that Aberdeen voted on a different proposition from that voted on by other Member Clubs. Rangers do not criticise Aberdeen in this respect. Aberdeen were quite entitled to raise this point and ask for the concession granted by the SPFL. The problem is this was not communicated by the SPFL to other Member Clubs.
- Clubs were given a misleading impression that they had to vote by 5.00pm on Friday 10 April, when in fact they could have taken 28 days.
- 15 sets of SPFL Board minutes were unapproved as at 26 April.
- SPFL Board non-executive directors were provided with less than 24 hours to review 118 pages of detailed and complex documentation relating to the resolution. This was a transparent attempt to railroad the Board. The Expert should investigate the communications that led up to this meeting.
- The "result" of an incomplete vote was made public on Friday 10 April, undermining and potentially influencing the democratic voting process.

- The conclusions of the SPFL's QC opinion on the Rangers, Hearts and Inverness written resolution were leaked to Ross McArthur (SPFL Board Director) (**RMcA**) and Mike Mulraney (SFA Vice President) (**MM**) by the SPFL before they were provided to the SPFL's Board and / or the requisitioners. Both RMcA and MM told other Championship clubs that they knew the written resolution was incompetent on Thursday 9 April. The SPFL Board and Rangers, Hearts and Inverness were only informed of this on Friday 10 April. If this had been disclosed earlier, an amended resolution could have been prepared and submitted for members' consideration, as an alternative to the SPFL's resolutions. The circumstances of this leak and the motivations of those who authorised it should be investigated. Those who participated in the leak did not discharge their duty to ensure that the vote on the SPFL's resolution was handled fairly.

- **Dundee vote**

Much of this information has now been made public. However, some elements are reproduced within this report for completeness, together with several additional items.

The SPFL subsequently commissioned a report by Deloitte. The scope of the report did not address the substance of what actually happened in the period between 4.48pm on Friday 10 April when Dundee submitted a No vote and when Dundee were allowed to submit a second vote on Wednesday 15 April.

- Dundee's vote was sent to the SPFL at 4.48pm on Friday 10 April.
 - **Why was Dundee FC's email account not whitelisted ahead of such an important vote?**
 - **Why did no one check the SPFL's quarantine until 8.30pm? Was there an instruction not to do so or to delay doing so?**
- At 5.39pm on Friday 10 April, ND called and spoke to John Nelms ("JN"):
 - **What was said in that conversation that led to Dundee's Secretary contacting Iain Blair (IB) of the SPFL?**
 - **What was said in the conversation with IB that led to the subsequent text message from Dundee's Secretary telling him not to count Dundee's vote as cast?**
 - **On what basis was an instruction in such an irregular form from an officer other than the one who signed Dundee's vote allowed to override Dundee's vote as delivered to the SPFL?**
- On Saturday 11 April, JN contacted the CEO of Partick Thistle and offered to negotiate deals with Dundee United and Raith Rovers to forgo some of their fee payments in order that more could be made available to Partick Thistle and Stranraer. He also discussed the possibility of friendlies with "big hitters":
 - **Why did JN feel empowered to have such an inappropriate conversation with Partick Thistle's CEO?**
 - **Why did JN also feel empowered to have a similarly inappropriate conversation with the Chairman of Stranraer?**
 - **What other conversations did JN have on these matters? Did he speak to anyone at Dundee United or Raith Rovers? Were any officers of the SPFL aware of or party to these conversations?**

- In a letter to all SPFL clubs on Sunday 12 April from the SPFL Chairman Murdoch MacLennan ("MMcL"), MMcL stated "we have had a number of conversations with the Chairman of that club [Dundee] over the weekend":
 - **Who are "we"?**
 - **Do "we" include MMcL and / or members of the SPFL Executive? If so, which individuals?**
 - **What was the content of those conversations?**
- In a statement on 15 April, JN stated that he was only aware that Dundee's vote had not arrived at the SPFL when the SPFL published the status of the votes on Friday 10 April at 5.45pm. This is contradicted by the Deloitte report and the SPFL account which states that ND and JN had a conversation at 5.39pm before the vote results had been published.
- JN has stated that he "achieved a lot" in the period between the two votes being submitted:
 - **What did JN achieve in that period? Were any arrangements or understandings reached with the SPFL and / or any of its members in that period?**
- **Threats to clubs**
 - It was alleged that the CEO of Dundee FC and the Chairman of Inverness Caledonian Thistle FC were threatened by RMcA and MM that if Dundee and Inverness did not vote for the resolution, the Championship prize money would be split into ten equal payments and Dundee and Inverness would lose money.
 - These threats were reported to ND by the CEOs of both Dundee and Inverness.
 - ND did not report these threats to the SPFL Board:
 - **Why did ND not report the threats to the SPFL Board?**
 - **Did ND report the threats to the Chairman of the SPFL Board?**
 - **Did ND investigate the threats and, if so, what was the outcome of his investigation?**
- **Behaviour of SPFL legal advisor**
 - RMcK issued four "cease and desist" requests to the Rangers Chairman on the evening of Friday 10 April and the morning of Saturday 11 April, the final one of which said:
 - "Can we not simply resolve this by a confirmation that such an allegation will not be repeated in connection with these events and that the suggested course of action will not be proceeded with?"
 - **Why did RMcK feel compelled to issue this request on four separate occasions?**
 - This is what Douglas Park ("DP") was referring to in his statement of 11 April when he said that "Rangers will not be bullied into silence".

- Despite being formally instructed by the SPFL Board to assist Rangers, Hearts and Inverness in drafting a resolution to enable clubs to gain access to further fee payments, RMcK offered no meaningful assistance. Instead, he focused on why the resolution was not appropriate and subsequently proposed barriers that any draft would have to pass before being accepted. The delay in advising that the resolution had been deemed incompetent and subsequent failure to offer meaningful assistance to amend the resolution prevented a further resolution being made available to members.
- **SFA/SPFL letter to UEFA**
 - A letter was sent to UEFA on 4 April from ND and the CEO of the SFA.
 - The letter stated that the “vast majority of SPFL clubs are calling for curtailment of the 2019/20 season in Scotland” – **this was 6 days before the vote on the resolution.**
 - The letter also stated that payments due to clubs could only be made once the final league placings had been determined.
 - Both of these statements were material misrepresentations of the position at the date of the letter and can only have been designed to induce the UEFA Executive Committee to approve a premature end to season 2019/20 for Scottish football.
 - **Why was this information not disclosed to clubs?**
 - It is worth noting in this regard that the SFA does not intend to bring the Scottish Cup for season 2019/2020 to a premature end, instead indicating that this would be completed even if it took until 2021 to do so.
 - **Why was this not disclosed to UEFA when the SPFL/SFA wrote to them? Why should the completion of the SFA’s Cup competition be given priority over the Leagues? What discussions took place between the Executive Officers of the SFA and SPFL on this topic?**

Rangers has been advised by several Member Clubs that they have additional information that they would like to disclose concerning these events, but that they would only do so with the protection of an Independent Investigation. This is of particular relevance with regard to the accusations of bullying where the fear of recriminations persists. Such fears appear to Rangers to have substance and will no doubt, in part, be informed by the criticism directed by the SPFL and its media team at Rangers for bringing forward the request for a General Meeting.

BBC Scotland's Chief Sports Reporter also confirmed on the Sportsound programme on 2 May that they have spoken to members who are prepared to give testimony to an Independent Investigation.

Concluding remarks

Scottish Football's credibility has been badly damaged by recent events and the resolution proposed by the SPFL Board and approved by members is seriously compromised. Rangers believes that the only credible way to resolve this situation is for an Independent Investigation to be held and led by an experienced QC with at least 10 years standing and experience carrying out investigations/enquiries.

3. Key Issues

3.1 Material information not disclosed to Member Clubs

Given the importance of concluding Season 2019/2020, it was incumbent upon the SPFL Board to ensure that **ALL** material information which could affect each Member Club's ability to make a fully informed decision was disclosed.

The following fundamental information was **NOT** disclosed within the Member Clubs' briefing paper:

- (a) £10m of potential liabilities from 2019/20 commercial contracts if resolution adopted;
- (b) Clubs told they could only receive payments if resolution adopted whilst omitting to disclose that the SPFL already had the powers to make further funds available to clubs;
- (c) Although the briefing paper committed to consult with clubs over a possible league restructuring, it did not disclose the legal and commercial advice contained in the SPFL Board briefing paper that it was extremely doubtful that reconstruction could be secured without adverse financial impact.

It is notable that a QC opinion obtained by another member club, Partick Thistle, also concluded '*We consider the information provided by the SPFL to be materially inaccurate.*'

3.1 (a) Failure to disclose £10m of potential liabilities from 2019/20 commercial contracts if resolution was adopted in respect of the SPFL Premiership

From an early stage in the process, it was clear that the SPFL Executive wanted the 2019/20 season to be brought to an early conclusion, with the league standings being called based upon a 'Points Per Game' calculation as at 13 March. A QC's opinion was sought on the possibility that sums could be reclaimed from monies already received by the SPFL from broadcasters and other commercial partners. This risk, which is significant, was discussed at several Board meetings.

SR pressed ND on several occasions within Board Meetings to obtain an estimate of the maximum potential liabilities which the SPFL may be responsible for, if season 2019/20 was ended early. ND and RMcK were reluctant to provide this information and only persistent questioning eventually resulted in RMcK providing an estimate.

At one stage, when SR asked ND about the potential liability to Sky, ND said that part of any claim could be met by giving Sky the League sponsorship package at no cost. This is a right which has a value of c£1.5m per annum. Such a solution, or partial solution, would reduce clubs' fee payments from the SPFL in future seasons and was not mentioned within the Club briefing paper.

The briefing paper (dated 6 April 2020) provided to the Directors by ND for the meeting held on Wednesday 8 April (**Appendix 1**) contained 24 pages with at least 50% of the paper dedicated to legal opinion and discussion and referring in detail to the potential liabilities for the SPFL from contracts.

The document contained the following statements, including observations from a QC:

"I have no personal opinion on the choice between a) voiding or b) ending the season with clubs as they stand. I see that as a commercial matter with pros and cons in each case."

"The SPFL cannot fulfil outstanding obligations relating to season 2019/20 under many of its commercial contracts which will have become impossible to fulfil."

"This analysis demonstrates that Sky and BT have not received from us rights valued at around £10 million."

It is clear from the QC's opinion there is a strong probability that broadcasters and other commercial partners would seek and likely be successful in claiming repayment of funds paid to the SPFL for services not provided by the SPFL. The material contracts for season 2019/20 are outlined in **(Appendix 2)**.

Furthermore, the QC made it clear that all contracts could be terminated in late April under either Force Majeure or Frustration and refunds would likely be claimed regardless of what route was chosen to end season 2019/20 and not only in the event the season was declared null and void, as suggested in the briefing paper given to clubs.

Incredibly, there was no mention of this material risk being a potential outcome of the course of action proposed by the SPFL in the briefing paper provided to the clubs on Wednesday 8 April (**see Appendix 3**). This 14 page document had much of its text extracted from the larger 24 page Board document. Crucially, 13 pages of legal advice and discussion were summarised in two paragraphs in the briefing paper, but omitted to highlight the material risk that significant refunds would likely be claimed if clubs voted to proceed on the basis set out in the resolution.

The SPFL Directors were only sent the Club briefing paper half an hour before it was sent to the clubs by the SPFL Executive. This denied them the opportunity to provide input on the paper. Rangers Managing Director, SR, was unable to read the document until after the Premiership Divisional meeting. The briefing paper provided to the clubs was **not** approved by the SPFL Board.

Whilst the Club briefing paper stated that refunds would likely be payable if season 2019/20 was "null and void", there was no mention of refunds being payable under the proposal being recommended by the SPFL Board, despite the risk being highlighted by the QC opinion and having been discussed in detail at the SPFL Board meeting on 8 April.

The risk of a material sum being repaid to broadcasters was recognised by the SPFL Board, so why was this not deemed material and included within the briefing paper sent to Member Clubs? Any claims are going to have to be met from season 2020/21 commercial income and this will significantly impact the income and budgets for clubs in season 2020/21.

The significance of this material risk was further corroborated at the SPFL Board Meeting on 15 April, when the Directors were presented with an email from BT Sport which confirmed that it was considering its "position and rights" and requesting a call as a matter of urgency.

This led to RMcK seeking a further QC opinion. In the email to the QC, RMcK stated the following:

"I appreciate, as does the Board, that there is some degree of risk in making the £9.3m gross of fee payments now ... but there is some cover by seeking to ensure that the new season goes on at the agreed time and there will then be a payment of fees from Sky of £12.5m plus VAT plus sums in terms of other contracts for the new season in August. If the auditors think a provision should be made then it can be funded out of those payments"

Two days AFTER the reservation of rights email was received, the SPFL Executive proceeded to pay out £1.8m to clubs in the Championship, League 1 and League 2. It did so without alerting clubs to the risks to future payments and, by making payment to those clubs before payment to the Premiership clubs, preferred the claims of the clubs in the Championship, League 1 and League 2 at a point when the potential claims from the broadcasters threatened to exceed the cash held by the SPFL for future fee payments.

The potential liability of £10m represents c30% of the SPFL's forecast income for season 2019/20 and c40% of the SPFL's forecast fee payments to clubs for 2019/20.

Would Members have voted for the resolution had they known that there was potentially £10m of future income at risk?

Why did the SPFL Chief Executive not mention this risk within his briefing paper sent to clubs ahead of the vote?

The omission of this significant risk from the briefing paper would seem to breach the Chief Executive's duty as a Director to exercise care, skill and diligence in the performance of his duties. It is also potentially a breach of his fiduciary duties to the Company. Rangers would note, however, that ND was assisted in the preparation of this briefing paper by the SPFL's legal advisor. There may also have been others involved. Only an Independent Investigation can ascertain where the fault for this critical omission lies.

The SPFL Chairman, in his Open Letter dated 29 April 2019, included the following statement in his Q&A section:

'The legal briefing note discussed the hugely damaging consequences of attempting to 'void' the season and set out a range of options for determining final league placings.'

He neglected to mention 'hugely damaging consequences' of the proposed resolution, despite being advised of that risk in the opinion obtained from the SPFL's QC.

The Chairman's letter refers to a "very specific agenda" by some clubs, which suggests that they have no right to properly present their views but more importantly, ensure that if a proper and democratic decision is to be made, that it is done with the benefit of all of the relevant information i.e. full details of the advantages and disadvantages of the proposal e.g. how this might affect possible sponsors claims. The letter refers to the SPFL QC's opinion and why not all of it was provided but the edited version removed key details that should have been made available to all clubs in order to make an informed decision. Whilst a summary may be appropriate in certain circumstances, that assumes that the summary contains the key facts which on this occasion, it did not.

3.1 (b) Clubs told they could only receive payments if resolution adopted

At the Board meeting on 8 April to approve the SPFL's written resolution, SR asked why it was being rushed through so quickly without giving the Board and Member Clubs adequate time to fully understand all issues that needed to be considered. He was told by ND and RMcK that there were numerous clubs desperate for funds and that this was the only way to get cash to them. SR suggested changing the rules to permit the cash to be distributed to clubs and separate the financial issue from the decision as to what should be done with season 2019/20; this would provide some breathing space to the clubs and also to the Directors to ensure that the Board had fully considered all relevant issues in a sufficient level of detail, which SR did not believe had been done, especially given the magnitude of the decision being taken.

SR was told by RMcK that this was not possible. This is despite the SPFL Rules allowing loans to be made to clubs and advances on club payments having been made as recently as the 2016/17 season. There was no appetite shown by ND or RMcK to explore other options for making payments to Member Clubs.

Both the Club and Directors' briefing papers said that the only way clubs could receive fee payments was to vote for the written resolution. The impression was created that this was the only way of delivering payments to the clubs. This was disingenuous at best. Other options did exist, but had been discounted without proper consideration / debate.

The letter sent on 12 April by the Chairman of the SPFL to all Member Clubs was still insisting that:

"For the Board to be able to authorise end-of-season fee payments to clubs (amounting to £9.3million gross), final league placings must be determined. Those who have suggested that the SPFL may make such payments, without a line being drawn under season 2019/20, are wrong."

This is also disingenuous, although the word "such" may make it technically correct, as the Chairman should have been aware there were other ways that funds could have been provided to help clubs. Indeed, he signed off the SPFL's Annual Report for season 2016/17 which detailed advances on club payments having been made.

Notwithstanding this fact, Rangers, Hearts and Inverness lodged an alternative written resolution ("the RHI Resolution") which was designed to give clubs the ability to access cash through an alternative route to that being proposed by the SPFL Executive. It was only after the RHI Resolution had been deemed as incompetent that RMcK notified Rangers that the Company already had the power to provide loans to Member Clubs. (See Section 3.4 – Behaviour by SPFL legal advisor).

In summary, it was misrepresented to clubs that the only way they could receive funds from the SPFL was to vote for the SPFL's written resolution. This is an impression which several clubs have confirmed. The SPFL Executive were using semantics to cloud the issue. The reality is that if they had pursued an alternative way to advance cash to clubs with the same vigour with which they pursued this option, this could have been achieved. **Why did they behave in this way, especially when they knew that advances had been made on several occasions in the past?**

3.1 (c) League restructuring

A section of the SPFL Board paper discussed, at length, the 'substantial problems' involved with league restructuring. In particular, the report highlighted:

'It would require the consent of our media partners, including Sky Sports, BBC, Infront and IMG. With a substantial global depreciation of asset prices and sports broadcasting rights very likely to be a consequence of the coronavirus crisis, it is highly questionable whether our broadcast partners would be keen to sign up to these new five year contracts at the values we have achieved in respect of seasons 2020/21 to 2024/25 inclusive.'

Simply put, the SPFL were unlikely to allow the broadcasting partners the opportunity to re-open negotiations on contracts already secured on favourable terms. Despite this, they dangled the carrot of league restructuring to secure support for their resolution.

These 'substantial problems' were not explained in the Club briefing paper, which only briefly referred to 'a number of difficulties with agreeing such restructuring'. *Clubs were not alerted to the issues that were likely to be encountered with broadcasters; a particularly surprising omission when the risk of reopening the Sky contract for 2020/2021 and beyond was given as a key reason for not extending the 2019/2020 season.*

3.2 Dundee vote

At the SPFL Board meeting on Friday 10 April at 5.00pm, it was reported that Dundee's vote hadn't been received by the SPFL. Ross McArthur (RMcA) said that he understood that Dundee were submitting a NO vote. The Board meeting concluded around 5.15pm. The votes as they stood at 5.15pm were made public around 5.45pm.

Dundee sent a NO vote at 4.48pm on Friday 10 April. It was sent by Eric Drysdale (ED), Club Secretary, Dundee FC, to both Iain Blair (IB) and Michele Shields (MS) from the Dundee FC email account. The vote was signed by John Nelms (JN). Per the SPFL, it landed in the email quarantine accounts of IB and MS and this was only discovered at 8.55pm.

In a QC opinion circulated to SPFL Board members the following information was reported:

ND called JN following the SPFL Board meeting. He didn't speak to him the first time he called. At 5.39pm, ND called and spoke to JN:

"ND asks JN whether Dundee FC intends to vote today. JN saying he thought Dundee FC Club Secretary ED might have voted already but would check. ND confirming with JN that no vote had yet been received by him or, so far as he knew, by any other member of SPFL staff. ND discussed the possibility of league reconstruction with JN, following approval of the resolution, as outlined in the SPFL Board's briefing note."

At 5.43pm, the SPFL sent an email to all Member Clubs confirming that a statement "would be issued shortly". This was the statement containing the results of the vote.

On 15 April, Dundee FC released a statement saying that "we were not aware ... until the SPFL published the "results" of the incomplete vote and it was shown that Dundee FC's vote had not been received".

This contradicts the timeline shown above, i.e. it is claimed that ND told JN at 5.39pm that Dundee's vote had apparently not been received.

At 5.50pm, ED called IB.

At 6.00pm, ED texted IB to say:

"Iain, I understand John has spoken to Neil. Please do not consider our vote as cast, at the present time."

This was confirmed in an email from RMcK to Rangers' legal Counsel sent at 10.20pm.

At 6.01pm - ND posts the following message on the SPFL Board Whats App Group in response to a question from Ross McArthur (SPFL Board Director):

"Hi Ross, I'm in discussions with John. Neil"

At 6.48pm (per the SPFL) JN called ND and said that he would be considering over the weekend how Dundee would vote.

At 7.44pm - DP called ND. ND refused to speak to DP.

At 7.46pm - ND called DP back. DP made allegations about information which he had received from a whistleblower.

At 8.12pm - RMcK emailed Rangers' legal Counsel and asked him to confirm that the allegations made by DP would not be repeated.

At 8.30pm - SPFL Executive team had a conference call – RMcK confirmed that any vote that had been sent by Dundee FC, which had yet to arrive, should in his opinion be disregarded on the basis of the instruction given by ED at 6.00pm.

IB accessed the email quarantine and reported that there was an email from ED which appeared to have been there since 4.48pm. The email was released at 8.55pm. It is not clear why this quarantine account had not been checked previously. No explanation for that is provided in the Deloitte report.

At 9.35pm - RMcK emailed Rangers' legal Counsel. He confirmed the content of ED's text to IB (see above) and also said:

"It was correct that Neil had shortly before spoken to Mr Nelms."

"Iain confirmed receipt of that communication immediately and to the best of my knowledge and belief no subsequent communication has been received from or on behalf of Dundee FC suggesting that what was stated in the above quoted communication had changed."

ED's conversation with IB was not referenced.

RMcK reiterated his request that the allegations made by DP to ND should not be repeated.

At 10.11pm, RMcK again emailed Rangers' legal Counsel and asked for a third time that the allegation should not be repeated.

At 11.21am on 11 April – RMcK replied to an email from Rangers' legal Counsel and at the end of his email he asked:

"Can we not simply resolve this by a confirmation that such an allegation will not be repeated in connection with these events and that the suggested course of action will not be proceeded with."

On 11 April, Rangers was contacted by the CEO of Partick Thistle to say that JN had called him and that he appeared to be trying to negotiate percentages of league fees from teams that may be promoted, Dundee United and Raith Rovers in particular, to offer to relegated clubs such as Partick Thistle and Stranraer. He also referred to pre-season friendlies with "big hitters".

Rangers were subsequently contacted by the Chairman of Stranraer who said that he had also been contacted by JN, making similar suggestions to those made to Partick Thistle.

Both Partick Thistle and Stranraer refused to get involved in any discussions on the subject with JN.

On 12 April, MMcL sent a letter to all clubs which included the following statement referring to the Dundee vote:

"We have had a number of conversations with the Chairman of that club [Dundee] over the weekend."

On Wednesday 15 April, Dundee changed their vote to YES.

The original NO vote of Dundee should have been accepted and a new resolution and vote put to members with sufficient time given to members to evaluate all options available.

A separate QC opinion obtained by Partick Thistle concluded *'The Written Resolution having been rejected, that is the end of the matter. If the SPFL do not accept that this is the effect of its own Articles then, in our view, court action can be commenced to seek a declarator and interdict to that effect.'*

The resolution is, and has always been, compromised.

Questions we would like an independent investigation to consider:

- ***What was said in the conversation between ND and JN during their call at 5.39pm on Friday 10 April?***
- ***What was said in IB's conversation with ED?***

- *Who from the SPFL was involved in the weekend conversations with JN and what was the content of those calls?*
- *Why did Dundee FC change its vote from “NO” to “YES?”*
- *Why was Dundee FC’s email account not “whitelisted”?*
- *Why did no-one at the SPFL check the quarantine accounts of IB and MS until 8.55pm?*
- *Why did JN offer to negotiate “deals” on behalf of Partick Thistle and Stranraer with those clubs promoted from the Championship and League 1? Did JN speak to any other clubs?*
- *Why did Deloitte not speak to Dundee or any of the Championship clubs mentioned in the WhatsApp messages that have been made public (see Appendix 7) when performing their “Independent Investigation” into the timeline of events surrounding the Dundee vote?*

3.3 Poor corporate governance

There have been numerous examples of poor corporate governance throughout the process and these are summarised in bullet point form below. (See also **Appendix 4**):

- As at 26 April, there were 15 sets of Board minutes which were unapproved. These were belatedly approved on 27 April.
- The SPFL Non-Executive Directors were provided with less than 24 hours’ notice to review 118 pages of detailed information relating to the proposal including two QC opinions, a 24 page briefing note that referred to the QC opinions and several other documents. SR insisted that the Directors be given more time to review the papers and, only after lengthy discussions with the Chairman, was the Board meeting moved from 12 noon on 7 April to 8.30am on 8 April. This was still insufficient time to fully consider the implications of all the information provided. SR’s email to ND from 10.48am on 7 April is printed below:

Hi Neil

Further to our brief call this morning, I refer to the papers sent to me last night for today’s Board meeting. It is clear that a massive amount of work has gone into producing the various papers from the Exec team however the upshot of that is that the volume of information that requires to be digested and properly considered is such that there is no prospect of me being able to get through all of the information prior to today’s meeting.

I made the point very clearly on our last Board call that it was important that the Club Directors were given sufficient time to review and consider the papers; however to receive in excess of 100 pages of information less than 24 hours before the meeting, given the current circumstances and challenges that we are dealing with in our day jobs and to be expected to make a decision at today’s meeting is unreasonable. It is important that the non-executive Directors of the company have adequate time to review and reflect on matters and are not just bounced by the executive submitting information on such important matters at a late stage.

I've raised this on several occasions in the past, and as recently as last week.

I am still happy to attend today's meeting and to obtain additional clarity on several points but to be clear, I am not going to be in a position to take any decisions today.

Given that UEFA aren't going to take any decisions until the end of April we have plenty of time for the Board to give this issue due consideration and not rush into a decision ahead of all of the risks being given a thorough airing. It is important that all Directors are in a fully informed position before making a decision.

Best

Stewart

- The Directors were only sent the Club briefing paper 30 minutes ahead of the Premiership Divisional meeting. This will have meant that many did not have the opportunity to read it properly or at all until after the Divisional meeting. The paper was NOT approved by the SPFL Board and omitted material information which effectively prevented the clubs from being able to make a fully informed decision (see Section 3.1 above).
- Clubs believed that they were being given only 48 hours to review the briefing paper and to decide how they wished to vote on the written resolution. There was no opportunity to debate the various options that had been discarded or to establish that there were potentially up to £10m of liabilities facing the SPFL if the SPFL Premiership season was ended prematurely. Each divisional meeting lasted for only one hour and the clubs hadn't had an opportunity to read the briefing paper in advance of these meetings.
- The process by which the SPFL concluded on their proposed resolution and communicated it to members was fatally flawed.
- Clubs were given a clear impression that votes had to be made by 5.00pm on Friday 10 April, when they actually had 28 days to make a decision. This was misleading.
- The representatives of two Championship clubs, Mike Mulraney, Alloa Chairman (also Vice President of the SFA) and Ross McArthur, Dunfermline Chairman (and SPFL Director), had been made aware that the RHI written resolution was going to be deemed incompetent on Thursday 9 April. They informed other Championship clubs of this. The SPFL Board meeting to discuss the RHI Resolution was held at 9.30am on Friday 10 April, where RMcK confirmed that the RHI resolution was deemed incompetent. ***Why were these individuals given this information and who within the SPFL Executive furnished them with it?***
- The Board was only provided with the QC's opinion regarding the RHI resolution at 9.20am on Friday 10 April, i.e. 10 minutes before the meeting started, despite the fact that it was dated 9 April. ***Why was the distribution of this QC opinion to the Non-Executive Directors delayed?***
- Reports of this SPFL Board meeting were then leaked to the press within a couple of hours of the meeting ending. The source of these leaks should have been investigated but wasn't.
- The statement issued on Friday 10 April by the SPFL Executive (which wasn't approved by the Board) notifying the public that the RHI resolution had been deemed incompetent, contained material misstatements regarding the interaction between Rangers and the SPFL's legal advisor (RMcK). The statement said that the only communication from Rangers had been an email sent at 10.18pm on Thursday 9 April. As you can see from **(Appendix 5)** there was significant interaction. The statement was incorrect and gave a false representation of the true facts.

- The manner in which the result of an incomplete vote was made public on Friday 10 April completely undermined the democratic voting process. This was compounded by the discussions held in the succeeding days.

3.4 Behaviour of SPFL legal advisor

Following the decision of the SPFL Board to approve the SPFL's written resolution (approved by an 8-1 vote), Rangers decided to lodge a written resolution, the RHI resolution. The purpose of the RHI resolution was to separate the ability of the clubs to receive advances on fee payments from the decision to end season 2019/20 prematurely. The resolution was supported by Hearts and Inverness Caledonian Thistle.

There was significant interaction between Rangers and the SPFL (see **Appendix 5**) prior to the written resolution being discussed by the SPFL Board at a meeting which was scheduled for 9.30am on Friday 10 April.

Despite the various interactions, at no point during this process was any assistance provided by the SPFL legal advisor regarding the wording of the resolution. There was also no indication that he had sought a QC's opinion on the competency of the resolution. The SPFL's legal advisor is an employee of the SPFL which is owned by its members. His tasks include assisting the members, but at no point did he provide any assistance to Rangers, Hearts or Inverness.

Ten minutes prior to the Board meeting, a QC's opinion (dated the previous day) was made available to SPFL Directors. There was therefore no chance to review this ahead of the meeting. It was dated 9 April, so one can only guess why RMcK did not instruct the opinion to be made available to Board members the previous day.

The RHI written resolution was deemed to be ineffective because of one word: "instruct". It seems ridiculous that Rangers wasn't notified of this and, with some productive dialogue, an amended RHI resolution could have been drafted and put to the SPFL Board for approval. This seems even stranger when you consider that two Chairmen of Championship clubs (see above) had been made aware that the resolution was deemed incompetent before some of the Directors on the SPFL Board.

Following a detailed discussion, the SPFL's legal advisor was instructed at the aforementioned Board meeting to assist Rangers to amend the RHI resolution to encapsulate the spirit of what Rangers was trying to achieve. However, through the course of that day, RMcK offered no practical assistance, instead continually finding reasons why in his view the resolution was inappropriate. At no point did he suggest any alternatives.

He did however confirm to Rangers' legal Counsel in various emails that the SPFL Board already had the power to provide loans to clubs. Details of that correspondence are contained at (**Appendix 5**).

SR viewed RMcK's behaviour as obstructive and raised this at a SPFL Board meeting held on Tuesday 14 April and RMcK was once again instructed to assist Rangers with the RHI resolution. He eventually replied to an email sent to him on 14 April on Saturday 18 April at 6.00am (3 days after the SPFL's resolution had been deemed to have been passed), hardly the behaviour of someone who has been instructed by his Board to assist a member club.

3.5 Threats made to Member Clubs

Two Championship clubs, Dundee and Inverness, claim that they were "threatened" by Ross McArthur (Dunfermline Chairman and SPFL Board Director) and Mike Mulraney (Alloa Chairman and Vice president of the SFA), that if they didn't vote for the SPFL's written resolution, the other Championship clubs would ensure that the prize money was split into ten equal payments which would result in the two clubs receiving less prize money than they would if the resolution was approved. Such a change to the distribution of funds could only be implemented by the SPFL. RMcA was a Director of the SPFL and those to whom this threat was made would have been aware of RMcA's position.

The threats were reported to ND, who allegedly asked if RMcA was acting in his capacity as Dunfermline Chairman as opposed to in his capacity as a SPFL Director. **Did the CEO of the SPFL investigate the threat which was reported to him? If he didn't, why not and why wasn't this reported to the Chairman of the SPFL or the SPFL Board if he was aware of it?**

The threat was given substance by the fact that RMcA was a Director of the SPFL. It is nonsensical to suggest that the threat would have been acceptable if RMcA, in making it, was not acting in his capacity as a SPFL Director. It is not possible to separate RMcA's position as a SPFL Director from the threat that was reportedly made.

It has also been alleged that Ken Ferguson (KF) (Brechin City Chairman and SPFL Board Director) called League 2 clubs and told them that Inverness had changed their vote to YES and, as a result, the Resolution was going to be approved and that there was no point in League 2 clubs voting NO. This was untrue as Inverness were not changing their vote, and, if any League 2 Clubs changed their vote on this basis that would invalidate their vote. Rangers' concern about this allegation is particularly acute given that the club chaired by KF were spared from potentially being relegated from League 2 by the passing of the Resolution.

We would want an Independent Investigation to question the League 2 clubs regarding this allegation. There is a danger that sporting merit as a means of determining promotion and relegation was undermined as a consequence of what has been alleged. Whilst not commenting on the truth or otherwise of the allegation, Rangers notes the importance to all Member Clubs of ensuring that sporting merit is the sole basis on which matters of promotion and relegation should be decided.

It has also been alleged that RMcA called at least one Championship club and said that if the resolution wasn't approved, the Premiership clubs would remove any prospect of League Reorganisation talks. Again, RMcA's position as a Director of the SPFL is of particular relevance if this allegation is correct.

The text of Whats App conversations between a group of Championship club members have been put in the public domain. Rangers have seen these messages directly from a member club that is part of that group to confirm their authenticity. A transcript of these messages is attached in **(Appendix 6)**. The originals will be made available to the Independent Investigation.

The messages clearly indicate that significant pressure was being placed on those Championship clubs who were unhappy with the SPFL proposal, several of whom have confirmed within their public statements that they were being coerced to support the resolution or there would be repercussions. In the specific cases referred to above, these threats were made by senior office bearers of the SPFL and SFA.

3.6 SFA/SPFL letter to UEFA

Following the announcement by UEFA on 2 April that they would not recognise nominations for the UCL and UEL from those countries that didn't complete their 2019/20 seasons, a letter was sent jointly from the Chief Executives of the SFA and SPFL on Saturday 4 April (six days before the clubs voted on the SPFL written resolution).

The letter was clearly intended to influence the UEFA Executive Committee that a dispensation should be provided to permit the SPFL to end the 2019/20 season prematurely.

The letter misrepresented the position as at the date it was written as outlined below.

In the opening paragraph it states:

"We are writing as discussed, to explain why the vast majority of SPFL clubs are calling for curtailment of the 2019/20 season in Scotland ..."

How was it possible for such a statement to be made at that time prior to the vote? There had been no survey of clubs. Rangers, along with several other clubs we have spoken to, had not been asked for their opinion.

The SPFL's Chief Executive has misrepresented the position of the SPFL clubs to UEFA as at 4 April.

The letter goes on to discuss payments due to clubs and states:

"These payments which amount to £10m in total, cannot be made until final league placings are determined."

As stated earlier in this report, this is disingenuous and was designed to encourage UEFA to offer the SPFL a concession to end the 2019/20 season early.